Rosseti Tyumen JSC 2019 Annual Report, pre-approved by the Board of Directors of Rosseti Tyumen JSC
“___” _____ 2020
approved by decision of the sole shareholder
Rosseti Tyumen JSC, Rosseti PJSC on the ___ day of _____ , 2020
Management Board Meeting Minutes No. _____of _____2020

_____
Director General
Rosseti Tyumen, JSC
A.V.Soldatenko

ROSSETI TYUMEN, JSC
2019 ANNUAL REPORT

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TRANSITION OF THE GROUP OF COMPANIES ROSSETI TO A UNIFORM BRAND ARCHITECTURE

In June 2019 the Saint-Petersburg International Economic Forum became the venue to present a Uniform standard Rosseti PJSC for corporate style, and the organization of Rosseti group of companies, approved by the Board of Directors of Rosseti PJSC, on April 29, 2019. Since then all associated subsidiary companies of the main and distribution power grid complex have transitioned to the uniform brand architecture in corporate and marketing communications and started using new names, containing the Rosseti trademark with a regional or functional reference.

The transition to the uniform brand architecture featured two main stages:

Stage 1

Upon the approval of the Common Brand Standard by the Board of Directors of Rosseti PJSC, all subsidiary and associated companies of the distribution and main complex conducted the appropriate corporate procedures. The brand elements are further replaced upon the expiration depreciation terms within the limits established in the existing budgets and the approved business plans

Stage 2

Change of legal names of associated subsidiary companies

Since late December 2019 the associated subsidiary companies of the distribution complex, included in Rosseti group initiated the change of legal names in compliance with the new brand architecture.

Uniform Brand Possibilities

As of the beginning of 2019 the Russian power grid complex had no common recognizable brand name, identified and understood by the general public. Public trust to Rosseti was split between direct subordinate organizations with each of them working separately to its good name in their sector among consumers, shareholders and contractors. However, the simultaneous existence of 15 brands caused confusion and low brand awareness among the people with no direct relation to the power grid sector. At the beginning of 2019 the Rosseti brand was significantly underestimated. In fact, it directly influenced the company's quotes at public equity

markets and impeded the growth of the shareholders' revenues. Stronger corporate identity opened new opportunities for boosting the holding investment attractiveness.

Introducing a brand ideology common for all associated subsidiary companies and the resulting improvement of the Rosseti group brand awareness allows focusing the attention of stakeholders and the global general public on the power holding activities taken under a common reputable brand. A large-scale rebranding shall stimulate the advanced growth of the Company's general investment attractiveness, as well as its capitalization and brand loyalty. The implemented transformations shall serve as a shortcut for the company's interaction with stakeholders, while the common brand shall stand for the uniform quality standards of Rosseti operation across Russia.

Insert a photo + quote by P.A. Livinsky: *Rosseti unites 70% of distribution grids and 90% of main grids, implements common approaches towards the management and development of the national power grid infrastructure, continuously improves the quality and broadens the range of the services provided. The common brand strengthens the interconnection between the Rosseti group members, providing for the better national and sectoral brand awareness. Our interaction with the consumer becomes simpler and more transparent. The transition towards a common brand name is a part of a consistent large-scale transformation of all the holding activities".*

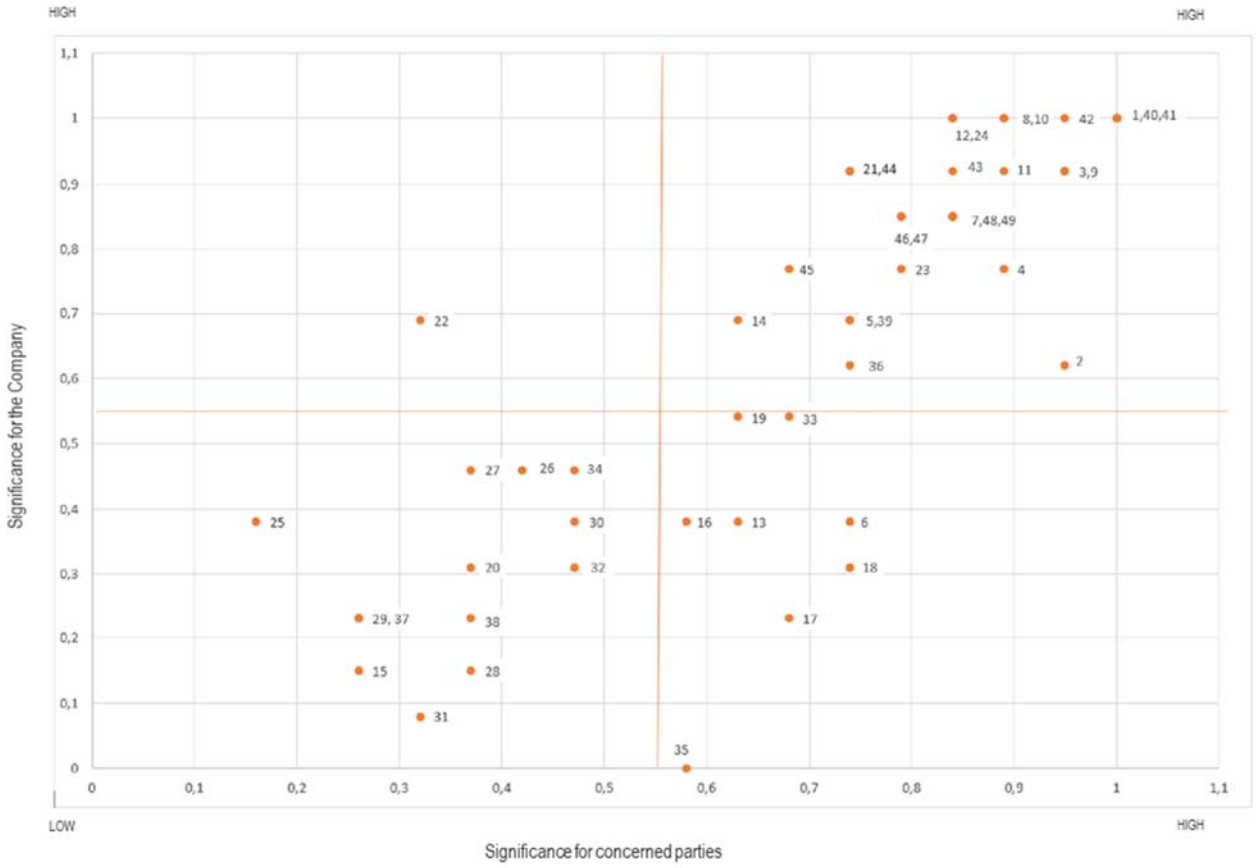
Re-naming the associated subsidiary companies shall not entail any structural or staff changes. Moreover, comprehensive communication based upon the common brand alongside with other Rosseti initiatives aimed at promoting the energy sector will raise the profile of the power engineer profession and attract best talent. The transition to the common brand architecture shall make every employee of the Company, regardless of their location, feel as a part of a large 220 thousand team and participate in solving common challenges the holding faces. The team of power engineers united by common goals can achieve even more significant results.

ABOUT THE REPORT

The present Annual Report of Tyumenenergo JSC for 2019 (hereinafter referred to as – Annual report) has been drawn in compliance with the requirements of Russian stock market law and the annual reporting guidelines for Rosseti PJSC subsidiary companies.

Non-financial information for 2019 is disclosed per the GRI Standards and including a specialized appendix for electricity companies; the scope of disclosure is at the Core level. The Annual Report also specifies the actions the Company takes to achieve the UN Sustainable Development targets.

Significant Activities



Economy

1. GRI 201: Economic Performance
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42. Development Prospects*
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* Indicators significant for the Company activities.

1. COMPANY PROFILE

1.1. GENERAL INFORMATION

In March 1993, pursuant to the state privatization program, Tyumenenergo Public Joint-Stock Energy and Electrification Company was founded as the legal successor to the Tyumenenergo Tyumen Production Association of Energy and Electrification.

Until 2005, Tyumenenergo JSC had been a vertically-integrated company concerned with the production, transmission, and distribution of electric power. After the industrial reform of March 2005, generating and distribution enterprises were separated from the Company, whereas Tyumenenergo JSC itself became a distribution grid company.

Since April 2007 and to this day, the Company is an interregional distribution grid company acting in three of Russia's constituent entities: the Tyumen Oblast, the Khanty-Mansi Autonomous Okrug — Yugra, the Yamalo-Nenets Autonomous Okrug. The company serves an area exceeding 1.4 million sq. km, which is home to about 3.6 million people.

On December 23, 2019 Tyumenenergo JSC became the first company from the Rosseti group to gain a new legal name - Rosseti Tyumen, JSC - in compliance with a common holding brand architecture.

Today, Rosseti Tyumen JSC's nine branches have 652 35-to-220 kV substations and 7,185 6- 10/0.4 kV transformer substations with a total transformer power of 29.9 MVA; the length of power lines the Company services totals 50,9 thousand km. Annual productive power output – 56.5 billion kWh. As of January 01, 2020, the Company holds 67.1 % of the power transmission market.

1.2. HISTORICAL REVIEW OF THE COMPANY'S FORMATION BEFORE EQUITIZATION

At the 40th anniversary of the Company let us remember its starting point.

One of the largest power grid systems of the Russian Federation (Tyumenskaya) was formed by the order No. 60 of the Ministry of Energy of the USSR dated 03.05.1979 uniting the power facilities of Maintenance and Operations Area (MOA) "Sverdlovenergo".

The main task of Tyumenenergo was the development of the Tumen power grid system to provide power for oil & gas industry of the West Siberian Oil & Gas Complex. It united powerful capacities - two acting ones (Tyumenskaya and Tobolskaya TPS) and one power station under construction (Surgut Hydroelectric Power Station 1 (GRES - 1)), five power grid companies (Tyumen, Tobolsk, Ishim, Surgut Power Grid and Nizhnevartovsk Electric grid company). The set capacity of the power system was 2,894 MW with the length of power lines of up to 12 thousand kilometers with dozens of substations.

In the period of 1980-1983 new power grid companies were founded as part of Tyumenenergo framework: Northern and Uray Electric grids. In April 1981 the first of the third phase power blocks at Surgut GRES-1 was commissioned.

At the end of 1983 the capacity of Surgut GRES-1 reached 3,324 MW. The station equipment included two district heating power blocks, which fed the centralized heating in Surgut. At Tobolsk TPS two turbogenerator sets with the capacities of 135 and 175 MW were commissioned along with start of Surgut GRES-2 construction. In 1982 the 500 kV overhead power line was commissioned to connect Surgut and the Nizhnevartovsk power district – a locality with the highest growth in power consumption caused by a wide-scale use of electric drives for oil extraction. The same year the construction of the 500 kV "Kholmogorskaya - Urengoy" OPL was finished. It was the first time for subpolar gas extracting districts of Nadym and Urengoy power generation systems, previously fed from stand-alone stations, to get a reliable and cost-efficient power source.

In 1983 the construction of the second backbone line, 500 kV "Reftinskaya GRES - Tyumen - Surgut", was finished. It ensured the reliability of interconnections with the Urals.

In 1984 in Tyumen, facing the growing need in thermal power, the construction of TPS-2 started. The first station power block was commissioned in July 1986.

On March 1, 1985, the first power block with the capacity of 800 MW was connected to the network at Surgut GRES-2. The second one was commissioned in November the same year – a previously unmatched commissioning of two power blocks for a single power station with such capacities in the same year.

In 1986 Tyumenenergo acquired two new power grid companies, i.e. Nefteyugansk and Noyabrsk Electric grids. The first foundation stone of Nizhnevartovsk GRES was put. The station was to be built in the very center of the largest power node in the Eastern part of Yugra with the famous Samotlorskoye deposit.

In February 1987 Surgut GRES-2 was separated from the United Surgut GRES, and the same month Kogalym Electric grids was formed.

The creation of Surgut power complex consisting of two powerful stations and the power grid infrastructure completed the development of Tyumen Power System. It secured full power supply for the industry and the social sector of the Northern part of the Tyumen Oblast. Since mid-1987 the Tyumen Power System has been energy-excessive with power being supplied to Urals via the established interconnections.

By 1988 Surgut GRES-2 had already 6 power blocks put in operation. A set station capacity was 4,800 MW. In 1990 Tymenskaya TPS-2 had 4 power blocks with a total power capacity of 775 MW and the thermal capacity 1,410 Gcal/h.

For the first 11 years of Tyumenenergo operation more than 11,000 MW were put in operation at the power stations in the Tyumen Oblast. The mean rate of block commissioning was a record-breaking 9 months. More than 30 thousand kilometers of 35-500 kV OPLs and dozens of substations with the 110-500 kV voltage class were built as part of the electric grids.

In March 1993, pursuant to the state privatization program, Tyumenenergo Public Joint-Stock Energy and Electrification Company was founded as the legal successor of Tyumenenergo Tyumen Production Association of Energy and Electrification. Three years later Public Limited Liability Company "Tyumenenergo" was re-registered as Tyumenenergo JSC.

1.3.2017-2019 KEY PERFORMANCE INDICATORS

Indicator	Unit	2017	2018	2019	2019/2018 Deviation	
					Abs.	%
Financial Performance (RAS)						
Revenue from Sales of Products (Services)	million rubles	57,893	58,607	63,465	4,858	8 %
Net Profit (Loss)	million rubles	23	-2,068	-533	1,535	-74 %
EBITDA*	million rubles	9,386	7,374	10,465	3,091	42 %
Effect of Reducing per-unit Operating Expenses	%	-7.1	-4.4	-4.5	-0.1	–
*Target Reduction of per-unit Operating Expenses***	*%*	*−3*	*−2*	*−2*	–	–
Net Assets	million rubles	125,503	128,740	133,795	5,055	3.93
Loan Portfolio	million rubles	2,834	5,725	1,900	−3,825	−66.81
Total Debt to EBITDA		0.30	0.78	0.18	−0.59	−76.61
EBITDA	%	40.15	27.53	25.54	−1.99	−7.24
Financial Performance (IFRS)						
Revenue from Sales of Products (Services)	million rubles	57,896	58,829	63,502	4,673	8
Operating Expenses	million rubles	55,422	57,239	59,814	2,575	4
Profit for the Reporting Period	million rubles	1,878	750	2,455	1,705	>100
Loans and credit facilities (regardless of leasing obligations)	million rubles	2,834	5,756	1,900	-3,856	-66.99

Operating Performance						
Power Released to Grid	million kWh	65,022.0	57,853.8	58,059.7	205.9	0.36
Power Released from the Grid	million kWh	63,322.1	56,213.6	56,512.7	299.1	0.53
Power Losses	million kWh	1,699.9	1,640.2	1,547.0	-93.2	-5.68
Losses	%	2.61	2.84	2.66	–	-0.18
Investment Performance						
Capital Investment Disbursement	million rubles VAT exclusive	10,492	11,582	8,454	-1,328	-27.01
Capital Investment Financing	million rubles VAT inclusive	12,276	11,952	11,572	-280	-3.18
Fixed Assets Put into Operation	million rubles VAT exclusive	6,984	9,443	11,802	2,359	24.99
Transformer Power Put into Operation	MVA	281	195	560	365	186.81
Power Lines Put into Operation	km	0	0	12	12	100

**EBITDA stands for earnings before interest, taxes, depreciation, and amortization.*

*** Pursuant to Directive No. 2303n-P13 of the Government of the Russian Federation dd. April 16, 2015.*

1.4.EFFICIENCY FOCUS: MILESTONE EVENTS OF 2019

JANUARY

The Company received an official message of acknowledgement from IDGC of Siberia PJSC. It recognized the Company contribution to setting up a more reliable power supply of Krasnoyarsk during the preparation for the Winter Universiade.

FEBRUARY

Four employees of Rosseti Tyumen JSC were awarded the prizes at the XIX All-Russian Engineer of the Year Contest. Vitaly Lopatin became the prize winner, Marina Vladimirova was awarded with the Professional Engineer of Russia title, Elena Yeliseeva and Anton Abramov were the winners of the first Engineering Art for the Youth round (organizer – Russian Union of Scientific and Engineering of Public Associations).

During the Russian Investment Forum in Sochi Tyumenenergo JSC and STS Corporation concluded the cooperation agreement aimed at enhancing the reliability of power supply to consumers as well as boosting the energy security of the Tyumen Oblast, the Khanty-Mansi Autonomous Okrug — Yugra, the Yamalo-Nenets Autonomous Okrug.

MARCH

As of 2018 Tyumenenergo was recognized as the most reliable electric grid company of the Russian Federation. The reliability rating was made by Energonews Media and accounted for the comparable parameters of power companies from 70 regions of the Russian Federation.

APRIL

The Energocomplex branch was awarded the *Best Consumer of Electric Power – 2018* title at *Zolotaya Opora* (Eng. Golden Backbone) contest (organizer - Gazprom Energosbyt Tyumen, JSC).

Following the annual contest of annual reports, the RAEX rating agency assigned the maximum 5 stars assessment to the Company's 2018 Annual Report as the highest quality report.

MAY

On May 3, Tyumenenergo JSC (today's Rosseti Tyumen, JSC) celebrated its 40th anniversary.

JUNE

Rosseti Tyumen was included in the top three companies of the All-Russian Rating of Loyalty of Largest SMEs Contractor. The rating was launched by the Autonomous Non-Commercial Organization Agency of Strategic Initiatives.
The names of three employees of Rosseti Tyumen were put on the Surgut Board of Honor the day before the City Day. Andrey Burov, Igor Bogach, and Konstantin Zhuravlev are the authors of the project recognized as the best in the energy block according to the results of the International Contest of Scientific, R&D and Innovative Solutions intended for the Arctic and continental shelf development and reclaiming.

The company won the Reliable Power Supply", "Efficient Power Saving" and "Innovative Project of the Year" awards of the IX Best Electric grids of Russia All-Russian Contest.

Rosseti Tyumen and Rostelecom concluded the cooperation agreement aiming to increase the electric power industry efficiency by means of automation and introduction of the industrial Internet technology.

The company was awarded the Laureate Diploma of the International Contest of Scientific, R&D and Innovative Solutions intended for the development of the fuel & power and extractive sector, for the contribution into the innovative development of the fuel & power complex.

JULY

The team of Rosseti Tyumen was rated the third in All-Russian Competitions of Professional Excellence among the maintenance & repair personnel of the distribution grids of Rosseti PJSC.
The team of Rosseti Tyumen was awarded the Message of Thanks for the implementation of environmental protection measures and the participation in the All-Russian contest of the best regional environmental protection practices "Reliable Partner - Ecology".

AUGUST

Five employees of Rosseti Tyumen – Dmitry Antonov, Sergey Dunaev, Vasiliy Nikitin, Andrey Busygin and Alexey Andreyev representing the Nefteyugansk, Nizhnevartovsk, Uray and Tyumen Branches – became the winners of the first All-Russian Contest "Power Engineering Leaders", organized by Rosseti PJSC.

Expert RA rating agency confirmed the creditability of a non-financial Company at the level of ruAA. Rating forecast - stable.

SEPTEMBER

The Energy of Thought team of 11 young specialists of Rosseti Tyumen won the Youth Forecast of Global Energy Development, organized by the Ministry of Energy of Russia and the Fund of Educational Projects "Nadezhnaya Smena" (Eng. Reliable Successors).

OCTOBER

The Southern and Ishim territorial & production departments of the Branch of Rosseti Tyumen, JSC, Tyumen Electric grids, were awarded the 1st and 3rd grade Diplomas of the Tyumen Oblast government for the Tyumen Oblast sector of the "Success and Safety -2018" All-Russian contest for the best organization of works in terms of conditions, occupational health & safety (nomination "Best organization of works in terms of conditions and OH&S among the production companies with the staff under 500 people)".

NOVEMBER

Tyumenenergo JSC's subsidiary Tyumen Distribution Grids took the third place in the category Development of the Talent in Production Organizations of the Regional Stage (the Tyumen Oblast) of the All-Russian Competition Russian High-Social-Efficiency Organization (organizer - Ministry of Labor and Social Protection of the Russian Federation).

DECEMBER

Tyumenenergo JSC was renamed as Rosset Tyumen, JSC. The required changes made to the Company's Charter were registered by the Federal Tax Service.

In Tyumen two modern 110 kV substations - Prichal and Molodezhnaya - with the aggregate capacity of 130 MVA were simultaneously put in operation. Prichal supports the possibility of development and construction of almost 10 million square meters of residential premises. Substation Molodezhnaya, in addition to prospective multi-storey construction, will supply electrical power to more than four thousand land lots allocated to multi-child families.

Rosseti Tyumen commissioned two 110 kV substations - Argo and GDN - covering the needs of oil & gas companies in the KHMAO-Yugra and the YaNAO. The facilities feature advanced technologies and solutions following the Digital Transformation 2030 concept.

1.5. JOINT ADDRESS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF ROSSETI TYUMEN JSC, V.N. SILKIN AND DIRECTOR GENERAL OF ROSSETI TYUMEN JSC, A.V.SOLDATENKO

Ladies and gentlemen,

In 2019 Rosseti Tyumen accomplished its main task demonstrating high reliability indicators and uninterrupted power supply along with reducing the number of technology violations in the 6 kV and a higher voltage grids by 29.5%. Such results were achieved by means of efficient planning of production programs, enhancing the electric grids reliability and maintaining a high level of resource availability and emergency situations response alertness.

Despite the persisting negative trend in the electric power consumption by the oil & gas sector due to the existing market situation in the Tyumen Oblast, the KhMAO-Yugra and the YaNAO and the deterioration of the resource base due to the depletion of existing deposits, the offset measures take in 2019 and the change in the approaches towards planning facilitated Rosseti JSC to stabilize the situation and achieve the results exceeding the planned values.

As a part of the efforts to resolve the existing situation, in 2019 the Company managed to cut the costs, particularly by means of business process optimization and a reasonable investment

program prioritizing; increase the volumes of technological connection, develop the non-tariff services provision. As a result, compared to 2018 the revenues increased by more than 4 billion rubles while the gross profit exceeded 1 billion rubles. This allowed reducing a total volume of net loss by 4 times: from 2.1 billion to 0.5 billion rubles, with a planned loss volume equal to 1.3 billion rubles.

Despite the challenging macroeconomic situation and a great dependence on the development plans of industrial companies, Rosseti Tyumen JSC fulfilled its obligations to the consumers. In December 2019 four 110 kV substations were commissioned. The substations Prichal and Molodezhnaya will provide 10 million square meters of housing and social objects in the Tyumen Oblast with electricity, while Argo substation will supply power to oil extraction facilities of the Srednebalykskoye deposit, the development of which was started by RN-Yuganskneftegaz, LLC (subsidiary company NC Rosneft) in Yugra. The GDN substation will supply power to the booster station of the Yety-Purovskogo oil condensate deposit (the facility Gazprom Dobycha Noyabrsk, LLC) in YNAO.

Being a reliable partner of government authorities in the territorial development programs planning and implementation, Rosseti Tyumen JSC is actively cooperating with regional municipal authorities of the Tyumen Oblast, the KhMAO-Yugra and the YNAO on the technological connection of the isolated territories to the centralized electric supply, as well as on the power supply of the commissioned housing including the programs of resettlement from dilapidated housing. By today the Company has prepared the draft cooperation and interaction agreements with the governments of the Tyumen Oblast and the Yamalo-Nenets Autonomous Okrug as well the municipal entities of Surgut (the KhMAO-Yugra). The implementation of agreements will provide additional opportunities for the development of electrical power territorial complexes, the increase of the consumer power supply reliability, electric grids operational costs reduction using the principles of digital infrastructure development, implementation of the measures in energy saving and improving energy efficiency, decreasing the terms of technological connection for the purpose of improving investment climate in regions and also helps resolve the problem of preparation and retention of young professional personnel.

In the framework of the Strategy for the development of the power grid complex of the Russian Federation and Energy Strategy of Russia for the period up to 2030 Rosseti Tyumen reformats the Company activity, updates production plans and development priorities in the conditions of the changed approaches to the operation of the power grid complex. The Company systematically conducts operations on the consolidation of the grids located in the Tyumen Oblast, the KhMAO-Yugra and the YNAO, develops related and additional activities, for example, provides services for the management of electrical supply demand and technical and repair & maintenance of power grid facilities, develops a charging infrastructure and municipalities street lighting projects.

Global challenges and technology progress make the Company work for advanced and breakthrough development. During 2019 the Company staff had been developing the measures and projects included in the Program of digital transformation “Rosseti Tyumen” approved in January 2020. The document includes the technological and digital development plans for the power grid complex in the Tyumen Oblast, the KhMAO-Yugra and the YNAO. The Program of digital transformation is based upon the “Digital Transformation 2030”concept adopted by the Board of Directors of Rosseti, PJSC. Rosseti Tyumen joined the program in March 2019. The measures of the Program cover virtually all the aspects of the Company activity and stipulates for the application of digital technologies with the provision of new opportunities in the area of situational & analytical management of the regional power grid complexes and control over the power consumption by means of smart accounting systems. The introduction of geoinformation solutions will allow for the significant optimization of the procedures used to plan the development of the power grid complex and to provide the technical conditions for the connection to the electric grids. Digital design technologies help controlling the cost and terms of construction & installation works while the augmented reality will provide the basis for technical personnel training. The

synchronization of the production program with the key blocks of the Company's functioning by means of modern automated IT solutions will allow making up an end-to-end control system operating on the principles of transparency, impartiality and accessibility.

Clearly, the specialists understanding the need for changes are the ones to be able to efficiently operate in digital power engineering. Changing the approaches towards training of the personnel for electrotechnical equipment maintenance and repair is one of the tasks set today before the Company. The augmented reality technology linked to the physical objects will generate new opportunities for personnel training. Today the Company has already started the search for those employees who will become the driving agents of the new technology implementation. In August 2019 five Company employees took part in the first Power Engineering Leaders All-Russian Competition of the Power Grid Complex and were included in the golden talent pool of the national power engineering as they demonstrated a high level of knowledge and readiness to lead the teams along the power grid complex digital development path.

2019 is the anniversary year for the Company as the organization from which the Tyumen energy system originated celebrated 40 years since its foundation. The Company entered its new decade with a new name - Rosseti Tyumen. It became the first from the Rosseti group of companies to change the name in the framework of the uniform brand architecture introduced in the energy holding. The Company entered this new age of its development holding the traditions, the principles of absolute responsibility for its operation, and practices the Company team has been accumulating for four decades.

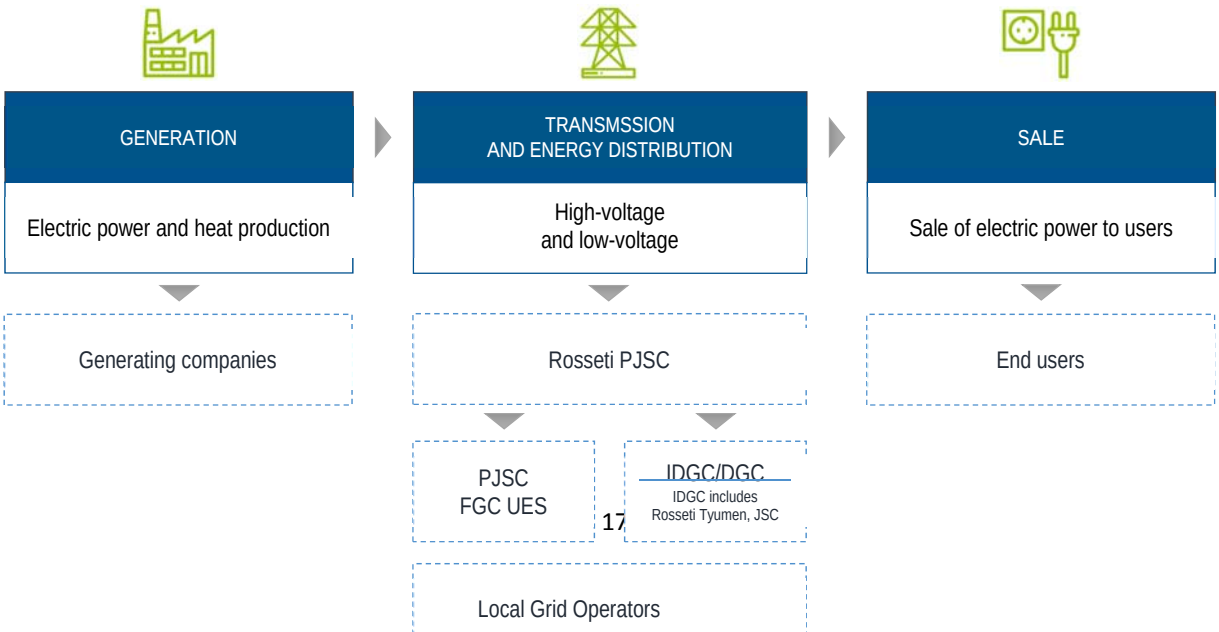
In December 2019 the Board of Directors of Rosseti PJSC, approved the Strategy of development of the Rosseti group of companies up to 2030. Rosseti Tyumen, JSC, will develop in compliance with the approved Strategy solving the tasks of its successful implementation. The groundworks and formulated strategic initiatives, made by the Company, will provide for the further development of Rosseti Tyumen ahead of schedules.

2. BUSINESS MODEL AND DEVELOPMENT STRATEGY

2.1.COMPANY'S INDUSTRIAL AND REGIONAL POSITIONS

The modern power complex of Russia has a three-component structure: power generation, transmission, and sale (Fig.). Rosseti PJSC is involved in power transmission and distribution. Being the country's largest grid company, Rosseti PJSC combines a main-line grid complex, interregional distribution grid companies (including Rosseti Tyumen JSC), and regional distribution grid companies.

STRUCTURE OF POWER INDUSTRY IN RUSSIA



Rosseti PJSC is the sole shareholder of Rosseti Tyumen JSC.

Among all the grid companies belonging to the Tyumen Power System located in three of Russia's constituent entities (the Yamalo-Nenets Autonomous Okrug, the Khanty-Mansi Autonomous Okrug — Yugra, and the Tyumen Oblast), Rosseti Tyumen JSC takes the lead in terms of power transmission to end users being the largest grid company of the Ural Federal District.

Today, grid companies are divided into three levels based on technological, administrative, and territorial attributes:

Level 1. The Federal grid company owning 220 kV + main power transmission lines which form the Unified National Power Grid (UNPG). This company operates across Russia and has branches in all the state regions.

Level 2. Interregional distribution grid companies established as a result of reforming Energo JSC. Rosseti Tyumen JSC belongs to this level. These companies own 220-0.4 kV grids and provide power transmission and technological connection services in the territories where they are based.

Level 3. Local grid operators mostly owning 0.4-to-10 kV grids. Most often, these companies were established in the framework of wholesale resellers created as municipal enterprises, each serving consumers within a single municipal entity; some companies were based on the grids formerly operated by industrial enterprises.

Rosseti Tyumen JSC comprises nine branches in three of Russia's constituent entities, namely:

- Northern and Noyabrsk Electric Grids in the YNAO;
- Kogalym, Nizhnevartovsk, Surgut, Nefteyugansk, and Uray Electric Grids, as well as Energocomplex in the KhMAO-Yugra;
- Tyumen Distribution Grids (renamed in Tyumen Distribution Grids on January 23, 2020) in the Tyumen Oblast, comprising three local production units: Tobolsk, Ishim, and Southern.

Rosseti Tyumen JSC contributes to the growing industrial potential of Russia's most important region while improving the energy security of the country in general, enhancing the quality and safety of its power transmission and distribution services in accordance with the global standards, while also continuously and steadily improving and developing the grid complex in the Tyumen Oblast, the KhMAO-Yugra, and the YNAO. Systematic efforts in grid renovation and commissioning of new facilities is still a relevant task and Rosseti Tyumen JSC's priority.

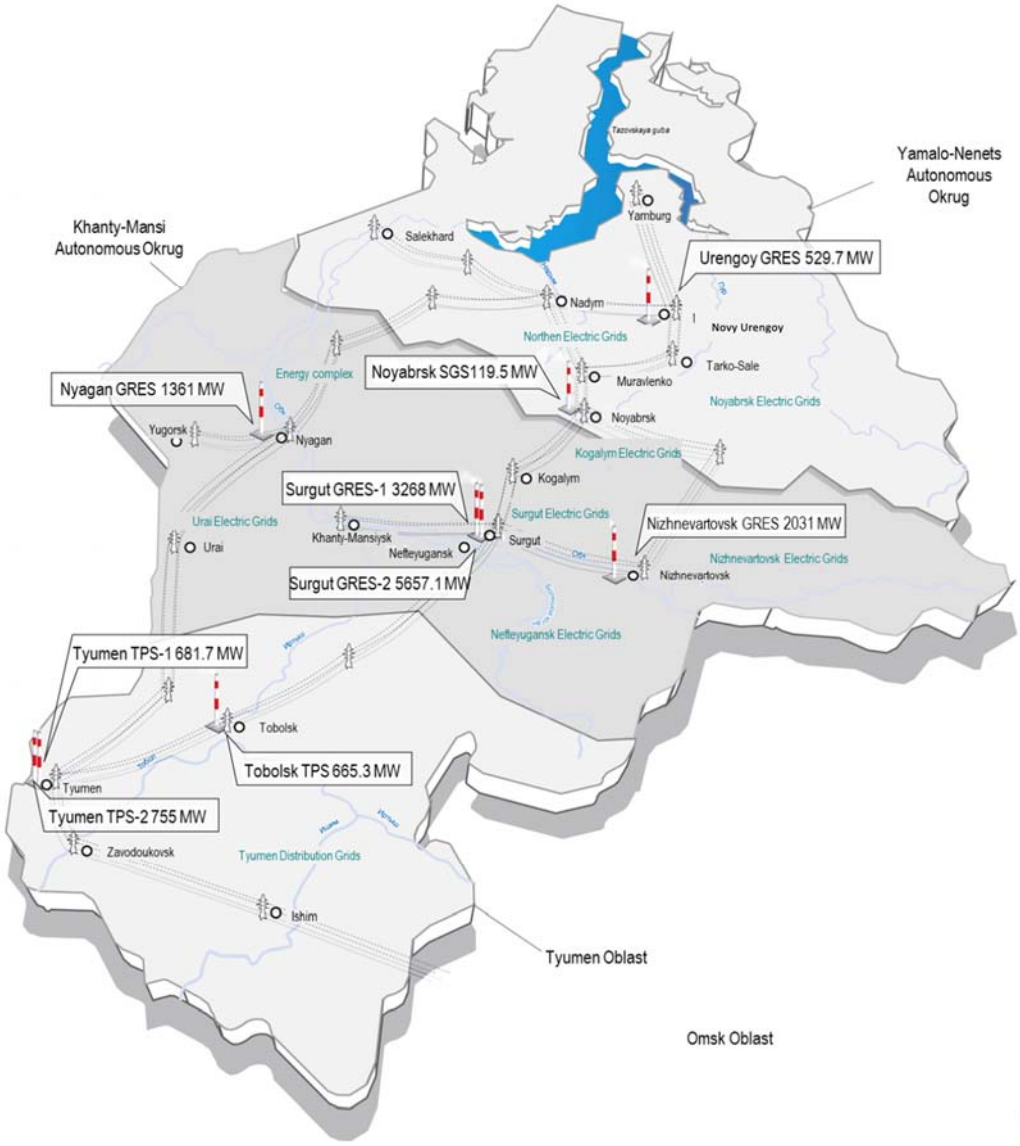
Today, more than 50 local grid operators operate in the Tyumen Oblast beside Rosseti Tyumen JSC; these operators provide such services as power transmission technological connection within their localities or serve specific industrial enterprises. Such grid operators mostly have no direct access to the UNPG and supply power of low-to-medium voltage (0.4 to 10 kV); they are connected to Rosseti Tyumen JSC's grid as the latter has higher voltage.

Rosseti Tyumen JSC Regional Market Share in 2019*

Local Grid Operator (LGO) Name	Required Gross Revenue, rubles	Power Supply Network, c.u.	Transformer capacity, MVA	Power Line Length, km	Market Share according to RGR, %
Rosseti Tyumen, JSC	48,035,291	231,463	29,865	51675.6	67.10
STS Corporation LLC	13,556 172	143,875	7,287	17,376	18.93
SC “Yugorsk Electric”	3,273 358	29,961	1,848	5,582	4.57
Gazpromenergo, LLC	2,674 581	24,803	3,925	9,082	3.74
Varyeganenergoneft PJSC	704,088	20,598	1,245	2,219	0.98
Municipal Unitary Enterprise "SRES" Surgut Region	547,534	8,903	457	1,050	0.76
Municipal Enterprise “KhMGES” Khanty-Mansiysk	486,726	12,826	471	5,281	0.68
Other Local Grid Operators	2,317 737	61,483	29,363	52,063	3.24

Given that the energy service market is boosting now, and the emergence of competition seems quite possible, Rosseti Tyumen JSC prioritizes the expansion of its grid; expansion efforts include the development and enhancement of the technological connection procedures for the power receivers of Rosseti Tyumen JSC's grid users (consumers).

2.1.1. GEOGRAPHIC FOOTPRINT OF ROSSETI TYUMEN, JSC



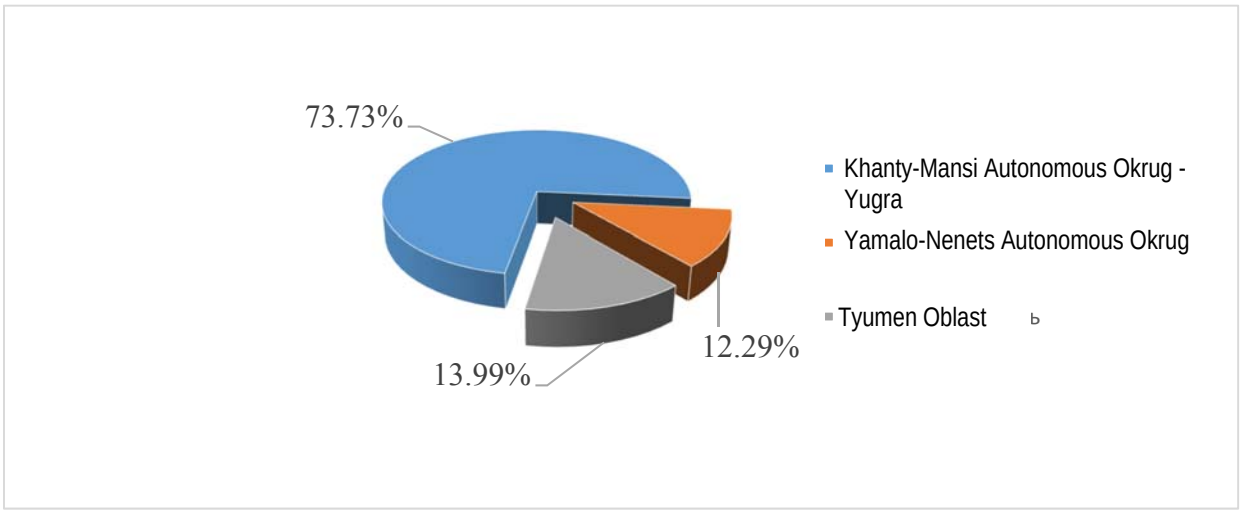
2.1.2. MARKET SHARE, CONSUMPTION STRUCTURE

Rosseti Tyumen JSC provides power transmission services in the territory of three main oil extracting regions of the Russian Federation: the KhMAO-Yugra, the YNAO and the Tyumen Oblast. In general, the Company holds 67.1 % of the power transmission market in the territory.[1]

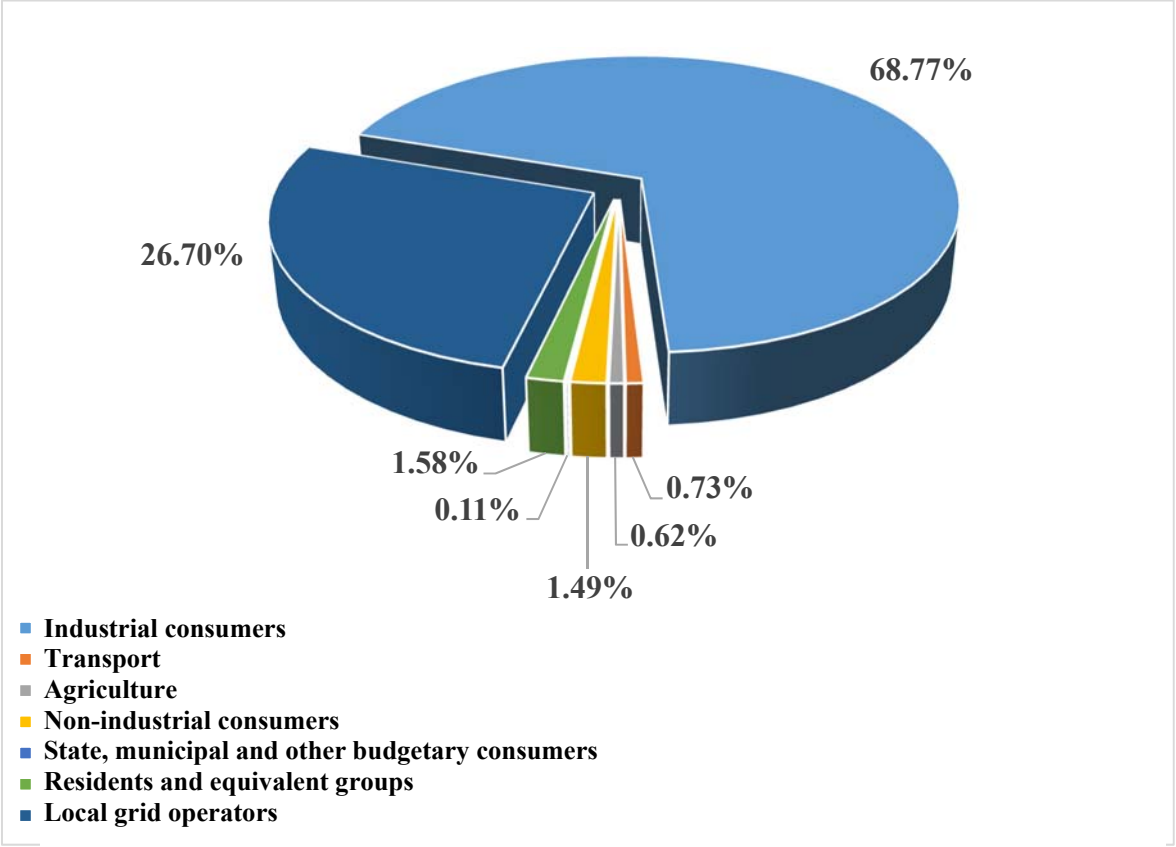
Power Consumption by Regions

Productive supply to grid in 2019	56,512.71 million kWh	
The Khanty-Mansi Autonomous Okrug – Yugra	41,662.78 million kWh	73.72 %
The Yamalo-Nenets Autonomous Okrug	6,946.16 million kWh	12.29 %
the Tyumen Oblast, the Yamalo-Nenets Autonomous Okrug	7,903.77 million kWh	13.99 %

[1] * The calculation uses the Rosseti Tyumen JSC required amount of gross revenue (RGR) net of paid losses, as well as the RGR of the grid operators net of paid losses; the RGR values used in calculations are equal to the RGR values accounted when approving the region-specific uniform power transmission tariff and reflected in the corresponding Decree of Approval of Uniform Power Transmission Tariff as approved by an executive body of the Russian Federation's entity responsible for the state regulation of tariffs in 2019.

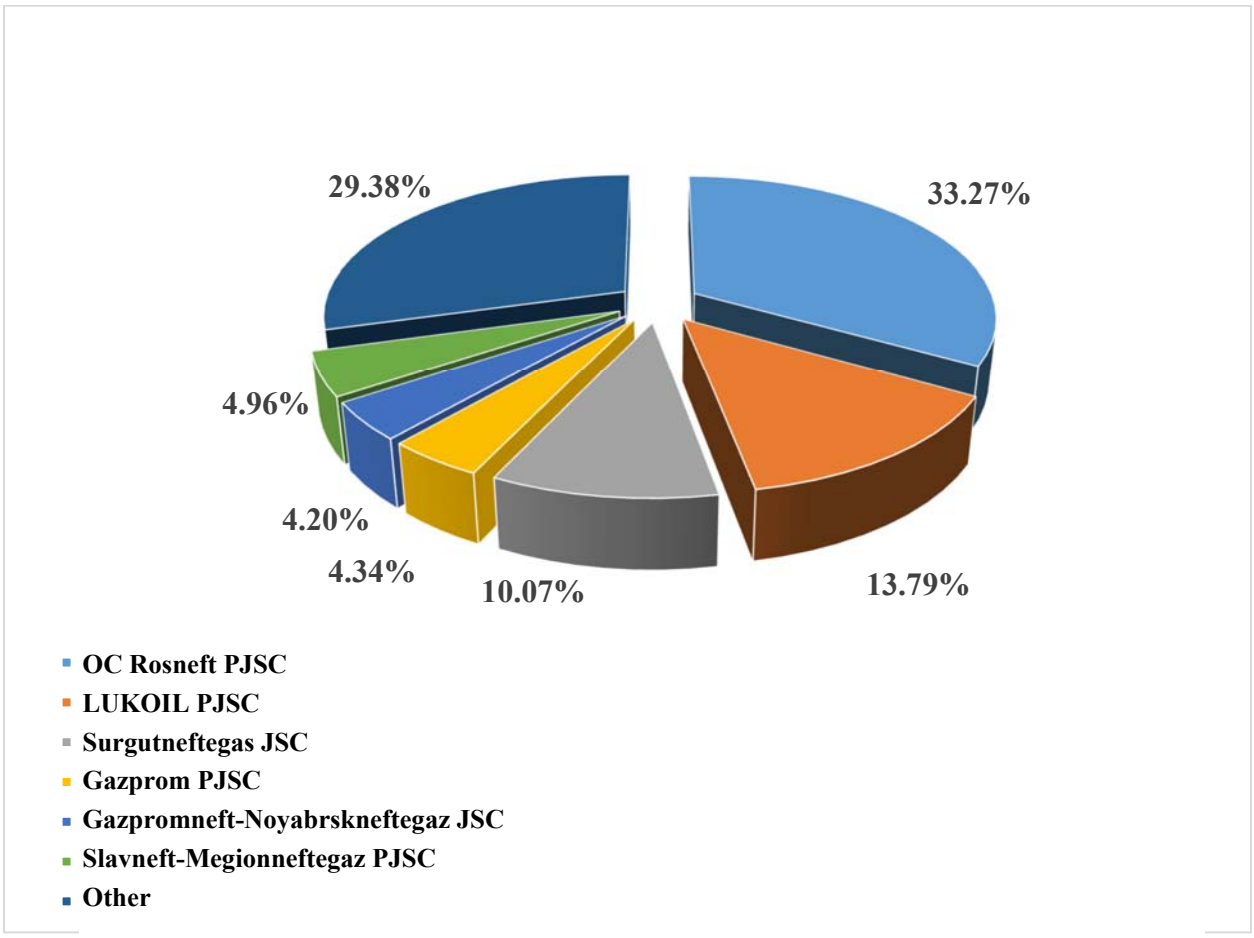

73.73%
12.29%
13.99%
Khanty-Mansi Autonomous Okrug - Yugra
Yamalo-Nenets Autonomous Okrug
Tyumen Oblast

Power Consumption by User



Major Industrial Users

OC Rosneft PJSC	18,799.13 million kWh	33.27 %
LUKOIL PJSC	7,793.10 million kWh	13.79 %
Surgutneftegas JSC	5,689.71 million kWh	10.07 %
Gazprom PJSC	2,802.56 million kWh	4.96 %
Gazpromneft-Noyabrskneftegaz JSC	2,452.17 million kWh	4.34 %
Slavneft-Megionneftegaz PJSC	2,372.14 million kWh	4.20 %
Other	16,603.91 million kWh	29.38 %

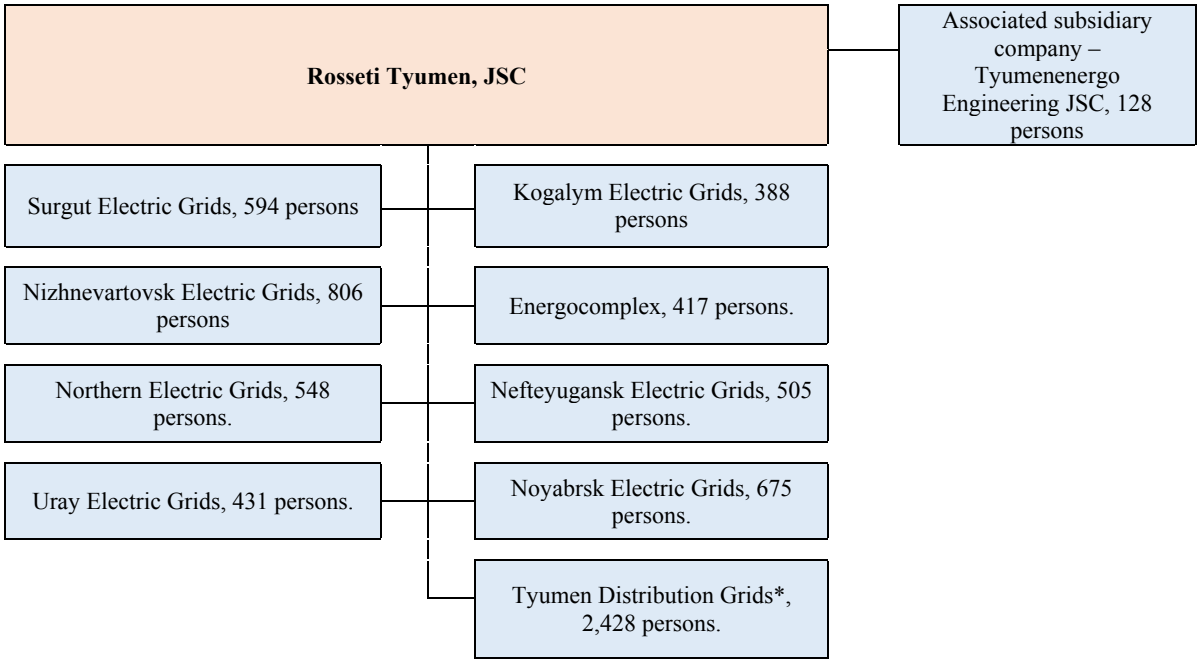


2019 Rosseti Tyumen JSC Power Balance Sheet

<table>
<tr><td>Generation</td><td>7,248.9 million kWh</td><td rowspan="5">Supply to Grid 58,059.7 million kWh</td><td rowspan="5">Supply from Grid to Users and Related LGOs 56,512.7 million kWh</td><td>Agriculture</td><td>350.3 million kWh</td></tr>
<tr><td>FGC 500</td><td>12,294.9 million kWh</td><td>Major Cities</td><td>7,561.5 million kWh</td></tr>
<tr><td>FGC 220</td><td>36,798.7 million kWh</td><td>Other Users</td><td>5,132.3 million kWh</td></tr>
<tr><td>Related Grid Companies</td><td>-115.4 million kWh</td><td rowspan="2">Major Industrial Users</td><td rowspan="2">43,819.0 million kWh</td></tr>
<tr><td>Isolated Generation Plants</td><td>1,832.6 million kWh</td></tr>
<tr><td colspan="6">Power Loss
1,547.0 million kWh (2.66 %)</td></tr>
</table>

2.2.COMPANY STRUCTURE

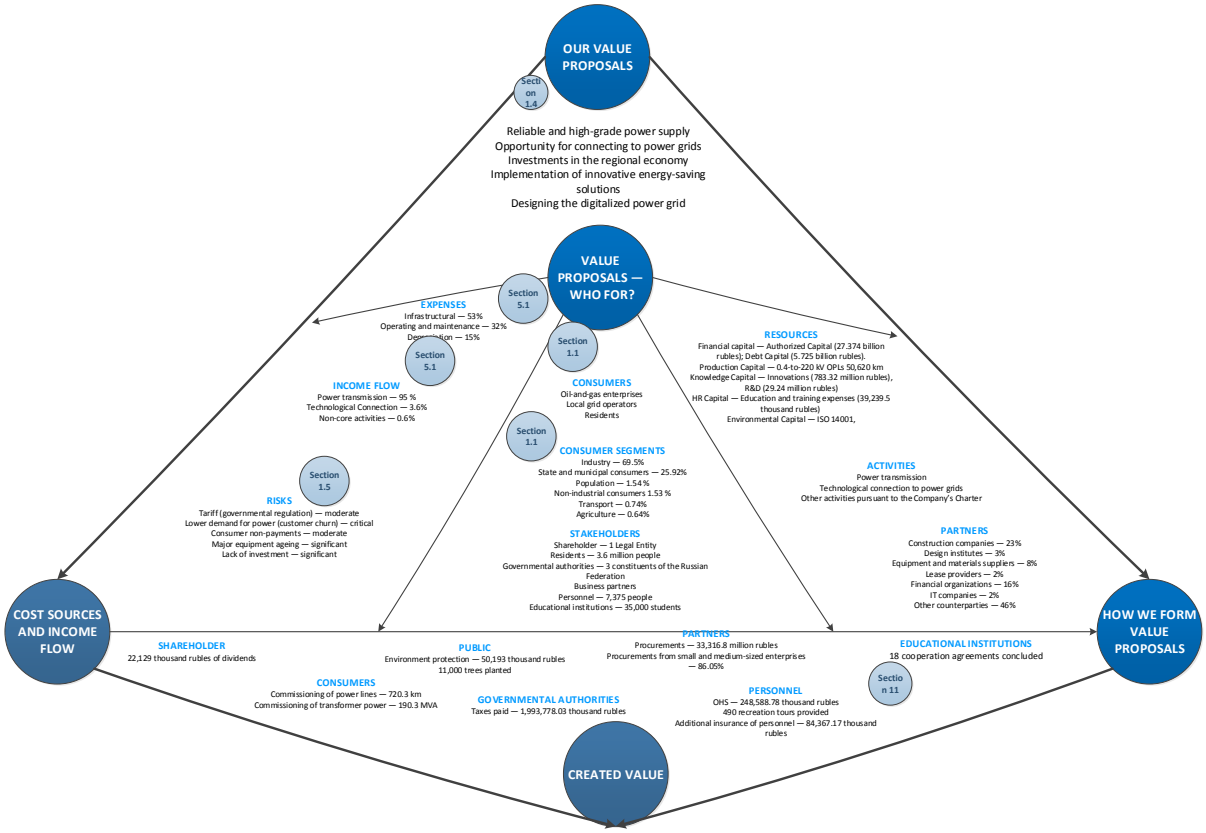
In 2019, Rosseti Tyumen JSC headcount came to 7,281 employees, including 489 members of the Company's executive bodies



**23.01.2020 the branch s renamed into Tyumen Electric grids*

Over the reporting period, neither of Rosseti Tyumen JSC branches has experienced major changes.

2.3.COMPANY BUSINESS MODEL



2.4. THE MEMORANDUM OF THE CONTROLLING SHAREHOLDER ROSSETI PJSC IN RELATION TO THE CONTROLLED POWER GRID COMPANIES

Rosseti PJSC is a public holding company with the 88.04 % government share in the equity capital made in compliance with the Decree of the President of the Russian Federation No. 1567 of November 11, 2012 to improve the efficiency and develop the power grid complex of the Russian Federation as well as to coordinate the work on the complex management by means of subsidiary and associated companies.

Rosseti PJSC holds control blocks of shares of 14 distribution power grid companies [2] (Kubanenergo PJSC, Lenenergo PJSC, MOESK PJSC, IDGC of Volga PJSC, IDGC of the North-West PJSC, IDGC of the Northern Caucasus PJSC, IDGC of Siberia PJSC, IDGC of the Urals PJSC, IDGC of the Central Russia PJSC, IDGC of the Central Russia and Volga Region PJSC, IDGC of South PJSC, TDC PJSC, Rosseti Tyumen JSC, Yantarenergo JSC) and one main electric grid company (FGC UES PJSC). Disposal of the specified assets is not considered.

Rosseti PJSC define the strategic priorities for the group members development:

– providing reliable, high quality and accessible power supply in a new digital environment;

– providing for further enhancement in the efficiency of the main business on electric power transmission;

– promoting legislative initiatives intended for sectoral development;

– preserving the balance of interests for all the parties: state/users/shareholders/investors;

– developing new activities (non-tariff services and consumer services) via digital transformation to make the company sustainable in the conditions of industry changes.

Rosseti PJSC manages the group companies in compliance with the uniform corporate standards intended for the provision of efficient business processes, control over their quality, mitigation of all types of corporate risks as well as supporting information transparency of their activity.

2.5. COMPANY STRATEGY AND PRIORITY CONCERNS

Target values in power engineering of the Russian Federation approved by the Decree of the RF government of April 3, 2013 No. 511-p "On the Approval of the Grid Complex Development Strategy of the Russian Federation".

As of today, the strategic governance of the industry is based on the 2030 Energy Strategy of Russia, as approved by Decree no. 1715-p of the Government of the Russian Federation dd. November 13, 2009 "On the 2030 Energy Strategy of Russia"; this Strategy is to maximize the efficiency of using natural energy sources and energy sector potential to ensure stable economic growth, to improve the state-wide quality of life, and to strengthen economic positions in foreign trade.

[2] Kubanenergo PJSC provides services under the brand Rosseti Kuban;
Lenenergo PJSC provides the services under the brand Rosseti Lenenergo;
MOESK PJSC provides the services under the brand Rosseti Moscow Region;
IDGC of Volga PJSC provides the services under the brand Rosseti of Volga;
IDGC of the North-West PJSC provides the services under the brand Rosseti North-West;
IDGC of the Northern Caucasus PJSC provides services under the brand Rosseti Northern Caucasus;
IDGC of Siberia provides the services under the brand Rosseti Siberia;
IDGC of the Urals provides the services under the brand Rosseti Urals;
IDGC of the Central Russia provides services under the brand Rosseti Central Russia;
IDGC of the Central Russia and Volga Region PJSC provides the services under the brand Rosseti Central Russia and Volga Region;
IDGC of South PJSC provides the services under the brand Rosseti South;
TDC PJSC provides the services under the brand Rosseti Tomsk;
Yantarenergo JSC provides services under the brand Rosseti Yantar;
FGC UES PJSC provides the services under the brand Rosseti FGC UES.

In the long term, Rosseti Tyumen JSC is to carry out all its activities in strict compliance with the Strategy.

On December 26, 2019 the Board of Directors of Rosseti PJSC and its subsidiaries and associates (group of companies Rosseti) for the period up to 2030.

The key change in the activity of the Rosseti group of companies is a transition to a business model of modern innovative infrastructure. The main strategic priorities include the provision of further increase in the efficiency of the current activity intended for the sector development, ensuring the reliability, quality and access to the infrastructure in the new digital environment. A special attention is paid to the balance of interests for all interested parties, including the state, users, shareholders, investors, as well as to the development of new business directions.

Achieving the set targets is planned via main directions of the strategy implementation: technological and innovative development, digital transformation, business diversification, increase in operation and investment efficiency, legislative initiative promotion, development of international activity and talent pool, etc.

To provide for the implementation of the Strategy, the Company is developing a range of programs, which are to be approved by the Board of Directors of Rosseti Tyumen JSC in the 1H 2020.

Mission

The Company provides reliable, high-quality, and safe power transmission and distribution services to every customer, being guided by the industry's best standards.

The Company guarantees an opportunity for the regional economy to grow freely while building and developing the efficient, resource-saving, and safe grid complex.

The Company leads public energy and housing utility services toward innovative development, energy efficiency, and energy saving.

The Company cares about each and every employee by ensuring conditions for proper work and professional growth.

PRIORITIES[3]

<table>
<tr><th colspan="2">1. PRIROTY
BETTER RELIABILITY AND QUALITY OF POWER SUPPLY TO TYUMEN POWER SYSTEM USERS</th></tr>
<tr><td colspan="2">1.1. TASK
RECONSTRUCTION AND TECHNICAL RE-EQUIPMENT</td></tr>
<tr><td>What was achieved in 2019</td><td>Below is the list of the most significant activities carried out at Rosseti Tyumen JSC's facilities in 2019 for the purpose of ensuring reliable power supply to cities, settlements, and industrial users:
<table>
<tr><th>Substation Equipment</th></tr>
<tr><td>4 35 kV + power transformers were replaced.</td></tr>
<tr><td>45 outdated 35-to-110 kV oil circuit breakers, isolators, and short-circuiters were replaced with new SF6 and vacuum ones</td></tr>
<tr><td>84 outdated 35-to-110 kV disconnect switches were replaced.</td></tr>
<tr><td>1,214 pcs of porcelain support and rod insulation to be replaced on 35-to-110 kV lines;</td></tr>
<tr><td>118 oil-filled power transformer bushings were replaced with solid-insulation bushings</td></tr>
<tr><th>Power Line Equipment</th></tr>
<tr><td>Complex reconstruction – 26 km</td></tr>
<tr><td>33 support structures were replaced.</td></tr>
<tr><td>31.05 km of ground wire were replaced</td></tr>
<tr><td>297.18 km of wires to be replaced</td></tr>
</table></td></tr>
</table>

[3] *The Priority Report of Rosseti Tyumen JSC's Board of Directors can be found in Section 7.4 of this Annual Report.*

<table>
<tr><td>What is planned for future</td><td>In 2020, the Company plans the following significant activities:
<table>
<tr><th colspan="2">Substation Equipment</th></tr>
<tr><td colspan="2">2 power transformers 35 kV + were replaced.</td></tr>
<tr><td colspan="2">69 outdated 35-to-110 kV oil circuit breakers, isolators, and short-circuiters were replaced with new SF6 and vacuum ones</td></tr>
<tr><td colspan="2">117 outdated 35-to-110 kV disconnect switches were replaced.</td></tr>
<tr><td colspan="2">1,224 pcs of porcelain support and rod insulation to be replaced on 35-to-110 kV lines;</td></tr>
<tr><td colspan="2">42 oil-filled power transformer bushings were replaced with solid-insulation bushings</td></tr>
<tr><th colspan="2">35-to-110 kV Power Lines</th></tr>
<tr><td>Emergency point, bottleneck</td><td>Interventions for 2020</td></tr>
<tr><td>Reduction of accidents caused by galloping of wires and wind</td><td>20 additional supports to be installed
Installing 251 interface insulating separators.</td></tr>
<tr><td>Ground wire wearing due to numerous lightning strokes, galloping of wires, and vibration wear</td><td>31.05 km of ground wire were replaced</td></tr>
<tr><td>Vibration wear of wires</td><td>Replacement of 10,301 suspended insulators.
297.18 km of wires to be replaced
Installing spiral reinforcement – 3,699 kits</td></tr>
</table></td></tr>
<tr><td colspan="2">1.2. TASK
REPAIR PROGRAM</td></tr>
<tr><td>What was achieved in 2019</td><td>M&R Program in 2019 was fulfilled by physical parameters in full. Related financing totaled 3,963 million rubles, 2,140 mn of which were spent on repairs.
The autumn and winter periods were completed routinely.</td></tr>
<tr><td>What is planned for future periods</td><td>In 2020, M&R financing is planned to total 4,150 million rubles, 2,039 mn of which are to be spent on repairs.</td></tr>
<tr><td colspan="2">2. PRIORITY
PRESERVATION OF COMPANY INVESTMENT ACTIVITY</td></tr>
<tr><td>What was achieved in 2019</td><td>To provide reliability of power supply to electric power consumers, in 2019 the following objects reconstruction was completed:
– Substation Mortymya 110/35/6 kV. Fixed assets commissioned totaled 372.519 million rubles.
and 50 MVA;
– Substation Yarkovo 110/35/10 kV. Fixed assets commissioned totaled 271.437 million rubles and 32 MVA.
– Substation Tatarka 110/10/6 kV. Fixed assets commissioned totaled 213.239 million rubles and 22.5 MVA.
– Substation Golubika 110/6 kV (replacement of power transformers). Fixed assets commissioned totaled 243.745 million rubles and 50 MVA.
– OPL 110 kV Snezhnaya – Khanty-Mansi with the replacement of the wire Azh-120 for AS-120/19
(1 stage). Fixed assets commissioned totaled 600.254 million rubles and 120.388 km.
The volume of funding for the implementation of the Technical re-equipment program in 2019 totaled 6,161.272 million rubles.
Main directions of the reconstruction and technical re-equipment implemented in the framework of the Company’s Investment Program:
– reconstruction, modernization and technical re-equipment of transformer or other substations, distribution points (2,027.663 million rubles);
– reconstruction, modernization, and technical re-equipment of electric power lines (1,398.635 million rubles);
– technological connection of users (136.288 million rubles);
– electric power accounting and control devices (106.297 million rub.);
– distribution grids reconstruction (708.961 million rub.).
Completion of the construction of the facility “Substation 110/35/6 kV “Argo” with a supply OPL 110 kV of the deposit Srednebalykskoye (new construction of a substation with a transformer capacity 2×25 MVA and OPL with the length of 2×14 km)”. Fixed assets commissioned totaled correspondingly 910.929 million rubles.</td></tr>
</table>

	Completion of the construction of the facility "Substation 110/35/6 kV "Argo" with a supply 110 kV OPL of the deposit Vstrechnoye (new construction of a substation with a transformer capacity 2×25 MVA)". Fixed assets commissioned totaled 739.212 million rubles. Completion of the construction of the facility "Substation 110/35/6 kV "Sredneugutskaya 2" (new construction of a substation with a transformer capacity 2×40 MVA and OPL with the length of 2×1.5 km)". Fixed assets commissioned totaled 766.648 million rubles. Completion of the construction of the facility "Construction of a substation - 110/10 kV Molodezhnaya with a two-circuit OPL -110 kV of the Tyumensky territorial production department". Fixed assets commissioned totaled 401.995 million rubles. Power balance amounted to correspondingly 50 MVa and 0.148 km. Completion of the construction of the facility "Construction of a substation - 110/10 kV "Prichal" with a two-circuit OPL -110 kV". Fixed assets commissioned totaled 597.462 million rubles. Power balance introduced was correspondingly 80 MVA and 0.084 km. As a result of constructing 0.4-to-10-kV grid-complex distribution grids for preferential consumers served by the Tyumen, Tobolsk, Ishim, and Southern production units, the Company commissioned 166.883 km and 25.484 MVA of power.
What is planned for future periods	At the development of the investment program for 2020 the main task priority preserved – decreasing the equipment aging and improving the reliability and quality of power supply to the existing consumers. One of the main directions of the investment program is also the creation of a digital network. The scope of funding of the investment program for 2020 in compliance with the program confirmed by the order of the Ministry of Energy of Russia of 09.12.2019 No. 21@ is planned in the amount of 13,737.695 million rubles VAT included. Q1 2020, the Company prepared draft amendments to the investment program preconditioned by the following factors: 1. 2019 Investment Program Implementation Results 2. The results of trading and procurement procedures and conclusion of agreements for capital services. 3. Change in the cost characteristics and physical parameters of the facilities at the development and approval of design estimate documents. 4. Receiving consumer applications and concluding technological connection agreements. 5. Implementing the road map on the consideration of the investment program drafts for subsidiaries and associates of Rosseti PJSC in 2020 approved by the order of Rosseti PJSC of December 31, 2019 No. 528p. Draft changes are prepared with the provision for the fulfillment of the following key criteria: – uninterrupted, high-quality and reliable power supply of electric power consumers in the territory of three regions of the Russian Federation – the Tyumen Oblast, the KhMAO-Yugra and the YNAO; – renewal of a power grid complex which worked out a rated service life (decrease of equipment aging) with the application of new and more sophisticated equipment providing for a higher efficiency and safety of production processes; – generating a possibility for the technological connection of new users of power for dynamically developing RF entities, located in the area of responsibility of Rosseti Tyumen JSC. In compliance with the draft corrected investment program the scope of funding for 2020 is stipulated in the amount of 14,364.460 million rubles.
3. PRIROTY IMPLEMENTATION OF INNOVATIVE SOLUTIONS AND ENERGY EFFICIENCY ENHANCEMENT	
3.1. TASK ENERGY EFFICIENCY AND ENERGY SAVING	
What was achieved in 2019	Corrective measures were taken according to the results of the Company's energy survey, the measures intended for the reduction of power consumption were implemented, the Energy Saving Program for 2019-2023 was developed and approved, the measures aimed at reducing energy consumption of substation auxiliaries were implemented alongside with the measures for reducing energy resource consumption for operational and personal needs and motor fuel consumption.

What is planned for future periods	– Further fulfillment of energy service agreements aimed at energy saving and improved energy efficiency of using energy resources; – carrying out the inspection audit of the Company to ensure the conformity of the EnMS to ISO:50001; – developing the automated energy saving management system (AESMS). The AESMS will be integrated into the SAP ERP system to account the planned and the actual consumption of fuel and energy resources in real time to enable quality planning of energy consumption while detecting the highest-consumption facilities.
3.2. TASK ***INNOVATIVE DEVELOPMENT***	
What was achieved in 2019	All KPIs of the 2019 Innovative Development Program were completed. Financing of the Innovative Development Program in 2019 (from the Company's own sources) totaled 492.23 million rubles, including: – 44.46 million rubles were spent on the transition to digital substations of various voltage classes (35-to-110 (220) kV); – 284.17 million rubles were spent on the transition to digital active-adaptive grids with a distributed smart automation and control system; – 121.98 million rubles were spent on the transition to comprehensive business process efficiency and automation of control systems; – end-to-end technologies– 8.00 million rubles; – advancing the system for the development and implementation of innovative products and technologies (including R&D products) - 31.20 million rubles; – 2.43 million rubles were spent on HR development and educational partnership.
What is planned for future periods	– Execution of the 2020 Innovative Development Program; – Implementation of cutting-edge innovative equipment and new efficient innovative industrial advancements; – Commercialization of R&D products; – Pilot operation, reproduction, and implementation of R&D products; – Cooperation with higher-education institutions, small and medium-size enterprises, research and production associations, research and design institutions to carry out joint projects in research, design, development, and technology. These projects are aimed to improving energy efficiency, optimizing operational costs, and reducing losses.
4. PRIROTY **DIGITALIZATION OF GRID FACILITIES**	
What was achieved in 2019	In March 2019 the Company's Board of Directors approved the decision to join the common "Digital Transformation 2030" concept of Rosseti PJSC. To develop the uniform Concept "Digital Transformation 2030" of Rosseti PJSC in the course of 2019 the Company was elaborating the draft Program of Digital Transformation of Rosseti Tyumen JSC (hereinafter referred to - draft Program). At the preparation of the draft Program the following parameters were calculated: – financing the measures within the investment program limits and the Company's business plan for a total amount of 12,314 million rubles; – evaluating the efficiency with the account of the fulfillment of principles applied to the evaluation of the economic efficiency of introduction of digital technology approved by the Concept "Digital Transformation 2030" of Rosseti PJSC in the amount of 39,878 million rubles. – Program payback period – 9 years. The Company's activities subject to transformation were identified: – Operational and technological management – interaction with contractors; – technological connection – interaction with regional authorities; – interaction with the entities of the electric power market. The following digital technologies for implementing pilot Program projects were defined: – Big Data; – Industrial Internet of Things – IoT;

	– artificial intelligence – AI; – Blockchain; – augmented reality technology.
What is planned for future periods	On January 31, 2020 the Board of Directors of Rosseti Tyumen JSC approved the Program "Digital Transformation of Rosseti Tyumen JSC for 2020–2030" (hereinafter referred to – Program). During the 1st stage (2020–2023) The Program stipulates for the implementation of the following projects: **In the area "Smart accounting systems":** – Implementation of the program for the development of electric power smart accounting. **In the area "Uniform center for grid control":** – Introducing hardware & software complex "Grid Control Center" including the description of the grid CIM-model; – making up a configuration of a uniform analytical platform with the possibility of event forecast; – making a platform for Big Data accumulation; – equipping the facilities with hardware & software means of the uniform system of a linear & technical accounting and transport & mobile brigades control; – introducing a supervisory control system (SCS) of equipment and communication channels monitoring; – upgrade of the VHF radio communications on the DMR standard. **In the area "Cyber safety":** – making a complex for controlling safety, a system for identifying and preventing network intrusions (IDS/IPS); – organizing a computer incident response system; – organizing a system of an automated workstation of the safety subdivision employee; – organizing a system for privileged users management (PUM). **In the area "Corporate information control systems":** – introducing a uniform geoinformation system; – developing a configuration of a service CRM-platform "Digital consumer"; – developing an automated system on energy saving control and improving energy efficiency; – making a bench for training with the use of augmented reality interface; – making a configuration of the digital platform for the operation with suppliers and contractors in part of the subsystem of electronic document flow, integrated into the EDMS Company's systems; – making configuration for a service platform for the interaction with regional authorities; – making a system of analysis and business process mining.

The implementation of key tasks by Rosseti Tyumen JSC will allow:

– providing every consumer in the Company's presence territory with a high-quality electric power with the help of reliable operation and timely development;

– transiting to a new type of power supply system with the help of efficient and safe power grid complex with the help of innovative solutions;

– facilitating a sustainable development of regional economy and increasing the population living standards.

KPI relation to the Company's strategic priorities

Strategic target	KPI
Better reliability and quality of power supply to Tyumen Power System Users	Zero increase in the number of major accidents
	Zero increase in the number of casualties
	Power losses level

	Observance of technological connection deadlines
	Increase in the power grid equipment power used
	Achievement of the service reliability level
Preservation of the Company's investment activity	Consolidated profit from operating activities (EBITDA)
	Consolidated net cash flow
	Consolidated net debt / EBITDA
	Reduction in specific investment costs
	Progress in the plans to reduce the receivables
	Compliance with the commissioning schedule
Implementation of innovative solutions and energy efficiency enhancement	Innovation activity efficiency
	Increase in labor productivity
	Power losses level
Digitalization of power grid facilities	Power losses level
	Increase in labor productivity
	Reduction in specific operating costs (expenses)

2.6.RISK MANAGEMENT

The Company uses a Risk Management System (hereinafter "the RMS") designed to ensure sustainable and continuous Company operation and development by virtue of the timely identification, assessment, and efficient management of risks threatening the efficient business operations and reputation of the Company, the health of its employees, the environment, and the property interests of the Company's shareholders and investors.

To develop the Company's RMS, the Board of Directors has approved a Risk Management Policy, see Minutes No. 06/16 of the Tyumenenergo JSC Board of Directors Meeting dd. March 21, 2016. The Risk Control Policy specifies the objectives, functioning principles and components of the Company's RCS, primary functions and responsibilities of the RCS participants, as well as the procedure for assessment of the RCS efficiency. In addition, the following regulatory documents in risk management are in effect in the Company:

– Method for assessing operation risks (approved by the Company's order of November 14, 2017 No. 601);

– Instruction on planning and implementing the measures on risk management (approved by the order of the Company of December 14, No. 558);

– Procedure for information interaction of the risk management participants (approved by the Company's order of July 15,2019 No. 391);

– Guidelines on project risk management (approved by the Company's order of December 26, 2018 No. 626).

In compliance with the Risk Management Policy and the Policy on Structural Subdivision the Internal Control, Risk and Quality Management Department has been created in the Company. Its function is to execute the general coordination of risk management processes.

RMS Participants

Below are the main participants of the risk management process:

– Board of Directors;

- Audit Committee of the Board of Directors of Rosseti Tyumen, JSC

- Director General;
- risk owners;
- risk management officers;
- Internal Control, Risk and Quality Management Department;
- Internal Audit Service.

The RMS participants functions are fixed by the Company's Risk Management Policy, Provisions on Structural Subdivisions, position descriptions.

The Company's activity is associated with the following risks

Table 1

No.	Risk	Description	Ramification Minimization Measures	Risk Significance Assessment* and Dynamics
Industrial Risks				
1	Tariff risks	The governmental tariff policy is currently aimed at suppressing the growth of power transmission service tariffs, which may lead to the limitation of tariff sources for investment and operating activities, incomplete consideration of loss recovery costs, loan interest repayments, income shortfalls, uncompensated costs of previous periods. Additionally, pursuant to current law, power transmission tariffs may be reduced by the government during the entire regulation period, which may negatively affect the required gross revenue of the Company. 1.	1. Preparing and submitting materials to the Russian regional executive bodies responsible for the state regulation of tariffs — these materials are to prove the necessary tariff rates and the value of the Company's required gross revenue in the tariff, whereby the reduction of revenues from the regulated activities must be taken into account. 2. 2. Carrying out a balanced policy to improve investment and operating efficiency so as to reduce expenditures and optimize planning of the financial source structure.	(No changes)
2	Transmission service volume reduction	1. This risk is due to the possible decrease in demands for power and optimization of external power supply schemes used by major consumers. 2. The risk is explained by the applicants' non-use of capacities gained by such technological connection.	1. Cooperating with power transmission service users to harmonize the planned transmission volumes, including the declared capacities, which must be stated in the corresponding power transmission service agreements and further submitted to the state tariff regulation bodies. 2. Monitoring and forecasting power consumption, improving the accuracy and reliability of power demand planning. 3. Carrying out the energy saving and energy efficiency improvement programs, including programs to reduce power losses and programs for the long-term development of metering systems. 4. Analyzing the approved regional power engineering Development Schemes and Programs to identify plans to construct new generation facilities.	

3	Technological connection service risks	These risks are due to: 1. Possible deficit of financing for technological connection agreements. 2. Applicants' default on their respective technological connection agreements. These factors might reduce the Company's revenue from such technological connections.	1. Monitoring and timely adjustment of the investment programs; any changes must be taken into account in the business plans for the following year. 2. Monitoring the applications and forecasting the technological connection demand (including the geography of growth) so as to predict the number of applications and the grid company's liabilities for the following year. 3. Improving the consumers' confidence in Rosseti Tyumen JSC by better explaining the entire technological connection process, which can be done through publishing the necessary information on the official website, developing an awareness-raising methodology, and establishing a Customer Service Center.	(No changes)
4	Risk associated with non-payment for transmission services on the part of service users (i.e. the emergence of contestable and non-contestable overdue receivables)	The mechanisms in place that are aimed at incentivizing timely payments for power transmission services are not sufficient; coupled with macroeconomic factors (the ever-lowering purchasing power of consumers), this factor causes a risk.	1. Resolving any emerging disputes with the consumers, reducing the contested and overdue receivables, cooperating with the federal authorities on the optimization of retail market rules. 2. Forming a judicial practice and creating positive precedents. 3. Implementing the Program for prospective development of the electric power accounting systems, approved by the Board of Directors, at the power retail market in distribution grids	(No changes)
Country- and Region-Specific Risks				
5	Risks related to the political and economic situation in the country or region	The risks are due to the decrease in the economic activity of the RF constituent entities in the presence regions, unstable external conditions, international sanctions, drop in electric power demand. These factors might reduce the Company's revenue.	1. Implementing a set of measures to optimize the share of loans in the total capital structure. 2. Raising long-term loans at fixed interest rates. 3. Improving operational efficiency and investment-related expenses of the Company. 4. Including a Force Majeure article in counterparties to reduce the Company's financial losses in case of force majeure.	(No changes)
6	These risks are due to possible conflicts and their manifestations,//	These risks are due to possible unlawful interference with the Company's activities, which includes terror attacks (including those by international terrorist	1. Physical security measures and procurement of technological means to ensure the security of the Company's facilities 2. Arrangement and supervision of information security measures:	

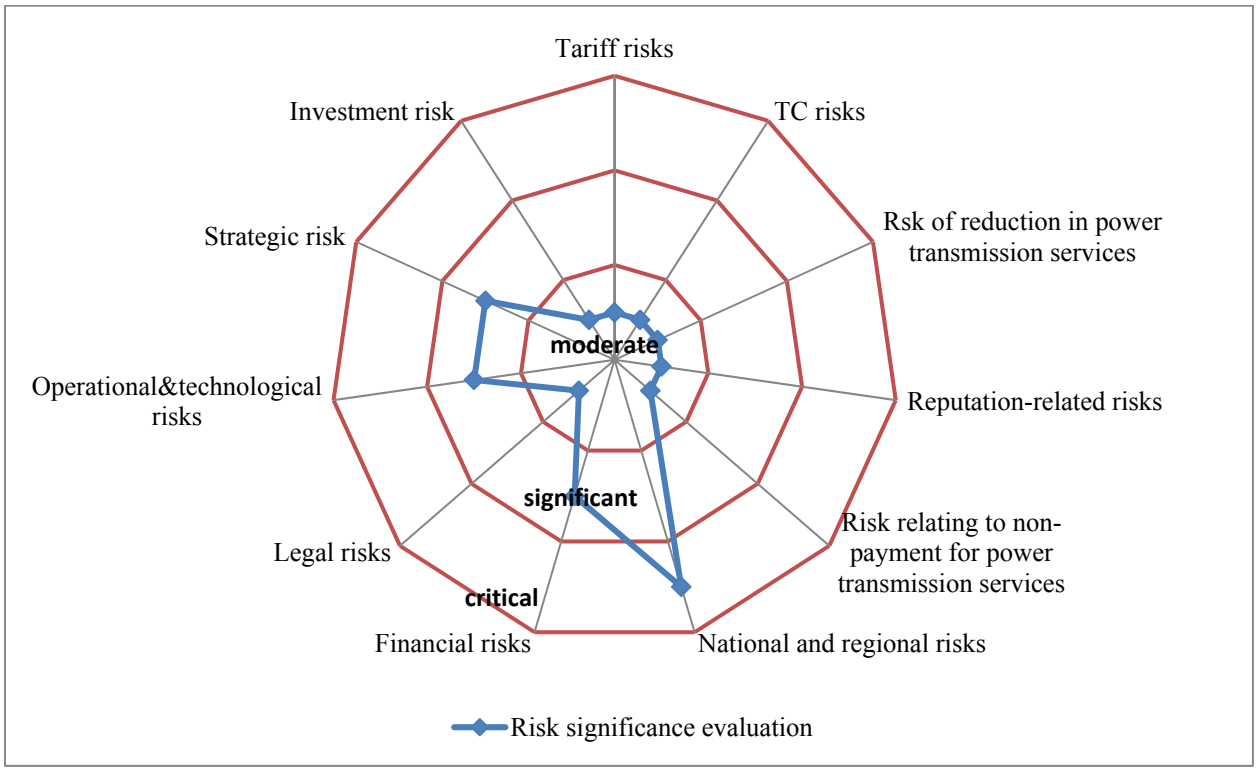
		cells and the nationalists in some countries). Such acts might have a negative impact on the Company's activities.	- enforcement of commercial and professional secrecy; - compliance with the personal data processing requirements; - taking measures to prevent leaks of confidential information via technical	
7	Risks related to the country geographical including a higher probability of natural disasters and possible transport communication cease.	These risks are due to natural and climatic disasters (hurricanes, heavy rains, floods, snow blockages, icing, power supply interruption as a result of fires, household explosions, etc.). As a result, power supply and transport communications in the region can be ceased.	1. Design of power assets with the consideration of climate and geography. 2. Insuring the distribution grid facilities against natural disasters. 3. Managing the reserves of raw materials, supplies, and fuel necessary for the Company's primary activities. 4. Including a Force Majeure article in counterparties to reduce the Company's financial losses in case of force majeure.	(No changes)
Financial Risks				
8	Risks related to changes in exchange rates	Negative impact on the financial and business performance of the Company due to changes in currency exchange rates.	1. Import substitution policies. 2. Long-term agreements that do not involve any rise in procurement prices.	(No changes)
9	Risks related to the changes in interest rates	Possible increase in the Company's credit costs associated with investment program financing.	1. Raising long-term loans at fixed interest rates. 2. Planning the financial and business activities with due consideration of interest-rate risks. 3. Monitoring the debt capital market and using such sources of loan funds that are economically viable in terms of interest rates and terms. 4. Early repayment of debts to avoid commissions and penalties under the existing loan agreements and tariff restrictions.	(No changes)
10	Risks related to inflation	The impact of consumer price index increase on the interest expenditures, costs, profitability, and thus, on the Company's financial status and ability to perform its obligations.	1. Planning the financial and business activities of the Company with the consideration of the inflation. 2. Considering inflation-related risks when drafting the tariff proposal. 3. Optimization of costs as a part of the Cost Management Program	(No changes)
Legal Risks				
11	Legal risks	These risks are related to changes in legislation, judicial practice regarding the Company's activities, and/or balance of interest with other power industry entities.	1. Monitoring of the regulations 2. Improving the Internal Control System 3. Preventing, current, and follow-up control of the Company's compliance with the legislation and the internal local regulations. 4. Monitoring of the effective legislation and judicial practices. 5. Ensuring the compliance of the TC process with the effective legislation. 6. Controlling the technological connection agreement and specifications drafting timings. 7. Implementing software to efficiently control the technological connection performance timings	(No changes)
12	Compliance risk	These risks are related to the sanctions of regulatory bodies, imposed on the grounds of the Company's noncompliance with the legislation, local regulations, and other mandatory regulations.		

Business Reputation Risk				
13	Reputation risk	This risk is related to the possible default on obligations to customers and counterparties.	1. Considering reputation when making decisions; early measures on forming public opinion. 2. Media planning for the year. 3. Regular media monitoring. 4. Targeted PR programs to create a positive public image (for the target audience) with respect to crucial and potentially negative topics. 5. Proactivity/activity in the information field, information saturation and transparency.	(No changes)
Strategic Risk				
14	Strategic Risk	Risk of non-fulfillment of the Company's strategic goals and objectives due to the potential changes in the Company's internal and external situation.	1. Collection and update of source data on the long-term loads of consumers in the Tyumen Oblast, the Khanty-Mansi Autonomous Okrug — Yugra, and Yamalo-Nenets Autonomous Okrug with subsequent adjustment (update) of measures in the comprehensive long-term development programs for 35 kV+ electric grids in these regions through to 2022; taking an active part in drafting power engineering Development Schemes and Programs for the Tyumen Oblast, the Khanty-Mansi Autonomous Okrug — Yugra, and the Yamalo-Nenets Autonomous Okrug through to 2022. 2. Updating data on 35 kV+ power centers owned by Rosseti Tyumen JSC and LGOs (with which it has entered into information-exchange agreements) on the Interactive Power Center Load Visualization Map of the Company. 3. Decreasing the equipment aging and improving the reliability and quality of power supply to the existing consumers. 4. Mandatory energy inspections of the Company	(No changes)
Risks Related to the Company's Activities:				
15	Operational and technological risk	1. Less reliable power supply to the consumers due to natural and technogenic disasters, which might result in the failure of power grid equipment. 2. High share of equipment with expired service life. 3. Failure to comply with the regulatory technical requirements regarding the maximum permissible values of power grid equipment operating parameters.	1. Outage analysis based on the automated system data; detection of shortcomings. 2. Renovation of the grid and the implementation of reliability enhancement programs to improve the conditions of the grid. 3. Repairing facilities on an as-needed basis with due consideration of risks and outage data. 4. HR-related measures: training and retraining. 5. Population-wide awareness-raising and drafting PR programs to reduce injury occurrence rates, to promote an energy-saving lifestyle, and to popularize power engineering jobs. 6. Carrying out emergency response trainings, including specialized trainings on Blackout Schedule implementations. 7. Developing and updating special provisions on the technological cooperation with related electric power entities (REPE).	(No changes)

			8. Taking measures to improve the reliability of the grid equipment.	
16	Investment risk	1. Reduction in the Company's Investment Program financing due to deterioration in its financial and economic situation, which results in lower tariff revenues in case such Investment Programs are not carried out in full. 2. Untimely commissioning of Investment-Program facilities due to the non-performance or untimely performance of the contractors' and suppliers' obligations.	1. Drafting the Investment Programs with due consideration of the following key performance criteria: – making the grid infrastructure more available; – reducing the wear of, and modernizing the grid facilities; – commissioned capacities must be subject to maximum load. 2. Monitoring the implementation of the Investment Program and its financing; analyzing reasons of deviation of the actual Investment Program figures from the planned figures. 3. Taking measures to improve the quality of project implementation and the efficiency of investments into the existing grids; reducing the specific construction costs; maximizing the load of commissioned capacities; developing and implementing a system for the comparative analysis of specific construction, installation, and material costs.	

* critical, – significant, – moderate

Risk map



Evaluating the efficiency of the risk management system

To guarantee that the RCS is efficient and conforms to the objectively changing requirements and conditions, the Company tasks the internal auditor to assess the efficiency of the RCS.

The internal auditor report on the RCS efficiency evaluation according to the results of 2019 is considered at the meeting of the Board of Directors (Minutes of____ No. _____) with a preliminary discussion of the specified issue by the Auditing Committee at the Board of Directors (Minutes of _____ No. _____). According to the results of 2019 the level of RMS maturity is evaluated as _____, according to the results of 2018 the level of RMS maturity is evaluated as_____.

In the reporting year the Company had the RMS evaluated by the external independent party. According to the results, the Company's RMS was recognized as "moderately efficient" by an independent expert. The results of the external independent evaluation of the Company's RMS were considered at the meeting of the Board of Directors (Minutes of August 7,2019 No. 18/19) with a preliminary discussion of the specified issue with the Strategy and Development Committee at the Board of Directors (Minutes of June 17, 2019 No. 34).

RMS enhancement

In compliance with the order of the Company of the April 12, 2019 No. 227 "On Approval of Plan of Internal Control and Risk Management System Enhancement" the key measures intended for RMS improving:

– development of a local regulatory act, establishing the procedure for information exchange in the course of the Company's risk management;

– conducting the analysis of factors influencing the implementation of key and main operation risks;

– organization of the Company's personnel training, including the training of top managers, in the area of risk management with a subsequent survey of employees.

The key measures on the RMS development to be implemented next year:

– upgrade of the Company's Policy of risk management on the basis of COSO principles "Organization Risk Management. Integration with the activity strategy and efficiency" as well as the standard ISO 31000-2018 "Risk Management – Guidelines";

– introducing the methodology for defining risk appetite coordinated with the Company's Development Strategy;

– defining key risk indicators (KRI).

3. PRODUCTION RESULTS

3.1.PRODUCTIONS CAPACITY

To date, Tyumenenergo JSC's overhead power lines have a total length of 50,921.6 km, the cable lines - 754 km, including leased overhead lines - 2,550.3 km and 130.1 km of cable lines).

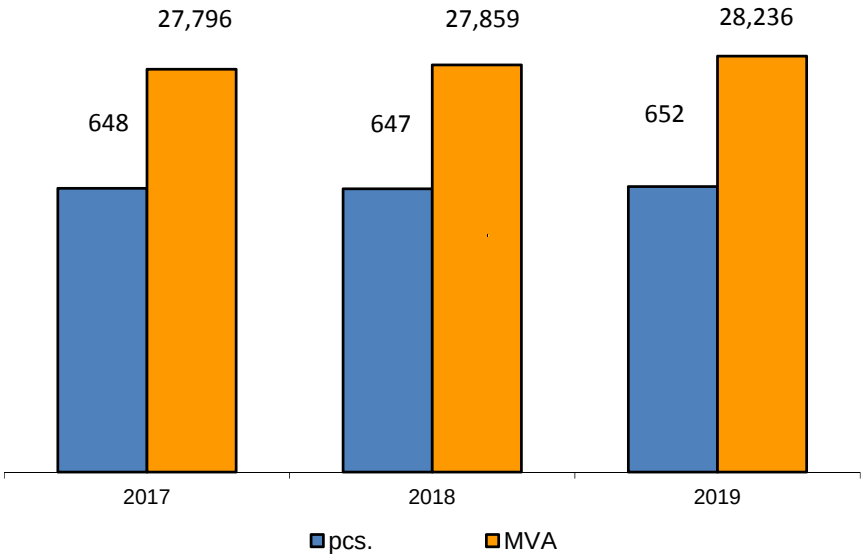
The Company has the following operating assets:

652 35-to-220 kV substations with an installed transformer power of 28,236.3 MVA, including 2 leased 35-to-110 kV substations with an installed transformer power of 22.5 MVA;

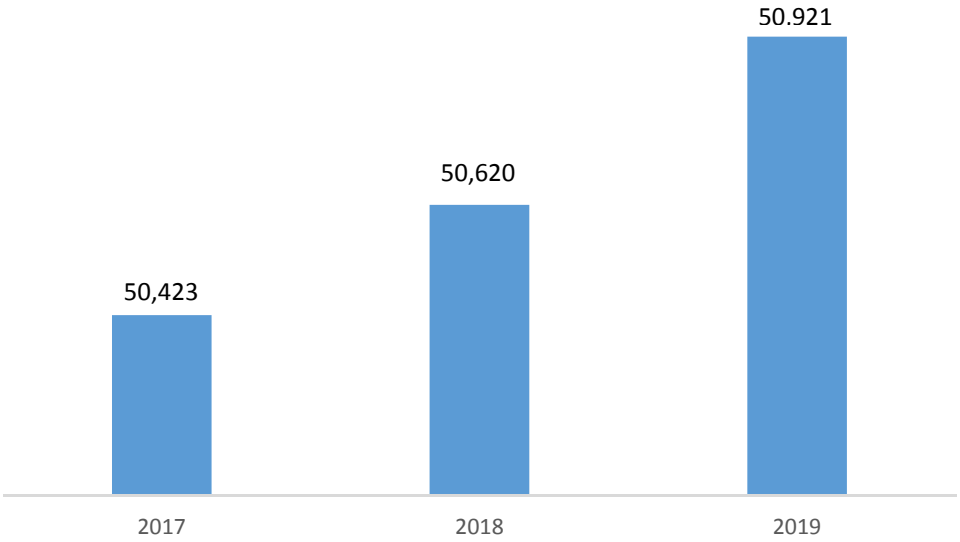
7,185 10(6)/0.4 kV transformer substations with an installed transformer power of 1,628.3 MVA, including 1,276 leased transformer substations with an installed transformer power of 351.63 MVA.

The charts below present data on the numbers and capacities of 35-to-220 kV substations and on the length of the 0.4-to-220 kV OPL, leased property included.

35-to-220 kV Substation Number and Power Dynamics



0.4-to-220 kV OPL Length Dynamics (Circuit Length), km

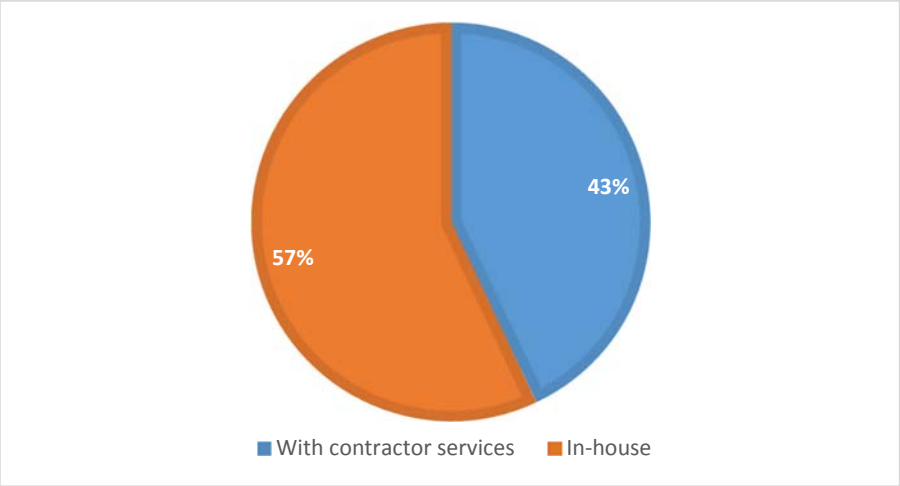


3.2.REPAIRS AND OPERATION

To ensure fail-safe power supply to our customers, it is important to keep the existing equipment fully operational. Accident-free power supply is enabled by strict compliance with repair and maintenance deadlines and regulations, by timely diagnosis and assignment of repair scopes and deadlines.

In 2019, the Company's M&R Program was carried out in full. Actual M&R spending on the fixed production assets totaled 3,963.3 million rubles in 2019 for the Company in general. Jobs performed without contracting totaled 2,260.8 million rubles; contracted jobs totaled 1,702.6 million rubles.

Maintenance and Repair Costs



Repair of Basic Power Equipment of Rosseti Tyumen JSC's Substations and OPLs for 2019 in monetary terms, million rubles

No.	Equipment Type	Actual Spending in 2019		
		Total	Including	
			Economic way	Contracted Repairs
1	PL Repairs	958,960	172,901	786,059
2	Substation Equipment Repairs	622,062	311,916	310,146
3	Buildings and Structures	242,698	47,792	194,906
4	Other Assets	2,139,617	1,728,193	411,425
	TOTAL	3,963,338	2,260 802	1,702 536

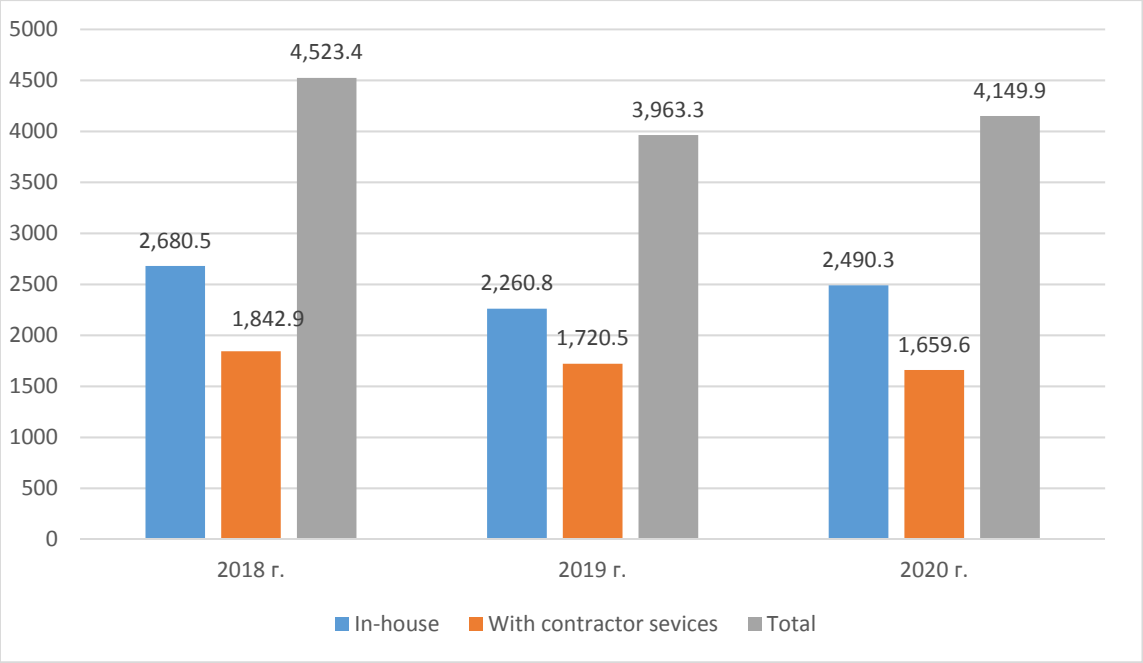
Repair of Basic Power Equipment of Rosseti Tyumen JSC's Substations and OPLs for 2019, units of equipment (physical terms)

No.	Equipment Type	Unit	Planned for 2019:	Actual 2019	Plan 2020
1	35-to-110 kV Power Transformer Repairs	number	96	107	93
2	Circuit Breaker Repairs	number	220	222	347
3	Disconnecting Device Repairs, ODiKZ	number	319	320	233
4	0.4-to-110 kV Overhead Power Line Repairs	km	2,429	2,558	2,340
5	Route Clearing	ha	6,037	6,136	6,712
6	Repair of transformer substations 10/0.4 kV	number	141	147	170

Analysis of M&R Expenditures in 2018-2020, million rubles

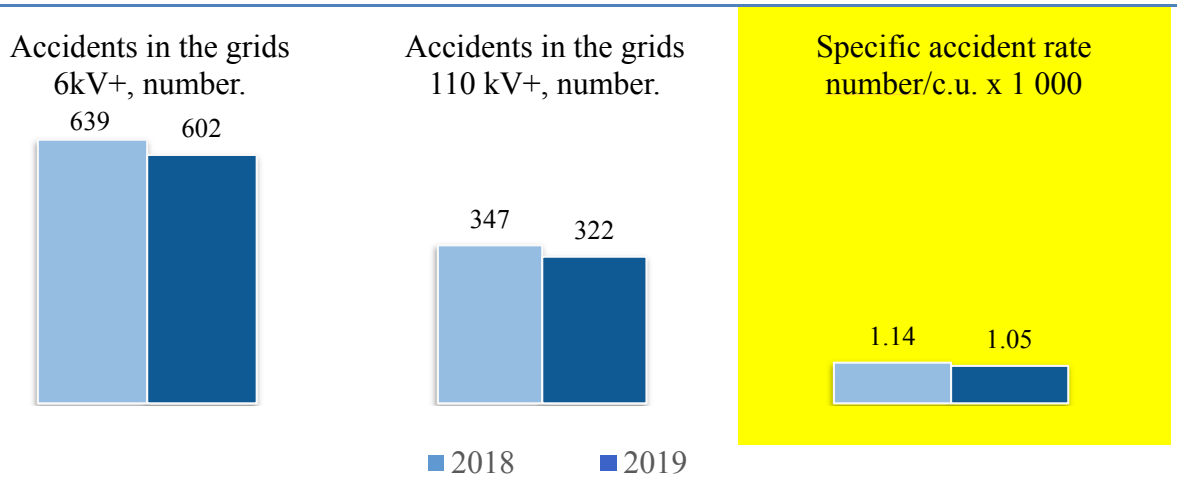
No.	Type	Actual Spending in 2018	Actual Spending in 2019	Planned for 2020:
1	Repairs Without Contracting	2,680.5	2,260.8	2,490.3
2	Contracted Repairs	1,842.9	1,720.5	1,659.6
	Total	4,523.4	3,963.3	4,149.9

M&R Budgeting in 2018-2020 by Expenditure Type, million rubles



3.2.1. TECHNICAL STATUS OF GRIDS

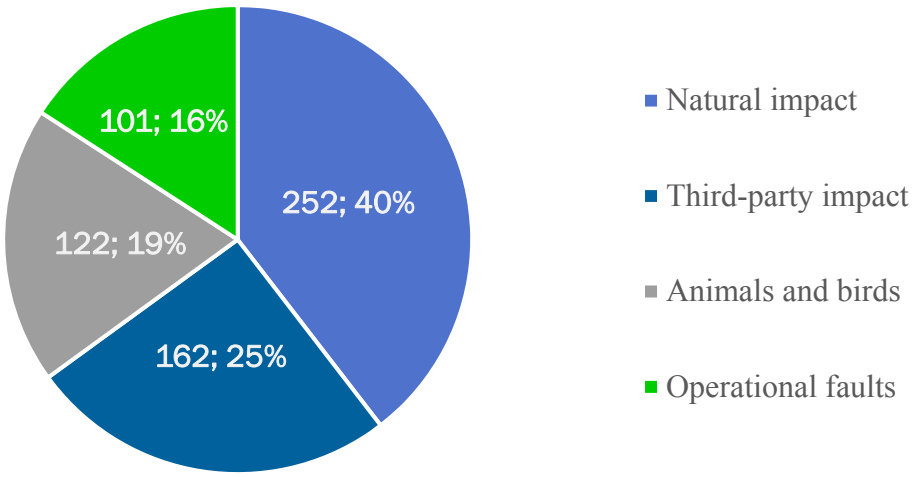
Accident Rate



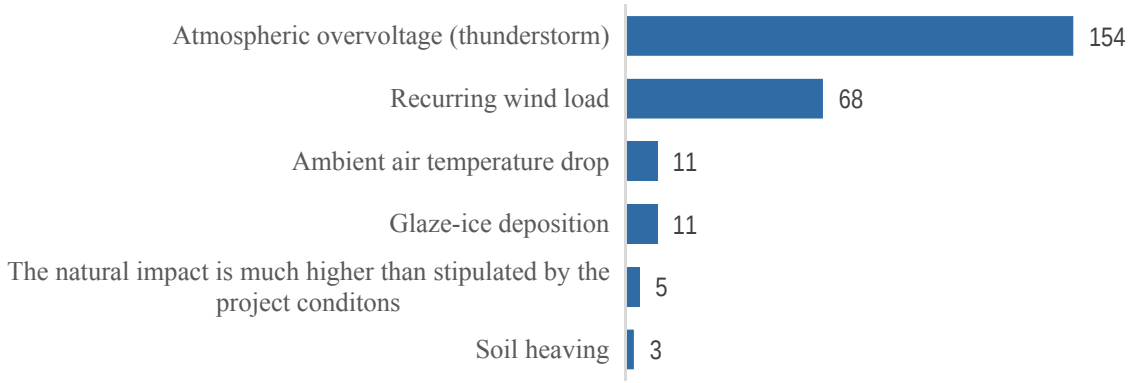
Primary Causes of Accidents in 2019

Over 2019, most technological disturbances were caused by acts of nature and climate typical for the Western Siberia, such as the frost heaving of foundations, elevated vibration and "galloping" of wires, the thunderstorm-caused outages due to the back-flashover of insulation strings caused by poorly conductive soils, frosting and its discharge, sharp changes in the weather, squally winds, extreme cold, etc. These reasons explain the occurrence of emergency points and “bottlenecks”.

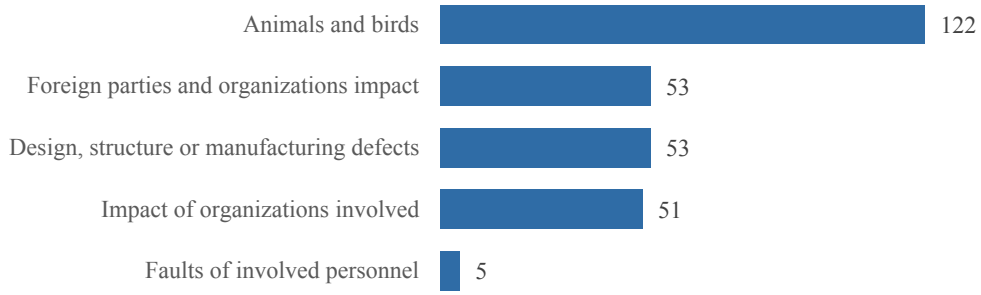
The largest number of technological incidents (emergencies) for 12 months 2019 occurred because of lightning overvoltages (154 events, 61 % caused by technological incidents induced by natural impacts), impact of birds and animals on power units (122 events, 43 % due to technological incidents caused by foreign actions) and untimely defect detection (52 events, 51 % due to technological incidents caused by operation faults).



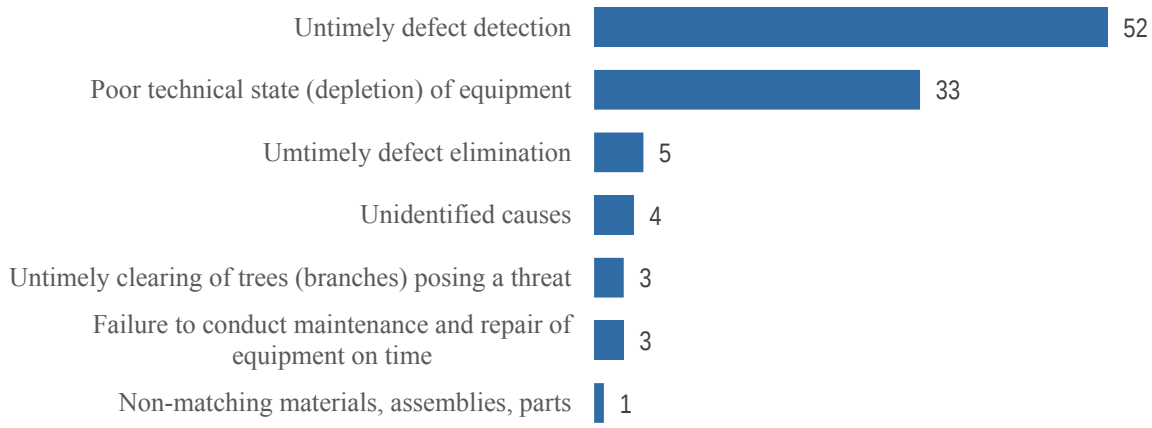
Technological impacts caused by natural impact, number



Technological incidents cause by foreign actions, number



Technological incidents caused by operational faults, number



Reliability improvement measures implementation and their efficiency

In order to improve the quality, reliability, and sustainability of electric grids and equipment, the following measures were taken in 2019:

Porcelain rod-and-support insulation as part of disconnecting devices and bus insulators was replaced by a modern one	number	1,214
90 oil-filled power transformer bushings were replaced with solid-insulation bushings	number	118
22 substation ground loops were repaired;	number	16
Installing spiral reinforcement and multifrequency vibration absorbers on 110-kV OPLs;	number	1,824
Widening of the existing OPL clearcuts to the standard buffer zone width	ha	1,087

The implementation of the program on replacement of rod-and-support insulation minimized damage to disconnecting devices caused by destruction of rod-and-support insulation. Thanks to the replacement of 110 kV transformer bushings, no bushing-related damage was caused to power transformers in 2019.

The repair of ground loops allowed reducing the number of equipment damage caused by lightning overvoltage. Thus, in 2019 no equipment damage caused by lightning overvoltage was registered.

Installation of spiral reinforcements since 1999 and of multi-frequency vibration absorbers since 2002 has so far drastically reduced the occurrence of wire and lightning wire damage and breakages caused by fatigue fractures conditioned by vibrations, as those are reliably controlled by spiral reinforcements; virtually no damage has been caused since then by these factors.

Widening of the existing OPL clearcuts to the standard buffer zone width allows preventing the increase in the number of technological incidents because of fallen trees from forested areas and twig surges because of high winds (2018 – 3 number, 2019 – 3 number).

To reduce the rate of accidents caused by lightning surges, the Company has prepared and is carrying out a target program for 2017–2022 to equip OPLs with surge protectors (SP). In 2019, the Company installed 2,352 SPs. Besides, to improve the lightning resistance of the

OPLs, lightning wires are replaced and additional earthing rods are installed as a part of overhauls to normalize the OPL support ground-loop resistance.

Reaching the Reliability Objectives

Power transmission service reliability and quality targets are specified for Rosseti Tyumen JSC by Decision No. 59 of the Regional Energy Commission (hereinafter REC) of the Tyumen Oblast, the KhMAO, and YNAO dd. December 28, 2017. For 2019 by the REC decision planned values of average power outage duration (Πsaidi) were defined as 0.4492 and the average power outage frequency (Πsaifi) were defined as 0.2030.

Actual 2019 performance indicators are as follows:

Πsaidi – 0.2811 (−37.4 %) – significantly better value achieved;

Πsaifi – 0.2326 (+14.6 %) – the value achieved with the account of the permissible deviation coefficient (30 %) set by REC.

3.3. POWER TRANSMISSION

In 2019, the Federal Grid Company, the power producers, and the related grid companies supplied to Rosseti Tyumen JSC's grid a total of 58,059.7 million kWh. The end users and the local grid operations received 56,512.7 million kWh from the grid. Power losses came to 1,547.0 million kWh or 2.66 % of the power supplied to Rosseti Tyumen JSC's grid.

Supply to Grid, million kWh	Supply from Grid to the Users and Related LGOs Within the Balance/Operational Responsibility Boundaries, million kWh	Losses	
		million kWh	%
58,059.7	56,512.7	1,547.0	2.66

Supply from the grid to the users and related LGOs within the balance/operational responsibility boundaries came to 56,512.7 million kWh, which is 299.1 million kWh or 0.53 % more than in 2018 (56,213.6 million kWh).

Power Transmission Service Dynamics in 2018-2019

Power Transmission Service Volume						
2018		2019		Change		
million kWh	million rubles	million kWh	million rubles	million kWh	million rubles	%
48,492.9	56,149.0	48,589.2	60,871.3	96.3	4,722.3	8.4

As a result of Rosseti Tyumen JSC's operations in 2018, transmitted power came to 48,589.2 million kWh, which is 96.3 million kWh or 0.2 % more than in 2018 (48,492.9 million kWh).

Actual Power Losses in 2018-2019

Power Losses					
2018 Actual Value		2019 Actual Value		Change*	
million kWh	%	million kWh	%	million kWh	%
1,640.2	2.84	1,547.0	2.66	-93.2	-0.18

** Calculated as the difference between the 2019 and 2018 values.*

By the end of 2019, Rosseti Tyumen JSC supplied 205.9 million kWh more power to its grid and supplied 299.1 million kWh more power from its grid (within the DGC), compared to 2018. Reduction in actual power loss by 93.2 million kWh comparing with 2018 is explained by physical processes occurring at electric power transmission.

Power Loss Reduction Measures

Rosseti Tyumen JSC has prepared and is implementing a Power Loss Reduction Program for its grids. By virtue of taking comprehensive measures under the existing programs, power losses in Rosseti Tyumen JSC's grids were reduced by 73.5 million kWh in 2019. The factors that contributed to such improvements are:

– organizational measures which reduced losses by 10.5 million kWh;

– Technical Re-Equipment and Modernization Program, which reduced losses by 63.0 million kWh.

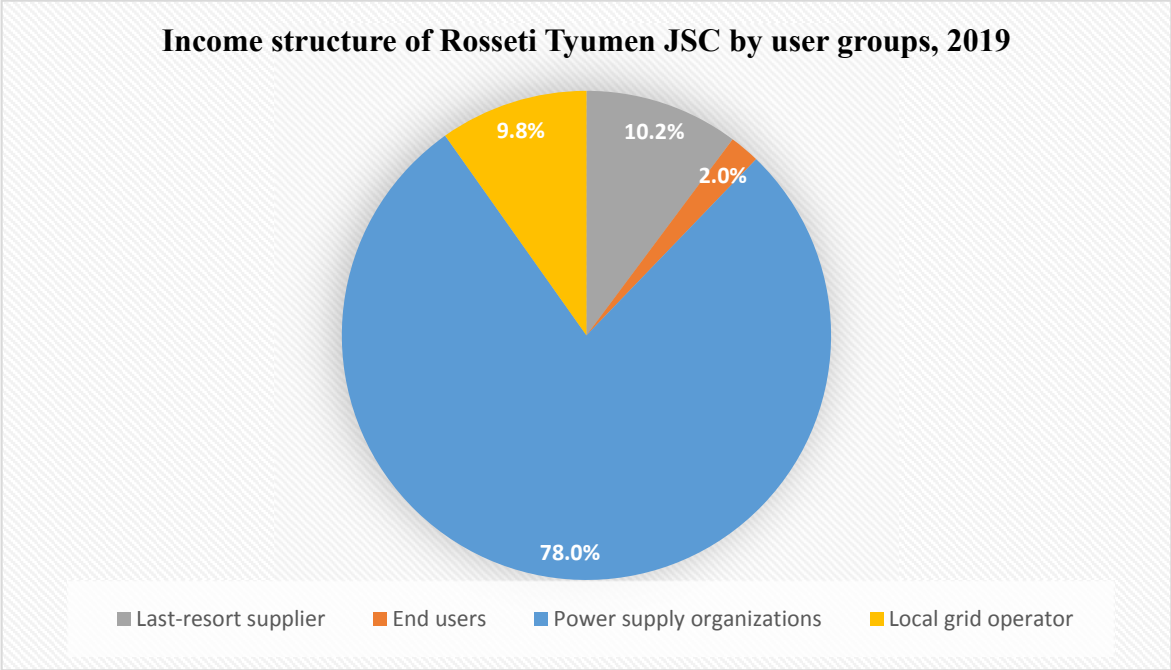
Structure and Dynamics of the Company's Power Transmission Service Revenue and Expenditures

One of the major power transmission service users in the Tyumen Oblast is Gazprom Energosbyt Tyumen JSC, which is a last-resort supplier. The share of Gazprom Energosbyt Tyumen JSC in the power transmission service revenue amounts to 10.2 %. Over the reporting period, the users of Gazprom Energosbyt Tyumen JSC received 4,873.7 million kWh, which totaled 6,212.9 million rubles.

The share of energy sales organization in forming the revenue for power transmission totaled 78.0 %. With the total transmitted power of 35,659.7 million kWh, the cost of service totaled 47,509.4 million rubles.

Energy sale organization
Unified Power Supply Company JSC (for OC Rosneft PJSC)
Rusenergoresurs LLC (for Transfneft-Siberia JSC)
RUSENERGOSBYT LLC (RZhD JSC)
RN-Energo LLC (for RN-Purneftegaz LLC, RN-Yuganskneftegaz LLC, and Tomskneft Eastern Oil Company JSC)
Surgutenergosbyt LLC (for Surgutneftegas JSC)
Lukoil-Energoservis LLC (for LUKOIL-West Siberia JSC)
Gazpromenergosbyt JSC (for Gazprom PJSC)
Gazpromenergosbut Bryansk, LLC (for LUKOIL-AIK CJSC, Yugra Forestry Holding JSC, and Tyumenvodokanal LLC)
Siburenergomanagement JSC (for SiburTyumenGaz JSC and NOVATEK LLC)
Vostok JSC (for EnergoGazNoyabrsk JSC)
Belkam Contract LLC (for OC RussNeft PJSC)
Transneftenergo LLC (Transneft-Siberia JSC)

End users accounted for 2.0% of the Company's revenue. With a total transmitted power of 891.5 million kWh, the cost service totaled 1,203.7 million rubles. Key users of this category are:	**Local grid operators accounted for 9.8 % of the Company's revenue. With a total transmitted power of 7,164.3 million kWh, the cost of service totaled 5,959.4 million rubles. Key users of this category are:**
GazpromDobychaYamburg LLC	Gazpromenergo LLC
Surgutneftegas PJSC	Varyeganenergoneft PJSC
RN-Yuganskneftegaz LLC	Surgut City Electric Grids LLC
Lenta LLC	Surgut City Electric Grids LLC
Sibur Tobolsk LLC	Urengoygorelektroset JSC
	MP GES Khanty-Mansiysk



The revenue for Rosseti Tyumen JSC-provided power transmission services totaled 60,871.3 million rubles in 2019. The actual revenue growth was 8.4 % or 4,722.3 million rubles against the 2018 actual value.

3.4. TECHNOLOGICAL CONNECTION

The technological connection of the user power receivers to Tyumenenergo JSC's grid is carried out in full compliance with the effective legislation of the Russian Federation.

Rosseti Tyumen JSC's users are served physically by means of their personal contact with the Company's employees at the Customer Service Centers.

Significant technological connection facilities

Kondinskaya Deposit Group (the KHMAO-Yugra)

OC Rosneft PJSC has launched its oil cluster in the Khanty-Mansiysk District at the Kondinskaya Deposit Group, which consists of Erginskoye, Zapadno-Erginskoye, Kondinskoye, Novoendyrskoye, and Chaprovskoye Deposits. The five deposits of the Kondinsky District that the Group comprises, have an estimated reserve of 259 million tons.

To supply power to future facilities of OC Rosneft PJSC companies (81.3 MW in total), Rosseti Tyumen JSC undertakes to construct three new 100 kV substations with 110 kV OPLs and two 110 kV User Stations from 2019 to 2021.

For the purpose of realizing these goals, Rosseti Tyumen JSC and NC Kondaneft, LLC have entered into 4 technological connection agreements for the total amount of 4.4 billion rubles (VAT included).

Novy Urengoy License Area (the YNAO)

To supply power to the facilities in the Novy Urengoy License Area with a maximum power of 7 MW, Rosseti Tyumen JSC and ROSPAN INTERNATIONAL JSC have entered into the technological connection agreement No. T6/17/0008-DTP dd. October 10, 2017 (589 million rubles, VAT included), under which Rosseti Tyumen JSC is to construct a 110/6 kV substation (2 x 10 MVA) using the 110-4N circuitry, as well as two single-circuit 110 kV OPLs with an expected total length of 11 km, using the AC-150 wire; those OPLs will go from the Urengoy to Limbya-Yakha OPL to the newly constructed 110 kV substation.

Mayskoye Deposit Gas Refinery (the KhMAO-Yugra)

To connect the Mayskoye Deposit Gas Refinery with its total power of 20 MW, Rosseti Tyumen JSC and RN-YuganskGazPererabotka have entered into the technological connection

agreement (public offer No. T3/17/0014-DTP filed December 18, 2017; 521 million rubles, VAT included), under which Rosseti Tyumen JSC undertakes to:

1. Construct 110/10 kV substations for the Maysky Gas Refinery, with a total transformer power of 2 x 25 MVA.
2. Construct a 110 kV dual-circuit OPL of approximately 2.5 km, using the AC-120 wire, branching from the 110 kV Krater to Sredniy Balyk1, 2 OPLs (between the 220 kV Sredniy Balyk substation and 110 kV Promyslovaya substation) to the newly constructed Maysky Gas Refiner 110/10 kV substation.

Ust-Balyk Deposit (Yuganskaya 2 110 kV substation)

To supply power to future facilities of the Ust-Balyk Deposit (max power of 38.9 MW), OC Rosneft PJSC (RN-Yuganskneftegaz LLC), the technological connection agreement for 1.295 billion rubles (VAT included) has been concluded, under which Rosseti Tyumen JSC undertakes to construct a new 110 kV substation (2 x 40 MVA) with the 110 kV dual-circuit OPL (of approximately 26 km) and 110 kV US with two 1-dimensional 110 kV cells near the Losinka 110 kV substation.

GAZPROM PJSC

BCS of the Yety-Purovskoye Deposit (the YNAO)

To connect the Booster Compressor Station (BCS) of the Yety Purovskoye Gas Deposit with its maximum power of 35 MW, Rosseti Tyumen JSC and Gazprom dobycha Noyabrsk LLC have entered into the technological connection agreement (No. T5/15/0015-DTP dd. February 21, 2017 for 1,478 million rubles, VAT included), under which Rosseti Tyumen JSC undertakes to construct a 110/10 kV SS (2 x 40 MVA) with two single-circuit 110 kV OPLs (of approximately 60 km each) and 110 kV US at the Severny Switching Station (SwS), whereby the SwS is to be expanded by adding two more 110 kV cells.

PIT SIBINTEK, LLC (the KhMAO-Yugra)

For the technological connection of the Vareyagskoye Deposit facilities with the maximum capacity 8 MW a technological connection agreement of March 30, 2017 No. T13/17/0018-DTP was concluded (cost – 132 million rubles VAT included) in repayment of which Rosseti Tyumen JSC will implement the construction of OPL 110 kV from OPL 110 kV Snezhnaya- KS-7 to Substation 110/35/10 kV “Preliminary water gathering unit” (PWGU).

KanBaikal LLC (KhMAO-Yugra)

For the technological connection of the Untygeiskoye Deposit facilities with the maximum capacity 25 MW a technological connection agreement of September 6, 2017 No. T13/17/0006-DTP was concluded (cost – 390 million rubles VAT included) in repayment of which Rosseti Tyumen JSC will implement the construction of PL 110 kV to Substation 110 kV of the Untygeiskoye Deposit (new construction site 2×20 km).

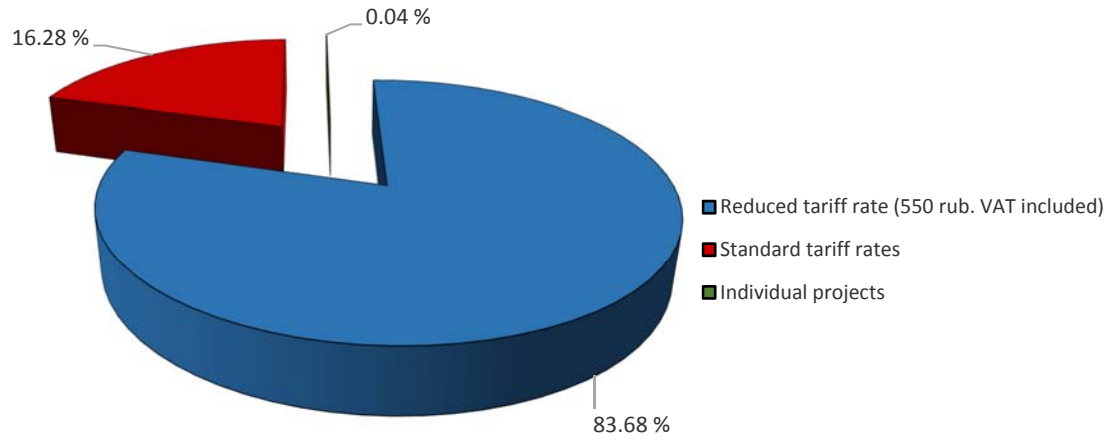
Tenaris Severstal LLC (KhMAO-Yugra)

For the technological connection of the metalwork complex with the maximum capacity 14 MW Rosseti Tyumen JSC and Tenaris Severstal LLC concluded a technological connection agreement of October 4, 2019 No. T7/19/0009-DTP was concluded (cost – 182.9 million rubles VAT included) in repayment of which Rosseti Tyumen JSC will implement the construction of the Substation 35 kV in the area of Substation 110/35/6 kV Tekhnolog with two 1D cells 35 kV and a double-circuit PL 35 kV with estimate duration of 12 km from the Substation 35 kV in the area of Substation 110/35/6 kV Tekhnolog to a distribution point, newly constructed by the applicant, 35 with a transformer substation 35/0.4 kV.

As of today, the Company has entered into technological connection agreements, which will cover about 600 MW of the additional power that users in the oil-and-gas industry demand, to ensure stable operations of the existing and newly developed oil and gas fields. These actions help keep the power transmission volume high and mitigate the consequences of terminating the last-mile agreements.

Over the 12 months of 2019, the Company entered into 5,114 technological connection agreements for the total power of 247 MW.

Distribution of concluded agreements by tariff rates, number



Technological Connection Demand

Over the 12 months of 2019, Rosseti Tyumen JSC received 5,920 technological connection application for the total power of 487 MW.

Compared to the same period of 2018, the number of applications gained 15%, and the power decreased by almost 30 %.

Technological Connection Demand and Met Demand

Power Ranges by Voltage	Up to 15 kW	15 to 150 kW	150 kW to 670 kW	More than 670 kW	Electric Power Generation Facilities	Total
2017						
Technological Connection Applications	4,718	293	62	100	0	5,173
Total Power, kW	*62,420*	*17,868*	*20,399*	*566,521*	*0*	*667,207*
Technological Agreements Concluded	4,393	191	34	79	0	4,697
Total Power, kW	*58,132*	*11,547*	*11,113.5*	*506,716.6*	*0*	*587,509*
2018						
Technological Connection Applications	5,331	428	84	125	0	5,968
Total Power, kW	*70,294*	*26,953*	*28,578*	*566,623*	*0*	*692,448*
Technological Agreements Concluded	4,764	257	33	64	0	5,119
Total Power, kW	*62,935*	*16,439*	*11,308*	*413,416*	*0*	*544,098*
2019						
Technological Connection Applications	5,312	433	78	97	0	5,920
Total Power, kW	*68,015*	*28,181*	*26,014*	*364,477*	*0*	*486,687*

Technological Agreements Concluded	4,741	290	26	57	0	5,114
Total Power, kW	*60,931*	*17,963*	*9,548*	*158,577*	*0*	*247,019*

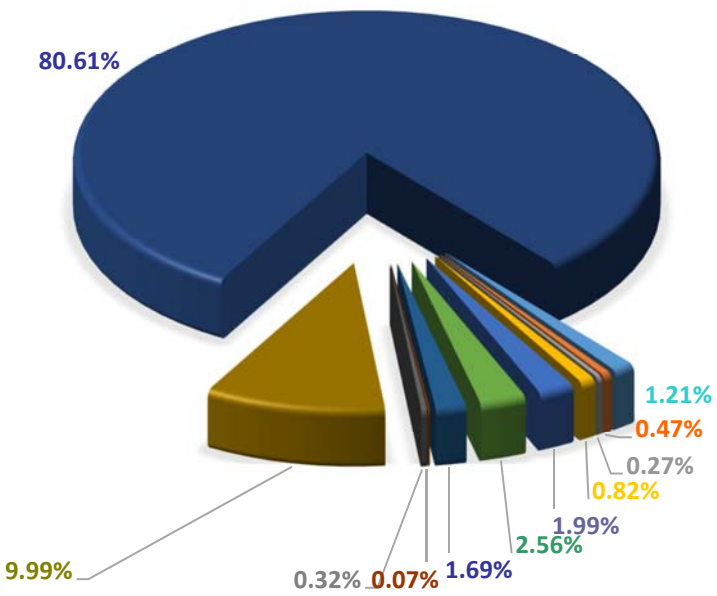
Technological Connection Fulfilled

Over the 12 months of 2019, the Company fully completed the technological connection under 4,956 agreements for the total power of 300 MW.

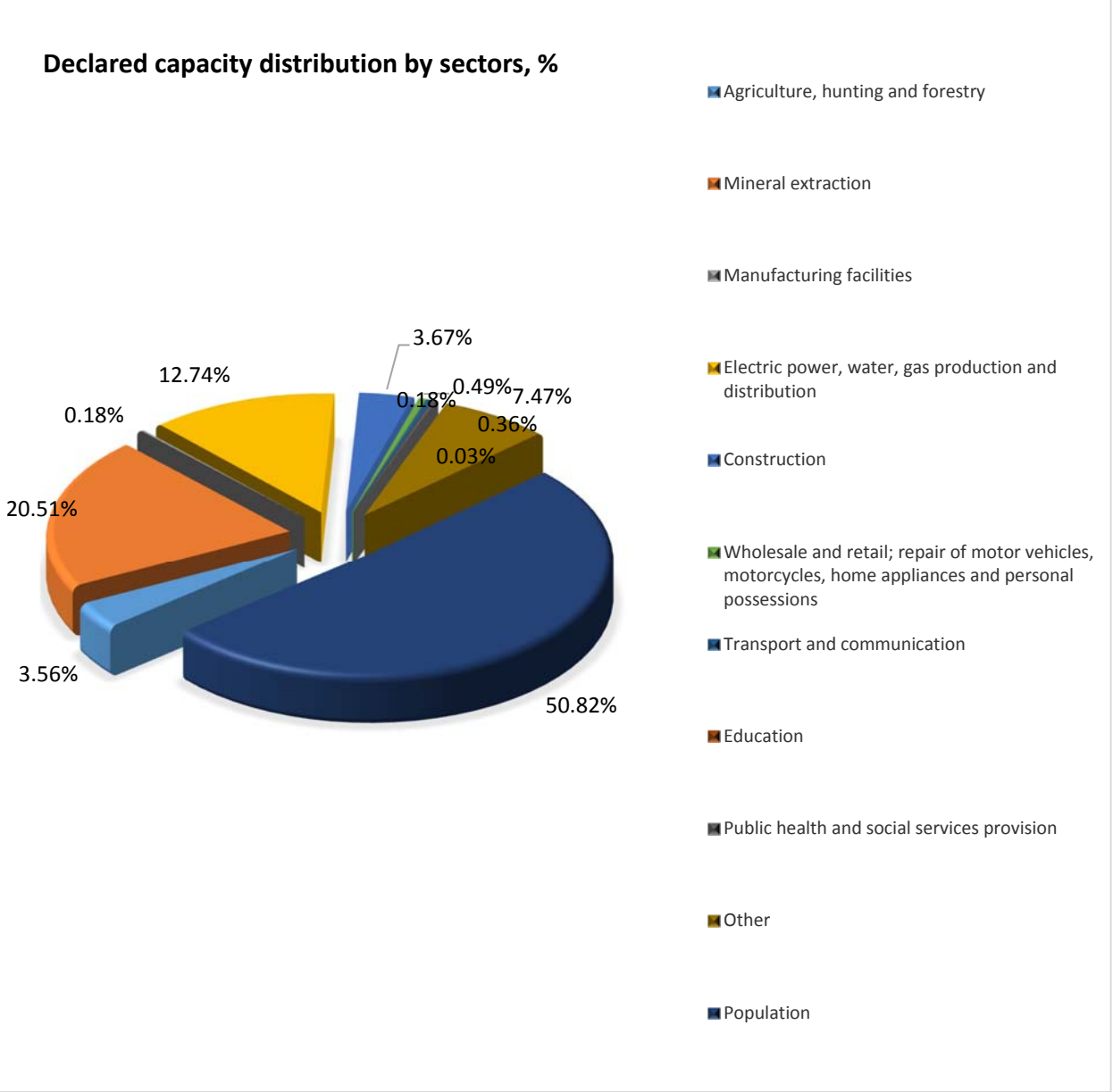
Power Ranges by Voltage	Connection Statistics					
	2017		2018		2019	
	TC Applications Fulfilled	Total Power, kW	TC Applications Fulfilled	Total Power, kW	TC Applications Fulfilled	Total Power, kW
Up to 15 kW, total	5,598	72,469	4,117	54,352	4,640	59,570
Including individuals	5,345	70,896	3,807	51,537	4,244	56,294
15 to 150 kW	177	8,690	192	11,401	241	14,287
150 to 670 kW	45	13,213	28	8,574	24	8,024
670+ kW	74	440,427	75	284,558	51	218,407
Total	**5,895**	**534,799**	**4,412**	**358,885**	**4,956**	**300,288**

The implementation of the measures intended for the reduction of technological connection agreements with violated terms of their fulfillment allows decreasing the number of overdue agreements by 618.

Request distribution by sectors, %



- Agriculture, hunting and forestry
- Mineral extraction
- Manufacturing facilities
- Electric power, gas, water production and distribution
- Construction
- Wholesale and retail; motor vehicle repair, repair of motocycles, home appliances and personal possessions
- Transport and communication
- Education
- Publc health and social services provision
- Other
- Population



Financial and Economic Performance of Technological Connections in 2019

Indicators	Amount, thousand rubles VAT exclusive
TC Revenue	2,273,196
TC Costs	183,197
TC Gross Profit	2,089 999
TC Net Profit	1,726,869
Advance payments received, amount **thousand rubles VAT included**	6,161,898

3.5.TARIFF POLICY

3.5.1. GENERAL INFORMATION

The Company's Tariff Policy is mainly based on the setting of tariffs for power transmission services and technological connection service rates at the economically reasonable level, which keeps the Company financially stable and helps it develop to ensure reliable and high-quality power supply.

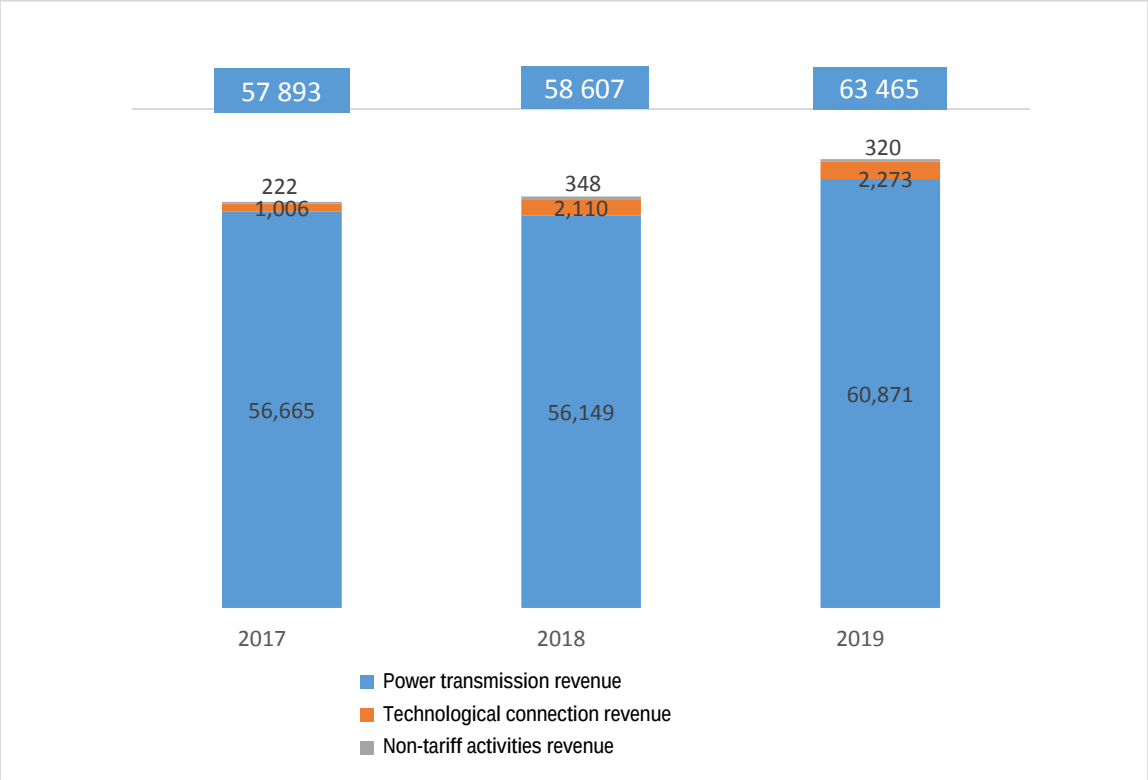
The main area in the Company's management operation is the interaction with the RF government agencies: the Regional Energy Commission of the Tyumen Oblast, the KhMAO-Yugra, and YNAO, the Regional Tariff Service of the KhMAO-Yugra, the YNAO Department of Tariff Policies, Energy, and Public Utilities, the Tariff and Pricing Policy Department of the Tyumen Oblast; such cooperation helps establish economically viable prices (tariffs) of the Company's regulated services.
Pursuant to the agreement between the governmental authorities of the Tyumen Oblast, the Khanty-Mansi Autonomous Okrug — Yugra, and Yamalo-Nenets Autonomous Okrug, the Regional Energy Commission performs the uniform power tariff regulation (within the centralized power supply area) in the Tyumen Oblast, the Khanty-Mansi Autonomous Okrug — Yugra, and Yamalo-Nenets Autonomous Okrug.

Regulated power transmission and technological connection activities, as well as tariff regulations on the same, are regulated by the following regulatory legal acts:

- Federal Law Mo.35-FZ dd. March 26, 2003 "On Power Engineering";
- RF Government Decree of December 27, 2004 No. 861 "On Approval of Non-Discriminatory Access to Power Transmission Services and Provision of Such Services, Rules of Non-Discriminatory Access to Operational Dispatching Management in Power Engineering and Provision of Such Services, Rules of Non-Discriminatory Access to Services of Trade System of Wholesale Market and Provision of Such Services and Rules of Technological Connection of Power Receivers of Power Consumers, Facilities on Power Production and Power Grid Facilities Owned by Grid Organizations and Other Persons to Electric grids";
- Decree No. 1178 of the Russian Government dd. December 12, 2011 "On the Pricing of Regulated Power Engineering Tariffs";
- May 4, 2012 "On the Operations of Retail Power Markets, Complete and/or Partial Restrictions on Power Consumption";
- Decree No. 184 of the Russian Government dd. February 28, 2015 "On the Recognition of Grid Facility Owners as Local Grid Operators";
- Guidelines on Calculating Regulated Tariffs and Prices for Electric (Thermal) Power at Retail (Consumer) Market, as approved by Order No. 20-e/2 of the FTS of Russia dd. August 6, 2004;
- Guidelines on Calculating the Power Transmission Service Tariffs Established by Long-Term Indexing of the Required Gross Revenue, as approved by Order No. 98-e of the FTS of Russia dd. February 17, 2012;
- Guidelines on Defining Basic Level of Operation, Controlled Costs of Territorial Grid Organizations Necessary for Implementation of Regulated Activity and Efficiency Index of Operative Controlled Costs with Application of Method of Analogue Comparison, as approved by Order No. 421-e of the FTS of Russia dd. March 18, 2015;
- Guidelines on Defining Amount to Charge for Technological Connection to Electric grids, as approved by Order No. 1135/17 of the FAS of Russia dd. August 29, 2017;
- Guidelines on Calculating the Reduction in Technological Connection Revenues, as approved by Order No. 215-e/1 of the FTS of Russia dd. September 11, 2014.

Revenue from regulated activities is predominant in the total product revenue structure. In 2019 the share of revenue received from the provision of power transmission services totaled 95.9 % of a total product revenue of the Company, revenue from technological connection services amounted to 3.6 % of a total product revenue of the Company.

Revenue Structure by Activity in 2017-2019, million rubles



3.5.2. POWER TRANSMISSION SERVICE TARIFFS

Rosseti Tyumen JSC uses a tariff regulation method based on the long-term indexing of the required gross revenue. The year 2019 was the second year of the second long-term regulation period. The long-term Company's regulation parameters for 2018-2022 are set by Decision No. 59 of the Regional Energy Commission of the Tyumen Oblast, the KhMAO-Yugra, and YNAO dd. December 28, 2017.

the Tyumen Oblast uses a contractual "down-top" uniform tariff model, under which supply companies pay for the power transmission services at uniform rates; such payments are received by grid companies, owning the grids, to which the power receivers of the end users are connected. Thus, the Company's product revenue from power transmission partially consists of the revenue from the power transmitted to the end users — this value is based on the tariff rates paid by the supply companies); the rest of the revenue is based on the power transmission tariffs established for other local grid operators. Product revenue from power transmission is what covers Rosseti Tyumen JSC's expenditures on paying for the services of FGC UES PJSC and on buying power to compensate losses occurring at last-resort suppliers[4]; the Company has to pay for LGO services as well as to maintain and develop its own grid complex (internal RGR) to ensure reliability and quality of power supply to users while meeting the prospective demands for power.

Uniform tariff rates for power transmission services for 2019 are approved by the resolution No. 54 of the Regional Energy Committee of the Tyumen Oblast, KhMAO-Yugra, YNAO of December 27, 2018. Individual power transmission service tariffs for 2018 were approved by Decree No. 55 of the Regional Energy Commission of the Tyumen Oblast, the KhMAO-Yugra, and YNAO dd. December 27, 2018.

Uniform tariff rates for H1 2019 do not exceed the rates for H2 2018; the rates for the H2 2019 were approved as 11 % higher.

[4] LGOs can have compensations at individual tariffs by Tyumenenergo JSC if their RGR is not fully compensated by the product revenue generated by the power supply companies when supplying power to the end users at the uniform tariffs. Uniform power transmission service tariffs for 2018 were approved by Decree No. 52 of the Regional Energy Commission of the Tyumen Oblast, the KhMAO-Yugra, and YNAO dd.

Power transmission tariffs for residents and resident-equivalent consumers have been approved by the REC with the following categorization: residents and resident-equivalent consumers not granted a reduction factor; residents and resident-equivalent consumers granted a reduction factor of 0.7.

Changes in the Average Power Transmission Tariffs of Rosseti Tyumen JSC

Indicator	2017	2018	2019
Average Tariff, kopecks/kWh	94.28	105.39	110.55
Gain, %	13.1	11.8	4.9

In 2019, the average power transmission tariff (calculated as the ratio of Rosseti Tyumen JSC's gross revenue from power transmission under the approved tariffs to power supply from the grid) was 4.9 % higher than in 2018. This change is due to the increase in the uniform and individual power transmission tariffs since July 1, 2019.

Rosseti Tyumen JSC Power Transmission RGR Dynamics

million rubles

Indicator	2017	2018	2019
Total Gross Revenue from Power Transmission, including	61,313	62,675	62,438
Internal RGR	29,065	30,133	28,408

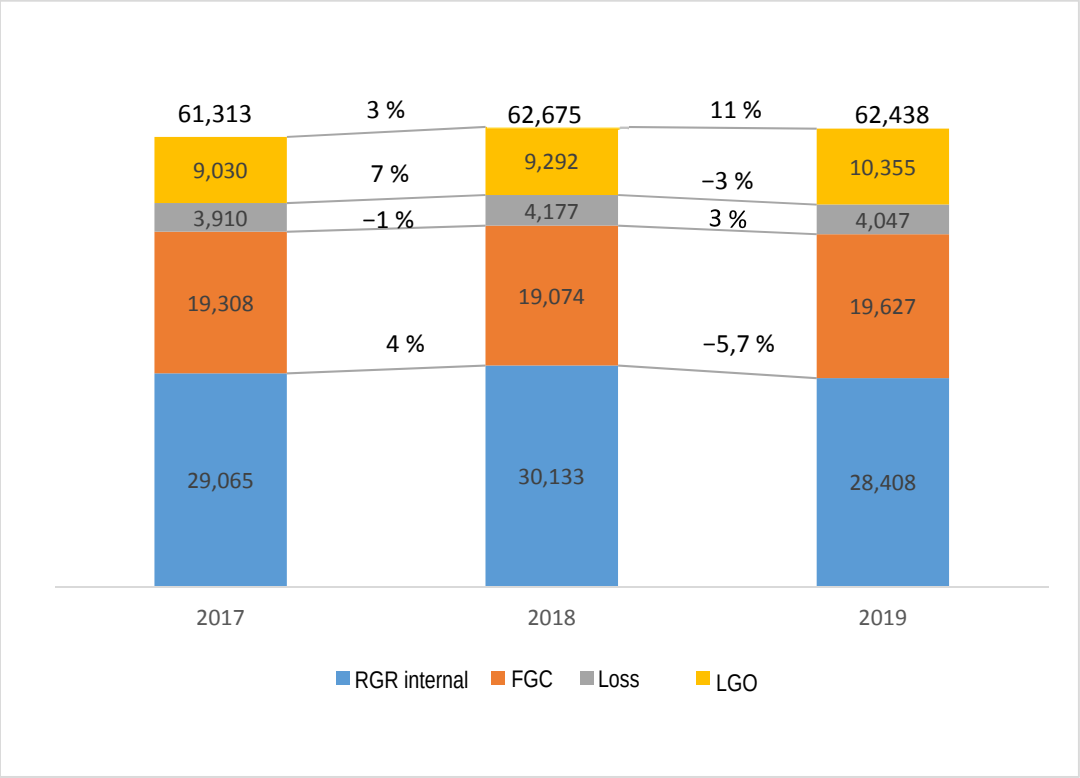
The value of common pot revenue for 2019 is slightly lower (by 0.4%) than a similar indicator for 2018. The change in the internal revenue of Rosseti Tyumen JSC for 2019 against the previous year totaled 5.7 %. The reduction of revenue is explained by the application of negative correction by REC The correction is amounted to 5.8 billion rubles in connection with the enforcement of the Regulation of the FAS of Russia No. СП/75755/18 dd. September 4, 2018 at defining RGR of Rosseti Tyumen JSC for 2019. Also, REC takes into account other HBB corrections stipulated by the guidelines on the regulated activity.

The economically feasible value of the internal RGR of Rosseti Tyumen JSC for 2019 (no corrections accounted) is defined by REC in the amount of 31,443 million rubles which is better than the level of RGR 2018 by 1,311 million rubles or 4.4 %. RGR change against 2018 occurred on the following cost items:

- growth of controlled cost for 665.3 million rubles or 4.2 %;
- growth of uncontrolled costs (without taking FGC costs into account) for 645 million rubles mostly formed by means of the increase in depreciation for 259 million rubles, increase in the costs for loan service (%) by 365 million rubles.

Dynamics of the components of the necessary gross revenue of Rosseti Tyumen JSC on power transmission

million

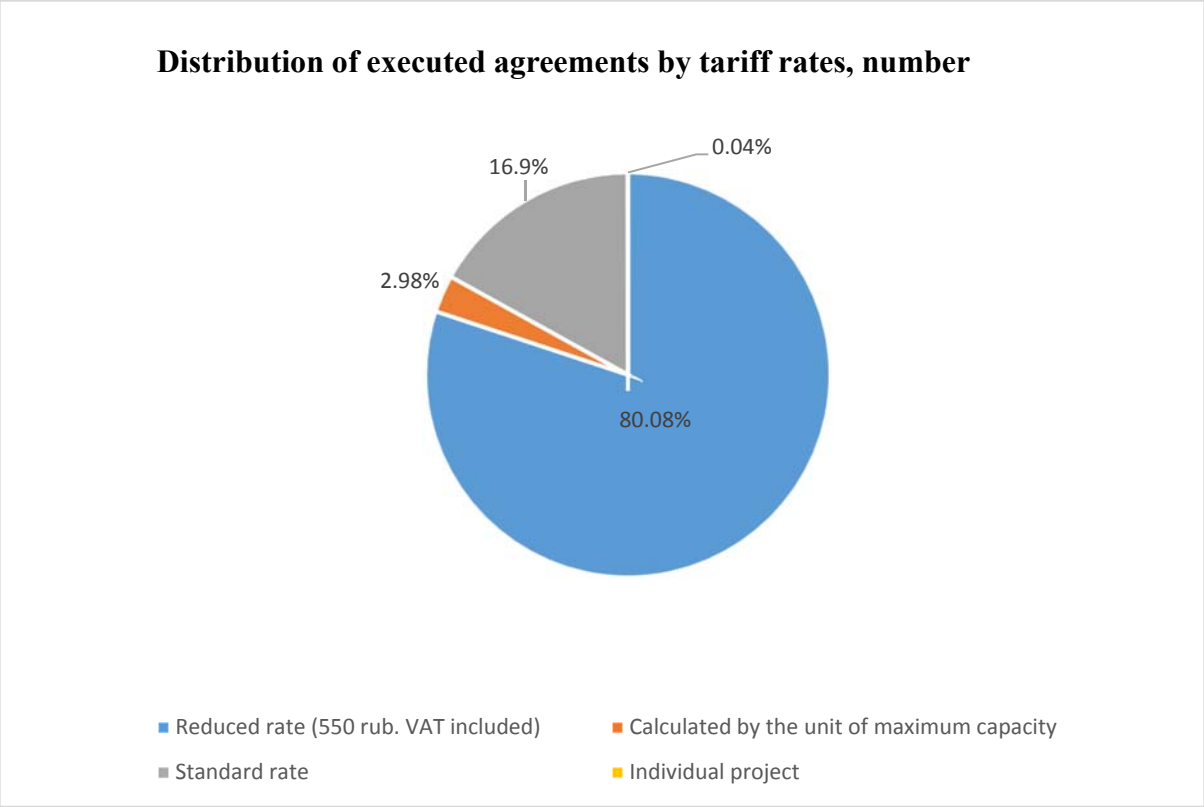


3.5.3. TECHNOLOGICAL CONNECTION FEES

Technological connection fees are calculated for the connection of the newly-commissioned devices, or previously commissioned devices the maximum power of which is to increase; they are also calculated for the previously commissioned devices that have their power supply, connection points, or related production activities altered without changing the maximum power but causing a change in the external power supply circuitry.

Technological connection fees can be calculated on the basis of the approved standard rates or rates per unit of maximum power; otherwise, such calculations can be case-specific.

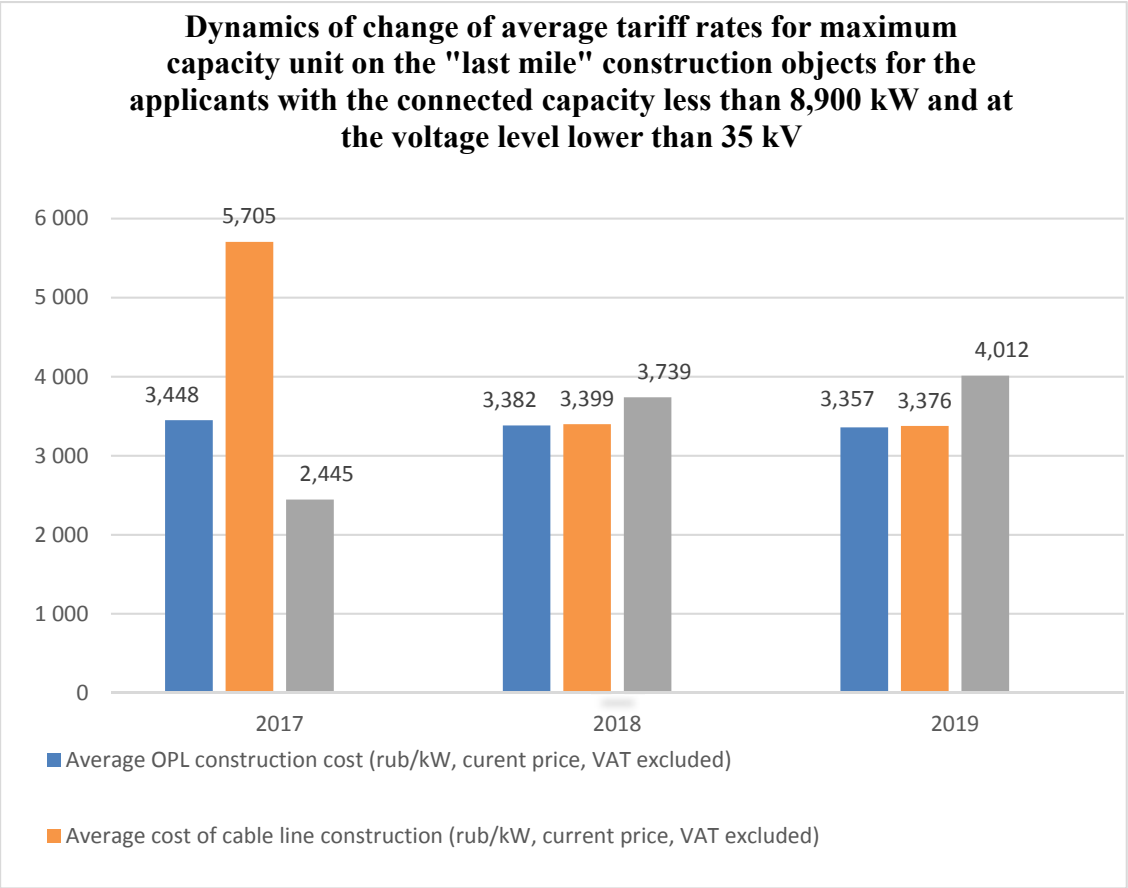
In compliance with the Methodical guidelines on TC fees calculation, approved by the Order No. 1135/17 of the FAS of Russia of August 29, 2017, the Regional Energy Commission of the Tyumen Oblast, the KhMAO, and YNAO has approved (by Directive No. 32-tp dd. December 27, 2019) the uniform tariff schemes, rates per unit of maximum power, as well as formulas for calculating fees for the technological connection of the applicant power receivers to Rosseti Tyumen JSC's grids. The rate detail are approved in the uniform amount for all territorial grid companies providing technological connection in the territory of the Tyumen Oblast.



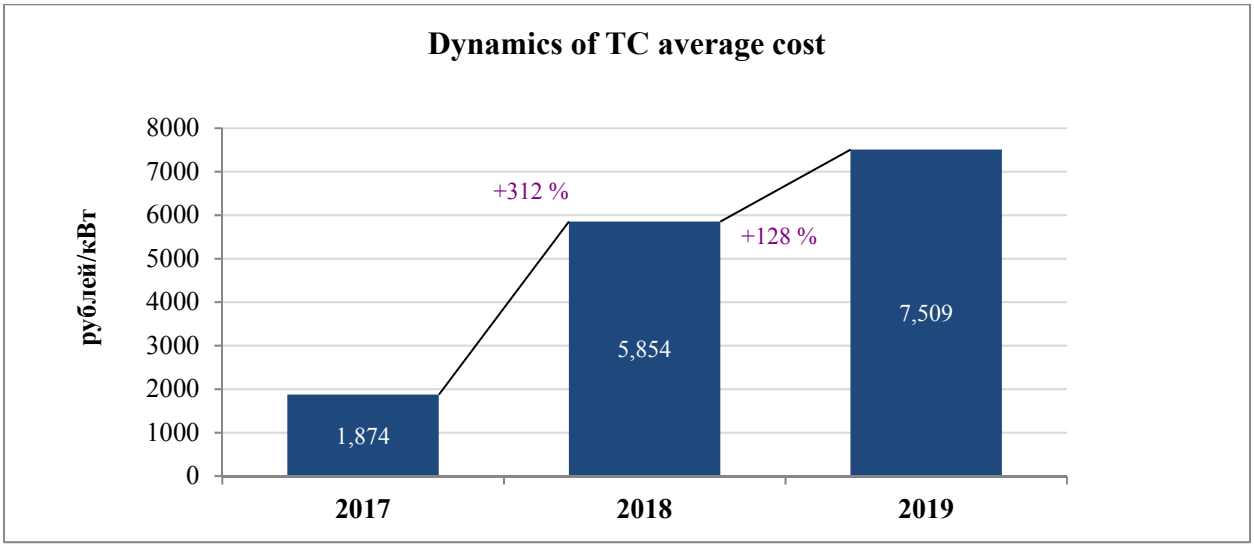
For applicants applying for the maximum power of no more than 15 kW inclusive (including already connected capacities), Decisions No. 49 of the Regional Energy Commission of the Tyumen Oblast, the KhMAO, and YNAO dd. December 14, 2017 dd set the technological connection fee amounting to 550 RUB, VAT included. providing that the voltage level reaches maximum 20 kV (inclusive) and the energy receiving devices are located at the distance of maximum 300 meters to the existing SO power grid facilities in the cities and urban-type settlements, and maximum 500 meters in the rural area.

For the applicants with a maximum connected capacity higher than 15 kW there is an approved tariff rate C_1 (organization measures: development and issue of technical conditions to the applicant and the grid organization inspection of the applicant's compliance with these conditions). This rate is established in the uniform amount for KhMAO-Yugra, YNAO and the Tyumen Oblast as fir the class of territories of urban populated areas and also for the territories not relating to them. The rate is 7,103 rubles for one connection (VAT excluded).

Provided it is necessary to implement the measures connected with the final mile facilities construction, the cost for construction were included in the payment for technological connection by means of the application of the approved tariff rates.

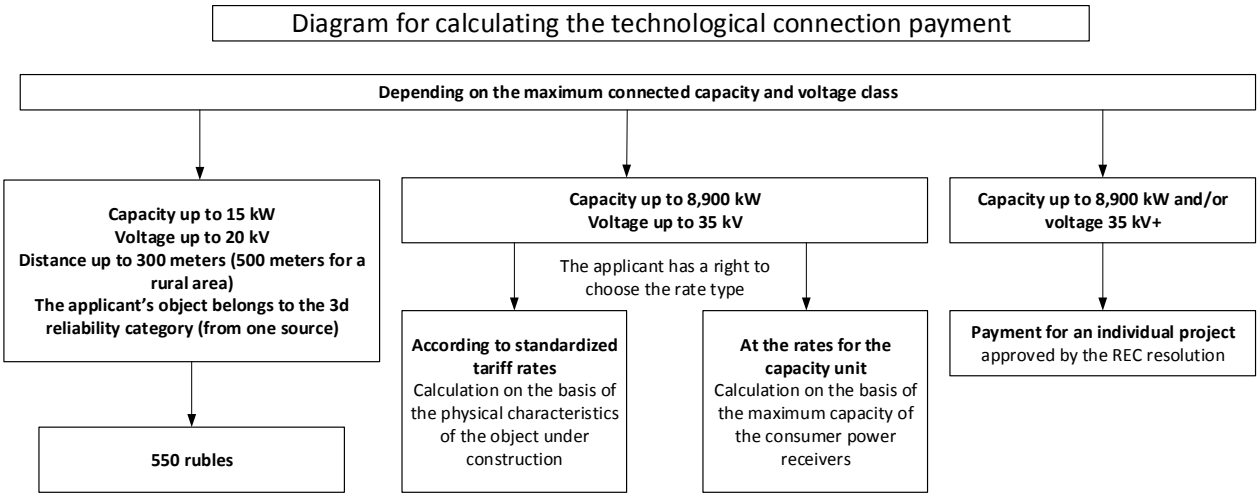


Over the course of 2019, according to the materials submitted by Rosseti Tyumen JSC, the Regional Energy Commission of the Tyumen Oblast, the KhMAO, and the YNAO made eight decisions to set a specific technological connection fee; these fees totaled 4,181.663 million rubles (VAT excluded) for the total power of 219.49 MW. (VAT excluded) and a general capacity of 29.6 MW.



The dynamics of change in the average payment for TC calculated per the capacity unit of the current year against previous years was observed due to the fulfillment of TC agreement on the individual project, the payment amount of which includes a significant volume of capital costs.

Payment for the technological connection with all the components scheme



3.6. CUSTOMER RELATIONS

Rosseti Tyumen JSC's customer relations policy consists in pursuing a customer-oriented approach in its activities. The main purpose of the customer-oriented approach is to ensure the consumers' loyalty by high-quality service and short- and long-term satisfaction.

Such customer-oriented approach of Rosseti Tyumen JSC is achieved by creating and operating a customer service system based on the following principles:

Customers need to be sufficiently aware of the Company and its services.

Rosseti Tyumen JSC provides complete and trustworthy information on its customer relations to the public in the form of mass-media publications, on its corporate website and information stands.

Users have a possibility to get familiar with the information placed on the Company's official website. In order to provide quick access to the consumer services in the main menu, the Company official website has a "Consumer info" section. In 2019 the "Additional Services" section was developed on the official website, where a list, description and cost of the additional (non-tariff) services provided is available.

In general, within the framework of the Rosseti Tyumen JSC corporate website migration project, the structure and content of the "Consumer info" section were updated taking into account the requirements of the Standards of Consumer Service Quality and the provisions of the applicable legislation. "Consumer info" section was updated in terms of reflection and the convenience of using the "Online reception" interface, conducting an interactive survey, showing the Consumer Service Centers contacts throughout the service area of Rosseti Tyumen JSC and other information.

The Company site provides the opportunity for consumers to send inquiries, including complaints and applications for the provision of services, contains questionnaires to assess the provided services quality by filling out on-screen online forms, with the obligatory indication of contact information and the preferred reply method. The Company discloses, in accordance with the Information Disclosure Standards by the entities of the wholesale and retail electric energy markets, approved by Decree of the Government of the Russian Federation dated January 21, 2004 No. 24, the following information in the service (process) passports:

- applicants group;
- the service provision (the implementation of the process) fee size and the grounds for its collection;
- service provision conditions;

- service provision results;
- total servicing time;
- the service provision composition and stages, including information on the content and/or conditions of the stage, the service (process) provision form.

Service (process) passports are published in the “Information Disclosure” section, and are also displayed on information boards in the Company's service offices. In addition, information on planned power outages in the Company's service area is displayed on the official website.

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Territorial accessibility and comfortable personal-visit service.

The personal-visit service infrastructure makes the Company accessible in a large territory; customers are serviced by personal contact with the Company's employees at the Customer Service Centers (hereinafter "the CSC") and customer service points.

Personal-visit services are provided across the entire area of Rosseti Tyumen JSC's operation: the Southern Tyumen Oblast, the KhMAO-Yugra, and YNAO, at all of its offices. The Tyumen Distribution Grids (Tyumen Electric grids since January 23, 2020) branch provides personal-visit service at its CSC; the other branches of the Company, located in Surgut, Nizhnevartovsk, Nefteyugansk, Kogalym, Noyabrsk, Novy Urengoy, Uray, and Nyagan, use customer service points instead.

In accordance with the Plan of measures for the implementation of the Standards of Service Quality for the Rosseti Tyumen JSC Consumer Services (hereinafter referred to as the Plan), the system of full-time consumer servicing is brought in line with the requirements of the Standards. Based on the analysis of existing customer service centers for the optimal placement, the CSC office infrastructure in the center of Tyumen has been improved: it is located in the business center, the service area is almost doubled. The customer floor, lounge hall equipped with seats, electronic table, and electronic line system, were arranged. The CSC office opened a playroom for children and two more scanner-equipped workstations with Internet access for our customers to be able to submit their technological connection applications with the Personal Account Service. In 2019, a data display was installed to broadcast relevant information regarding customer services and the Company’s activities.

Accessibility and efficiency of remote and interactive services.

The company provides correspondence services to consumers through telephone, mail and the Internet. The Company has an active Contact Center of Rosseti Tyumen JSC. As of today, the Contact Center uses the toll-free hotline number for all requests and questions regarding the company's activities: 8 (-800) -200-55-02

In order to increase the efficiency of processing the customer requests received by the subsidiaries and affiliates of Rosseti PJSC via telecommunication channels (online receptions, electronic communications, social grids, instant messengers), harmonize the development of information systems, optimize resources, the transfer of customer service to Rosseti Tyumen JSC is carried out to a single federal phone number 8-800-220-0-220; it is also planned to introduce and join the Unified Contact Center of the Rosseti Group of Companies in 2021.

Rosseti Tyumen JSC's Contact Center provides automatic notifications on technological connections by means of automatic calls and SMS notifications; in particular, it informs the customers on overdue activities under technological connection agreements, readiness of technological connection agreements, overdue obligations under technological connection agreements, as well as the expiry of specifications and readiness to perform the technological connection activities. In order to improve the quality of service provided by network organizations of service consumers, in 2019 Rosseti Tyumen JSC implemented the following measures to optimize the Contact Center operation:

- Software package for accounting and managing scheduled and emergency outages for Rosseti Tyumen JSC's hotline was designed and commissioned; this system allows for immediate exchange of outage-related information between hotline operators and dispatch services of the Company's branches;
- scheduled configuration of statistical reporting on applications received was performed;
- a new contact channel, Svetlaya Strana (Eng. The Bright Country) portal, was introduced.

The corporate website has a Report Outage button for convenience that enables consumers to quickly inform us on outages and get a hotline reply on reasons of the latter and estimated power supply restoration time.

The automated information system "Customer Personal Account" (hereinafter - CPA) operates on the Company's official website. Users are able to submit their applications for technological connection online by filling out online forms at the website and attaching document scans thereto. Besides, one can use the website to ask a question to an expert, to report something, to complain, to review the Company's activities, and to share their opinion on the Company by filling out a questionnaire.

The following updates are implemented in the CPA:

- integration of the Personal Account and the E-Document (SVOYuZ ED) systems used by Rosseti Tyumen JSC to manage technological connection-related electronic documents, to provide power transmission services, and to enter into power supply agreements remotely by using electronic signatures;
- implementation of an integration solution between CPA and ТП.РФ website, which provides automatic registration of consumer complaints in SAP ERP submitted to Rosseti Tyumen JSC through ТП.РФ website;
- The Personal Account allows paying for the technological connection services without any extra charges or fees;
- notifying customers on request status by email and SMS-;
- functions for making electronic offers;
- Personal Account authorization by SMS code;
- design of all Personal Account services is brought in line with the updated design of the Company's website;
- to create video tutorials on how Personal Account works;
- The Power Outages service of the Personal Account displays information on the scheduled and emergency outages. Besides, it can be used to request information on or report a power outage.

The website also offers the so-called Online Reception, where everyone can ask their questions to the specialists of the Company or submit a message on the Company's activity.

The Company website shows the visual map of 110 kV power center loads.

Users can also find the technological connection fee calculator for their convenience. These fees are indicative only, as final calculations are made only after submitting an application for technological connection — while preparing the relevant agreement.

In 2019 Rosseti Tyumen JSC joined Rosseti PJSC's Svetlaya Strana (Eng. The Bright Country) project — a portal for receiving feedback of power users. 119 inquiries about power outages and electric power supply quality were submitted through Svetlaya Strana (Eng. the Bright Country) portal. All of those were timely addressed.

Customers can freely choose any of the communication channels: personal-visit service (by personal visit to the CSC), or remote service (by phone, fax, mail, Internet, or email communication) — depending on their preferences and the situation.

Competent service.

Rosseti Tyumen JSC ensures that customer service specialists are competent and properly qualified. Full-time customer service in offices is carried out in a live queue mode, using the electronic queue management system (if available) and on appointment (by phone or through the Company official website).

Customer service business process transparency and unbiased review of customer complaints.

The customer service business processes are fully transparent to ensure the controllability of customer service procedures. Rosseti Tyumen JSC seeks to ensure objective, unbiased, and timely review of complaints; thus, it provides an opportunity to appeal against the Company's decisions; customers are made fully aware of the appealing procedures in accordance with the sufficient-information principle.

The year of 2019 follows the trends of the previous years. Over 97 thousand inquiries, the larger part of the total number, is about the power outages issues. Such an increase may be due to the switch to 24-hour operation. The Contact Center is still the most important communication channel for the Company.

The Customer's Personal Account automated information system interface has become more accessible and convenient, therefore the number of applications for technological connection submitted through CPA increased by almost 800 (compared to 2018).

Another steady trend in the very low number of complaints. As of the end of 2019, only 0.110 % of customer service cases were complaints.

The main part of applications is accounted for the Tyumen Electric Grids branch - over 95% (more than 136 thousand), due to population density and consumer structure - in the service region of this branch consumers of small and medium-sized business categories and individuals predominate.

All the requests are registered by the IS-U Power Data Management for Contacts module of Rosseti Tyumen JSC's SAP ERP automated management system.

Specifics of Requests Received by Rosseti Tyumen JSC in 2019

Indicator	Number of requests	
	2018	2019
A	1	2
Total Requests Received by Rosseti Tyumen JSC	164,774	143,301
I. Requests by Category	**164,774**	**143,301**
1.1. Complaint	41	158
1.2. Reference Information or Consultation Request	9,267	42,381
1.3. Service Application	8,140	8,636
1.4. Document Submission or Issuance	14,275	14,409
1.5. Reporting	122,702	70,555
On Emergency Outages	120,343	70,248
1.6. Payments	344	129
1.7. Consumer Feedback on the Company's activity	0	0
1.8. Service Quality Suggestions from Customers	3	0
1.9. Other	10,002	7,033
II. Requests by Communication Channel	**164,774**	**143,301**
2.1. Visits to CSC or Service Points	17,591	17,250
2.2. Call Center	132,746	112,446
Hot line (issues related to power supply)	122,507	97,852
2.3. Written Requests through the Office	1,886	1,847

Indicator	Number of requests	
	2018	2019
A	1	2
2.4. Internal Reception/Personal Account/online consultation/e-mail	9,938	10,261
including requests for TC submitted through Internet electronically	4,942	5,693
including requests submitted through Svetlaya Strana (Eng. The Bright	–	119
2.5. Other	2,613	1,497
III. Requests by Reason (Matter)	**164,774**	**143,301**
3.1. Technological Connection	22,962	23,776
3.2. Power Transmission	2,278	1,960
3.3. Power Outages	123,322	97,942
3.4. Grid Facility Maintenance	12	9
3.5. Power Metering	1,503	1,275
3.6. Additional Services	145	1,106
3.7. Service Quality	4,996	3,198
3.8. Contacts	21	5
3.9. Other	9,535	14,030

In 2019, Rosseti Tyumen JSC received 158 complaints from the customers, including 119 submitted through Svetlaya Strana (Eng. The Bright Country) portal. All of those were timely addressed. Mostly the submitted complaints (62%) are on the power outages.

For 4 complaints, measures to solve the incident were taken during the reporting period, for another six complaints, the solution is scheduled for 2020.

Complaint-handling procedures used by the Company are described in the Complaint Handling Regulations of Tyumenenergo JSC, approved by Order No. 173 of Rosseti Tyumen JSC dd. April 03, 2018; these Regulations contain standard requirements for handling of complaints concerning Rosseti Tyumen JSC and received by the Company via personal-visit or remote service channels from customers, regulatory authorities, Russian regional executive bodies and local self-governments, including State Tariff Regulation authorities, the Federal Antimonopoly Service and its local branches; the document defines how structural units and branches of the Company should cooperate to handle such complaints, regulates the timeframes for complaint handling and corrective measures. The Regulation determines the procedure for interaction between the structural divisions of the Company and branches when reviewing complaints, establishes control over the processing time and addressing the complaints received.

Characteristics of complaints submitted to Rosseti Tyumen JSC in 2019

Indicator	Complaints (Total)	
	2018	2019
A	1	2
I. Complaints by Matter	**41**	**158**
1.1. Technological Connection	3	2
1.2. Power Transmission	30	51
1.3. Power Outages (Excluding Outage Reports)	5	99
1.4. Grid Facility Maintenance	0	2
1.5. Power Metering	1	3
1.6. Additional Services	0	0
1.7. Service Quality	0	0
1.8. Contacts	0	0
1.9. Power Supply	0	0
1.10. Other	2	1

To improve the quality of customer services and to better solve the issues of power supply and power transmission, as well to coordinate our customer relations, all of the Company's branches conduct annual survey of their consumers. The results of the survey analysis are used to develop and take corrective measures for improving the service quality.

Surveyed are legal entities which receive the questionnaires by mail. In 2019, the Company surveyed 1,576 customers (71% of the total number of legal entities served by Rosseti Tyumen JSC).

Survey Results by Year

Year	Customers that Received Questionnaires	Customers Surveyed	Satisfied Customers	Quality Satisfaction Rate	Quality Satisfaction Dynamics
A	1	2	3	4	5
2018	3,909	3,765	3,660	97.2 %	2.8 %
2019	1,616	1,576	1,576	100 %	

The respondents spoke well about quality of our services: 100 % were satisfied with the service quality in general, which is a 2.8% better figure than it was in the previous year. Surveying also revealed customer awareness of the self-services: 91 % of them knew about the Personal Account Service, and almost 88 % knew about the Contact Center, the hotlines, and the helpline. Most of our customers (86% of the respondents) received timely outage notices and knew where to get help in various situations.

Besides, pursuant to Order No. 1256 of the Ministry of Energy of Russia dd. November 29, 2016 (edited June 21, 2017) “On approval of the Guidelines for Assessing the Reliability and Quality of Goods and Services designed for the management of the unified national grid and local grid operators”, one of the vital components of the generalized service reliability and quality level is the complex parameter of compliance with the Uniform Standards for Quality of Services Provided by Grid Operators to Power Users approved by Order No. 186 of the Ministry of Energy of Russia dd. April 15, 2014.

Besides, pursuant to Order No. 1256 of the Ministry of Energy of Russia dd. November 29, 2016 (edited June 21, 2017) “On Approval of Guidelines for Assessing the Reliability and Quality of Goods and Services Designed for Management of Unified National Grid and Local Grid Operators”, one of the vital components of the generalized service reliability and quality level is the complex parameter of compliance with the Uniform Standards for Quality of Services Provided by Grid Operators to Power Users approved by Order No. 186 of the Ministry of Energy of Russia dd. April 15, 2014.

The quality indicator for 2019 is considered accomplished. The requirements of the Ministry of Energy of Russia, Order No. 186 dd. 15.04.2014, including the fulfillment of the requirements on timely, full and authentic information disclosure requirement (Appendices 1 and 7) are fulfilled.

Information in accordance with Appendix 1 “On Service (Process) Passports in accordance with the unified standards of network organizations consumer service quality” is published on the official website of Rosseti Tyumen JSC and on the ТП.РФ website, in accordance with subsection "p", p. 19 chap. II of the Information Disclosure by Wholesale and Retail Electric Power Market Entities Standard (approved by Decree of the Government of the Russian Federation No. 24 of January 21, 2004).

As a part of the Road Map to Improve Access to Power Infrastructure as approved by Decree No. 1144-p of the Government of the Russian Federation dd. June 30, 2012, and pursuant to the 2019 Plan for Enhancing Accessibility of Electric grids approved by Order No. 11 of Rosseti PJSC dd. December 20, 2018, the Company plans to take the following measures:

- organize work on informational support of potential and current applicants, including seminars and meetings with the business representatives and executive authorities of the constituent entities of the Russian Federation;
- provide advice to applicants (through Contact Center, at the service offices and when replacing electric power metering devices) on the possibility of filing an application electronically using CPA, including on the electric grid services website (ТП.РФ);
- organize the preparation of a report on the technological connection implementation results in an economic way, as well as proposals for the technological connection implementation procedure improvement in an economic way.

As part of the Rosseti PJSC Order dated December 29, 2018 No. 240 it is planned to implement a project to create a Unified Contact Center. The approximate date for the Company to join the Unified Contact Center of the Rosseti Group of Companies is December 2021.

3.7. GRID COMPLEX DEVELOPMENT IN THE REGIONS OF THE COMPANY'S OPERATION

Tyumenenergo JSC is a member of the coordinating bodies established to develop the Development Schemes and Programs (DS&P) for three Russian regions

In 2019, three DS&P of the Tyumen Oblast, the Khanty-Mansi Autonomous Okrug — Yugra, and the Yamalo-Nenets Autonomous Okrug were approved:

- DS&P for the Tyumen Oblast was approved by Order No. 26-r of the Government of the Tyumen Oblast dd. April 29, 2019;
- DS&P for the KhMAO-Yugra was approved by Order No. 203-rp of the Governor of the KhMAO-Yugra dd. April 26, 2019;
- DS&P for the YNAO was approved by Decree No. 54-PG of the Governor of the YNAO dd. 4/26/2019.

All this helped approve the amendments to Rosseti Tyumen JSC's investment program approved by Order No. 23@ of the Ministry of Energy of Russia dd. 12/14/2018 (Order No. 21@ of the Ministry of Energy of Russia "On approving the amendments to the investment policy" dd. December 9, 2019).

In 2019, Comprehensive Programs for 2020-2024 Development of the KhMAO-Yugra, YNAO, and the Tyumen Oblast were developed, agreed upon with Tyumen RDC (a branch of SO UES), and then approved by Order No. 2r of Tyumenenergo JSC dd. 1/21/2020; these Programs substantiate the measures Tyumenenergo JSC has proposed for integrating into the regional DS&P for the next 5 years and help synchronize the measure schedules for main-line and distribution grids.

In December 2020, the approved Comprehensive Programs for 2020-2024 Development of the KhMAO-Yugra, YNAO, and the Tyumen Oblast were submitted to Governments of these constituents for further consideration when developing DS&P for 2021-2025.

In 2020, Rosseti Tyumen JSC continues to collect and update the input data on prospect loads of power users in the KhMAO-Yugra, YNAO, and the Tyumen Oblast, with further updating of measures within the Comprehensive Programs for 2026 Development of 35+ kV Electric grids in Corresponding Constituents of Russia; also, the Company actively participates in development of Roadmaps and Programs for 2025 Development of the Power Industry in the KhMAO-Yugra, YNAO, and the Tyumen Oblast.

3.8. ADDITIONAL (NON-TARIFF) SERVICES SALE

Rosseti Tyumen JSC provides additional paid services through service offices, as well as through employees responsible for working with clients in branches. Additional services are provided on a paid basis to meet the customer needs (both legal and physical entities) who have applied to the Company. Additional paid works/services do not apply to activities for which, in accordance with the legislation of the Russian Federation, state regulation of prices (tariffs) is valid.

The development of additional (non-tariff) services of Rosseti Tyumen JSC is a priority area of the Company's activity in the context of net power supply moderate growth and constant demand for technological connection services over the past 5 years.

In order to determine unified approaches for the provision of additional (non-tariff) services, the Rosseti Group of Companies approved the Unified enlarged list of additional non-tariff services for consumers:

1. Rental
2. Technical and repair-maintenance services.
3. Construction and erection works.
4. Consulting and organizational and technical services.
5. Agency services.
6. Communication and information technology services.
7. Other services related to other operating activities.
8. Other miscellaneous services

Within this list, the Company conducted a preliminary market analysis (a market segment was determined, market capacity, an assessment of the competitive environment) for each type of additional (non-tariff) services.

Based on the analysis results, a list of additional services in demand in the electric network business and adjacent fields was determined: buildings, premises, structures and land plots rent , telecommunication equipment placement services, technical and repair maintenance services, electric power metering services, services related to the competence of the applicant in the implementation of technological connection ("turnkey TC"), and other services for miscellaneous operational activities.

The performed market analysis formed the basis for the development of the draft Roadmap for the development of these additional services, defined targets and measures to achieve them.

The estimated Roadmap implementation deadline is 2024.

Target Roadmap indicators for the development of additional (non-tariff) services of the Company

Name of indicator	Targets					
	2019	2020	2021	2022	2023	2024
A	1	2	3	4	5	6
Non-tariff revenue, million rubles	299.717	275.126	255.508	314.052	372.664	456.777
Revenue excluding rent of electric grid facilities, intra-group and intra-corporate services	216.552	233.639	241.367	299.868	358.438	442.509
Net profit, million rubles	46.480	43.806	45.260	51.977	58.483	67.563
Profitability, %	19.95	20.70	23.84	21.68	20.17	18.64

Roadmap target indicators are formed considering:

- scenario conditions for the formation of a business plan;
- actual values of indicators from the sale of additional services during previous periods;

- requests received and current income-producing agreements, with over 1 million rubles amount;
- preliminary market analysis and prospects for the development of additional (non-tariff) services;
- the approved minimum profitability level of additional services (profitability for each additional service is no less than the value determined as the highest value of 10% and actual service profitability for the previous period).

The Roadmap measures are aimed at increasing the market share of Company additional (non-tariff) services, increasing non-tariff revenues from the sale of additional services, increasing the availability of Company additional services, as well as commercializing the processes of interaction with consumers.

3.9.CONSOLIDATION OF POWER GRID ASSETS

For the purpose of consolidating power grid assets, Rosseti Tyumen JSC:

- monitors data on power grid assets and ownerless grid facilities, including those belonging to municipal entities or regional government bodies in the Tyumen Oblast, the KhMAO-Yugra, and YNAO, so as to identify power grid assets subject to consolidation;
- cooperates with the local self-governments and other owners on power grid asset consolidation;
- makes up the inventory of all the power grid assets found in the Company-served territories and involved in the transmission and distribution of power so as to identify their legal owners, classify such assets, and list them;
- identifies how such power grid assets could be transferred (including lease, transfer of ownership, entitlement to operation, etc.).

For the purpose of consolidating power grid assets, Rosseti Tyumen JSC's corporate website offers an interactive Personal Account Service.

To transfer a power grid facility, a customer (applicant) can submit an electronic application via the Personal Account or at any Customer Service Center of Rosseti Tyumen JSC provided that the customer has the required documents.

The Company's branches take the following steps to inform potential customers in the regions served by Rosseti Tyumen JSC on how to use the Grid Facility Transfer section of the Company's website:

- placing grid property consolidation guidelines and FAQ on the CSC info stands;
- проведение круглых столов с собственниками электросетевого имущества.

In accordance with the Procedure for the interaction of PJSC Rosseti subsidiaries with electric grid assets owners in preparation of consolidation transactions, approved by Order of Rosseti PJSC dated April 18, 2019 No. 77 "On approval of Procedure for Interaction of PJSC Rosseti subsidiaries with electric grid assets owners in preparation of consolidation transactions ", Rosseti Tyumen JSC approves the List of projects for the consolidation of electric grid assets, including territorial grid organizations and individual objects of the electric grid economy, taking into account the ranking in terms of economic efficiency of their consolidation, sources of financing and preferred methods of consolidation.

In 2019, Rosseti Tyumen JSC's key activities regarding consolidation of power grid assets were power grid equipment rent (conclusion of new rent agreements or prolongation of the existing).

In addition, the following electric grid facilities were acquired by JSC Rosseti Tyumen in 2019:

- - a legal share in the 110/10 kV GPP-5 13/20 substation complex with an adjacent 110 kV Emtor-GPP-5 overhead line, an adjacent section of 110 kV Emtor-GPP-5 overhead lines (from

tower 4 to Substation GPP-5) and section of 110 kV Overhead Line Emtor-Vostok-2 (from tower 4 to Emtor Substation);

– two 35 kV cells at the 110/35/6 kV Endyrskaya substation.

In 2019, the Company consolidated 8,386 c.u. of grid property, or 3.6 % of the total equipment of facilities that Rosseti Tyumen JSC uses to provide power transmission services.

Power Grid Asset Consolidation Figures

Rosseti Tyumen, JSC	Power Grid Assets Consolidated								
	2017			2018			2019		
	MVA	km	c.u.	MVA	km	c.u.	MVA	km	c.u.
1	10	11	12	10	11	12	13	14	15
TOTAL	353	2,775	8,175	364	2,761	8,258	374	2,715	8,386
Grid Facilities Acquired	0	0	0	0	0	0	0	6	29
Grid Facilities Leased	333	2,769	7,853	342	2,731	7,853	349	2,663	7,907
Other (permanent ownership and use rights)	0	0	0	0	0	0	0	0	0
Other (temporary ownership and use rights)	20	6	322	22	30	405	25	46	450

In compliance with the resolution No. 54 of REC KhMAO-Yugra, YNAO of 12/27/2018 “On the Establishment of Uniform Tariffs on Power Transmission Services in the Grids of the Tyumen Oblast, the Khanty-Mansi Autonomous Okrug — Yugra, and the Yamalo-Nenets Autonomous Okrug”, the total RGR of 47 LGOs in 2019 (net of paid losses, including payments for FGC UES PJSC’s services), within Rosseti Tyumen JSC’s area of responsibility, came to 71,595.5 million rubles, including:

48,035.3 million rubles (67,09 %) RGR Rosseti Tyumen JSC;

23,560.2 million rubles (RGR share in the regional tariff - 32.91%) uncontrollable RGR of Rosseti PJSC’s subsidiaries, including:

- 19.01 % – STS Corporation LLC Group (SUENKO PJSC, Surgut Electric Grids LLC, Gorelektroset JSC, Energo-Gaz-Noyabrsk JSC, YuTEK-Regional Grids JSC, RSK Yamala JSC, YuTEK-Pokachi JSC);

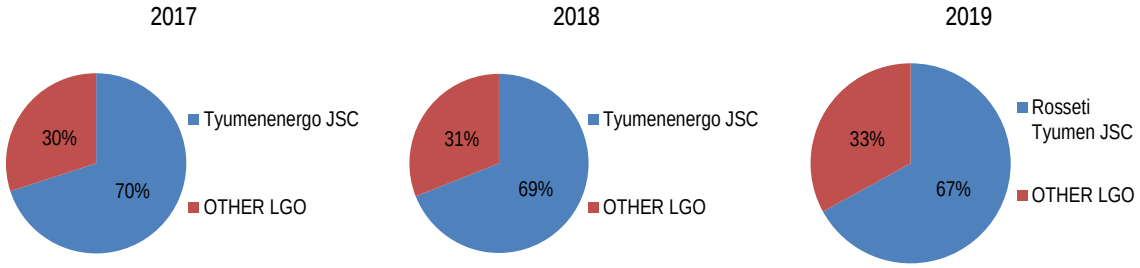
– 4,57 % – YuRESK JSC;

- 5.1 % – power grid companies of the fuel and energy complex (Surgutneftegas PJSC, GazpromTransgazSurgut LLC, etc.);

4.23 % – other LGOs (municipal unitary enterprises, federal state unitary enterprises, etc.).

The greatest share of RGR within Rosseti Tyumen JSC’s responsibility area is held by STS Corporation LLC Group which is not interested in transferring the management of their power grid assets to Rosseti Tyumen JSC on any grounds, and neither are fuel and energy companies.

Rosseti Tyumen JSC’s Share in RGR of Served Regions

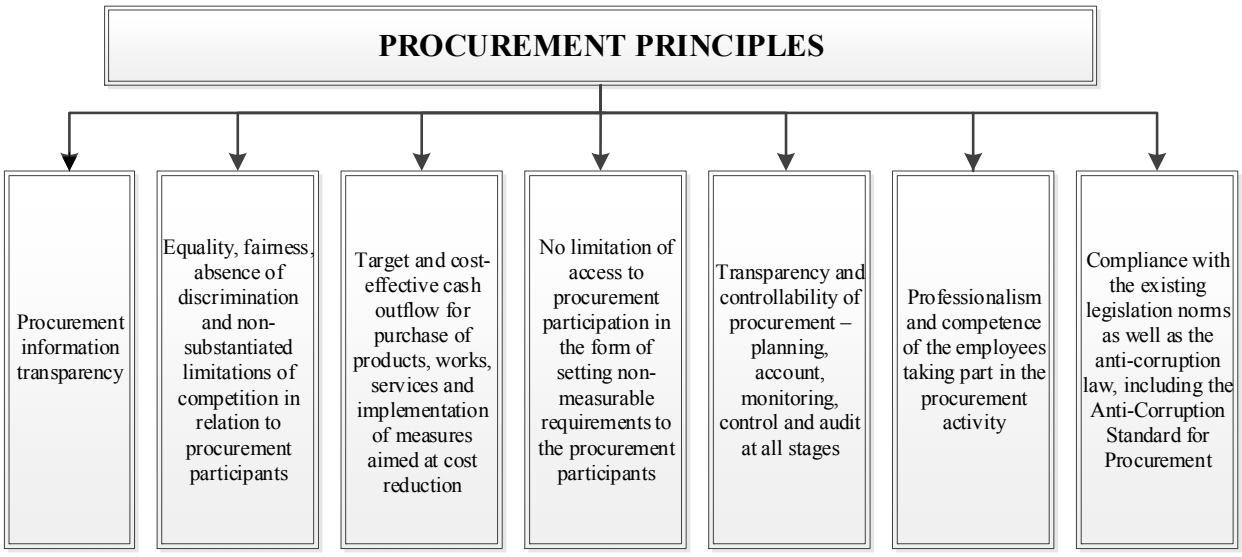


The share of the power transmission market within Rosseti Tyumen JSC's responsibility area is decreasing due to the presence of LGOs in the Tyumen Oblast, whose RGRs are calculated with the use of the invested capital profitability method RAB. Long-term LGO data regulation parameters are approved by the FTS of Russia and imply annual growth of RGR within a long-term regulation period with the significant excess of the growth pace determined by the forecast of the socioeconomic development of Russia.

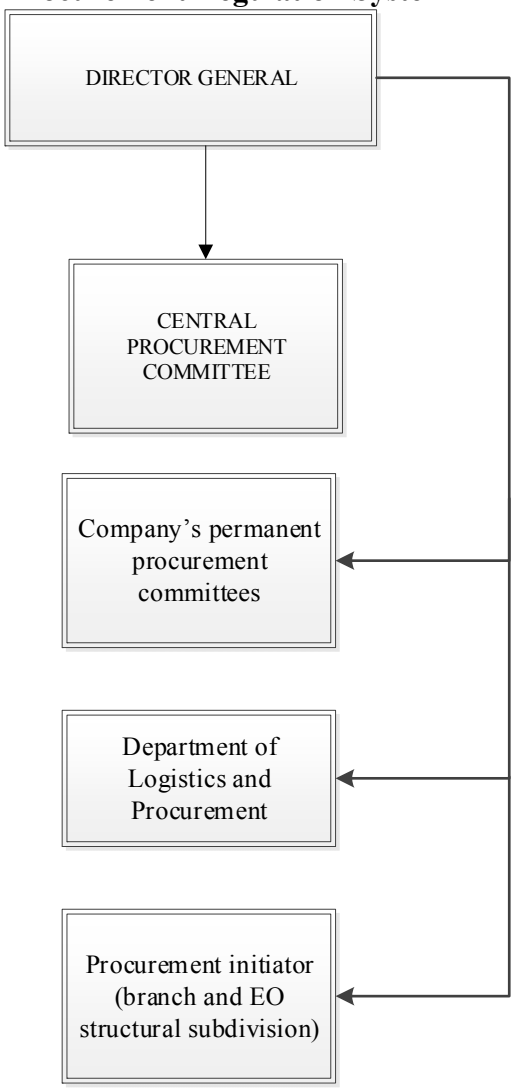
3.10. PROCUREMENTS

Procurement Regulation Essence and Principles

In 2019, the procurement activities of Rosseti Tyumen JSC were governed by the Unified Procurement Standard of Rosseti PJSC (Provision on Procurement), approved by the Board of Directors of Rosseti PJSC on December 17, 2018 (Minutes No. 334), the decision on adoption was accepted by the Board of Directors of Tyumenenergo JSC on 12.28.2018 (Minutes No. 22/18). The Uniform Standard was developed further to the Rosseti PJSC Procurement Policy and is compliant with Federal Law No. 223-FZ dd. July 18, 2011 "On the Procurement of Goods, Jobs, and Services by Specific Types of Legal Entities". The Procurement Regulation formalizes procurement procedures regardless of their costs.



Procurement Regulation System



The procurement regulations provide for the following competitive procurement methods: competition (open tender, electronic tender, closed tender in electronic/non-electronic form), auction (open auction, electronic auction, closed auction in electronic/non-electronic form), request for proposals (request for proposals in electronic form, closed request for proposals in electronic/non-electronic form), request for quotations (request for quotations in electronic form, closed request for quotations in electronic/non-electronic form), competitive pre-selection, request for prices based on the results of competitive preliminary selection.

Non-competitive procurement methods are also provided: preliminary selection, request for prices based on the results of preliminary selection, price comparison (price comparison in electronic/non-electronic form), procurement from a single supplier; procurement by participating in procedures organized by product sellers.

Regarding compliance with the requirements of the Federal Law of July 18, 2011 No. 223-FZ"On the procurement of goods, works, services by certain types of legal entities" (hereinafter - the Law on procurement) Rosseti Tyumen JSC publishes the following information in the unified procurement information system www.zakupki.gov.ru and on the Company corporate website www.te.ru:

Goods, Jobs, and Services Procurement Regulation;

- Goods, Jobs, and Services Procurement Plan;
- Innovative and High-Tech Product Procurement Plan;
- procurement details;

– details on the number and total cost of the agreements the customer has entered into as a result of procuring goods, works, and services, including details on the total cost of the agreements which are not listed on the register of agreements pursuant to cl. 3 art. 4.1 of the Law on Procurement;

– details on the number and cost of the agreements the Company has entered into as a result of procuring from a single supplier (contractor);

– details on the number and cost of the agreements the customer has entered into with a single supplier (contractor) as a result of an aborted competitive procurement;

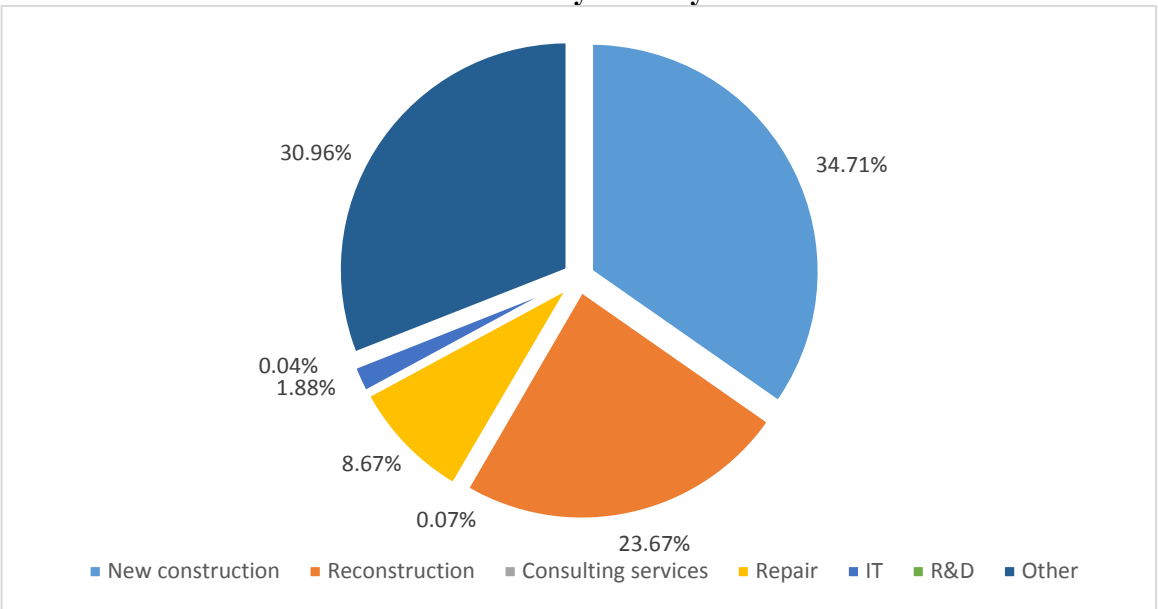
– annual report on the procurement of goods, jobs, and services by specific types of legal persons from small and medium-sized enterprises;

– annual report on the procurement of innovative and high-tech products (suppliers including small and medium-sized enterprises).

Main Figures of the Procurement Plan

The Company's Procurement Plan for 2019 was approved at the meeting of the Rosseti Tyumen JSC Board of Directors on 12/28/2018 (Minutes No. 22/18) and stipulates 143 procurements for a total of 18,208.4 million rubles, VAT included. Over the reporting period, the Plan was subject to adjustments pursuant to Section 6.2.5 of the Procurement Regulation.

Procurements by Activity

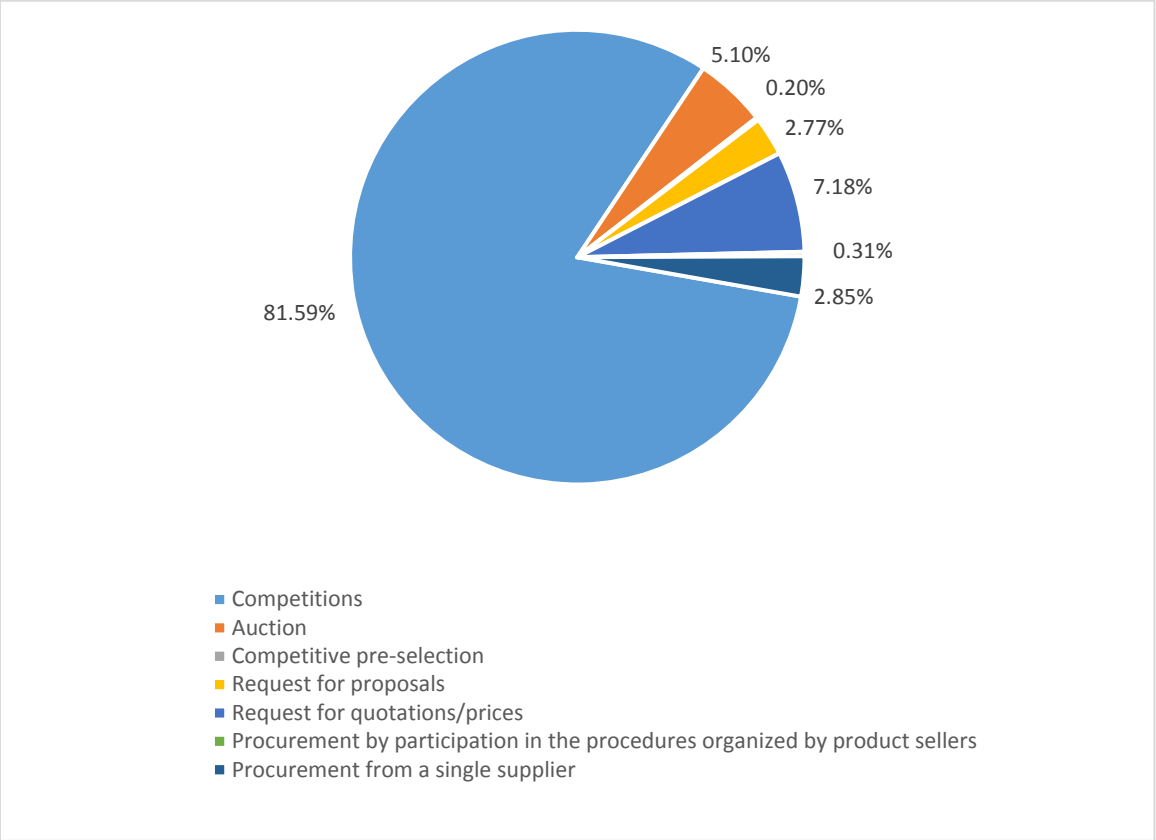


In 2019, procurements totaled 23,944.95 million rubles, VAT included. Open procedures accounted for 23,262.86 million rubles (VAT included) or 97.15 % of those. Procurements from a single source totaled 682.08 million rubles (VAT included) or 2.85 %. Besides, 138 procurements from a single supplier were made in 2019 pursuant to Section 5.11.1.10 (rental of movable and immovable property for the main production and business activities) and Section 5.11.1.11 (procurement of water supply, gas supply, power supply, heat supply, as well as procurement of sundry goods, jobs, and services at legally regulated tariffs/prices) of the Procurement Regulation, which totaled 865.01 million rubles, VAT included.

100% of competitive procurements in 2019 were carried out using the e-commerce tools.

The efficiency of these procedures amounted to 1,705.8 million rubles (VAT included) or 3.84 of the stated value of competitive procurements.

Procurements by Method



Products for the needs of Rosseti Tyumen JSC were procured in 2019 by properly trained specialists of Rosseti Tyumen JSC as well as by the Procurement Department of Rosseti PJSC on behalf of Tyumenenergo JSC under Agreement No. 4301 on the Arrangement and Development of the Unified Energy System of Russia in Its Distribution Complex Aspect dd. January 31, 2018, and by CTZ JSC under Agreement No. 17/1 dd. November 6, 2015 “On arranging the procurement of the main power equipment for Rosseti Tyumen JSC”.

Procurements from Small and Medium-Sized Enterprises

Pursuant to points 8 and 9 of the Regulation of Small and Medium-Sized Enterprise Involvement in the Procurement of Goods, Jobs, and Services by Specific Types of Legal Persons, as approved by Decree No. 1352 of the Government of the Russian Federation dd. December 11, 2014, the Company has approved a List of Goods, Jobs, and Services which shall be procured from small and medium-sized enterprises (hereinafter, "the List"); the List is based on the All-Russian Classification of Products by Economic Activity (OKPD 2) OK 034-2014 (КПЕС 2008).

Pursuant to Section 10 of the Regulation of Small and Medium-Sized Enterprise Involvement in the Procurement of Goods, Jobs, and Services by Specific Types of Legal Persons, the List has been published on the Rosseti Tyumen JSC corporate website as well as in the unified procurement information system.

According to the Annual Report on the Procurement of Goods, Jobs, and Services from Small and Medium-Sized Enterprises for 2019, which the Company published on the official website of the Unified Procurement Information System, the annual cost of SME agreements totaled:

– 13,755.9 million rubles (VAT included), or 82.90 % of the cost of agreements completed in 2019 (excluding the procurements that are to be excluded from such calculations pursuant to Section 7 of the Regulation of Small and Medium-Sized Enterprise Involvement in the Procurement of Goods, Jobs, and Services by Specific Types of Legal Persons, and of the Annual Cost of Such Procurements and Its Calculation, as approved by Decree No. 1352 of the Government of the Russian Federation dd. December 11, 2014);

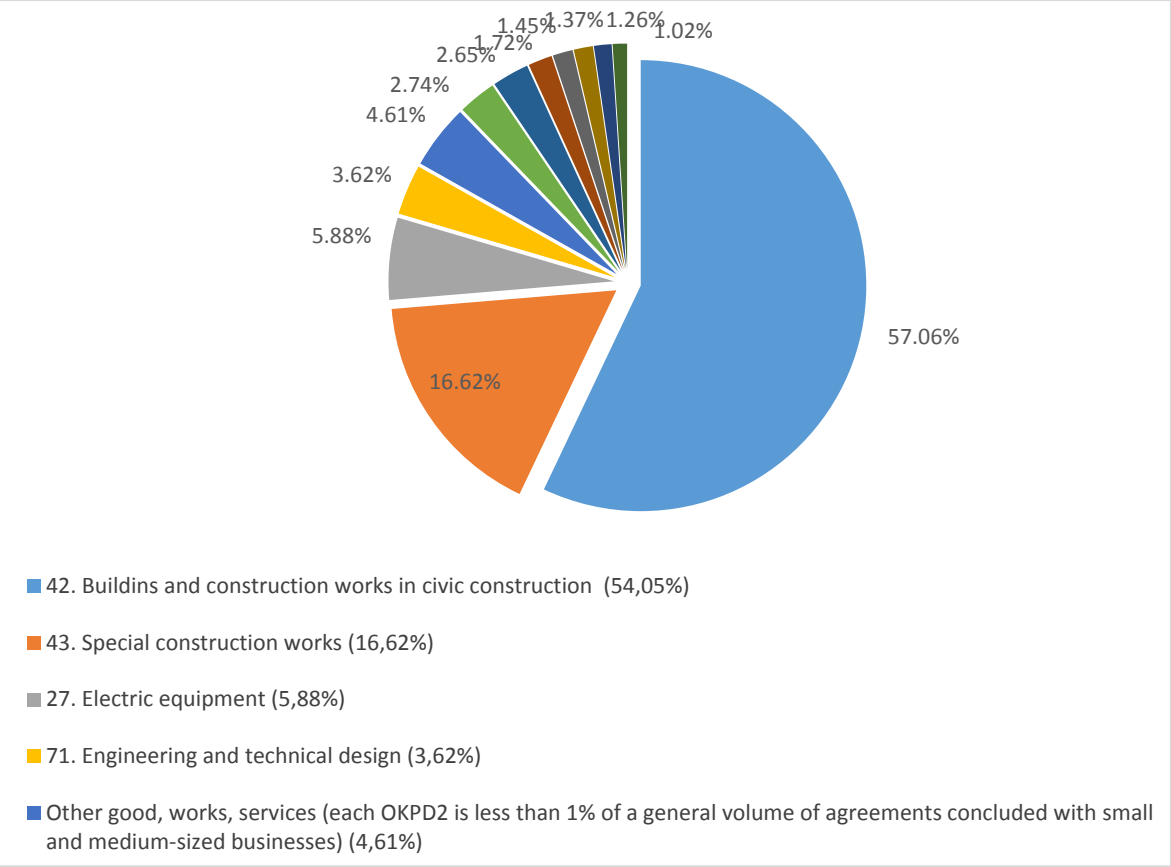
– including on the results of procurements from small and medium-sized enterprises exclusively totaled 4,094.5 million rubles (VAT included), or 24,68 % of the total procurements completed in 2019 (excluding the procurements that are to be excluded from such calculations pursuant to Section 7 of the Regulation of Small and Medium-Sized Enterprise Involvement in the Procurement of Goods, Jobs, and Services by Specific Types of Legal Persons, and of the annual cost of Such Procurements and Its Calculation, as approved by Decree No. 1352 of the Government of the Russian Federation dd. December 11, 2014);

According to the Annual Report on the Procurement of Goods, Jobs, and Services from Small and Medium-Sized Enterprises, Rosseti Tyumen JSC paid to small and medium-sized enterprises in 2017–2019 a total of:

– 11,435.3 million of rubles (VAT included), or 78.70 % of the total payments made in 2019 (excluding the procurements that are to be excluded from such calculations pursuant to Section 7 of the Regulation of Small and Medium-Sized Enterprise Involvement in the Procurement of Goods, Jobs, and Services by Specific Types of Legal Persons, and of the Annual Cost of Such Procurements and Its Calculation, as approved by Decree No. 1352 of the Government of the Russian Federation dd. December 11, 2014);

– including the procurement results where the procurement participants are only small and medium-sized businesses - 7,047.2 million rubles. 12,543.7 million rubles (VAT included), or 48.50 % of the total payments made in 2019 (excluding the procurements that are to be excluded from such calculations pursuant to Section 7 of the Regulation of Small and Medium-Sized Enterprise Involvement in the Procurement of Goods, Jobs, and Services by Specific Types of Legal Persons, and of the Annual Cost of Such Procurements and Its Calculation, as approved by Decree No. 1352 of the Government of the Russian Federation dd. December 11, 2014);

– **The structure of purchases from small and medium-sized businesses by OKPD2 codes**



Details on the Procurement of Innovative and High-Tech Products

In accordance with Order No. 475-r of the Government of the Russian Federation dd. March 21, 2016, Rosseti Tyumen JSC is on the List of Legal Persons Obliged to Procure Innovative and High-Tech Products from suppliers including small and medium-sized enterprises.

Based on the criteria of recognizing goods, jobs, and services as innovative and/or high-tech products to prepare the procurement plan for such products, which criteria are approved by Order No. 126 of the Russian Ministry of Energy dd. December 25, 2015, Rosseti Tyumen JSC has developed and approved the List of Goods, Jobs, and Services Recognizable as Innovative and High-Tech Products.

According to the 2019 Annual Report on the Procurement of Innovative and High-Tech Products from suppliers including small and medium-sized enterprises, which Rosseti Tyumen JSC has published on the official website of the Unified Procurement Information System, the annual cost of procured innovative and high-tech products totaled:

- 171.4 million rubles, which is 31.22 % higher than the same value for 2018. The share of innovative and high-tech products in the total annual goods, jobs, and services procurement agreements the Company has entered into in 2019, amounted to 0.71 %;
- 140.8 million rubles were spent on such procurement from small and medium-sized enterprises, which is 23.58 % higher than the same value for 2018. Thus, the share of innovative and high-tech products procured from SMEs in the total annual goods, jobs, and services procurement agreements the Company has entered into in 2019, amounted to 0.97%.

Activities aimed at procurement improving

In order to optimize the Procurement Management business process, the following organizational measures were implemented:

- Using the internal reserves, a single center was created in the executive office to organize and conduct procurement (Department of Methodology and Organization of Procurement Activities, 27 people). Re-subordination of procuring employees to the Department of Logistics and MTO Rosseti Tyumen. Reduced personnel in the procurement units of branches. Previously, 46 procurement employees were involved in the process of organizing and conducting procurement;
- 10 procurement commissions were abolished (9 in the branches and one in the executive office), one permanent operating commission was created in the executive office of Rosseti Tyumen;
- Automated the process of signing protocols drawn up during the procurement process through ASUD.

As a result of measures taken to centralize procurement activities at the Company executive office level, we have the following advantages:

- the procurement unit personnel optimization from 46 to 27 people and saving payroll;
- the branch management influence on the decision-making of the procurement commission during the procurement procedures is excluded;
- professional approach to procurement, competitive procurement without violating procurement law by the organizer;
- increasing the control efficiency over the entire procurement process.

Share of Payments to Local Suppliers in Significant Regions of the Company's Operation

Rosseti Tyumen JSC serves a territory of more than 1.4 million sq. km, which comprises the Tyumen Oblast, the Khanty-Mansi Autonomous Okrug — Yugra, and the Yamalo-Nenets Autonomous Okrug, with a total population of 3.7 million people.

Companies registered in these three Russian constituent entities served by Tyumenenergo VAT ("local suppliers") won 529 of the Company's procurement agreements for a total of 11,521.2 million rubles (VAT included), which is 46.44 % of the total procurements made in 2019.

Total Number of Legal Actions Against the Companies Due to Anti-Corruption and Breach of Antitrust Laws. Outcomes of Such Actions

In 2019, parties involved in procurements arranged by Rosseti Tyumen JSC filed 17 complaints with the Federal Antimonopoly Service of Russia, whereby they complained against the procurement commissions of Rosseti Tyumen JSC, and 6 of them were recognized as ungrounded by the FAS of Russia.

On 10 complaints, the FAS Russia decisions on elimination of violations during the procurement were executed. One dispute is in progress.

Registry of Complaints Filed by the Parties Involved in Rosseti Tyumen JSC's Procurements with the Federal Antimonopoly Service of Russia in 2019

No.	Complainant	Procurement Subject	Complaint Subject	Resolution	Document number and date
1	Yamalstroyenergomontazh LLC	Open single-phase non-prequalification tender for an agreement to perform works on overhaul at the 110 kV OPL (moving supports to a new foundation) of Noyabrsk Electric grids, the branch of Rosseti Tyumen JSC , note No. 31807118054)	Improper behavior of the procurement organizer and customer, specifically incompliance with law and Procurement Policy (including violation of the procurement procedure)	Complaint considered ungrounded	By the decision of the UFAS in the Khanty-Mansi Autonomous Okrug-Ugra dd 01.30.2019 No. 02/SR-513
2	Sima Tender LLC	Request for proposals in electronic form for the right to enter into an Agreement for the supply of New Year's gifts for children of employees of Tyumenenergo JSC, notification No. 31907915185	Unreasonable rejection	Complaint considered ungrounded	Decision of the Khanty-Mansiysk UFAS dated July 26, 2019. JSC Tyumenenergo filed a lawsuit in the Arbitration Court of the Khanty-Mansi Autonomous Okrug-Ugra, which ruled in favor of JSC Tyumenenergo. The Omsk Arbitration Appeal Court dismissed the appeal of the Khanty-Mansiysk UFAS (03/10/2020).

No.	Complainant	Procurement Subject	Complaint Subject	Resolution	Document number and date
3	Control-N LLC	An open auction in electronic form for the right to enter into an Agreement for construction and installation works at the facilities: "Reconstruction of 110/35/6 kV Sorovskaya substation", "110 kV Sorovskaya-Kintus overhead line", "Extension of 110/10 kV Kintus substation" for the needs of Nefteyugansk Electric Grids, a branch of Tyumenenergo JSC, notice No. 31907927050	Improper behavior of the procurement organizer and customer, specifically incompliance with law and Procurement Policy (including violation of the procurement procedure)	Complaint considered ungrounded	Decision of the Khanty-Mansiysk UFAS dated 8/23/2019 No MG-6800
4	PSA Zaslon+ LLC	Competition in electronic form, the participants of which can be only small and medium-sized businesses for the provision of services for the physical protection of Office facilities of JSC Tyumenenergo branch - Tyumen Distribution Grids, notice No. 31908376138	Procurement parties were required to provide documents not stipulated by the procurement documentation	Complaint considered ungrounded	Khanty-Mansi Autonomous Okrug UFAS decision dated November 1, 2019 No. 02/KI-8799 (086/07/3-432/2019)
5	PSA Zaslon+ LLC	Competition in electronic form, the participants of which can be only small and medium-sized businesses for the provision of services for the physical protection of Tobolsk LGO of JSC Tyumenenergo branch - Tyumen Distribution Grids facilities, notice No. 31908376124	Procurement parties were required to provide documents not stipulated by the procurement documentation	Complaint considered ungrounded	Khanty-Mansi Autonomous Okrug UFAS decision dated November 1, 2019 No. 02/KI-8799 (086/07/3-432/2019)
6	PSA Zaslon+ LLC	Competition in electronic form, the participants of which can be only small and medium-sized businesses for the provision of services for the physical protection of Ishim LGO of JSC Tyumenenergo branch -	Procurement parties were required to provide documents not stipulated by the procurement documentation	Complaint considered ungrounded	Khanty-Mansi Autonomous Okrug UFAS decision dated November 1, 2019 No. 02/KI-8799 (086/07/3-432/2019)

No.	Complainant	Procurement Subject	Complaint Subject	Resolution	Document number and date
		Tyumen Distribution Grids facilities, notice No. 31908376111			
7	PSA Zaslon+ LLC	Competition in electronic form, the participants of which can be only small and medium-sized businesses for the provision of services for the physical protection of Yuzhny LGO of JSC Tyumenenergo branch - Tyumen Distribution Grids facilities, notice No. 31908376094	Procurement parties were required to provide documents not stipulated by the procurement documentation	Complaint considered ungrounded	Khanty-Mansi Autonomous Okrug UFAS decision dated November 1, 2019 No. 02/KI-8799 (086/07/3-432/2019)
8	PSA Legion LLC	Competition in electronic form, the participants of which can be only small and medium-sized businesses for the provision of services for the physical protection of Office facilities of JSC Tyumenenergo branch - Tyumen Distribution Grids, notice No. 31908376138	Procurement documentation stipulated improper requirements which imposed limitations on procurement participation and implied pre-emptive participation rights for some parties	Complaint considered ungrounded	Khanty-Mansi Autonomous Okrug UFAS decision dated 10/25/2019 No. 086/07/3-410/2019
9	PSA Legion LLC	Competition in electronic form, the participants of which can be only small and medium-sized businesses for the provision of services for the physical protection of Ishim LGO of JSC Tyumenenergo branch - Tyumen Distribution Grids facilities, notice No. 31908376111	Procurement documentation stipulated improper requirements which imposed limitations on procurement participation and implied pre-emptive participation rights for some parties	Complaint considered ungrounded	Khanty-Mansi Autonomous Okrug UFAS decision dated 10/25/2019 No. 086/07/3-411/2019
10	PSA Legion LLC	Competition in electronic form, the participants of which can be only small and medium-sized businesses for the provision of services for the physical protection of Tobolsk LGO of JSC Tyumenenergo branch - Tyumen Distribution	Procurement documentation stipulated improper requirements which imposed limitations on procurement participation and implied pre-emptive participation rights for some parties	Complaint considered ungrounded	Khanty-Mansi Autonomous Okrug UFAS decision dated 10/25/2019 No. 086/07/3-412/2019

No.	Complainant	Procurement Subject	Complaint Subject	Resolution	Document number and date
		Grids facilities, notice No. 31908376124			
11	YugraMontazhServis LLC	Competition in electronic form, the participants of which can be only small and medium-sized businesses for overhaul of automatic fire alarm systems at the facility of JSC Tyumenenergo Nefteyugansk Electric Grids branch , notice No. 31908487832	Procurement documentation stipulated improper requirements which imposed limitations on procurement participation and implied pre-emptive participation rights for some parties	Complaint considered ungrounded	Khanty-Mansi Autonomous Okrug UFAS decision dated 12/10/2019 No. 02/KI-8799 (086/07/3-580/2019)
12	NKK LLC	Request for quotations in electronic form for the supply of fuel and lubricants through the Supplier's gas stations in the urban settlement Fedorovsky, Khanty-Mansi Autonomous Okrug, Tyumen Region, for the needs of Tyumenenergo JSC branch Surgut Electric Grids, notice No. 31908373675	Unreasonable rejection	Complaint considered ungrounded	Khanty-Mansi Autonomous Okrug UFAS decision dated 12/16/2019 No. 02/MG-8799 (086/07/03-708/2019)
13	Construction and Production Company Polyus LLC	Tender in electronic form for the right to enter into an Agreement for the cleaning of the routes of 110 kV overhead lines of JSC Tyumenenergo branch Nizhnevartovsk Electric Grids, notice No. 31908373488	Improper behavior of the procurement organizer and customer, specifically incompliance with law and Procurement Policy (including violation of the procurement procedure)	The complaint considered grounded for violation of p. 1 part 10 art. 3 Of Federal Law No. 223-FZ dd 07/18/2011	Decision of the Khanty-Mansiysk UFAS dated 12/16/2019 No 02/MG-10181
14	Construction and Production Company Polyus LLC	Tender in electronic form for the right to enter into an Agreement for the cleaning of the routes of 110 kV overhead lines of JSC Tyumenenergo branch Kogalym Electric Grids, notice No. 31908411965	Improper behavior of the procurement organizer and customer, specifically incompliance with law and Procurement Policy (including violation of the procurement procedure)	The complaint considered grounded for violation of p. 1 part 10 art. 3 Of Federal Law No. 223-FZ dd 07/18/2011	Decision of the Khanty-Mansiysk UFAS dated 12/16/2019 No 02/MG-10181

No.	Complainant	Procurement Subject	Complaint Subject	Resolution	Document number and date
15	Construction and Production Company Polyus LLC	Competition in electronic form, the participants of which can be only small and medium-sized businesses for overhaul of automatic fire alarm systems at the facility of JSC Tyumenenergo Energocomplex branch , notice No. 31908446748	Improper behavior of the procurement organizer and customer, specifically incompliance with law and Procurement Policy (including violation of the procurement procedure)	Complaint considered ungrounded	Decision of the Khanty-Mansiysk UFAS dated 12/25/2019 No 02/MG-10182
16	Novye Tradicii LLC	Competition in electronic form, the participants of which can be only small and medium-sized businesses for overhaul of automatic fire alarm systems at the facility of JSC Tyumenenergo Surgut Electric Grids branch , notice No. 31908469009	Unreasonable rejection	Complaint considered ungrounded	Khanty-Mansi Autonomous Okrug UFAS decision dated 12/13/2019 No. 02/MG-10155 (086/07/3-700/2019)
17	Center of lubricants LLC	Request for quotations in electronic form for the supply of technical and cooling oil for the needs of JSC Tyumenenergo branch Nizhnevartovsk Electric Grids, notice No. 31908587444	Unreasonable rejection	Complaint considered ungrounded	Decision of the Khanty-Mansiysk UFAS dated 1/10/2020 No 02/MG-72 (complaint investigation was on 12/30/2019)

Share of New Suppliers Assessed as per Labor Relations Criteria

Rosseti Tyumen JSC's procurement parties were not assessed on the basis of labor relations criteria.

Suppliers Whose Rights to Freedom of Associations and Collective Bargaining Might Be Violated or Put at a Significant Risk. Actions Taken to Protect Such Rights

Rosseti Tyumen JSC does not take any measures to examine its suppliers for any violation and risk-exposure of rights to freedom of association and collective bargaining.

Significant Actual and Potential Negative Impact on Observation of Human Rights in the Supply Chain. Actions Taken

Rosseti Tyumen JSC does not take any measures to examine its suppliers for any actual or potential negative impact on observation of human rights.

Suppliers Having Negative Environmental Impact. Actions Taken

Rosseti Tyumen JSC does not take any measures to examine its suppliers for any negative environmental impact.

4. TECHNOLOGICAL DEVELOPMENT, INNOVATIONS AND IT

4.1.INNOVATIVE DEVELOPMENT

Key Goals and Objectives of the Company to be Achieved by the Innovative Development Program. Economic, Technological, and Socioeconomic Targets

Rosseti Tyumen JSC is an advanced energy company that seeks innovation-driven growth. Rosseti Tyumen JSC's Innovative Development Program aims at creating a set of methods, technologies, and tools to improve the reliability and quality of power supply. To that end, the Company seeks to use state-of-the-art hardware and technology to maximize the reliability of its grids as well as the efficiency and safety of its processes.

The Innovative Development Program specifies what has to be done for the innovative development of the Company's grid complex. Rosseti Tyumen JSC's Innovative Development Program for 2016–2020 with an outlook for 2025 (hereinafter "the Program") was approved by Resolution of the Board of Directors on March 31, 2017 (Minutes No. 10/17 dd. March 31, 2017), being an internal document of Rosseti Tyumen JSC that was prepared as a part of the Innovative Development, Energy Saving and Energy Efficiency Promotion Policy of PJSC Rosseti as approved by the Company's Board of Directors, Minutes No. 08/14 dd. June 24, 2014 (hereinafter "the Policy"); the Program is the main tool for implementing the Policy.

The Program includes measures aimed at creating a new value by improving the existing production and technology system as well as the Company's business processes, by implementing new technologies, by developing the science and engineering potential, creating an appropriate infrastructure and talent pool.

The Program is aimed at creating grids of a new technological structure with a whole new level of reliability, efficiency, availability, controllability, and customer focus of the grid complex managed.

A grid of a new technological structure is a power system that features the following:

– automated grid control based on distributed (multi-agent) control principles;

– real-time parametric self-diagnostics of the power system, its individual facilities and equipment units to improve the system-wide and consumer-specific reliability, to reduce operating costs, etc.;

– flexible self-reconfiguration of the grid as a response to changes in parameters and topology, including accident prevention / post-emergency self-recovery;

– provision of specialized services to various consumer categories; these services must be classified by timing, scope, power quality and pricing (including such services as electric vehicle charging, etc.).

To that end, the Program defines the following main problems to solve:

– reaching the global-average values of power supply reliability, safety, quality, efficiency, and availability by implementing new equipment, technology, and practices;

– improving the Company's customer focus by enhancing the existing services and creating new ones, including high-tech services;

– developing, testing, and enabling an appropriate environment for the mass implementation of innovative equipment and practices with due account for integrated efficiency factors and principles of controlling facility and system life-cycle;

– enhancing the cooperation with the agents in the industrial innovative ecosystem, such as small and medium-sized enterprises, universities, R&D institutions, premier manufacturers in Russia and abroad, etc.;

– enhancing the innovation activity management system and creating an intellectual property management system;

– increasing the Company efficiency on a new technological and methodological base;
– formation of personnel potential with promising competencies to ensure the Company innovative development objectives;
– reducing the negative environmental impact of the grid complex facilities.

Expected effects on the Program implementation:

- achieving production parameter values to match those of comparable state-of-the-art grid companies;
– closing the technical and technological gap between the Company and comparable state-of-the-art grid companies;
– establishing the foundation for smart distribution grids;
– improving energy efficiency, which includes a decrease in power transmission losses.

In 2019, work under the Innovative Development Program was done in the following areas:

– Transition to digital substation of various voltage classes (from 35 to 110/220 kV)
– transition to digital active-adaptive grids with a distributed intelligent automation and control system;
– transition to integrated efficiency of business processes and management system automation;
– implementation of end-to-end technologies;
– advancing the system for the development and implementation of innovative products and technologies, including R&D);
– development of the talent pool and educational partnerships.

Financing of the Program from the Company's own sources totaled 492.18 million rubles (with 489.68 million rubles planned) in 2019.

In 2019, the Innovative Development Program was completed.

Key Areas of R&D, Pilot Testing, Design, and Technology Efforts Taken Under Rosseti Tyumen JSC's Innovative Development Program

One of the main components of the Innovative Development Program are the measures for implementing the R&D, Pilot Testing, Design, and Technology Effort Plan (the R&D Plan) adjusted as a part of the Mid-Term Innovative Development Plan for 2019-2021 approved as a part of the Tyumenenergo JSC Annual Innovative Development Report for 2018.

The Company's business plant stipulates a single source of R&D financing: using its own research funds under the Operating Activities item. R&D costs are included in controllable costs.

The R&D Plan is based on the actual grid complex problems and promising R&D-enabled innovations, for which the Company takes action to develop breakthrough technologies to create fundamentally new developments, technologies, and methods; another direction consists in applied research to improve the existing technologies.

R&D implementation measures are prepared to cover the following R&D areas:

– transition to digital substations of various voltage classes (from 35 to 110/220 kV);
– transition to digital active-adaptive grids with a distributed intelligent automation and control system;
– transition to integrated efficiency of business processes and management system automation;
– using new technologies and materials in power engineering.

The main purpose of the R&D implementation measures is to ensure sustainable innovative development of the grid complex by creating technologies and components for electric grids of a new technological structure with a whole new level of reliability, efficiency, availability, controllability, and customer focus.

R&D of Rosseti Tyumen JSC in 2019 was carried out under three agreements, including: under one agreement, the question of agreement termination is considered, under two agreements, activities will continue in 2020.

Tyumenenergo JSC R&D Progress in 2019:

- R&D plan totaled 34.58 million rubles (VAT excluded);
- R&D actual values totaled 30.54 million rubles (VAT excluded).

Key R&D Activities in the Reporting Period and Technical Results

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R&D Project 1 (issue on agreement termination is considered): Developing the Line Hardware and High-Voltage Insulators for 10-220 kV Overhead Power Lines Constructed in Far North. . Contractor: MZVA LLC

R&D 2 (in progress): Development of a Mini/Microgrid Prototype. Contractor: Joint participant leader AlteroSMART LLC, including: FSBI HE Novosibirsk State Technical University and Modular Tornado Systems LLC.

R&D No.3 (in progress) on the topic "Study of the growth rate of the main types of forest-forming tree species depending on climatic zones and soil conditions at the locations of the routes of existing overhead lines with the making of regional maps of frequency of clearing the overhead lines routes and issuing recommendations on how to perform work for the needs of Tyumenenergo JSC. Contractor: Leader of the joint participant of FITS JSC together with IKIZ LLC.

The main results obtained during R&D in the reporting period, technical results, developed equipment, technologies, materials

In 2019, as part of R&D, four intermediate stages for the work performed were completed.

By the resolution of the Central Procurement Committee of Rosseti Tyumen (Minutes of February 27, 2020 No. 04/20) the issue on the agreement termination was approved for R&D: Developing the Line Hardware and High-Voltage Insulators for 10-220 kV Overhead Power Lines Constructed in Far North. Agreement dd. September 3, 2018 No. 23/0518. Contractor: MZVA LLC Contractual payment: 17,788 million rubles (VAT included). R&D stage 1 completed. The payment for the stage 1 of R&D completion amounted to 7.38 million rubles. VAT included. Reporting documents on the completion of stage No. 2 are not submitted on time.

R&D in progress: Development of a Mini/Microgrid Prototype. Agreement dd. 10/15/2018 No. 1/2018-NIOKR. Contractor: AlteroSMART LLC Payment amount according to Agreement: 54, 681 million rubles (VAT included) In 2019, procurements totaled 26.19 million rubles, VAT included. In 2019, procurements totaled 22.29 million rubles, VAT included. Intermediate R&D stages 2, 3, and 4 are completed.

For the completion of stage 2 (11.30.2018–07.12.2019):

- Design and technological documentation for the prototype PTC of Minigrid and Microgrid grids was developed;
- prototypes of Minigrid and Microgrid grids PTC were developed;
- preliminary tests of prototypes at the facility (laboratory) of the contractor were carried out;
- selected facilities for pilot operation of prototypes;
- prototypes of economic models of Mini/Microgrid systems operation were developed for owners of small generation and for a network company.

For the completion of stage 3 (11.30.2018–07.12.2019):

- software was developed for the mini-microgrid PTC grids to provide energy storage control algorithms for various periods of time (for the day ahead, inside the day and in real time);
- software was developed for the distributed calculation of the steady state and the heavier mode for limit (critical) values;

- software was developed for the optimization algorithm for loss, active and reactive power;
- software testing for PTC grids Mini/Microgrid was completed.

For the completion of stage 4 (07.12.2019–12.13.2019):

- The Terms of Reference for the manufacture of the Mini/Microgrid demonstration stand for conferences and exhibition activities were developed;
- a feasibility study of the application/implementation of the developed PTC and elements of Minigrid and Microgrid grids was performed;
- An initial assessment of the energy potential of the renewable energy units (SES, wind farm) at the facility was performed;
- prepared and filed applications to Rospatent for registering software and inventions.

Continuing R&D entitled "Studying the growth rate of the main types of forest-forming tree species depending on climatic zones and soil conditions at the locations of the routes of existing overhead lines with the making of regional frequency maps for clearing the overhead lines routes and issuing recommendations on how to perform the work for the needs of Tyumenenergo JSC". Agreement dd. 12/5/2019 No. 1/2019-NIR. Contractor: Leader of the joint participant of FITS JSC together with IKIZ LLC. Payment amount according to Agreement: million rubles (VAT included) In 2019, procurements totaled 4.35 million rubles, VAT included. Payments in 2019 are not planned. R&D intermediate stage completed.

For the completion of R&D stage 1 (12.05.2019–12.13.2019) the following works are completed:

- collection and analysis of baseline information on the natural and climatic characteristics of the study areas, the composition of forests in forest zones and forest areas in the region of Rosseti Tyumen JSC operation;
- collecting and analyzing initial information on the growth rate of the main forest-forming species and linking reference data to the forest zones of the region of Rosseti Tyumen JSC operation, with the formation of databases on the forest growth progress of various prevailing species, depending on forest conditions;
- studies on the development of a geographic information database on the distribution of trees and shrubs occupied area, by tree groups, by prevailing tree species, by the closeness of the canopy, by the distribution of the average height of the undergrowth/young growth depending on the length of time since the last clearing and applied clearing method;
- processing and analysis of data to determine the characteristics of forest vegetation

necessary to determine the rate of overgrowth of OPL routes and to develop recommendations on the frequency and methods of clearing OPL routes.

List of IP Titles (Patents, Certificates) Related to R&D Results

In 2019, no R&D outcomes title papers were received.

Two applications have been submitted and registered with Rospatent:

- Application dated 08.27.2019 No. 053114 for the issuance of the utility model "Digital protection device with centralized redundancy for electrical substation";

- Application dated 08.27.2019 No. 053116 for the grant of a patent for an invention "A method for reducing losses in electric power in a closed power network".

Two applications for software registration have been submitted:

- application dated 12.02.2019 No. 2019665754/69 for state registration of a PC software "Program for calculating the MiniGrid steady state based on synchronized vector measurements";

- Application dated 02.05.2020 No. 2020611051 for state registration of a software; "Electricity storage control module for different periods of time".

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Making license agreements

Two license agreements were made in 2019:

- dated 08/23/2019 No. LD-26/17-02 for the production and sale of emergency reserve composite supports BK 110-1 type (counterparty: FENIX-88 JSC);

- dated December 2, 2019 No. 15/671 for the production and sale of multifunctional devices for centralized protection of the substation "Bresler ShN 2417.501" (its elements and modification) and the TOR 300 PS terminals, the TOR 300 ADZ 514 terminals, the TOR 120 terminals, the automated system for determining the fault location in overhead power transmission lines 3–35 kV (its elements and modifications) (counterparty: Relematika LLC.

Payments Received in 2019 Under License Agreements

In 2019, funds from the sale of developed products under two agreements were received to the account of Rosseti Tyumen JSC.

Results of the implementation of projects and activities of the Innovation Development Program of Rosseti Tyumen JSC for 2019

In 2019, Rosseti Tyumen JSC implemented a range of new technologies mainly aimed at improving the power supply reliability, the controllability and the informativeness of the grid complex.

Completion of important projects and events of the Innovation Development Program of Rosseti Tyumen JSC for 2019

No.	Measures Taken	Actual works performed	Planned expenses million rubles	Actual expenses million rubles
1	Transition to digital substation of various voltage classes (from 35 to 110/220 kV)			
1.1	Modernization of 110/36/6 kV Substation Bystrinskaya	The design and survey works are performed	11.19	-
1.2	Building of Moskovskaya substation 110/35/6 kV	The design and survey works are performed	40.08	38.12
1.3	Reconstruction of the substation with the introduction of field transformers, the use of highly automated control, protection and diagnostics systems for the operation of substations without permanent duty personnel	The design and survey works are performed	1.60	–
14	Installation of emergency event recorders (EER) at 110/35/6 kV YaGP-1V substation, 110/35/6 kV YaGP-6 substation, 110/6 kV substation UGP-5V of the Northern Electric Grids branch	Erection and commissioning works on EER unit are performed	7.56	6.34
		Total for section 1	60.44	44.46
2	transition to digital active-adaptive grids with a distributed intelligent automation and control system;			
2.1	Creation of power metering systems with automated data collection and load management with the single data center.	The equipment was purchased 4250 control points were installed, 414 of them commissioned	307.08	278.28

No.	Measures Taken	Actual works performed	Planned expenses million rubles	Actual expenses million rubles
2.2	Installation of an automated information system for icing load control (AISILC) on a 110 kV Long-Yugan - Sorum OPL with 110 kV Sosnovskaya IT; OPL 110 kV Sorum - Verkhnekazymskaya with 110 kV Sosnovskaya OT; OPL 110 kV Verkhnekazymskaya - Beloyarskaya	AISILC equipment is purchased	0.08	–
2.3	Installation of a system for monitoring the status of secondary equipment at 110 kV Substation Orekhovskaya (NVES)	Installation of a system for monitoring the status of secondary equipment at 110 kV Substation Orekhovskaya (NVES) completed	5.89	5.89
		Total for section 2	313.05	284.17
3	transition to integrated efficiency of business processes and management system automation;			
3.1	Reconstruction of the integrated security management system of Tyumenenergo JSC branch Surgut Electric Grids		7.24	3.68
3.2	Development and formation of the Tyumenenergo JSC's Power Grid Control Complex	A software license agreement has been concluded to expand the functionality of dispatch and technological management and adjustment to the target model Rosseti Tyumen JSC	50.00	104.95
3.3	Implementation of the monitoring system for power transformers 110/10 GDN substation of the Noyabrsk Electric Grids branch	Purchase of equipment for the monitoring system for power transformers of 110/10 kV substation GDN of the Noyabrsk Electric Grids	13.30	13.30
		Total for section 3	70.54	121.93
4	End-to-end technologies			
4.1	Reconstruction of DCTS with the organization of broadband radio access in the branch Energy complex	The design and survey works are performed	0.40	0.40
4.2	Reconstruction of the broadband radio access system of Samotlor RES	Reconstruction of the broadband radio access system of Samotlor RES	7.60	7.60
		Total for section 4	8.00	8.00
5	Advancing the system for the development and implementation of innovative products and technologies			
5.1	OKP. Developing the Line Hardware and High-Voltage Insulators for 10-220 kV Overhead Power Lines Constructed in Far North.	Work was carried out on stage No. 2 of the R&D work on the development of linear fittings and linear insulation for 110–220 kV overhead line	4.00	–
5.2	R&D development of the Mini/Microgrid prototype	Intermediate R&D stages 2, 3, and 4 are completed	26.19	26.19
5.3	Research activities Studying the growth rate of the main types of forest-forming tree species depending on climatic zones and soil conditions at the locations of the routes of existing overhead lines with the making of regional frequency maps for clearing the overhead lines routes	Research intermediate stage 1 completed	4.39	4.35

No.	Measures Taken	Actual works performed	Planned expenses million rubles	Actual expenses million rubles
	and issuing recommendations on how to perform the work.			
5.4	Development and use of the software and information complex of reference documentation and technical literature databases	Development and use of the software and information complex of reference documentation and technical literature databases	0.66	0.66
		Total for section 5	35.24	31.20
6	Development of the talent pool and educational partnerships.			
61	Personnel advanced training at the higher education institutions	194 people took the training	1.00	1.50
6.2	Personnel additional training at the higher education institutions	One person took the training	0.50	0.03
6.3	Dedicated study at the higher education institutions	An agreement was made with the National Research University “MPEI” for the training of one student	–	–
6.4	Development of a system of practices and internships for students, undergraduate and graduate students	A practical course was organized for 184 students	0.90	0.90
		Total for section 6	2.4	2.43
		Total for the innovative development program	489.68	492.18

4.2. TECHNOLOGY DEVELOPMENT AND IMPLEMENTATION OF NEW EQUIPMENT

The following processes and equipment were implemented in Rosseti Tyumen JSC in 2019

Equipment	Test production unit	Main specifications
Data collection and transmission unit (DCTSU) EKOM-3100 type	Substation 110 kV GDN of Rosseti Tyumen JSC branch Noyabrsk Electric Grids	IEC 61850-8-1 protocol support Power supply 220V AC/DC - CPU module, 2x Ethernet FX, 2xRS-485, PPS, GPS/Glonass, GSM/GPRS, 2xSIM - RS-485 interface module, 10 ports - RS-232 interface module, 3 ports

Equipment	Test production unit	Main specifications
Multifunctional meters of electric power quality indicators type "BINOM339/339i"	Substation 110 kV GDN PP 110 kV Severny of Rosseti Tyumen JSC branch Noyabrsk Electric Grids	Accounting for active power according to GOST 31819.22-2012 for accuracy class 0.2S and reactive power according to the methods of GOST 31819.23-2012 for accuracy class 0.5; as well as measuring power quality indicators class A according to GOST 30804.4.30-2013 and the compiling of an electric power test report, taking into account the recommendations of GOST 33073-2014. Main specifications of BINOM339/339i U3.57 I3.5 meter: • Data capacity over 2,300 parameters; • Synchronizing accuracy <1 msec; • Communication interfaces: - Ethernet - 100 Mbps, GOST R IEC 60870-5-104, Modbus TCP, SPODES (DLMS/COSEM), GOST R IEC 61850; RS-485/SYNC - 460.8 kbps, GOST R IEC 60870-5-101, Modbus RTU, NMEA/PPS, SET-4TM (PSCh-4TM.05MK), SPODES (DLMS/COSEM); - Optic interface: 115.2 kbps, PPP-TCP / IP; - RS-485/422 - 460.8 kbps, GOST R IEC 60870-5-101, Modbus RTU, NMEA/PPS, SET-4TM (PSCh-4TM.05MK), SPODES (DLMS/COSEM); • Oscillography: frequency - 32 kHz (640 points for a period of the main frequency of 50 Hz); the background duration is up to 60 seconds; oscilloscope duration - 0–120 seconds; the accuracy of binding the calculations to a single astronomical time: 1 msec; • Verification interval is 12 years; • Average lifetime is 30 years

For 2019, there are no R&D results transferred to the test operation.

No 2019 test operation results are available.

Test operation continues for:

R&D Name	R&D results:	Test operation unit	Test operation period
Core Digital Protection Complex with Centralized Redundancy for 110/35/10(6)-kV Substations (with a Pilot Project).	Test sample of a digital protection complex with central redundancy serving as ARP, digitalizing data and transmitting it to the process bus. The proposed technical solutions allow, due to the management digitalization, to obtain a significant improvement in the basic functions of relay protection. Increase protection reliability through centralized redundancy of protection	Substation 110/35/6 kV Aganskaya of Rosseti Tyumen JSC branch Nizhnevartovsk electric grids	10-30102020

R&D Name	R&D results:	Test operation unit	Test operation period
	terminals by replacement method		
"Development of a wireless system for monitoring the status of composite towers of overhead power lines up to 110 kV"	Wireless system for monitoring the state of composite towers of overhead power lines up to 110 kV, which allows monitoring the condition of the supporting and suspended insulators	110 kV OPL "Berkut-Dekabristov, Dekabristov-Krivolukskaya" of Southern LGO and 110 kV OPL of "Kazanka-Dubynka" of Ishim LGO of Tyumen Electric Grids branch of Rosseti Tyumen JSC	30.11.2015–31.12.2020
"Development of a comprehensive monitoring of insulation and lightning conditions system, determining the location of damage on 110 kV overhead lines"	A comprehensive monitoring of the insulation and lightning conditions system, determining the locations of damage on 110 kV overhead lines, which allows for the rapid detection of insulation defects at the early stages of their development, obtaining data on lightning conditions, lightning strikes in a line, determining the exact places of damage, disabling overhead lines and determining the defect type	110 kV OPL "Gubkinskaya-Novogodnaya-2", 110 kV OPL "Gerashchenko-Pyaku Pur-1", 110 kV OPL "Substation Severny-Kharampurskaya-2" with joint to the Substation Yuzhno-Kharampurskaya branch of Rosseti Tyumen JSC Noyabrsk Electric Grids	01.12.2016–30.05.2022

For the first time, the equipment of digital data transmission systems using MPLS-TP technology has been installed and commissioned.

A unified integrated communications solution based on IP-telephony systems and technologies was introduced for all branches of Rosseti Tyumen JSC.

4.3. TECHNICAL POLICY

The Regulation of Rosseti PJSC "On the Unified Technical Policy in the Electric Grid Complex of Rosseti PJSC" was approved by the Board of Directors of Rosseti Tyumen JSC (Minutes No. 27/19 of 12.24.2019) as an internal document of the Company.

The Regulation of Rosseti PJSC "On the Unified Technical Policy in the Electric Grid Complex of Rosseti PJSC" (hereinafter the "Regulation") defines the main areas that will increase the reliability and efficiency of the electric grid complex in the short and medium term with appropriate industrial and environmental safety based on innovative development principles providing non-discriminatory access to electric grids to all market participants.

The regulation defines the basic requirements for the construction of digital processes such as:

- process management (transition from the existing three-level structure of PM to a single-level system; building a single managing and operational vertical of PM on the basis of network management centers);
- the introduction of automated process control systems at the substation level and automated process control systems for the distribution network;
- organization of digital substations;
- online monitoring and diagnostics of substation equipment and power lines;
- Implementation of digital power metering systems;
- Organization of digital communication channels.

The Regulation in comparison with the previously existing regulation (as amended by the Board of Directors of Tyumenenergo JSC by decision of 04/06/2017) is supplemented by requirements for various types of innovative equipment and materials. For example, the requirements for devices operating on the basis of the phenomenon of superconductivity are included, the requirements for digital sensors, digital measuring devices, and a number of other modern equipment are described. In order to decrease the level of short circuit currents, recommendations are given on the use of DC links. Significantly expanded MV sections on the equipment of power lines and substations. The section with the requirements for laying cable lines has been expanded with regard to the use of cable channels and other underground structures. The optimal directions in terms of the application of various types of wires, supports, insulation and fittings of overhead lines (the requirements for overhead lines passing in difficult climatic, geological and specific conditions), switching devices, power and measuring transformers are specified, the requirements of telemechanization to ensure the 6–35 kV facilities observability and controllability are determined. The requirements for the efficient use of unified devices for receiving, collecting and transmitting data from automated systems for power metering and management of electric grid facilities are determined.

The Regulation as an internal document of the Company is binding also for the third parties, contracted to perform work (services, supplies) at the facilities of the electric grid complex of Rosseti Tyumen JSC.

Monitoring of the Regulation implementation is carried out in order to ensure compliance with the Regulation requirements for the activities of Rosseti Tyumen JSC for solving the problems of implementing the Development Strategy for the electric grid complex of the Russian Federation and the "Digital Transformation 2030" Concept and includes the following steps:

- Control of compliance with the Regulation of schemes and programs of developing the UNPG and power industry of the KhMAO, YMAO, and the Tyumen Oblast);
- development and approval of norm and technical documentation in the field of technical regulation: standards, instructions, procedures, techniques, rules, regulations;
- compliance of the research and development program with the Regulation requirements;
- compliance of the innovation development program with the Regulation requirements;
- monitoring the production, repair and dedicated programs for the reconstruction and construction of Rosseti Tyumen JSC electric grid facilities compliance with the Regulation;
- monitoring compliance of design assignments, design and survey work on the reconstruction and construction of electric grid facilities with the Regulation requirements;
- monitoring the design documentation for reconstruction and construction of electric grid facilities compliance with the Regulation requirements;
- monitoring the technical requirements and technical specifications for the supply and manufacture of equipment as part of the reconstruction and construction of power grid facilities compliance with the Regulation requirements;
- monitoring the technical and functional requirements of newly purchased equipment and materials compliance with the Regulation requirements including import substitution;
- monitoring of the tender documentation for design and survey, construction and installation works and the supply of electrical equipment as part of the reconstruction and construction of electric grid facilities compliance with the Regulation requirements;
- ensuring the use of certified equipment, materials and systems in new construction, reconstruction and technical revamping of power grid facilities;
- monitoring compliance with the Regulation requirements during the implementation of production process, as well as during the operation, maintenance and repair of power grid facilities and equipment;
- fulfillment of the Regulation requirements for energy saving and energy efficiency;
- The environmental policy, fire safety, industrial safety and labor protection compliance with the Regulation requirements.

4.4. INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS, INCLUDING DIGITAL TRANSFORMATION PROGRAM

Rosseti Tyumen JSC is a modern power company which develops following its key missions, legal and regulatory documents, the Strategy for Development of Russian Power Grid Complex, and Digital Transformation 2030 Concept.

Projects of the Digital Transformation 2020-2030 Program of Rosseti Tyumen JSC are aimed at obtaining the following effects:

- Increase the useful production of electric power;
- Losses decrease;
- Development of additional services and obtaining non-tariff revenues;
- Decrease in the receivables
- Decrease in transport expenses;
- Decrease in capital expenses for redesigning;
- Increase in labor productivity
- Reduction of the Company assets/sites damage risks through computer attacks.

These commitments, including those concerning Digitalization of the Electric grids, can be fulfilled with the use (sometimes with the compulsory use) of automation.

Telecommunications, APCS

Reconstruction of the telemetry system with implementation of the electromagnetic blocking

In 2019, the Department of Corporate and Technological Automated Control Systems updated the data collection and transmission system (DCTS) at 28 Company sites. The update allows for:

- increase the amount of information collected and transmitted, its reliability and accuracy degree, the speed of telemetry delivery to operational dispatch personnel;
- to provide increased observability of the substations equipment and the adjacent electrical network mode and state parameters in normal and emergency conditions;
- to provide increased observability of the substations and the adjacent electrical network equipment mode and state parameters in normal and emergency conditions;
- comply with the technical requirements of SO UES when transmitting telemetry data from substations.

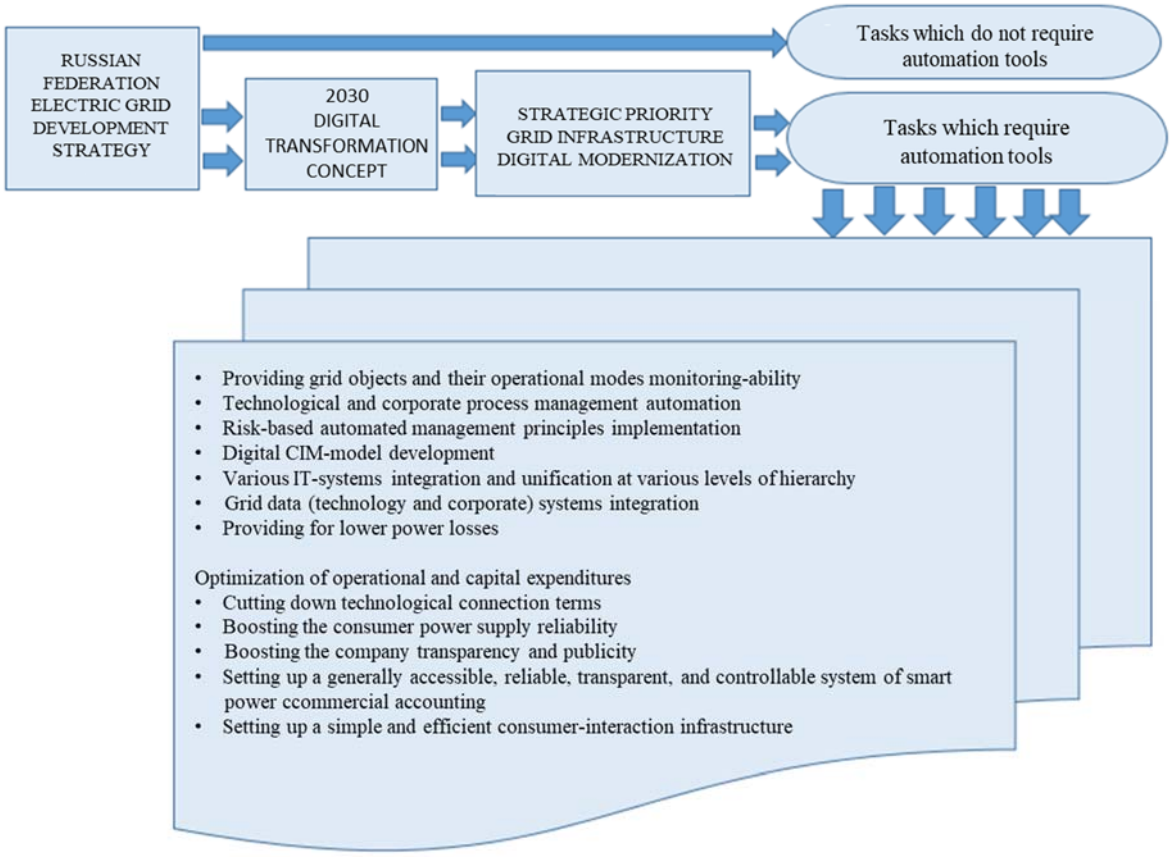
Modernization of the highway communication and data transmission channel

The total length of the highway fiber-optic communication lines (FOCL) increased by 9.4 % and came to 3,910 km. Development of highway FOCLs enabled the Company to establish a reliable ring-shape data transmission network.

Reconstruction of communication and data transmission systems

As part of the stabilization of the main areas of the Company's activities in 2020, the Department will continue to work on the implementation of the DCTS Program.

Interconnection of IIT Strategy with Rosseti Tyumen JSC tasks



Rosseti Tyumen JSC's ITT Development Results of 2019

Business Process Automation

No.	Project	Result
1	Improvement of the software package for accident accounting (SP "Emergency")	• A subsystem for automatic data synchronization with an integrated system of the Ministry of Energy of Russia was developed. • The system of recording investigation acts has been improved to feature a means to add information on relay protection devices and complexes operation. • The system includes the accounting and analysis module for accidents that occurred with production and third parties personnel
2	Developing Tyumenenergo JSC's Production Asset Management System:	• The functionality for generating electronic passports of overhead lines and substations has been improved. • Automated forecasting model for the probability of production assets failure. • Automated methodology for assessing the availability of electric power units for operation in the heating season. • An automated control system for technical revamping and reconstruction was implemented

3	Implementation of the Pyramida-Seti information and computing complex	• Centralized automation of remote collection and processing of electricity metering data functions. • Centralized automatic control of completeness and validation of data recorded by the lower level accounting means (IIC, IVKE), the calculation of a given set of design indicators of power consumption volume of controlled units

4.5.ENERGY EFFICIENCY AND SAVING

Energy saving and improving energy efficiency efforts of Rosseti Tyumen JSC in 2019 were carried out in accordance with Federal Law No. 261-FZ "On Energy Saving and on Improving Energy Efficiency and on Amending Certain Legal Acts of the Russian Federation", by a resolution of the Government of the Russian Federation dated 05.15.2010 No. 340 "On the procedure for establishing requirements for programs in the field of energy saving and improving the energy efficiency of organizations implementing licensed activities ", the Russian Federation Government of 01.12.2009 No. 977 "On the investment programs of electric power industry entities" (as amended by Decisions of the Government of the Russian Federation dated December 29, 2011 No. 1178, dated May 08, 2013 No. 403, dated February 16, 2015 No. 132 (ed. 09/04/2015), dated 09/04/2015 No. 941, dated 12/12/2016 No. 1157, dated February 17, 2017 No. 202, dated November 20, 2018 No. 1391, dated December 12, 2018 No. 1496, dated January 25, 2019 No. 43), decisions of regional executive authorities of the Russian Federation in the field of state regulation of tariffs for organizations engaged in the transfer of electric power, as well as in accordance with the Energy Saving and Energy Efficiency Program of Tyumenenergo JSC for the period of 2019–2023. (hereinafter referred to as the Program), approved by the Board of Directors of Tyumenenergo JSC decision dated 11/18/2019 (minutes of November 20, 2019 No. 26/19).

In order to ensure the implementation of the Program in the executive office and in the branches of Rosseti Tyumen JSC, by order of Tyumenenergo JSC No. 602 dated 12/31/2015, responsible managers were appointed for monitoring the Program implementation, and working groups were created to analyze the Programs implementation.

Rosseti Tyumen JSC in general and its branches underwent the energy inspection. As per the results of this inspection, relevant corrective measures, aimed at reducing the substation's power consumption, were developed and implemented; also, the measures aimed at reducing the expenditures related to heating the subsidiaries by means of the in-house heat supply sources, were developed and integrated into the Program .

To implement the Energy Saving Program, Rosseti Tyumen JSC complies with its Order No. 69 dd. February 7, 2019. In terms of energy saving and energy efficiency improvements, the target indicators under the Program are:

- reduced power losses in power transmission and distribution over grids;
- use of energy resources for production and economic needs;
- using state-of-the-art meters in the retail market pursuant to the Program for Development of Intellectual Power Meter Systems;
- equipping the facilities with energy-saving LED-based lighting devices.

Planned and Actual Reporting-Year Target Values

No.	Goal	Unit	2019	
			Plan	Actual
1	Total energy loss	million kWh	1,585.78	1,547.02
		%	2.73	2.66

2	Power Used for Substation Operations, total	million kWh	89.91	83.24
		% of p. 1	5.67	5.38
3	Total Energy Resources Used for Office and Production Facility Operations, Including:	thousand TOE	15.73	15.20
3.1	Electric energy	million kWh	66.09	57.20
3.2	Heat energy (building heating systems)	Gcal	33,659.82	38,616.25
3.3	Natural gas (including liquified)	thousand cu.m	2,170.53	2,030.41
3.4	Other fuel resources (oil)	thousand tons	0.34	0.33
4	Cold water consumption for economic needs	thousand cu.m	61.58	63.56
5	Total consumption of engine fuel by vehicles	thousand TOE	5,066.27	4,382.68
6	Modern Meters Installed	number	7344	0.00
7	Energy-Saving LED-Based Lighting Devices Installed	%	50	67.62

As a result of the comprehensive measures taken in 2019:

– the effect of reducing electric energy losses amounted to 73.5 million kWh or 183.9 million rubles;

- the effect of reducing the fuel and energy resources consumption for industrial and economic needs amounted to 0.13 thousand TOE or 4.2 million rubles;

- the effect of reducing the motor fuel consumption was 0.03 thousand TOE or 0.14 million rubles;

- smart metering devices made up for 62.48 % of meters in total;

- LED lights made up for 67.62 % of lamps in total.

The Energy Saving Program thus helped save 8.96 thousand TOE or 188.3 million rubles in 2019.

The Energy Saving Program comprises sections and subprograms (measures) with "direct effects" as well as related measures which fall into multiple categories: measures to reduce power transmission and distribution losses; and measures to reduce the use of energy resources for production and in-house needs, and also the measures for reducing the motor fuel consumption by motor vehicles and special machines.

Direct-effect measures are selected by the following criteria:

– reduction of energy use and power losses must account for 80% of the measure-related economic effect;

–simple payback period may not exceed 10 years.

Organizational measures aimed at grid power loss reduction are to keep the existing power loss level from increasing and do not affect the Company's power balance figures.

The table below details the planned and actual savings resulting from "direct-effect" measures taken in 2019.

Planned and Actual Savings Resulting from Taking Direct-Effect Measures in 2019

No.	Measures Taken	Amount of Savings, million kWh		Amount of Savings, million kWh	Amount of Savings, thousand TOE	Amount of Savings, million rubles	Amount of Savings, million kWh	Amount of Savings, thousand TOE	Amount of Savings, million rubles
		Plan	Actual	Plan			Actual		
1	Power Loss Reduction Measures	2,561	2,248	6.499	0.780	16.596	10.482	1.239	26.980
2	Measures to Reduce Energy Resource and Water Use for In- House Needs of Offices and Production Facilities	2,025	2,460	0.329	0.088	8.344	0.731	0.098	3.221
			Total:	6.828	0.868	24.940	11.213	1.337	30.200

There are additional measures aimed at optimizing consumption related to production and in-house needs, or at reducing power losses in general; these additional measures have a positive effect but do not meet the "target measure" criteria. These include:

- Technical Re-Equipment and Modernization Program;
- Program for Long-Term Development of Power Metering Devices;
- other programs and measures.

The table below details the planned and actual savings resulting from the Technical Re-Equipment and Modernization Program and affecting the 2019 energy efficiency indicators.

Planned and Actual Savings Resulting from Taking Related Measures

No.	Measures Taken	Numerical value of saving, million kWh	Numerical value of saving, thousand TOE	Numerical value of saving, million rubles	Numerical value of saving, million kWh	Numerical value of saving, thousand TOE	Numerical value of saving, million rubles
		Plan			Actual		
1	Technical Re-Equipment, Modernization, and New Construction, including	4.547	0.546	11.611	62.998	7.560	156.919
1.1	Modernization of 110 kV OPLs	0.000	0.000	0.000	0.000	0.000	0.000
1.2	Modernization of 10–0.4 kV OPLs	4.547	0.546	11.611	62.998	7.560	156.919
1.3	Modernization of 110 kV Substations	0.000	0.000	0.000	0.000	0.000	0.000

The Program for Long-Term Development of Power Metering Devices includes the following measures:

- installation of metering devices on the boundaries of balance and operational responsibility;
- organization of remote data acquisition with the use of metering devices.

In 2019, there were no electric energy metering devices installed and included in the automated electricity metering system of Rosseti Tyumen JSC.

Other programs and measures.

Heat-saving measures: weatherization of walls, gateways, windows, basements; installation of reflections fields behind the heating devices; destruction of decorative structures closing the heating devices; cleaning the heating devices from stains; light-tone painting of the heating devices, etc.

As a result of taking these measures in 2019, 910 sq. m of buildings and rooms were weatherized, which saved 247 Gcal or 1.01 million rubles.

Energy Management System

Pursuant to the Company's Order No. 102 dd. March 4, 2015, to supervise the measures on evaluating, developing of Rosseti Tyumen JSC's Energy Management System (hereinafter "the EnMS") and maintaining its conformity to ISO 50001:2011, the managers responsible for operation of the EnMS were assigned, selected from executives and managers of the Company's subsidiaries.

Pursuant the Integrated Management System Policy, Rosseti Tyumen JSC voluntarily follows the requirements and performs measures to reduce the in-house fuel and energy resource consumption. The baseline consumption level is the one registered in the first mandatory energy inspection year. The target is to reduce such consumption by 15% compared to 2012.

The annual realization of the comprehensive energy-saving measures produced the following energy-efficiency results:

Indicator	Unit	2012	2019	Deviation	
				in natural units	%
Technological Power Losses	mn KWh	1,808.81	1,547.02	-261.79	-14.47
Power Consumption for SS Operations	mn KWh	97.34	83.24	-14.10	-14.49
Power Consumption for Buildings and Structures	mn KWh	86.65	57.20	-29.45	-33.90
Heat Energy Consumption for Buildings and Structures	Gcal	35,127.68	38,616.25	3,488.57	9.93
Gasoline Consumption of Vehicles	thousand l	2,478.33	1,674.06	-804.27	-32.45
Diesel Consumption of Vehicles	thousand l	2,227.10	2,708.62	481.52	21.62
Water Consumption	thousand m³	105.35	63.56	-41.79	-39.67

Compared to 2012, total reduction in the use of fuel and energy resource for the production and economic needs of Rosseti Tyumen JSC equaled:

Indicator	2012 thousand T.O.E.	2019 thousand T.O.E.	Deviation	
			Absolute	%
Total Energy Resources Used for Office and Production Facility Operations	19.23	15.20	-4.03	-20.96

46 INTEGRATED MANAGEMENT SYSTEM

Introduced in 2008, Rosseti Tyumen JSC's Integrated Management System (IMS) is successfully operating and developing to the present day.

The Company's IMS comprises four management systems, namely:

- Quality Management System (QMS);
- Environmental Management System (EMS);
- Energy Management System
- Occupational Safety and Health Management System (OCHMS).

The QMS is a component of the Company's general management system and is in place to carry out continuous improvements in the quality of services pursuant to regulative documents and the customers' needs and expectations; it is there to satisfy all the concerned parties including the Company's employees, shareholders, investors, and partners.

The EMS is a part of the Company's general management system and comprises an organizational structure, activity planning, responsibility assignment, practical tasks, as well as procedures, processes, and resources for preparing, implementing of environmental policies, goals, and objectives, as well as for evaluating the progress and improvement thereof.

The EnMS is a part of the Company's general management system that aims to implement the provisions specified in the power policy through the introduction of power saving and energy efficiency increase programs, enables continuous research that provides data on the energy

resources distribution and consumption by the Company, as well as on the optimal use of such resources for production and non-production needs.

The OSHMS is part of the Company's general management system used for risk management and improvements in such areas as occupational safety and health.

The Company's management systems conform to the international standards, namely:

- ISO 9001 (GOST R ISO 9001) – Quality Management System (hereinafter - QMS);
- ISO 14001 (GOST R ISO 14001) – Environmental Management System (hereinafter - EMS);
- ISO 50001 (GOST R ISO 50001) – Energy Management System hereinafter - EnMS);
- OHSAS 18001 (GOST R 54934) – Occupational Safety and Health Management System (hereinafter - OSHMS).

Certificates

No.	Subdivision/ Branches	Management Systems/ Certificate validity period				Certification Body
		QMS	EMS	EnMS	OCHMS	
1	Executive Board	on 11/5/2020	on 11/5/2020	on 12/15/2020	on 1/4/2021	DQS-Russia
2	Tyumen Electric grids					
3	Kogalym Electric grids					
4	Nefteyugansk Electric Grids					
5	Nizhnevartovsk Electric Grids					
6	Noyabrsk Electric Grids					
7	Northern Electric Grids					
8	Surgut Electric Grids					
9	Uray Electric Grids					
10	Energocomplex					

Rosseti Tyumen JSC obligations regarding IMS:

1. Comply with legal and other Russian and international requirements regarding the IMS, timely and to a good quality.
2. Show the commitment of the executive board to efficient operation of the IMS.
3. Determine and ensure accessibility of information and resources required for efficient operation of the IMS.
4. Identify hazards and evaluate professional risks at workplaces; Develop relevant corrective measures.
5. Apply state-of-the-art technology and equipment, and methods of workplace management.
6. Ensure environmental protection.
7. Take energy efficiency and energy-saving measures.
8. Continuously analyze and improve the IMS' performance.

Key Parties of the Company's IMS:

- Board of Directors;
- Company's Director General;
- IMS Officer — First Deputy Director General, Chief Engineer;
- Risk & Quality Management and Internal Control Directorate (QMS);
- Environmental & Occupational Safety and Production Control Department (EMS);

– Innovations and Energy Efficiency Division of the Development and Innovation Department (EnMS);
– Occupational Safety and Production Control (OSHMS) Service;
– other structural units of the Company involved in the operation of management systems;
– officers responsible for the management systems and representatives of management system officers from the Company's branches.

The main results of IMS operation:

Power supply reliability and quality improvement:

See the section 3.2.1 Technical status of the grids

improved occupational safety and health in production activities and ever lower accident rates with a total compliance with occupational safety and environmental protection legislation, see Section 8.3 Occupational Health and Safety for details;

Go to section 9.5 Health and safety at workplace for information

Power efficiency increase

Go to section 4.5 Power saving and power efficiency for information

a) Ecological safety and environment protection.

See the section 10 Eco-policy

б) Technological connection services quality increase:

See section 3.4 for information. Technological Connection.

In general, management systems demonstrated good results over the past year, which is confirmed by the second supervision audit of the integrated management system for compliance with ISO 9001, ISO 14001, ISO 50001, OHSAS 18001 carried out by the outside auditor in October 2019.

4.7.SAFETY PRACTICES

Information Security and Protection of Facilities

The following information security-related measures were taken in 2019:

- information security of 10,849 IT infrastructure units was provided, including 780 servers, 3,928 automated workstations, 1,057 network devices in the corporate network, 5,030 alphanumeric, graphic, video and voice information processing devices;
- Information security events prevented — 5.2 mn;
- the personal data processing security in 14 information systems and the trade secrets protection in 6 information systems were ensured;
- a list of critical data infrastructure objects (hereinafter - CDIO) has been compiled and sent to the FSTEC of Russia;
- A system for automating the CDIO categorization process was developed;
- 800 CDIO were categorized; 3 significance categories were assigned to 32 objects;
- preparations are underway to create a system for detecting and preventing computer attacks;
- 12 software and hardware-software information protection complexes are in operation.

The following facility protection-related measures were taken in 2019:

– timely and high-quality measures were taken as provided for the Company investment and repair programs to equip 62 facilities with engineering and technical security equipment;

– — physical security services were established for 228 facilities;

– increased control by security organizations over the service quality at the Company's facilities. A total of 4,047 security briefings 8,192 scheduled and sudden inspections of service, including 1,227 nighttime inspections were conducted for employees of the security companies, . 318 violations were detected, the mostly they were eliminated by the management of security companies. 132 claims on the contractual obligations performance quality worth more than 2 million rubles were sent to the management of private security companies;

– 89 counter-terrorism training sessions were carried out, 41 of which involved the Federal Security Service, EMERCOM, and National Guard of Russia;

Economic Security and Anti-Corruption Measures

The Economic Security Department of Rosseti Tyumen JSC acts to detect and minimize the possibility of risks that could cause economic or reputational damage to the Company, including risks of illegal actions by legal entities and individuals.

In 2019, the Department carried out 498 financial and economic audits within the Company and at its power facilities; 379 of those audits involved the Internal Audit Directorate and the relevant units. In total, they revealed 214 cases of illegal actions on the part of the Company's personnel and third-party legal entities and individuals that harmed the Company's interests. 88 perpetrators were identified, disciplinary actions were taken against 72 of the Company's employees, and 16 employees were dismissed. 40 cases of economic damage to the Company were submitted to law enforcers. For 7 cases, perpetrators were identified and brought to justice pursuant to Articles 160, 165 and 327 of the Criminal Code of the Russian Federation; One of the priorities of the Company consists in collecting its receivables, both on the Company's own, as well as in cooperation with the Company's interested departments. The related actions include the following:

— control over the generation and status of receivables;

— carrying out a set of measures to recollect the receivables by locating the debtors, their assets, accounts, etc.;

— cooperation with the Directorate of the Federal Bailiff Service, filing complaints with law enforcers and further interaction with them.

Pursuant to the Regulations on Overdue Receivables for Power Transmission Services, as approved by the Company's Order No. 334 dd. 6/11/2019, the Security Department took or was involved in taking 165 actions to collect overdue receivables for a total of 213 million rubles in 2019.

4.8.EMERGENCY PREVENTION

No emergencies occurred in Rosseti Tyumen JSC’s grid complex facility service areas in 2019.

In 2019, Rosseti Tyumen JSC took the following actions to reduce the timings of rescue and recovery operations:

– developing and approving the schedule of emergency power supply restrictions for the Company's operation area (the KhMAO-Yugra, YNAO, and the Southern the Tyumen Oblast);

– carrying out 12 counter-emergency exercises for personnel, which simulated autumn and winter conditions;

– completing the tasks of the SO UES JSC Branch of the Tyumen RDC relating to AUFLS (automatic under-frequency load shedding), SLSAE (special load-shedding automatic equipment), and emergency electrical energy (power) supply restriction schedules;

– AUFLS amounted to 66.28 % (the goal was 60%);

– electrical energy supply limitation schedules accounted for the 25% of the power consumption figures of Rosseti Tyumen JSC;

– power supply limitation schedules and temporary outage schedules accounted for 20%. Pursuant to Order No. 309 of Tyumenenergo JSC dd.

Pursuant to the Company's Order No. 309 of June 15, 2018 "On Preparing for the Autumn and Winter Period of 2018–2019", the Company revised the lists and quantities of its equipment and material emergency backup. The backup reserves are 100% ready.

Pursuant to the Regulations on Backups for Massive Power Outages (regarding outages which might take place in Rosseti Tyumen JSC-served settlements), the branches routinely checked their diesel generators for being fully functional. Backup power sources for the branch-specific areas were recognized ready for use, which was stated in relevant certificates.

43 Cooperation and Actions for Emergency Prevention and Post-Emergency Recovery Agreements were made with various contractors, including airlines. Под действие договоров попадают ресурсы подрядчиков: 940 чел. численного состава и 672 единицы техники.

68 Cooperation and Actions for Emergency Prevention and Post-Emergency Recovery Agreements were entered into by the Rosseti Tyumen JSC branches and municipal administrations, Rosgidromet offices, Civil Defense and Emergency departments in cities, rural districts, and municipalities; as well as by related companies (MPTL, IDGC) and power consumers' companies.

To prevent and eliminate consequence management of complex technological disturbances (accidents), Rosseti Tyumen JSC has formed 179 emergency crews consisting of 842 persons in total. Those include 13 mobile teams that can travel over 1,000 km and consist of 90 persons; they are equipped with 59 off-road vehicles and special machinery as well as all the necessary tools and equipment.

Rosseti Tyumen JSC's resources were not involved in assisting other Rosseti PJSC subsidiaries and affiliates in post-emergency recovery in 2019.

Causative analysis of technological disturbances helps Rosseti Tyumen JSC identify "bottlenecks" at power grid facilities and plan future actions. Based on the emergency outage statistics, the Company plans a series of measures for 2020 that are aimed at improving the reliability and stability of grids and power equipment.

The Contact Center, via the 24-hour hotline, informs the customers on technological disturbances and projected power supply restoration timings.

The Company-provided protection of personnel and facilities from natural and technogenic emergencies is reliable and compliant with regulative documents.

4.9. PRODUCT CONFORMITY TO REGULATORY REQUIREMENTS

To provide consumers with requirements-compliant power, the Company regularly measures and analyzes the quality of the power it supplies for compliance with regulative documents.

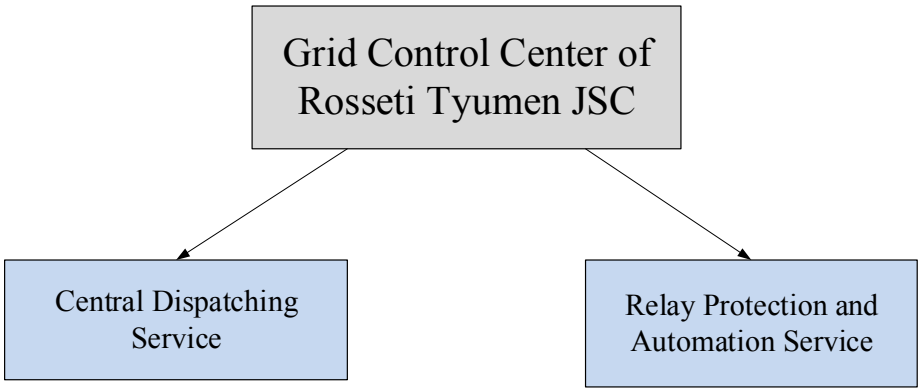
In 2019, the Company received 43 power quality-related complaints from users. All of those were timely addressed. In 19 out of 43 cases the fact of power quality unconformity to the requirements was not confirmed. По одной жалобе выполнены мероприятия по устранению инцидента
в отчётном периоде, ещё по одной жалобе устранение проблемы назначено на 2 квартал 2020 года.

No cases of unconformity that resulted in a fine or a fee were registered.

4.10. OPERATIONAL AND TECHNOLOGICAL MANAGEMENT

To centralize operational and technological management, the Company operates a Grid Control Center (GCS) tasked to coordinate all the structural units responsible for the Company's operational and technological management.

Organizational Structure of the Rosseti Tyumen JSC GCS:



Distribution Grid Complex Operational and Technological Management System: the basic operational and technological management target model, a single-level model approved by the Board of Directors meeting Protocol No. 15/19 dd. 02.08.2019.

The Grid Control Center performs non-operational functions aimed at addressing the challenges of: - optimizing business processes of operational process control;- planning and optimizing operation modes of power grid facilities; - improving the quality of maintenance planning and management within the power grid facilities;- coordinating all the structural units of the operation and technological control of the Company;- coordinating the implementation of organizational and technical activities in the course of operation of electric grids in the high alert mode (HAM), the special operating mode (SOM), the high-risk mode (HRM); - interacting with the regional headquarters for provision of power supply to the Yamalo-Nenets Autonomous Okrug, the Khanty-Mansi Autonomous Okrug – Yugra, and the Tyumen Oblast.

Operational and dispatching services/groups (district dispatching groups) of Rosseti Tyumen JSC branches are responsible for the operational and technological management in accordance with the dispatched-facility PL, equipment, and device lists as distributed by management approach within the branch-specific areas of operation. Operational personnel perform 24/7 real-time operational functions to control the Company's grid complex, to carry out technological disturbance recovery operations, and to prepare the grid complex for repairs.

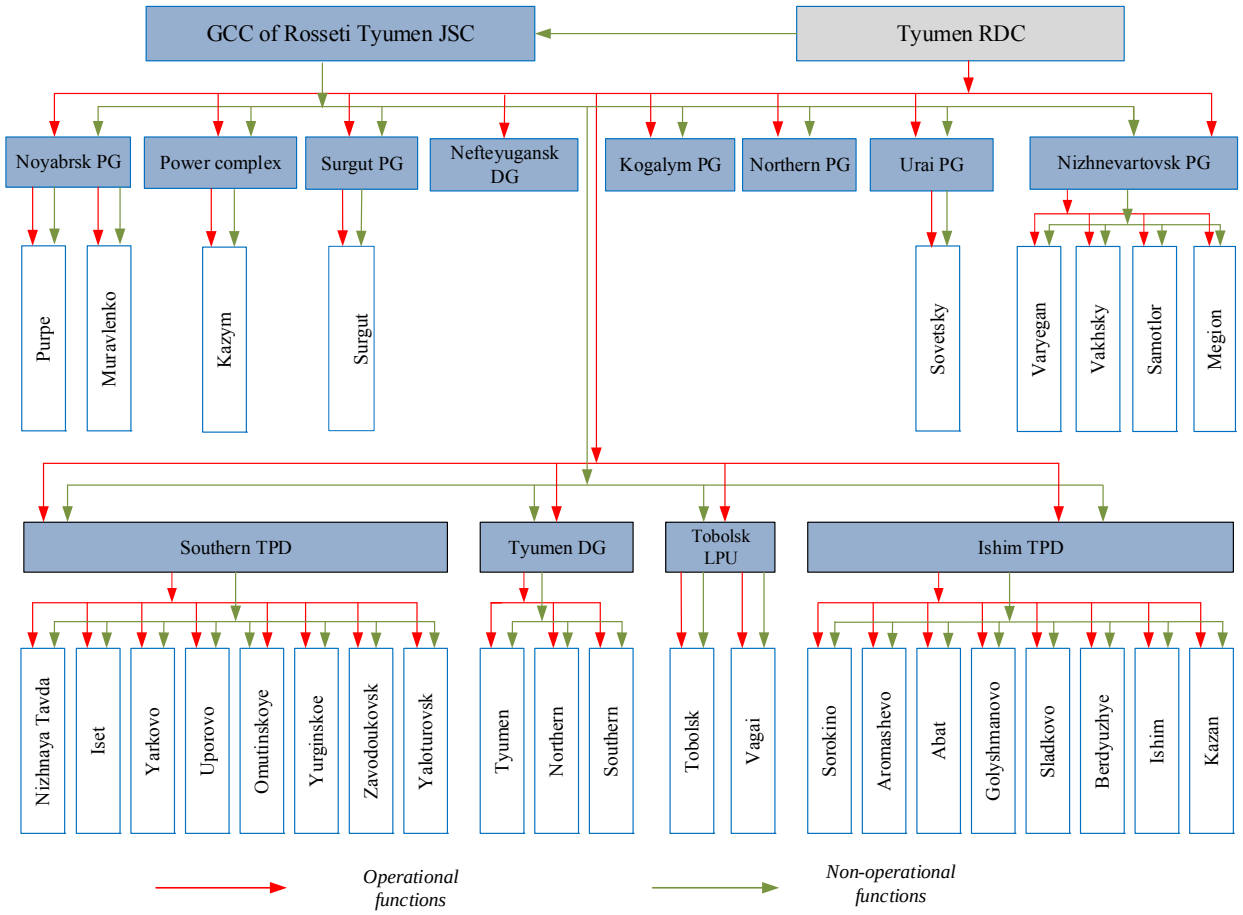
For the purpose of forming a single approach to organizing the operational and technological management, Rosseti Tyumen JSC brings the existing structure in line with the Concept for Development of the Operational, Technological, and Situational Management in the Power Grid Complex approved by the Board of Directors of Rosseti PJSC (Minutes No. 755pr dd. August 24, 2018).

The Concept for Development of the Operational and Technological Management (OTM) and Situational Management (SM) is aimed at optimizing and enhancing the efficiency of the corresponding business processes through forming and implementing the uniform development strategy regarding OTM and SM in the power grid complex, with the use of the digital power grid management technology.

The Concept stipulates for the cornerstone principles for forming and supporting the operation of OTM and SM in the power grid complex, as well as goals, functions, and the structure of OTM and SM in the power grid complex for all levels of OTM.

Rosseti Tyumen JSC seeks to establish the target structure of OTM and SM pursuant to the Concept, following the designed 2019–2030 Schedule of Measures determined with due respect to the extent of equipment with channels for communication and transmission of telemetry data from Rosseti Tyumen JSC’s GCC.

Structure of Rosseti Tyumen JSC's Operational and Technological Management Directorate



5. INVESTMENTS

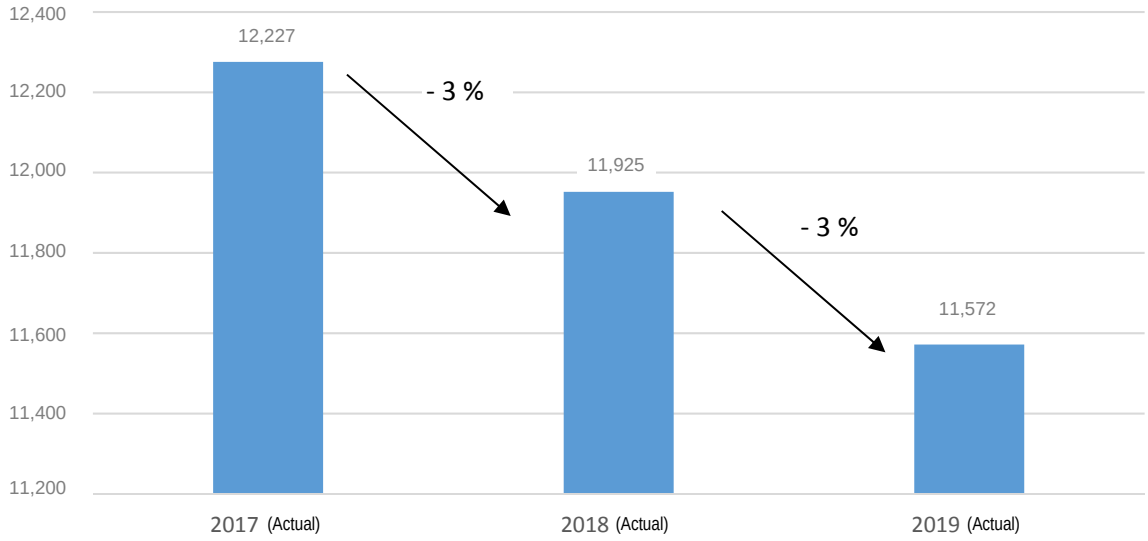
5.1. INVESTMENT ACTIVITY

Investment Activity Indicators

The table below presents the main indicators of implementing Rosseti Tyumen JSC's 2019 Investment Program approved by Order No. 21@ of the Ministry of Energy of Russia dd. 12/9/2019 "On approval of amendments to Tyumenenergo JSC's Investment Program approved by Order No. 12@ of the Ministry of Energy of Russia dd. November 8, 2017" with the amendments made by the Order of the Ministry of Energy of Russia No. 23@ dd. 12/14/2018"

2019								
Disbursement	**New Fixed Assets Commissioned**	**Funding**	**Capacity Commissioning**			**Power Increase**		
million rubles, VAT excluded	million rubles, VAT excluded	million rubles, VAT included	MVA	MVAr	km	MVA	MVAr	km
8,454	11,802	11,572	560	12	697	455	12	460

Capital investment funding



Analyzing the investment activity dynamics of Rosseti Tyumen JSC, in general one can point to a steady annual decrease of 3% for the volume of capital investment funding for 2017-2019. This investment dynamics reflects the actual implementation of the Rosseti Tyumen JSC's Long-Term Investment Program, the plans under which are annually adjusted according to the Company's financial capacities as well as to Russia's economic situation.

Areas and Structure of Capital Investments

In 2019, Rosseti Tyumen JSC invested into the fixed assets in the form of investments including expenditures for new construction, expansion, modernization and re-equipment of the existing facilities, purchase of equipment and other fixed expenditures.

Construction of new grid facilities and modernization of the fixed assets of Rosseti Tyumen JSC is aimed at the sustainable development of three Russian regions: YNAO, the KhMAO-Yugra, and the Tyumen Oblast, for which the Company is responsible. Modernization projects do improve the reliability of power supply and Rosseti Tyumen JSC is recognized as a reliable business partner by its customers.

The structure of capital investment financing of Rosseti Tyumen JSC for the last 3 years is presented in the table below:

Rosseti Tyumen JSC Capital Investment Funding Structure

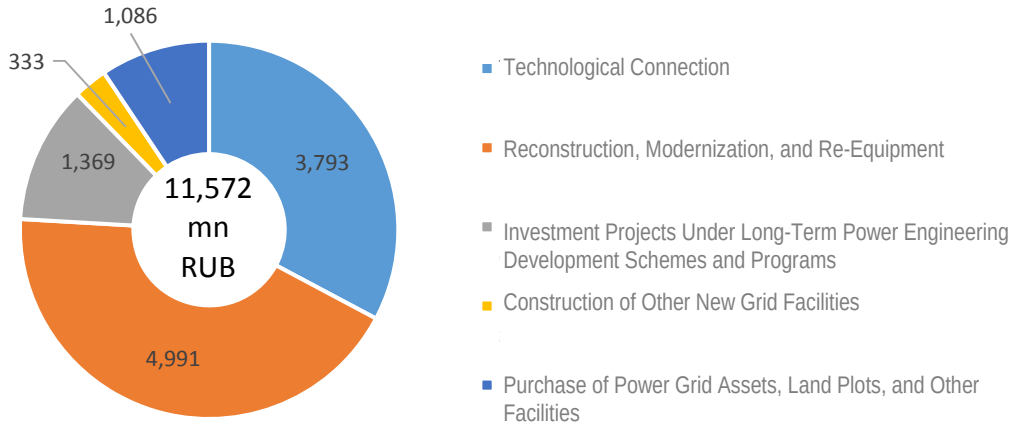
million rubles, VAT included

Rosseti Tyumen, JSC	2017 Actual	2018 Actual	2019 Actual
Total	**12,276**	**11,952**	**11,572**
Technological Connection	3,515	1,772	3,793
Reconstruction, Modernization, and Re-Equipment	6,953	7,647	4,991
Investment Projects Under Long-Term Power Engineering Development Schemes and Programs	447	1,146	1,369
Construction of Other New Grid Facilities	807	502	333
Purchase of Power Grid Assets, Land Plots, and Other Facilities	0.000	0.000	41
Other Investment Projects	554	885	1,045

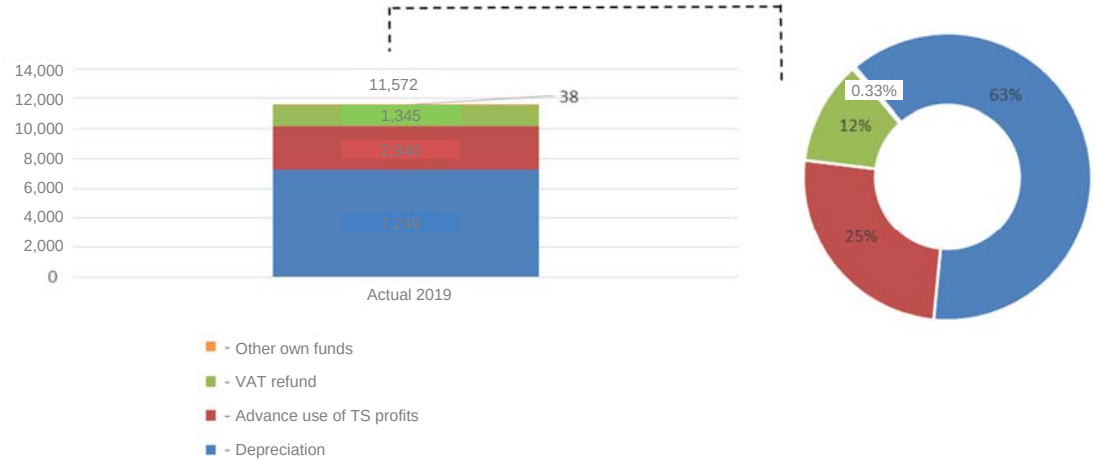
The indicators regarding funding of the 2019 Investment Program were adjusted and approved by Order No. 21@ of the Ministry of Energy of Russia of 12/09/2019 "On approval of amendments to Tyumenenergo JSC's Investment Program approved by Order No. 12@ of the Ministry of Energy of Russia dd.11/08/2017 with the amendments made by the Order of the Ministry of Energy of Russia No. 23@ of 12/14/2018".

Actual funding in 2019 totaled 11,571.575 million rubles, including 5,368.922 million rubles (46.4 %) for new construction, or 46.4 % of the general volume of financing, for technical re-equipment and reconstruction – 6,161.272 million rubles or 53.2 % of the general financing volume , for purchasing fixed assets items - 41.382 or 0.4% of the general financing volume.

Capital Investment Financing Structure for 2019
(million rubles VAT included)



Investment Program Funding by Source, million rubles (VAT included) for 2019



Pursuant to the Order No. 21@ of the Ministry of Energy of Russia dd. December 9, 2019, in 2019 the Company planned funding sources for 12,074.065 million rubles including own funds in the amount of 12,074.065 million rubles, depreciation – 8,655.144 rubles, advance use of profits from transformer substations – 1,630.929 million rubles, VAT recovery – 1,709.136 million rubles; other own sources of funding planned - 78.856 million rubles.

Actually spent: 11,571.575 million rubles, including: 11,571.575 million drawn from the Company's own funds, including 7,249.151 million rubles from depreciation, 2,939.468 million

from the advance use of technological connection profits, 1,344.509 million from VAT refunds; 38.447 million rubles - other own sources.

The underuse of depreciation in-house funding source at the implementation of the investment program is explained by the following reasons:

– failure to comply with the schedule of design and survey works because of the impossibility to prepare and approve the design of territory layout and survey for locating the capital construction objects 220 kV due to the absence of such objects in the RF area planning scheme in power engineering. The materials on the inclusion of these objects in the RF area planning scheme in power engineering are forwarded to the Ministry of Energy of Russia;

– failure to fulfill agreement obligations by the contracting organizations;

– late implementation of the measures on construction contractors selection which prevented starting construction and installation works as planned (cancelation of already announced procurement procedures, making changes in the technical inquiry);

– upgrade of the project cost as of the fact of receiving the estimated cost of design documents and design & estimate documentation approval.

The use of the source "advance use of profits from the transformer substations" is 80 % higher than a planned parameter of the investment program approved by the Order of the Ministry of Energy of Russia No. 21@ dd. December 9, 2019. It is substantiated mainly by the need to pay advance payments to contracting organizations according to the construction & installation works agreements in the framework of implementing the technological connection measures.

Information on Actual Financing and Capital Investment Disbursement on the Objects Implemented with Federal Budget Funds, million rubles VAT included

In 2019, no measures planned our carried out under Rosseti Tyumen JSC Investment Program were funded from the federal budget.

2019 Investment Program Results

Results of the 2019 Investment Program, pursuant to Order No. 177 of the Ministry of Energy of Russia dd. March 14, 2016:

Evaluation of changes in the share of the net power supply*, %	Total technological connections made under the investment program, pcs	The maximum capacity indicator of the connected power consumers, electric power production facilities, power grid objects owned by third-party grid organizations or other parties, MW
90.95	910	123.3

** Evaluation of changes in the share of the net power supply is calculated pursuant to Clause 18 of Order No. 177 of the Ministry of Energy of Russia dd .March 14, 2016. This indicator is calculated for investment projects including measures on including power meters into the data collection and transmission system.*

The transformer substation load is calculated pursuant to Clause 13 of Order No. 177 of the Ministry of Energy of Russia dd. March 14, 2016. This indicator is calculated for investment projects including measures on construction or modernization (which is to result in increase in the sum of rated power of transformers installed at a corresponding substation).

For reference, the table shows the load of Rosseti Tyumen JSC's power supply centers, as a percentage of the rated power Sactual/Srated:

Indicator/Year	2015	2016	2017	2018	2019

Transformers Load (as a percentage of the rated power) Sactual/Srated:	30	29	26	26	27

The indicators of evaluation of the average power outage and evaluation of changes in the average frequency of power outages:

Evaluation of the average power outage duration (ΔПSaidi)			Evaluation of changes in the average frequency of power outages (ΔПSaifi)		
Approved plan*	Actual	%	Approved plan*	Actual	%
-0.0097	-0.00107	10.6	-0.0040	-0.00436	9.1

**Approved plan – value from the IP approved by the Ministry of Energy of Russia for the reporting period (year).*

Approved plan – value from the IP approved by the Ministry of Energy for 2018.
Actual – values on the objects commissioned in 2018 by the results of 2019.

Long-Term Investment Program

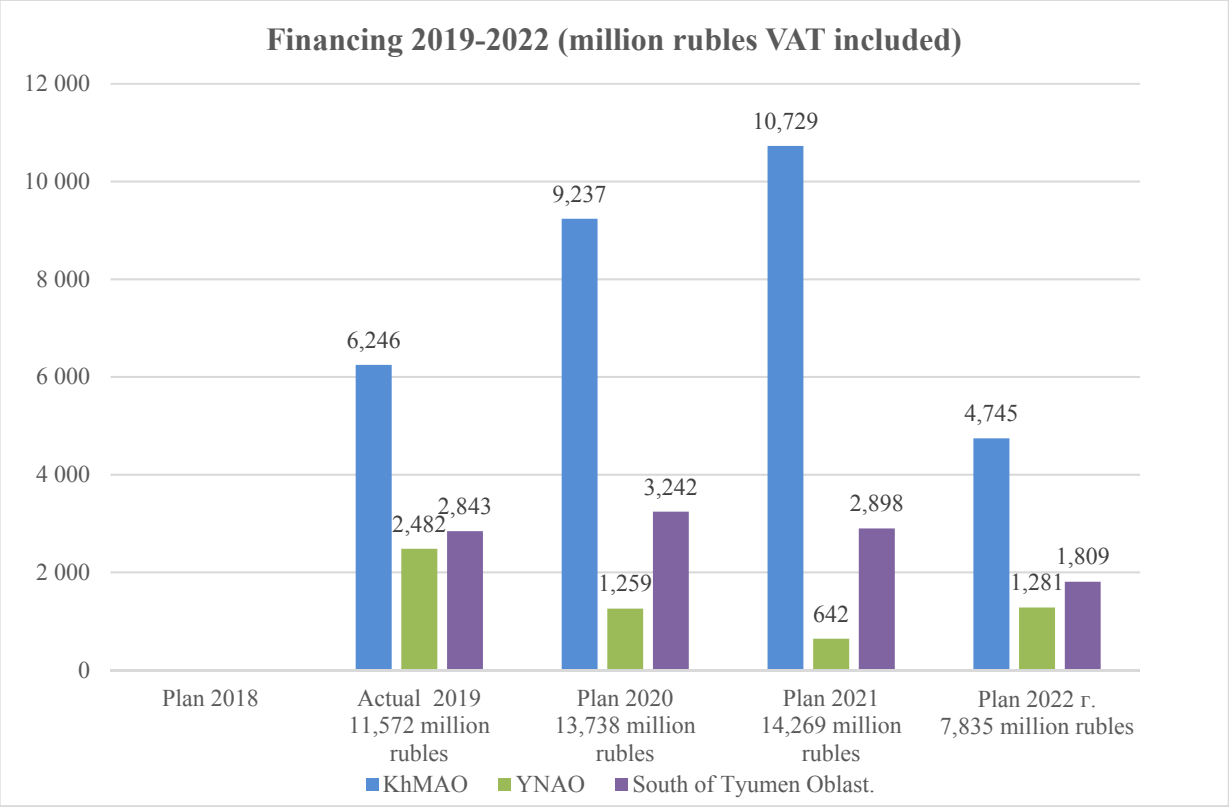
The Company's 2018–2022 Investment Program was approved by Order No. 21@ of the Ministry of Energy of Russia dd. 12/9/2019 "On approval of amendments to Tyumenenergo JSC's Investment Program approved by Order No. 12@ of the Ministry of Energy of Russia dd. November 8, 2017 with the amendments made by the Order of the Ministry of Energy No. 23@ dd. December 14, 2018".

The Investment Program for 2018–2022 was prepared in accordance with the Tyumenenergo JSC Investment Program Scenarios for 2018–2022 with due account for the current situation in the Russian economy as well as the Company's financial capacities. When preparing the Investment Program for 2018–2022, the Company prioritized reduction in equipment aging. One of the key problems to solve is to make possible the connection of new consumer loads as well as to improve the quality and reliability of power supply to the existing consumers.

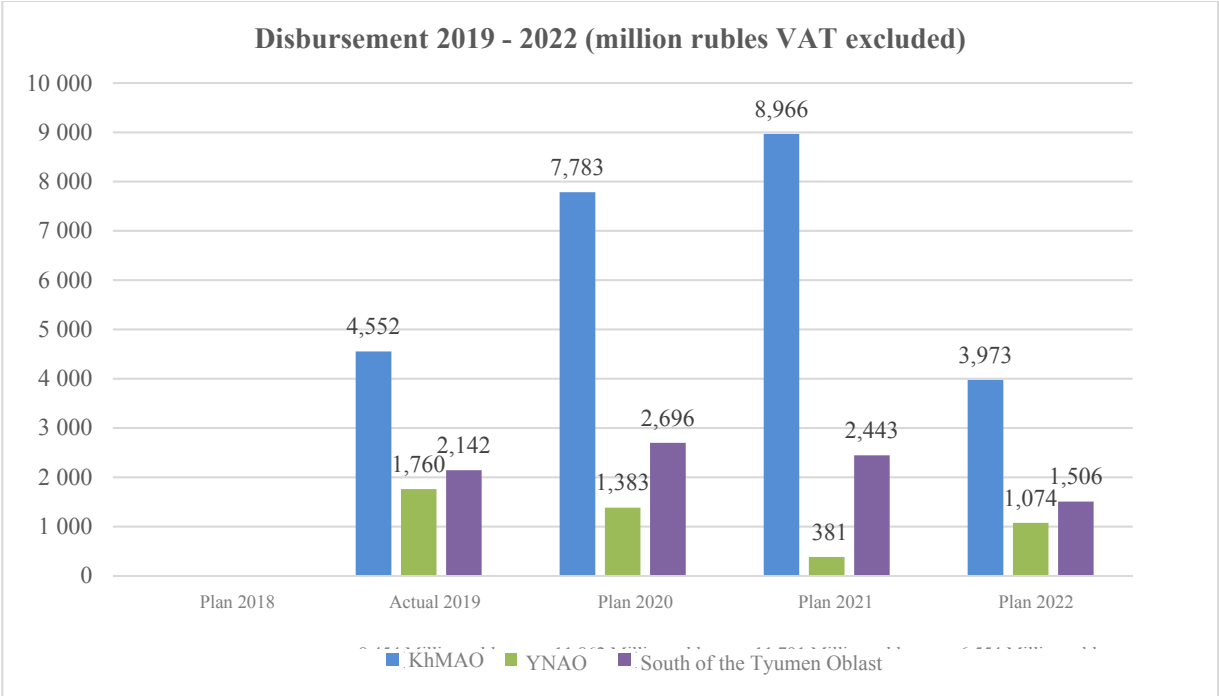
The volume of capital investment financing for 2019-2022 in compliance with the investment program approved by the order of the Ministry of Energy of Russia № 21@ dd. December 9, 2019 amounts to:

	2019	**2020**	**2021**	**2022**	**2019–2022 TOTAL**
Approved Plan (Order No. 21@ of the Ministry of Energy of Russia dd. 12/9/2019) total million rubles (VAT included), including:	**12,074**	**13,738**	**14,269**	**7,835**	**47,915**
Khanty-Mansi Autonomous Okrug	6,661	9,237	10,729	4,745	31,372
Yamalo-Nenets Autonomous Okrug	2,172	1,259	642	1,281	5,353
the Tyumen Oblast South	3,241	3,242	2,898	1,809	11,190

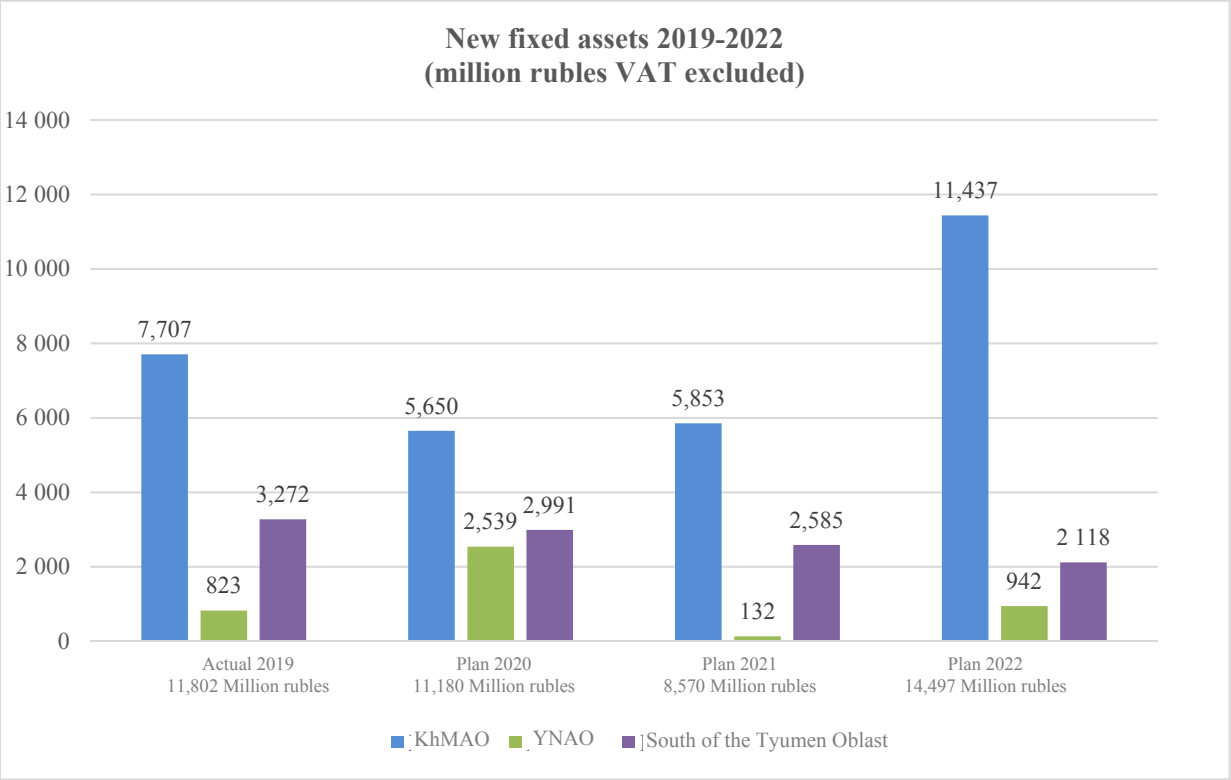
The volume of capital investment financing of Rosseti Tyumen JSC for 2019-2022 (actual 2019, planned 2020-2022 in compliance with the investment program approved by the Order No. 21@ of the Ministry of Energy of Russia dd. December 9, 2019) is given in the histogram form.

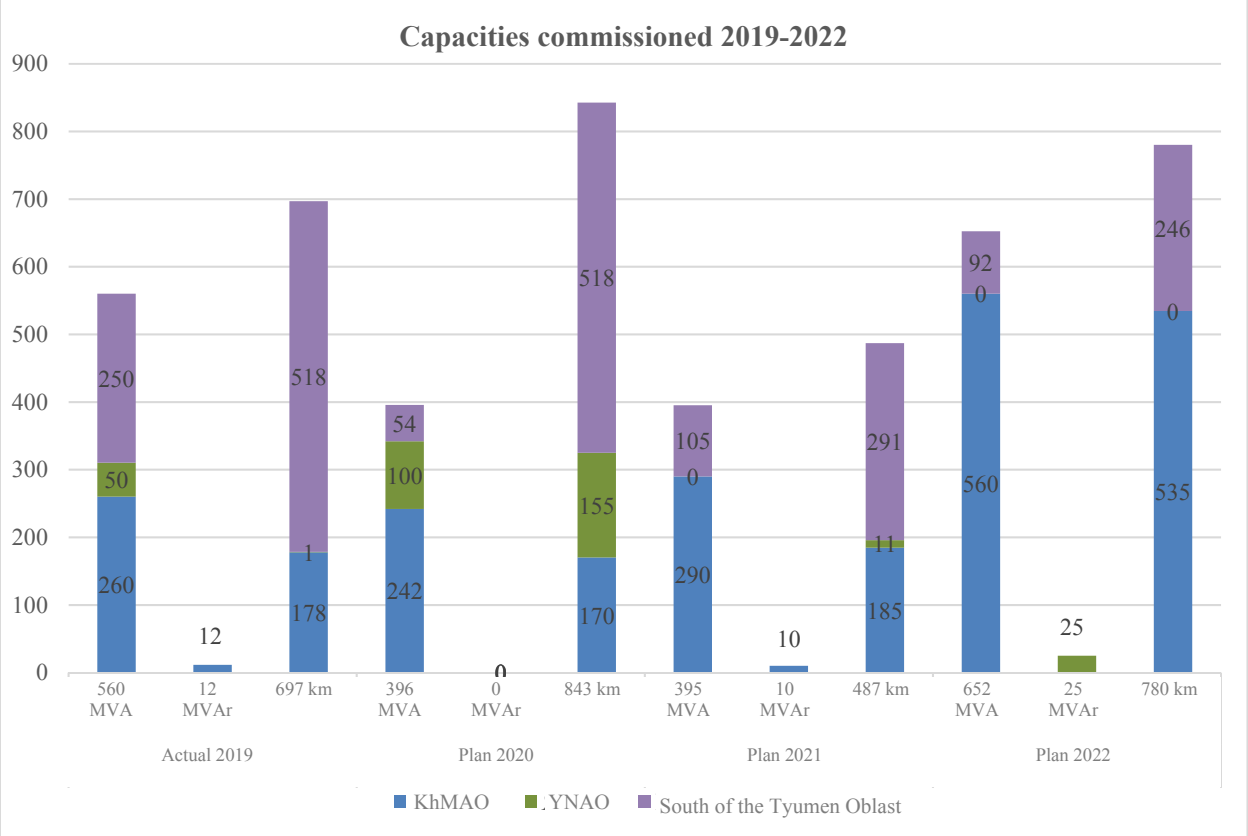


The volume of capital investment disbursement of Rosseti Tyumen JSC for 2019-2022 (actual 2019, planned 2020-2022 according to the investment program approved by the Order No. 21@ of the Ministry of Energy of Russia dd. December 9, 2019) is given in the histogram form.



The volume of new fixed assets of Rosseti Tyumen JSC in monetary and physical terms for 2019-2022 (actual 2019, planned 2020-2022 according to the investment program approved by the Order No. 21@ of the Ministry of Energy of Russia dd. December 9, 2019) is given in the histogram form.





For the period 2019 - 2022 a total volume of capital investments of Rosseti Tyumen JSC amounts to 38,660.103 million rubles VAT excluded (actual 2019, planned 2020-2022 according to the investment program approved by the Order No. 21@ of the Ministry of Energy of Russia dd. December 9, 2019).

The volume of financing of the investment program of Rosseti Tyumen JSC for 2019-2022 amounts to 47,412.472 million rubles (VAT included) (actual 2019, planned 2020-2022 according to the investment program approved by the Order No. 21@ of the Ministry of Energy of Russia dd. December 9, 2019).

For 2019 - 2022 a general volume of new fixed assets amounts to 46,049.377 million rubles, transformer power put into operation - 2,003.368 MVA, power lines put into operation - 2,806.581 km, reactive power compensator put in operation - 46.5 MVAr (actual 2019, planned 2020-2022 according to the investment program approved by the Order No. 21@ of the Ministry of Energy of Russia dd. December 9, 2019).

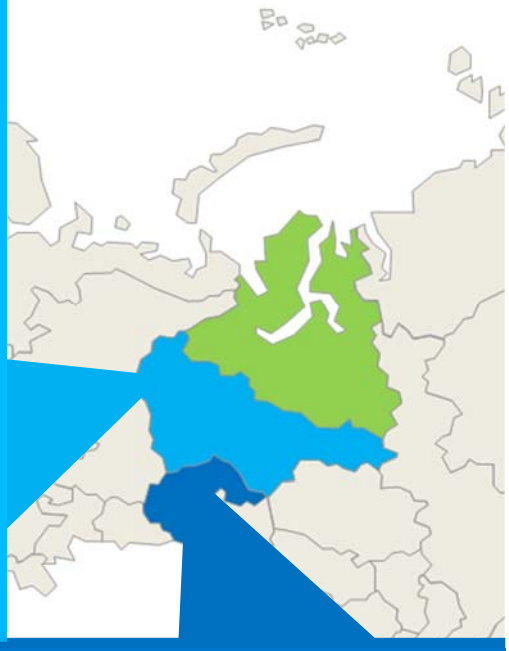
5.2.CAPITAL CONSTRUCTION QUALITY CONTROL

Pursuant to Order No. 468 of the Government of the Russian Federation dd. June 21, 2010 “On the Construction Control in Capital Construction, Reconstruction, and Overhauls”, the Company performs construction control to check construction, reconstruction, and overhaul works for compliance with the project documentation, technical regulations, the town-planning plans of the land plot, and the results of engineering surveys.

In 2019, independent construction control covered 70.2 % of the capital construction projects under the Company's Investment Program.

5.3.KEY CONSTRUCTION INVESTMENT PROJECTS IN 2019

Khanty-Mansi Autonomous Okrug – Yugra.
Technological connection of power receiving devices of NK-Rosneft, PJSC:
1. Substation 110/35/6 kV Argo with a supply OPL 110 kV of the Srednebalykskoye Deposit (50 MVA; 30.6 km).
2. Substation 110/35/6 kV Sredneugutskaya 2 (80 MVA; 2.4 km).
3. Substation 110/35/6 kV with a supply OPL 110 kV of the Vstrechnoye Deposit (80 MVA).
Wear of equipment, working out a standard service life:
4. Substation Iglinskaya 110/35/6 kV reconstruction .
5. Substation KNS-18 110 kV reconstruction.
6. Substation Gornopravdinskaya 110 kV reconstruction.
7. Substation KS-6 110/10 kV reconstruction.
8. Reconstruction of OPL 110 kV Snezhnaya - Khanty-Mansi with the wire replacement Azh-120 for AS-120/19 (1 stage) (120.388 km).
9. Sunstation Mortymya 110/35/6 kV (50 MVA) reconstruction. Provision of actual power consumption.
10. OPL 110 kV Pobeda-Saima in Surgut (9.913 km). Providing reliable power supply for the Surgut power system, a possibility to take the equipment of existing overloaded substations out of service for repair without introducing any power consumption limits.
11. OPL Polotskaya-Pimskaya 110 kV reconstruction – 1, 2 circuits (9.15 km). Bringing to the norms of Electric Equipment Installation Rules, 7-th edition.



the Tyumen Oblast South.
1. Substation Yarkovo 110/35/10 kV (32 MVA) reconstruction. Wear of equipment, working out a standard service life.
2. Construction of the Substation Molodezhnaya 110/10 kV with a double-circuit OPL-110 kV (50 MVA; 0.15 km). Providing the electric power of land lots for the families with multiple children.
3. Construction of the Substation Prichal 110/10 kV «with a double-circuit OPL 110 kV

6. FINANCIAL AND ECONOMIC RESULTS

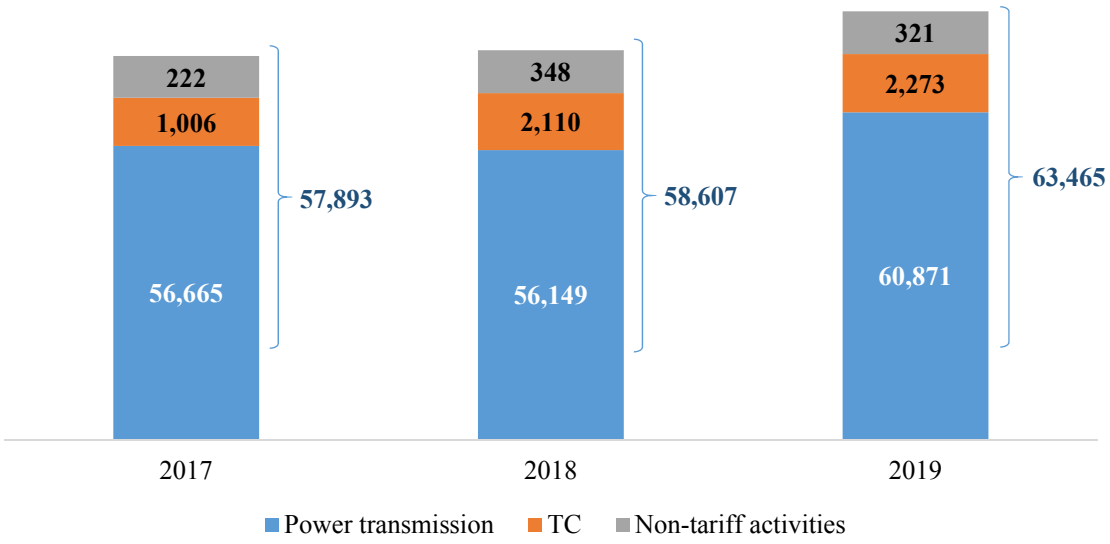
6.1.ANALYSIS OF FINANCIAL AND ECONOMIC INDICATORS

REVENUE

The 2019 revenue of Rosseti Tyumen JSC totaled 63,465 million rubles, which is by 4,858 million rubles or 8 % higher than in 2018.

Most of that revenue (96%) came from power transmission services.

Revenue structure, million rubles



Changes in Revenues by Activity:

– 2019 power transmission revenue totaled 60,871 million rubles, which is by 4,722 million rubles or 8 % higher than in 2018. The growth of 2019 revenues is explained by the growth of the uniform (common pot) tariffs for power transmission services by 11 %.

– As of the end of 2019, the revenue from technological connection to Rosseti Tyumen JSC grids totaled 2,273 million rubles, which is by 163 million rubles or 8 % higher than in 2018; This deviation is explained by the implementation of technological connection agreements of Rosneft PJSC to the distribution grid of Rosseti Tyumen JSC.

– Revenue from non-core activities totaled 321 million rubles, which is by 27 million or 8 % lower than in 2018.

NET COST

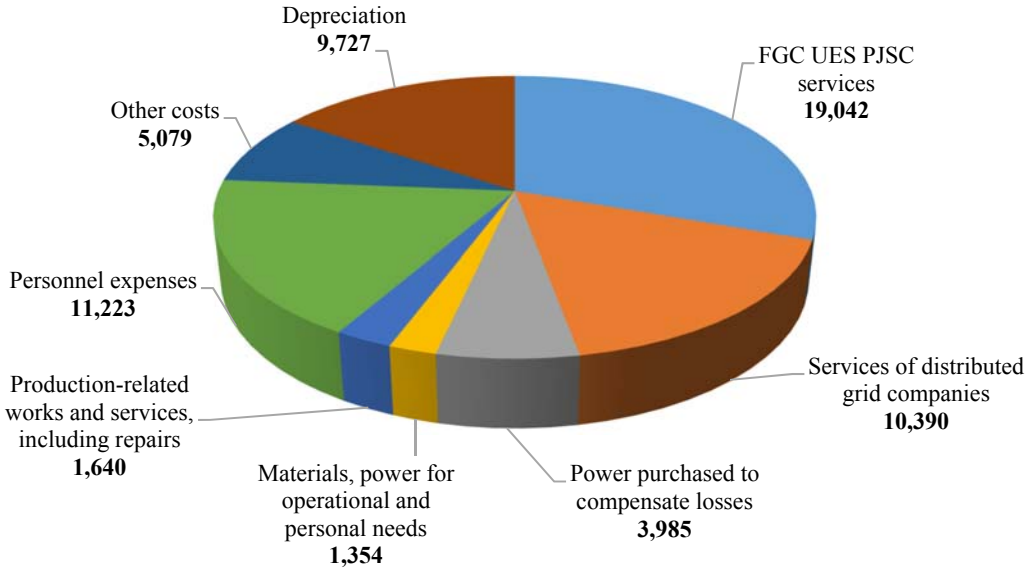
The cost of Rosseti Tyumen JSC's sold goods, jobs, and services totaled 62,447 million rubles in 2019, which is 3,173 million rubles or 5 % higher than in 2018. The cost increase in 2019 was mainly due to an increase in infrastructure payments, depreciation, and personnel expenditures.

The table below presents the dynamics of cost components.

million rubles

No. p.p.	Cost Items	2017	2018	2019	Dev. 2019/2018 Deviation	
					Abs	%
1.	**Infrastructure Costs:**	**30,560**	**31,550**	**33,417**	**1,867**	**6%**
1.1	FGC UES PJSC services	18,001	18,536	19,042	506	3%
1.2	Services of distributed grid companies	9,078	9,212	10,390	1,178	13%
1.3	Power purchased to compensate losses	3,481	3,802	3,985	183	5%
2.	**In-House Costs**	**18,076**	**19,016**	**19,303**	**287**	**2%**
2.1	Materials, power for operational and personal needs	1,300	1,482	1,354	-128	-9%
2.2	Production-related works and services, including repairs	1,697	1,798	1,640	-158	-9%
2.3	Personnel expenses	10,311	10,498	11,233	735	7%
2.4	Other expenses	4,768	5,238	5,076	-161	-3%
2.4.1	Taxes and duties	1,822	2,288	2,325	37	2%
3.	**Depreciation**	**8,161**	**8,708**	**9,727**	1,019	12%
	TOTAL NET COST	**56,797**	**59,274**	**62,447**	**3,173**	**5%**

Net cost 2019



Key Cost Change Factors:

– Growth in costs for the services of FGC UES PJSC in connection with the increase of the approved tariff for the maintenance of the Unified National Power Grid facilities and increase of the rate for UNPG losses.

– The growth in the costs for the payment of territorial grid organization services due to the increased tariffs in 2019.

– The growth in costs for power purchased to compensate losses due to the increased weighted average price for losses purchase.

– The growth in costs for personnel as a result of compensation rate indexation and the increase of the basis for insurance fee accrual against 2018.

– At the calculation of depreciation charges the Company took into account fixed assets revaluation.

FINANCIAL PERFORMANCE

million rubles

No.	No.	2017	2018	2019	Dev. 2019/2018 Deviation	
					Abs	%
1.	**Revenue from Sales of Products (Services), including:**	**57,893**	**58,607**	**63,465**	**4,858**	**8 %**
1.1	Revenue from power transmission	56,665	56,149	60,871	4,722	8 %
1.2	Revenue from technological connections	1,006	2,110	2,273	163	8 %
1.3	Revenue from non-core activities	222	348	321	−27	>8 %
2.	**Cost of Products (Services)**	**56,797**	**59,274**	**62,447**	**3,173**	**5 %**

No.	No.	2017	2018	2019	Dev. 2019/2018 Deviation	
					Abs	%
3.	Gross profit	1,096	-667	1,018	1,685	>100 %
4.	Administrative expenses	12	13	19	6	46 %
5.	Sales profit (loss)	1,084	-680	999	1,679	>100 %
6.	Interests receivable	333	88	210	122	>100 %
7.	Interests payable	234	204	347	143	70 %
8.	Revenue from stakes in other organizations	5	5	5	0	0 %
9.	Other revenues, total	2,492	886	831	-55	>6 %
10.	Other expenses, total	2,689	1,633	1,308	−325	>20 %
11.	**Profit (loss) before tax**	**991**	**−1,538**	**390**	**1,928**	>100 %
12.	Profit tax and other payment	968	530	923	393	74 %
13.	**Net Profit (Loss)**	**23**	**−2,068**	**−533**	**1,535**	>100 %
14.	**EBITDA***	**9,386**	**7,374**	**10,465**	**3,091**	**42 %**

**EBITDA = Earnings before interest, taxes, depreciation and amortization*

The value of loss of Rosseti Tyumen JSC according to 2019 performance totaled (- 533) million rubles which is by 1,535 million rubles lower than the actual 2018 (−2,068 million rubles).

Company's Financial Status and Funding Sources

million rubles

Indicator	on 12/31/2017	on 12/31/2018	on 12/31/2019	2019/2018 Deviation	
				Abs.	%
Total Assets	**147,816**	**156,584**	**161,695**	**5,111**	**3**
Value of non-current assets	142,578	150,745	155,784	5,039	3
Value of current assets	5,238	5,839	5,911	72	1
Total Liabilities	**147,816**	**156,584**	**161,695**	**5,111**	**3**
Equity	125,503	128,740	133,795	5,055	4
Long-term liabilities	14,522	15,680	18,750	3,070	20
Short-term liabilities	7,791	12,164	9,150	−3,014	−25

Assets

As of 12/31/2019, assets totaled 161,695 million rubles (+3 % against 2018). Given the specifics of Rosseti Tyumen JSC, the asset structure is dominated by *non-current, or fixed assets* (96%). As of December 31, 2019, those totaled 155,784 million rubles (+3 % against 2018). This deviation was due to a series of objective reasons: new fixed assets in the reporting year, as well as conducted revaluation of the Company's fixed assets as of 12/31/2019 (Order No. 398 of Tyumenenergo JSC dd. July 16, 2019 "On revaluation of Tyumenenergo JSC's fixed assets"). The Company's general revaluation coefficient amounted to 1.0441 (residual value of fixed assets increased by 5,836 million rubles);

The Company's *current assets* totaled 5,911 million rubles, which is virtually the same value as in 2018 (+1 % against 2018).

Liabilities

As of the end of 2019, the Company's *equity* totaled 133,795 million rubles (+4 % against 2017). This deviation was due to the revaluation of the Company's fixed assets as of 12/31/2019 (full appreciation of the *additional capital* in 2018 totaled 5,589 million rubles, while the article *other revenues* of the account *profits and losses* included the revaluation surplus – 246 million rubles).

The Company's *authorized capital* is fully compliant with the foundation documents and totaled 27,373.9 million rubles as of 12/31/2019.

As of 12/31/2019, *long-term liabilities* totaled 18,750 rubles (+20 % against actual 2018). The growth in the value of *long-term liabilities* was significantly due to the incoming of long-term advance payments for the technological connection activity in the reporting period.

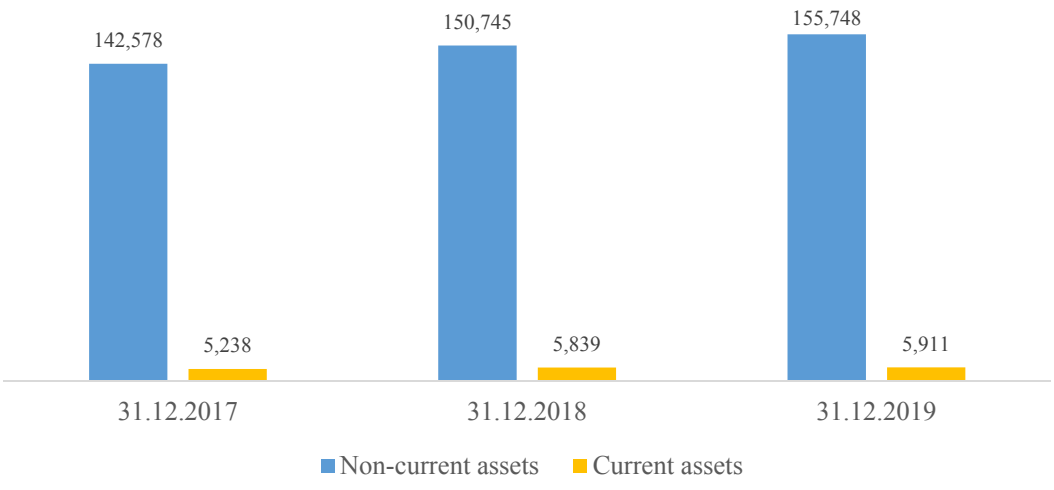
As of 12/31/2019, short-term liabilities totaled 9,149 million rubles (- 25 % against 2018). The decrease in *short-term liabilities* was significantly due to the servicing of short-term loaned funds in the reporting year as well as due to the fulfillment of the agreements on the technological connection activity.

Net Assets

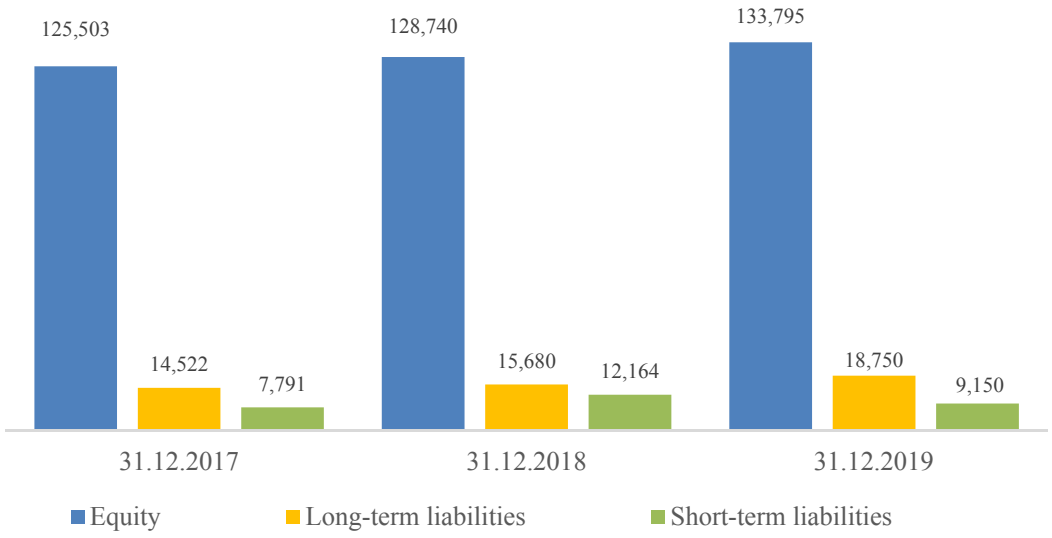
Rosseti Tyumen JSC's shares are not traded in organized securities markets, which is why the Company calculates ***net assets*** instead of *market capitalization*.

***Net assets* totaled 133.795 million rubles as of 12/31/2019, exceeding the *Authorized Capital*, which proves the Company's financial stability.**

Assets dynamics structure, milion rubles



Liabilities structure dynamics, million rubles



Analysis of the Company's Receivables and Payables

million rubles

Indicator	Periods			2019/2018 Deviation	
	2017	2018	2019	Abs.	%
Accounts receivable (line 1230 f. 1), including:	**2,286**	**2,747**	**2,946**	**199**	**7**
Long-term accounts receivable (line 1231 f. 1)	213	178	158	-20	*-11*
Short-term accounts receivable (line 1232 f. 1)	2,073	2,569	2,788	219	*9*
byers and customers	*1,681*	*2,178*	*2,590*	*412*	*19*
advances paid	*57*	*52*	*107*	*55*	*>100*
other accounts receivable	*336*	*339*	*91*	*-248*	*-73*

The Company's receivables as of 12/31/2019 totaled 2,946 million rubles (+7 % against 2018). Most of the receivables (95 %) were short-term, the remaining 5 % were long-term.

The Company's short-term receivables as of 12/31/2019 totaled 2,788 million rubles (+9 % against 2018). This dynamics was due to the growth in the settlements with buyers and customers, including electric power transmission (in connection with tariff difference at the calculation of services cost on electric power transmission), as well as the growth in the advances paid to the providers of material assets and services.

The share of overdue accounts receivable as of December 31, 2019 amounted to 6.8 % (199 million rubles – *balance sheet value of overdue accounts receivables (deducting the bad debt provision),* including 48.4 million rubles of the overdue accounts receivable for electric power transmission services of a total amount of the accounts receivable (as of December 31, 2018 – 2.1 % or 58.6 million rubles, including 41.7 million rubles for electric power transmission).

The Company handles its overdue receivables by both pre-trial settlement and in court, observing the terms of claim-making approved at Rosseti Tyumen JSC.

As a result of the Company's claims to collect overdue receivables for power transmission services, positive court rulings were made under 51 cases for 61.8 million rubles of principal debt and 2.7 million rubles of penalties in 2019. 94 % of claimed principal debt and 93 % of claimed penalty were sustained.

Over the same last period positive court rulings were made in respect of claims totaling 25.2 million rubles of the principal debt and in respect of 7.3 million rubles of penalties.

In 2019, the Company received, under such court rulings, 44 warrants of executions for 50.3 million rubles, 35.3 million rubles (70 %) of which were collected. The cause of non-collection is the absence of funds at the debtor accounts as well as the absence of fund flows. Over the same period last year, the Company received 53 warrants of execution for 34.4 million rubles, 100% of which were paid.

As of the year end, the actions against overdue receivables had been consistently high covering 95.9 % of such receivables.

Over the reporting period 28.5 million rubles were paid (16.6 million rubles in 2018), 3 million rubles were received from the bank (13 million rubles in 2018), the Federal Bailiff Service collected 3.8 million rubles (16.2 million rubles in 2018).

Also in 2018, no overdue receivables for power transmission services were written off.

million rubles

Indicator	Periods			2019/2018 Deviation	
	2017	2018	2019	Abs.	%
Payables (line 1520 f. 1 + line 1450 f. 1), including:	**10,968**	**12,338**	**16,192**	**3,854**	**31**
Long-term payables (line 1450 f. 1), including	6,369	3,775	8,801	5,026	>100
advance payments for TC received	*6,226*	*3,583*	*8,475*	*4,892*	*>100*
Short-term payables (line 1520 f. 1), including:	4,599	8,563	7,391	-1,172	-14
to suppliers and contractors	*2,533*	*3,685*	*3,789*	*104*	*3*
advance payments received	*163*	*2,821*	*1,383*	*-1,438*	*-51*
including advance payments for TC received	*134*	*2,795*	*1,305*	*-1,490*	*-53*
other payables	*1,903*	*2,057*	*2,219*	*162*	*8*

Short- and long-term payables of the Company totaled 16,192 million rubles as of 12/31/2019 (+31 % against 2018). Most of the payables (54 %) were long-term, and the remaining 46 % were short-term.

The growth of payables in relation to the actual data as of 2018 year end was due to significant incoming of the advances on the technological connection activity in 2019, the implementation of Company’s investment program as well as the growth in current tax arrears.

Overdue payables totaled 0.5 % or 82 million rubles as of the end of 2019.

To prevent any increase in overdue payables or receivables and control the current payables and receivables, Rosseti Tyumen JSC established the Payables and Receivables Commission.

In general, the Company monitors payables and receivables in real time by means of the SAP ERP software.

6.2. OPERATIONAL EFFICIENCY ENHANCEMENT AND COST REDUCTION PROGRAM

The Operational Efficiency Increase and Cost Reduction Program (OEICRP) is one of the integral elements of the strategic development plan and contains the series of measures aimed at enhancing the internal performance and ensuring profitability by virtue of optimizing the internal workflow.

Below are the OEICRP priorities:

- controllable and uncontrollable costs of the Company;
- equipment maintenance and repair management;
- working capital management;
- fixed-asset management;
- procurement and supply chain management;
- personnel motivation and remuneration system;
- principles of forming organizational and functional structure and optimizing the headcount;
- energy saving and loss reduction system;
- other enhancements.

Rosseti Tyumen JSC's 2019-2023 Operational Efficiency Enhancement and Cost Reduction Program was approved by Rosseti Tyumen JSC's Board of Directors as a part of Rosseti Tyumen JSC's 2019-2023 Business Plan (Minutes No. 07/19 dd. March 29, 2019).

The Program's priority mission is reduction of specific operating costs by at least 2 % each year, pursuant to the Directive No. 2303p-P13 of the Government of the Russian Federation dd. April 16, 2015.

The effect of reducing the specific operating costs amounted to 4.5% in 2019 (target value was 2%).

6.3. PROFIT DISTRIBUTION*

million rubles

		2016 (Annual General Meeting of Shareholders 2017)	2017 (Annual General Meeting of Shareholders 2018)	2018 (Annual General Meeting of Shareholders 2019)
Non-distributed net profit total, including		**2,301**	**23**	–
Reserve fund		115	1	–
Profit for development		161	–	–
Dividends		2,025	22	–
Dividend Payment	million rubles	2,025	22	–
	% of NP 88	88	95	–
Dividend per share, rubles		7.39835	0.08084	–

** Profit distribution in accordance with the Annual General Shareholders Meetings (AGSM) decisions.*

AGSM 2017 (for 2016) – AGSM Minutes No. 620pr/3 dd. June 28, 2017.
AGSM 2018 (for 2017) – AGSM Minutes No. 733 pr/1 dd. June 29, 2018.
AGSM 2019 (for 2018) – AGSM Minutes No. 888 pr/1 dd. 6/28/2019.

In accordance with the Charter of the Company, the resolution on the distribution of profits of 2019 will be made on the basis of the AGSM resolution in 2020.

6.4. ASSIGNED CREDIT RATINGS

On August 9, 2018, credit rating agency RAEX (Expert RA) gave Tyumenenergo JSC the credit rating ruAA for the first time ever, with a stable outlook. Rating forecast - stable.

On August 8, 2019, credit rating agency RAEX (Expert RA) confirmed the Company's credit rating ruAA at the national scale.

RAEX (Expert RA) for the first time gave and confirmed the Company's high credit rating which characterizes the Company as a company with a high level of creditability and financial reliability.

RAEX (Expert RA) keeps positively evaluating the Company's monopoly market positions in the region of presence pointing to quite a high level of forecast liquidity and an acceptable level of debt load .

The agency positively evaluates a high level of corporate governance and risk management as well the Company's strategic security.

7. CORPORATE GOVERNANCE

7.1. CORPORATE GOVERNANCE SYSTEM

The Company defines corporate governance as a system of relations between the Executive Office, the Board of Directors, the shareholder, and other stakeholders. Corporate governance is a tool that helps set goals and achieve them while also enabling the shareholder and other concerned parties to monitor and control the Company's activities.

Rosseti Tyumen JSC is a member of the Rosseti Company Group; making up for a significant portion of Rosseti PJSC assets, it understands the importance of voluntary informational disclosure pursuant to the Russian securities-market legislation and accordingly seeks to apply the provisions of the Corporate Governance Code (hereinafter, "the Code") as approved by the Board of Directors of the Bank of Russia March 21, 2014.

The specific corporate-governance feature of Rosseti Tyumen JSC is that the Company has a sole shareholder, that is Rosseti PJSC that owns 100% of the Company's shares. All the corporate processes of the Company are in accordance with the interests of this shareholder.

Rosseti Tyumen JSC has a Board of Directors, a collegial governance body responsible for the strategic management of the Company and controlling the Sole Executive Body of the Company while also performing other duties per the Company's Charter and the current legislation.

The Corporate Secretary of Rosseti Tyumen JSC is to ensure efficient Board of Directors work and cooperation with the shareholder.

The remuneration for the members of the Board of Directors is established to match the market situation so as to attract highly-qualified specialists and motivate them to act fairly and efficiently as a part of the Company.

Rosseti Tyumen JSC has an information policy in place that is aimed at disclosing full, relevant, and accurate information about the Company to all the concerned parties.

The Company does not exclude possible future actions to ensure better compliance with the Code and to enhance its corporate governance.

The Company's internal audit in the 1st half of 2019 conducted the evaluation of corporate governance according to the results of the 2018–2019 corporate year.

At the evaluation of corporate governance the Internal Audit Department was guided by a Typical method for evaluating corporate governance in subsidiaries and affiliates of Rosseti PJSC.

According to the results of the analysis of current state of corporate governance components and in compliance of the set criteria of the target state of corporate governance components with the principles and recommendations in the Corporate Governance Code, Listing Rules and best corporate practices it was established:

– the Company's corporate governance corresponds to the "well-developed practice"(380 from 460 points).

An insignificant part of issues can be subject to some improvement. On a significant part of issues evaluated as "non-compliance" the growth potential mainly depends on the uniform shareholder of Rosseti Tyumen JSC – Rosseti PJSC.

7.2.GOVERNANCE AND CONTROL BODIES

According to the Charter of Rosseti Tyumen JSC, the Company's governance bodies are:
– General Meeting of Shareholders;
– Board of Directors;
– Director General (sole executive body).

The Audit Committee is responsible for control over the financial and economic activities of the Company.

7.3.GENERAL SHAREHOLDERS MEETING

In accordance with Clause 11.1 of Article 11 of the Charter of Rosseti Tyumen JSC, if all the voting shares are held by a single shareholder, all decisions on matters within the competence of the General Shareholders Meeting shall be made by the shareholder or its authorized governance body in writing, and further communicated to the Company.

In respect of Rosseti Tyumen JSC, pursuant to subclause 3 of Clause 13.2 of Article 13 of the Charter of Rosseti PJSC, the authorized governance body is a collegial executive body, the Management Board of Rosseti PJSC, which functions as the General Shareholders Meeting of Tyumenenergo JSC.

On June 28, 2019, the Management Border of Rosseti PJSC, acting as the Annual General Shareholders Meeting, made the following decisions:

– to approve the Annual Report and the Annual Financial Statements of the Company for 2018;
– to approve the distribution of the Company's profits for 2018;
– to re-elect the Board of Directors;
– to re-elect the Audit Committee;
– to approve the Company's auditor;
– to approve the new revision of the Company's Charter;
– to approve the new revision of the Company's Board of Directors Regulation;
– to approve the Regulation on Bonuses and Compensations to Members of the Company's Board of Directors in a new revision.

On September 30, 2019 the Management Board of Rosseti PJSC at the exercise of powers of extraordinary General Meeting of Shareholders of Tyumenenergo JSC took the decisions to change of the name Tyumenenergo JSC to Rosseti Tyumen JSC. Corresponding amendments were made to the Company's Charter were registered on December 23, 2019.

On December 26 , 2019 the Management Board of Rosseti PJSC at the exercise of powers of extraordinary General Meeting of Shareholders of Tyumenenergo JSC took the decisions on the early termination of powers of the Board of Directors and on its new composition.

The competences of the General Shareholders Meeting include various matters as specified in the Federal Law dd. December 26, 1995 No. 208-FZ On Joint-Stock Companies and in Section 10.10.2 of the Company's Charter. The Company's Charter is available in the About the Company / Internal Documents section of the Company's official website:

http://www.te.ru/about/vnutrennie_dokumenty.

Matters within the competence of the General Shareholders Meeting cannot be resolved by the Board of Directors or the Director General of the Company.

The resolutions of the General Shareholders Meeting are also available in the For Shareholders and Investors / Corporate Governance section of the Company's official website:
http://www.te.ru/investors/korporativnoe_upravlenie/obshchee_sobranie_akcionerov/.

7.4. BOARD OF DIRECTORS

The Board of Directors is responsible for the general management of the Company's activities, except for matters that the Federal Law dd. December 26, 1996 No. 208-FZ On Joint-Stock Companies and the Company's Charter specifically refer to the competence of the General Shareholders Meeting.

Pursuant to Section 13. Art 13.1 of the Charter of Rosseti Tyumen JSC, the Company's Board of Directors consists of eleven (11) members.

The procedure for electing the members of the Board of Directors is defined in the Company's Charter and complies with the legislation of the Russian Federation. Persons elected to the Board of Directors can be re-elected for an unlimited number of terms.

Competences of the Board of Directors

The competences of the Board of Directors include various matters as specified in Federal Law No. 208-FZ dd. December 26, 1995 “On Joint-Stock Companies” and in Clause 12.1 of Article 10 of the Company's Charter.

Matters within the competence of the Board of Directors cannot be resolved by the Director General of the Company.

The Board of Directors' operation is regulated by the Board of Directors Regulation of Tyumenenergo JSC as approved by the Resolution of the General Shareholders Meeting of Tyumenenergo JSC dd. 6/28/2019 (Minutes No. 888pr/1) (hereinafter "the Regulation").

Pursuant to Clause 5.1 of the Regulation, the Board of Directors' meetings are held pursuant to the approved Agenda of the Board of Directors, or as necessary, but at least once a quarter. The Agenda for a corporate year shall be approved at the first meeting of the Board of Directors as re-elected by the Annual General Shareholders Meeting.

The Corporate Secretary of the Board of Directors shall comprehensively inform the Directors and notify them on meetings of the Board of Directors beforehand.

In 2019, the Company and its Board of Directors members did not enter into any transactions, and no member of the Board of Directors was claimed against.

In 2019, the Company did not fund the training of the Board of Directors members either by loan or in any other form.

Composition of the Board of Directors

Composition of the Board of Directors as of December 26, 2019 the Management Board of Rosseti PJSC elected the following membership of the Rosseti Tyumen JSC Board of Directors **(positions specified herein were valid as of the election date):**

No.	Surname Name Patronymic	Brief Bio
1	Goncharov Yuriy Vladimirovich Non-Executive Director First elected to the Board of Directors of the Company by the General Shareholders Meeting on 6/30/2014.	Year of birth: 1977. Education: 1. Moscow State Mining University, major in Management, graduated in 2000. 2. Moscow Institute of Economics, Politics and Law, major in Legal Studies, graduated in 2014. June 2017 - to present: IDGC of Siberia PJSC, Deputy Chairman of the Board of Directors; June 2018 to present: MOESK PJSC, member of the Board of Directors; 04.2013–09.2018 – Rosseti PJSC, Deputy Director General on corporate governance; September 2018 to present: Rosseti PJSC.

		Title at Primary Workplace: Chief Advisor
2	Vladimir Fedorovich Gritsenko Independent Director First elected to the Board of Directors of the Company by the General Shareholders Meeting on 6/28/2019.	Year of birth: 1965 Education: Russian State University for the Humanities, specialty "Jurisprudence", master, year of graduating –2007. 02.2016 – to present – NP OPORA, member of the Management Board Presidium; 07.2016–06.2019 – Kubanenergo PJSC, member of the Board of Directors; 07.2016–06.2019 – Kubanenergo PJSC, member of the Commission for strategy, development, investment and reforming of the Board of Directors; 12.2017–06.2019 – FGC UES PJSC, member of Investment Commission of the Board of Directors; 07.2012 – to present – Unitel Engineering LLC. **Title at Primary Workplace:** Business Development Director
3	Konstantin Sergeevich Guselnikov Independent Director First elected to the Board of Directors of the Company by the General Shareholders Meeting on 6/28/2017.	Year of birth: 1966. Education: 1. Moscow Institute of Technology, qualification of Engineer-Technologist, graduated in 1990. 2. Moscow Institute of International Business, qualification of Operational Commercial Worker, graduated in 1992. 3. Academy of National Economy in Kiel, Germany, qualification of Marketing Specialist, graduated in 1994. April 2012 to present: FinInvest Consulting LLC. July 2014 to present: Innovative Scientific and Production Centre for Textile and Consumer Goods Industry LLC, member of the Board of Directors; 07.2018 – to present – Technopark "Korolev" LLC. **Title at Primary Workplace:** Managing Director
4	Andrey Alexandrovich Demin Non-Executive Director	Year of birth: 1974. Education: 1. Zaporozhye State University, specialty "Applied Mathematics", graduated in – 1996. 2. Zaporizhia Institute of Economics and Information Technologies (ZIEIT), specialty "Finance", graduated in – 1999. April 2013 to present: Rosseti PJSC. **Title at Primary Workplace:** Member of the Management Board
5	Yuri Kazbekovich Zafesov Non-Executive Director First elected to the Board of Directors by the General Shareholders Meeting on June 30, 2013 through June 30, 2014; reelected on June 28, 2017.	Year of birth: 1975. Education: 1. Moscow State University of Food Industry (MGUPP), qualification of Engineer-Technologist, graduated in 1997. 2. Lomonosov Moscow State University, 3. major in Management, graduated in 1999. 3. Russian Academy of State Service under the President of the Russian Federation, PhD of Economics, thesis defended in 2006. May 2013 to present: part-time Head of the Procurement Department at Rosseti PJSC; June 2010 to present: ESSK UES JSC, member of the Board of Directors; May 2018 to present: IDGC of the Urals PJSC, member of the Board of Directors; July 2018 to present: IDGC of the Urals PJSC, member of the Audit Committee at the Board of Directors; June 2018 to present: IDGC of the Central Russia and Volga Region, member of the Board of Directors; July 2018 to present: IDGC of the Central Russia and Volga Region, member of the Board of Directors;

		2009 to present: Energostroysnabkomplekt JSC. **Title at Primary Workplace:** Director General
6	Aleksandr Yuryevich Korneev Non-Executive Director First elected to the Board of Directors of the Company by the General Shareholders Meeting on 6/28/2017.	Year of birth: 1980. Education: Moscow Energy Institute, qualification of Engineer majoring in Electric Factory Equipment, graduated in 2003. 2013–2017: Rosseti PJSC, Head of Directorate of Technological Connection Regulation; 2017–2018: Rosseti PJSC, Director of the Department for Long-Term Grid Development and Technological Connection 2018 to present: Rosseti PJSC. **Title at Primary Workplace:** Deputy Director of Service Sale Department
7	Marina Aleksandrovna Lavrova Non-Executive Director First elected to the Board of Directors by the General Shareholders Meeting on June 28, 2017,	Year of birth: 1982. Education: State University of Management, qualification of Manager majoring in Management in the Power Industry, graduated in 2004. June 2013 to present: Dagestan Power Supply Company PJSC, member of the Board of Directors; June 2019 to present: Sevkavkazenergo JSC, member of the Board of Directors; 2008 to present: Rosseti PJSC, Head of the Directorate for Economy of Subsidiaries of the Department of Economic Planning and Budgeting. **Title at Primary Workplace:** Deputy Director of the Department of Economy
8	Aleksey Yuryevich Perets Non-Executive Director First elected to the Board of Directors of the Company by the General Shareholders Meeting on 6/29/2018.	Year of birth: 1980. Education: Saint Petersburg State University. June 2018 to present: June 2018 to present: IDGC of the North Caucasus PJSC, Chairman of the Board of Directors, member of the Board of Directors; June 2018 to present: TRK PJSC, Chairman of the Board of Directors; June 2018 to present: Engineering Center Real Estate UES PJSC, Chairman of the Board of Directors; June 2018 to present: IDGC of the South PJSC, member of the Board of Directors; June 2018 to present: Supervisory Council of the Association NP LGO, Supervisory Board Chairman; 2017 to present: Rosseti PJSC. **Title at Primary Workplace:** Chief Advisor
9	Selivyorstova Tatyana Aleksandrovna Non-Executive Director First elected to the Board of Director by the General Shareholders Meeting on June 29, 2018.	Year of birth: 1972. Education: 1. Sergo Ordzhonikidze State University of Management, specialty “Manager”, graduated in - 1995. 2. Russian Presidential Academy of National Economy and Public Administration, occupational retraining in Finance Management, graduated in 1997. June 2014 to present: Tyvaenergo JSC, member of the Board of Directors; June 2016 to present: Ekaterinburg Electric grid company JSC, member of the Board of Directors; 2008 to present: Rosseti PJSC. **Title at Primary Workplace:** Chief Expert of the Directorate for Securities and Information Disclosure of the Corporate Governance and Shareholder and Investor Relations Department
10	Vladimir Nikolayevich Silkin Chairman of the Board of Directors First elected to the Board of Directors of the Company by the	Year of birth: 1957. Education: 1. Moscow State University of Railway Engineering, electrical engineer, Candidate of Technical Sciences, graduated in – 1982.

	General Shareholders Meeting on 6/28/2019.	2. Russian Presidential Academy of Public Service, Public Service and Municipal Management, graduated in – 1998. 3. The Financial University under the Government of the Russian Federation, Financial management, graduated in – 2004. February 2014 to present: Fund of Water Sports Development, Executive Director; December 2012 to present: Russian Yachting Federation. **Title at Primary Workplace:** President
11	Alexey Vladimirovich Soldatenko Executive Director	Year of birth: 1976. Education: Krasnoyarsk State Technical University, Electric Power Systems and Grids, Engineer, graduated in – 1998. September 2006 - March 2017: IDGC of Siberia PJSC, 2nd category specialist, leading specialist, Head of the Department of Repair, Head of the Directorate of Repair Organization – Deputy Head of the Department of Operation and Maintenance, Deputy Chief Engineer, Deputy Director on Technical Issues – Chief Engineer, Deputy Chief Engineer on Operation; March 2017– March 2019: IDGC of Siberia PJSC, Deputy Director General - Director of the Branch of Management Apparatus of IDGC of Siberia PJSC - Chitaenergo March 2019– June 2019: Rosseti Tyumen JSC, First Deputy Director General; June 2019– July 2019: Rosseti Tyumen JSC, Acting Director General; July 18, 2019 to present: Rosseti Tyumen JSC. **Title at Primary Workplace:** Director General

** "To present" herein means through 12/31/2019.*

Members of the Board of Directors do not have a share in the authorized capital of Tyumenenergo JSC and do not hold ordinary shares of the Company.

All the members of the Board of Directors have consented to the disclosure of this information in the Company's Annual Report and on the corporate website.

In 2019, before the election of the new composition on December 26, 2019, the Board of Directors had also included the following persons **(positions specified herein were valid as of the election date, 6/28/2018, 6/28/2019):**

No.	Surname Name Patronymic	Brief Bio
1	Dmitry Mikhailovich Andropov	Year of birth: 1975. Education: Academy of National Economy of the Government of the Russian Federation, qualification of Manager, graduated in 1997. November 2015 to present: Rosseti PJSC. **Title at Primary Workplace:** Head of the Credit and Structure Funding Directorate
2	Valentin Yefimovich Mezhevich	Year of birth: 1947. Education: Irkutsk Polytechnic Institute, major in Thermal Power Plants, graduated in 1970. Candidate of Technical Sciences. October 2013 to present: Rosseti PJSC. **Title at Primary Workplace:** Member of the Board, Chief Advisor
3	Sergey Yuryevich Savchuk	Year of birth: 1977. Education: Academy of the Federal Security Service, major in Jurisprudence, graduated in 1998. **Title at Primary Workplace:** N/A

4	Viktor Korneevich Yavorsky	Year of birth: 1955. Education: Moscow Energy Institute, major in Automated Control Systems, qualification of System Engineer, graduated in 1981. June 2014 to present: TORI-AUDIT LLC. **Title at Primary Workplace:** Director General
5	Aleksandr Konstantinovich Melikhov	Year of birth: 1972. Education: 1. Stavropol State University, major in Finance and Credit, graduated in 2005. 2. Moscow State Pedagogical University, major in Organization Management, graduated in 2006. October 2018 to June 26, 2019: Director General of Tyumenenergo JSC **Title at Primary Workplace:** N/A
6	Evgeny Aleksandrovich Olkhovich	Year of Birth:1982. Education: 1. Plekhanov Russian University of Economics, major in Economics, bachelor in Economics, graduated in 2003; 2. Plekhanov Russian University of Economics, major in Management, master in management, graduated in 2005. 3. Candidate in Economics 2009. April 2017 to present: Rosseti PJSC. **Title at Primary Workplace:** Deputy Director General for Strategic Development and Technology Innovations, Rosseti PJSC

Report of the Board of Directors

In 2019, the Board of Directors held 29 meetings, 28 of which consisted in absentee voting whereas one was held in joint presence.

113 issues were considered in total. Meeting Minutes are available at the Company's corporate website:

http://www.te.ru/investors/korporativnoe_upravlenie/sovet_direktorov/resheniya.

Attendance of Members of the Company's Board of Directors in Meetings, from January 1, 2019 to December 31, 2019

No.	Surname Name Patronymic	Number of Meetings the Director was Entitled to Attend	Number of Meetings Actually Attended	Activity, %
1	Dmitry Mikhailovich Andropov	12	12	100
2	Yuri Vladimirovich Goncharov	29	29	100
3	Konstantin Sergeevich Guselnikov	29	29	100
4	Yuri Kazbekovich Zafesov	29	28	97
5	Aleksandr Yuryevich Korneev	29	29	100
6	Marina Aleksandrovna Lavrova	29	28	97
7	Valentin Yefimovich Mezhevich	12	12	100
8	Aleksey Yuryevich Perets	29	28	97
9	Sergey Yurievich	12	12	100

	Savchuk			
10	Selivyorstova Tatyana Aleksandrovna	29	28	97
11	Viktor Korneevich Yavorsky	12	11	92
12	Vladimir Fedorovich Gritsenko	17	17	100
13	Eugeny Aleksandrovich Olkhovsky	16	12	75
14	Vladimir Nikolayevich Silkin	17	17	100
15	Aleksandr Konstantinovich Melikhov	16	0	0
16	Andrey Aleksandrovich Demin	1	1	100
17	Alexey Vladimirovich Soldatenko	1	1	100

On average, members of the Board of Directors were active at **91.47 %**.

Report of the Board of Directors on Priority Areas

In 2019 the Board of Directors rook decisions on the key priorities described in detail in the first section of the annual report. In 2019, the Board of Directors did not determine priority areas.

The Company's Business Plan is an important management tool, a strategic planning component, and a guideline for the action-taking, control, and analysis of interim and final results. Mid-term business planning is based on plans, budgets, reports, KPIs, and target programs; actions taken on them affect production, investment, and repair activities and determine the need for resources required for achieving specific strategic objectives. This is why the Company's Board of Directors pays special attention to the matters of business planning and hence to the implementation of strategic plans.

In 2019, the Board of Directors made the following resolutions:

– On January 31, 2019 the Board of Directors reviewed the report on the execution of the Group’s RAS-based and IFRS-consolidated business plans for 9 months of 2018.

– On February 22, 2019 the Board reviewed the report on implementing investment projects, included in the priority list, in Q4 2018.

– On February 25, 2019 the Board approved the draft amendments to the investment program for 2018–2022;

– On March 29, 2019 the Board approved the business-plan for 2019 and forecast indicators for 2020–2023;

– On June 28, 2019 the Board reviewed the report on the execution of the business plan, for 9 months of 2018 as well as the report on the execution of the Group’s RAS-based and IFRS-consolidated business-plans for 2018, approved the Group’s RAS-based and IFRS-consolidated business plan for 2019 and the forecast for 2020–2023;

– On July 31, 2019 the Board reviewed the report on implementing the business plan and investment program for Q1 of 2019 ;

– On November 18, 2019 the Board reviewed the reports on the execution of the business plan and investment program for H1 2019, the report on the execution on the Group’s RAS-based and IFRS-consolidated business-plans for H1 2019 as well as the report on implementing the investment projects, included in the priority list, in Q2 2019;

– On December 25, 2019 the Board approved the business-plan for 2020 and forecast indicators for 2021–2024.

For specific key priorities, the following resolutions were made:

Key Priority	Resolutions of the Board of Directors

Power supply quality and reliability improvement	– the review of the report on the execution of the measures stipulated in the Program of enhancing the reliability of power lines at the Yamburg LGO in 2018; – the approval of the corrected Program of enhancing the reliability of power lines at the Yamburg LGO; – the approval of a target model of the operation & technological and situation management of the distribution power grid complex; – the review on the execution of the Program implementation in electric grids; – the approval of the Program of reducing the power losses for 2019 and period up to 2023; – the correction of the Plan for developing the system of business assets management
Digitalization of power grid facilities	– taking the decision on the integrating of the Company into the Concept "Digital Transformation 2030" approved by the Board of Directors of Rosseti PJSC on December 21, 2018; – taking the decision on the development of the Company's digital transformation Program

In order to implement Rosseti Group's uniform approaches, the Board of Directors approved the following internal documents to regulate various areas of activity:

– Program on non-state pension provision for 2019;
– Provision on the Commission for Strategy of the Board of Directors;
– Regulation on Use of Spare Cash;
– Program for Power Saving and Increasing Energy Efficiency for 2019–2023;
– New revision of the Internal Audit Committee;
– The provision of Rosseti PJSC "On Uniform Technical Policy in Power Grid Complex" as the Company's internal document;
– Amendments to the Method of calculation and evaluation of Director General KPIs achievements;
– Amendments to the Provision on financial motivation for Director General;
– 2020 Procurement Plan;
– 2020 Insurance Coverage Program;
– The Board of Directors made the resolution on the integration into the Uniform standard of the corporate style of Rosseti PJSC and the organizations of the Group of Companies Rosseti PJSC;

All the resolutions made by the Board of Directors are available at the Company's corporate website:

http://www.te.ru/investors/korporativnoe_upravlenie/sovet_direktorov/resheniya.

Remuneration for the Members of the Board of Directors

Starting from June 28, 2019 the amounts of, and procedure for remuneration and compensatory payments for the Rosseti Tyumen JSC Board of Directors are defined by the new revision of the Regulation on Remuneration and Compensations for the Members of the Rosseti Tyumen JSC Board of Directors in its new revision (see Rosseti PJSC's Management Board Meeting Minutes No. 888pr/1). The document texts are disclosed at the Company's corporate website: http://www.te.ru/about/vnutrennie_dokumenty, and on the Internet: http://www.e-disclosure.ru/portal/company.aspx?id=5577.

In compliance with the Regulation on Remuneration and Compensations for the Members of the Rosseti Tyumen JSC Board of Directors is performed for the period since being elected a member of the Board of Directors until the date of termination of the employee's powers as a Member of the Company's Board of Directors.

Remuneration is paid to each member of the Board of Directors on a quarterly basis.

The amount of quarterly remuneration for the participation in the Board of Directors of each member of the Board of Directors for the reporting quarter is calculated considering the number of meeting the Member took part in and set on the basis of the Company's revenue calculated in compliance with RAS for the last reporting year closed previous to the re-election of the Board of Directors

Pursuant to this Regulation, the following bonuses can be provided (in percent of the basic remuneration) to the members of the Board of Directors of Rosseti Tyumen: 30% for the Chairman of the Board of Directors; 20 % for the Chairman of specialized Committees of the Board of Directors; 10% for the members of specialized committees of the Board of Directors.

Until June 28, 2019 the Company had the new revision of the Regulation on Remuneration and Compensations for the Members of the Tyumenenergo JSC Board of Directors in effect (Minutes of the Management Board Meeting of Rosseti PJSC No. 361pr). Pursuant to this Regulation on Remuneration and Compensations for the Members of the Tyumenenergo JSC Board of Directors, such payments shall be made to the members of the Company's Board of Directors on the basis of the work they've done from being elected a member of the Board of Directors until the Board is re-elected. Remuneration was paid in a lump sum in Russian rubles within 60 days after holding an AGSM of Tyumenenergo JSC. The amount of remuneration depended on the number of meetings a Director has attended at, and was based on the revenue of the Company for a financial year (calculated on the basis of RAS). Besides, the following bonuses for stipulated for a lump remuneration amount: 30% for the Chairman of the Board of Directors; 20% for the Chairman of specialized Committees of the Board of Directors; 10% for the members of specialized committees of the Board of Directors.

Compensations and Remuneration Paid to the Members of the Board of Directors in 2019

Rubles, kopecks

Surname Name Patronymic Member of the Board of Directors	Cost compensation	Base payment	Additional payment for chairmanship	Additional payment for the membership in Commissions	
Dmitry Mikhailovich Andropov	0	692,307.69	0	0	692,307.69
Yuri Vladimirovich Goncharov	0	1,115,384.61	0	0	1,115,384.61
Vladimir Fedorovich Gritsenko	0	423,076.92	0	0	423,076.92
Konstantin Sergeevich Guselnikov	0	1,115,384.62	0	111,538.46	1,226,923.08
Andrey Aleksandrovich Demin	0		0	0	0
Yuri Kazbekovich Zafesov	0	1,115,384.61	0	0	1,115,384.61
Aleksandr Yuryevich Korneev	0	1,115,384.61	0	0	1,115,384.61
Marina Aleksandrovna Lavrova	0	1,085,284.28	0	108,528.43	1,193,812.71
Valentin Yefimovich Mezhevich	0	692,307.69	207,692.31	0	900,000.00
Aleksandr Konstantinovich Melikhov	0	0	0	0	0
Eugeny Aleksandrovich Olkhovsky	0	423,076.92	0	0	423,076.92

Aleksey Yuryevich Perets	0	1,115,384.61	0	0	1,115,384.61
Sergey Yurievich Savchuk	0	541,806.02	0	4,105.13	545,911.15
Selivyorstova Tatyana Aleksandrovna	0	1,115,384.61	0	0	1,115,384.61
Silkin Vladimir Nikolayevich	140,832.00	423,076.92	126,923.08	0	550,000.00
Soldatenko Alexey Vladimirovich	0	0	0	0	0
Viktor Korneevich Yavorsky	0	662,207.36	0	0	662,207.36
TOTAL		**11,635,451.47**	**334,615.39**	**224,172.02**	**12,194,238.88**

Liability Insurance of Board of Directors and Officials of Rosseti Tyumen JSC

The Rosseti Tyumen JSC Directors and Officials Liability Insurance Contract shall protect the property interest of the Company's shareholders, provide compensation of the possible damages affecting Company and/or the persons insured upon the occurrence of insurable events, as well as protect the property interests of the persons insured from third-party claims.

Persons insured under the contract are the Directors and officials of Rosseti Tyumen JSC.

"Director" shall mean any individual (including non-residents of the Russian Federation) that has ever been, is, or shall become during the insurance period:

- a member of the Board of Directors, Supervisory Board, or any other similar body of the Company, regardless of its name in any jurisdiction or country;
- a member of the Board of Directors of any of the Company's subsidiaries, elected to the Board of Directors of such subsidiary by the Company's vote(s).

"Official" shall mean any of the persons listed below:

- any individual (including non-residents of the Russian Federation) that has ever been, is, or will be occupied during the insurance period as, or has ever acted, is or will be acting as the sole executive body (Director General) of any company, the Deputy Sole Executive Body (Interim First Deputy Director, or Deputy Director General), or as the Chief Accountant of the Company;
- any other individual (including non-Residents of the Russian Federation) that has ever been, is, or will be entitled to sign documents and (or) give any assurances and (or) make statements on behalf of the Company.

"Director" or "official" shall also mean any individual specified as a potential Director or official in any security listing, issue prospectus, or private-placement memorandum, or any similar document issued by the Company.

*"Company" shall mean the Company and (or) any of its subsidiaries that: (a) had been a subsidiary at any moment before the start of the insurance period but was no longer such a subsidiary at the start of the insurance period, (b) is a subsidiary at the start of the insurance period, or (c) shall become a subsidiary at any moment during the insurance period. In case of insolvency proceedings being initiated in respect of any of the persons above, "company" shall also mean (shall such persons emerge under the applicable law) a debtor in possession, a liquidator, or any equivalent thereof.

The insurance is applicable globally.

The insurance period is from 10/1/2019 to 9/30/2020.

The insurance amount totals 805,000,000 (eight hundred and five million) rubles concerning all insurable events, for all persons insured.

7.5.COMMITTEES OF THE BOARD OF DIRECTORS

7.5.1. AUDIT COMMITTEE

The Audit Committee of the Board of Directors (hereinafter "the Audit Committee") was established for the preliminary consideration of issues related to the control over the Company's financial and economic activities, see Minutes No. 18/13 dd. October 2, 2013.

The Audit Committee is governed by the Regulation on the Audit Committee of the Board of Directors of Rosseti Tyumen JSC approved by the resolution of the Company's Board of Directors; of March 21, 2016 (Minutes No. 06/16, in the revision of amendments dd. October 21, 2016 No. 21/16, No. 07/17 in the revision dd. March 10, 2017).

The Board of Directors appointed three persons as the members of the Audit Committee.

On 8/29/2019, the Board of Directors elected the following three persons to the Audit Committee (positions specified herein were valid as of the election date):

Surname Name Patronymic	Position and Employer
Irina Olegovna Posevina Chairman of the Audit Committee First elected to the Audit Committee on 8/29/2019	Acting Director of the Internal Control Department of Rosseti PJSC.
Konstantin Sergeevich Guselnikov Member of the Board of Directors First elected to the Audit Committee on July 18, 2017	Director General of FinInvest Consulting LLC
Marina Aleksandrovna Lavrova Member of the Board of Directors First elected to the Audit Committee on July 18, 2017	Deputy Director of the Department of Economics of Rosseti PJSC

Over 2019, the Audit Committee of the Board of Directors also included the following person **(position specified herein was valid as of the election date, 8/27/2019):**

Surname Name Patronymic	Position and Employer
Svetlana Anatolyevna Kim	Head of the Audit Activities Directorate, Department for Control and Auditing Activities, Rosseti PJSC

Attendance of the members of the Audit Committee at Meetings from 1/1/2019 to 12/31/2019

No.	Surname Name Patronymic	Number of Meetings the Member was Entitled to Attend	Number of Meetings Actually Attended	Activity, %
1	Konstantin Sergeevich Guselnikov	14	14	100
2	Svetlana Anatolyevna Kim	8	8	100
3	Marina Aleksandrovna Lavrova	14	14	100
4	Irina Olegovna Posevina	6	6	100

On average, members of the Board of Directors were active at **100 %**.

The Audit Committee is mainly tasked to:

- review the Company's accounting (financial) statements and control development of such documents;
- supervision over the risk management systems, internal control and corporate governance;
- supervision over external audit conduct and the selection of the auditing organization;
- arrange and ensure the independence and objectivity of internal audit;
- monitor the system for combating fraud on the part of the Company's employees and third parties.

In 2019, the Audit Committee held 14 meetings, including 6 meetings - by personal attendance. In total, 45 matters were reviewed and discussed.

Over 2019, the Company's Board of Directors analyzed, reviewed, and discussed the following issues regarding organization, functioning, and efficiency of the internal control and internal audit system:

- On the review of the nominated company of the independent organization for providing services on the independent efficiency assessment of the internal control system;
- On making the changes to the Plan of Measures for Developing and Improving the Internal Audit's Activity of Rosseti Tyumen JSC for the period 2017 - 2019;
- On review of the Company's Management's report on performance to plans for corrective measures on deficiencies identified by the Company's Audit Committee, Internal Audit, external regulators, on implementing measures taken as a reaction to informing of potential unfair actions of employees, and results of studies for 2018;
- On preliminary review of the Internal Audit's report on performance to the operation plan and activity results, including the results of self-evaluation of the internal audit's activity quality in 2018; as well as performance to the 2017–2019 plan of measures for developing and improving the internal audit's activity;
- On the preliminary review of the Director General's report on organization and operation of the ICS in 2018, including the report on implementing measures for improving the ICS in 2018;
- On the preliminary review of the Internal Audit's report on evaluation of the ICS, risk management system operation efficiency in 2018;
- On the review and coordination of the personnel of the internal audit subdivision of Rosseti Tyumen JSC;
- On the review of the Internal Audit Directorate's report on performance to the operation plan for 3, 6 and 9 months of 2019 and Internal Audit's activity results;
- On the preliminary review of the results of the external independent evaluation of the Company's ICS efficiency;
- On the review of the external evaluation form (technical inquiry), material terms of the contract for providing the service on external independent assessment of the internal audit activity;
- On the preliminary review of the Rosseti Tyumen JSC' internal audit report on the evaluation of corporate governance according to the results of the 2019–2020 corporate year;
- On the preliminary review of the plan of measures on maintaining the efficiency and development of the Rosseti Tyumen JSC's internal control system;
- On the preliminary review of the key performance indicators of the Internal Audit Department Head of Rosseti Tyumen JSC;
- On the review of the Company's Management's report on execution of the Internal Control Policy;
- On the review of the nominated organization on providing the service of the external evaluation of the company's internal audit;
- On the review of the Rosseti Tyumen JSC's Management's report on performance to plans for corrective measures on deficiencies identified by the Company's Audit Committee, Internal Audit of Rosseti Tyumen JSC, external regulators, on implementing measures taken as a reaction to informing of potential unfair actions of employees, and results of the studies conducted as of 6 months of 2019;
- On the preliminary review of the Internal Audit Policy of Rosseti Tyumen JSC in a new revision;
- On the preliminary review of the 2020 Internal Audit Subdivision's operation plan;
- On the preliminary review of the 2020 Budget of the Internal Audit Subdivision;
- On the preliminary review of the results of the external independent evaluation of the internal audit activity.

The Company's Audit Committee of the Board of Directors addressed the following essential matters in 2019:

February 4 2019, Minutes No. 1/19:

- Preliminary review of the internal audit's report on the results of evaluation of the program for disposition of non-core assets and the plan for sales of non-core assets in 2018.
- Review of the results of the 2018 Anti-Corruption Supervision.
- Review of the nominated independent organization for providing the service on the independent evaluation of the ICS efficiency;
- The changes made to the Plan of Measures on the development and improving the internal audit activity of Tyumenenergo JSC for the period of 2017-2019 were approved.

Resolutions were made on all the issues and the recommendations for the Board of Directors were given.

February 19 2019, Minutes No. 2/19:

- Review of the Company's Management's report on performance to plans for corrective measures on deficiencies identified by the Company's Audit Committee, Internal Audit, external regulators, on implementing measures taken as a reaction to informing of potential unfair actions of employees, and results of studies for 2018;
- The report on the implementation of the internal audit activity plan of Tyumenenergo JSC for 2018 including the results of self-evaluation of the internal audit quality for 2018.

Resolutions were made on all the issues the recommendations for the Board of Directors were given.

March 18, 2019, Minutes No. 3/19:

- the Director General's report on organization and operation of the ICS in 2018, including the report on implementing measures for improving the ICS in 2018 was reviewed;
- review of the Internal Audit's report on evaluation of the ICS, risk management system, and corporate governance system operation efficiency in 2018;
- approval of the Internal Control System section of the Annual Report.

Resolutions were made on all the issues and the recommendations for the Board of Directors were given.

April 18, 2019, Minutes No. 4/19:

- Review of the external auditor's written report on the key issues with the Company's RAS-based accounting (financial) statements for 2018 and IFRS-consolidated financial statements for 2018; review of the Management-provided information on essential corrections made on the basis of the external reporting audit;
- Review of the Company's RAS-based accounting (financial) statements and IFRS-consolidated financial statements for 2018;
- Review of the Company's management's report on non-standard transactions and events, as well as on the reserves made for doubtful debts and estimated liabilities;
- the conclusion of the Audit Committee at the Board of Directors of Tyumenenergo JSC on the results of the evaluation of external audit and the Audit's conclusion on the Company's financial statements for 2018 issued by Ernst -and-Young, LLC, was approved;
- review of the candidacy of the Company's external auditor to perform the audit of the Company's financial statements for 2019.
- the personnel number of the internal audit subdivision of Tyumenenergo, JSC was coordinated.

Resolutions were made on all the issues and the recommendations for the Board of Directors were given.

May 24, 2019, Minutes No. 5/19:

– The RAS-based interim financial statements for 3 months of 2019 were reviewed;

– The Internal Audit Service report of Tyumenenergo JSC on the implementation of the plan of work and results of the internal audit activity for 1Q of 2019 was approved;

– review of the report on the execution of orders issued by the Company's Audit Committee for the corporate year 2018-2019;

– The report of the Audit Committee at the Company's Board of Directors on the work conducted in the corporate year 2018–2019 was approved.

Resolutions were made on all the issues.

May 28, 2019, Minutes No. 6/19:

– Review of the RSM RUS, LLC report on the recognizing the Company's Internal Control System efficient by an independent expert.

The resolution was made, corresponding recommendations for the Board of Directors were given.

June 28, 2019, Minutes No. 7/19:

– Coordination of the external evaluation form (technical inquiry), material terms on the provision of the service of external independent evaluation of the internal audit activity.

The resolution was made, corresponding recommendations for the Board of Directors were given.

July 16, 2019, Minutes No. 8/19:

– Coordination of the amount of the auditor's fees (the Company's auditor - Ernst-and-Young) for the provision of services on the audit of RAS-based financial statements for 2019, audit of the IFRS-consolidated financial statements for the year ending on December 31, 2019.

The resolution was made, corresponding recommendations for the Board of Directors were given.

September 17, 2019, Minutes No. 9/19:

– election of the Deputy Chairman of the Audit Committee of the Board of Directors of Tyumenenergo JSC;

– election of the Secretary of the Audit Committee of the Board of Directors of Tyumenenergo JSC;

– approved involvement of an expert to join the Audit Committee of the Board of Directors of Tyumenenergo JSC;

– approval of the Operation Plan of the Audit Committee of the Board of Directors of Tyumenenergo JSC for the Corporate Year 2019-2020;

– preliminary review of the Budget of the Audit Committee of the Board of Directors of Tyumenenergo JSC for H2 2019, H1 2020;

– Review of the internal audit report of Tyumenenergo JSC on the evaluation of corporate governance for the corporate year 2018–2019;

– Preliminary review of the Plan of measures on maintaining the efficiency and development of Tyumenenergo JSC's internal control system;

– Preliminary review of a new revision of the method of calculation and evaluation of the implementation of functional key performance indicators of the Internal Audit Service Head and leading managers in Tyumenenergo JSC.

Resolutions were made on all the issues.

September 30, 2019, Minutes No. 10/19:

– review of the Company's Management's report on execution of the Anti-Corruption Policy, including the results of the anti-corruption supervision for 6 months of 2019.

– review of the Tyumenenergo JSC's Management's report on execution of the Internal Control Policy;

– Approval of KPMG JSC as an organization on conducting the external evaluation of the internal audit of Tyumenenergo JSC;

– Review of the decision of the Tender Committee on the conduct of the electronic pre-contract negotiations between the tender Winner and a representative of KPMG, JSC on the conclusion of agreements for the external independent evaluation of the internal audit in Tyumenenergo JSC;

– Review of the Company's information on the conduct of the electronic pre-contract negotiations with the tender Winner and making the decision upon its outcomes on the reduction of the cost of the offer for providing the right for the external independent evaluation of the internal audit of Tyumenenergo JSC.

Resolutions were made on all the issues and the recommendations for the Board of Directors were given.

September 30, 2019, Minutes No. 11/19:

– Review of the external auditor information on the planning of audit of the financial statements of Tyumenenergo JSC for 2019 and the internal auditor information on the organization of internal audit in the Company and interaction with the Audit Committee;

– Review of the Company's Management's report on performance to plans for corrective measures on deficiencies identified by the Company's Audit Committee, Internal Audit, external regulators, on implementing measures taken as a reaction to informing of potential unfair actions of employees, and results of investigations as of 6 months of 2019;

– According to the results of the review of the RAS-based financial statements of Tyumenenergo JSC for 6 months of 2019 a loss is marked in the specified period alongside with a significant growth of the overdue receivables;

– Approval of the report of the Internal Audit Service, Tyumenenergo JSC, on the implementation of the operation plan; taking into account the results of the internal audit activity for 6 months of 2019.

Resolutions were made on all the issues and the recommendations for the Board of Directors were given.

October 30, 2019, Minutes No. 12/19:

– Preliminary review of the Internal Audit Policy of Tyumenenergo JSC in its new revision.

The resolution on the issue was made, corresponding recommendations for the Board of Directors were given.

November 22, 2019, Minutes No. 13/19:

– According to the results of the review of the Tyumenenergo JSC RAS-based financial statements for 9 months of 2019, negative trends persist in part: loss in the reporting period; growth of overdue receivables;

– Approval of the Tyumenenergo JSC Internal Audit Service report on the implementation of the operation plan, taking into account the results of the internal audit activity for 9 months 2019;

– preliminary approved plan for the control of the Internal Audit Service of Tyumenenergo JSC for 2020;

– Preliminary approval of the 2020 Budget of the Internal Audit Service.

Resolutions were made on all the issues and the recommendations for the Board of Directors were given.

December 17, 2019, Minutes No. 14/19:

– Review of the written information (audit report) on the key problems of the Company's accounting and record keeping. The report was presented by the external auditor on the main problems of the interim RAS-based financial statements of the Company for 9 months of 2019 and the Company's management information on the corrections made after the external audit of the financial statements;

– Review of material aspects of the accounting policy of the Company in the reporting 2019 and planned changes for 2020;

– Preliminary review of the results of the external independent evaluation of the internal audit activity.

Resolutions were made on all the issues.

Compensations to the members of the Audit Committee's at the Board of Directors of Rosseti Tyumen JSC in 2019

rubles

Indicator	Gross Remuneration	Income Tax Charged	Net Compensation
Remuneration for the Committee membership	250,095.00	32,512.00	217,583.00

7.5.2. STRATEGY COMMITTEE

Strategy Committee of the Board of Directors was organized on December 8, 2016. The Committee is tasked to prepare and submit recommendations to the Board of Directors with respect to the following activities:

– strategic development and priority activities;
– innovative development;
– business process organization;
– business planning;
– dividend policy;
– risk management;
– Assessment of the Company and its subsidiaries performance.

The Committee's activity is regulated by the corresponding Provision the new revision of which is approved by the Company's Board of Directors on October 30, 2019 (Minutes of November 01, 2019 No. 24/19). The Provision on the Company's Board of Directors Strategy Committee can be found at the following web address:

http://www.te.ru/investors/korporativnoe_upravlenie/sovet_direktorov/komitety/the-committee-for-strategy-and-development-under-the-board-of-directors/

Composition of the Strategy Committee in 2019 **(positions are given as of the moment of appointment)**:

No.	Surname Name Patronymic	Position and Employer	Committee Member Since
1	Obrezkova Yuliya Gennadievna	Deputy Director of the Strategy Department of Rosseti PJSC	10/31/2019 to present* (Committee Chairman)
2	Bazoyeva Dzerassa Aleksandrovna	Chief expert of capital market management and strategic investments of the Department of Finance in Rosseti PJSC	10/31/2019 to present
3	Basenko Oleg Borisovich	Chief expert of the Department of Digital Transformation in Rosseti PJSC	10/31/2019 to present

No.	Surname Name Patronymic	Position and Employer	Committee Member Since
4	Bogacheva Irina Vladimirovna	Head of Directorate of Planning and Pricing in the investment activity of the Department of Investment Activity in Rosseti PJSC	12.26.2018–07.09.2019 10/31/2019 to present
5	Olga Sergeevna Ivanova Tatyana Aleksandrovna	Deputy Director of the Tariff Policy Department, Rosseti PJSC	10/31/2019 to present
6	Marina Aleksandrovna Lavrova	Member of the Board of Directors of Tyumenenergo JSC, Acting Director of the Department of Economics in Rosseti PJSC	10/31/2019 to present
7	Aleksandr Yuryevich Korneev	Member of the Board of Directors of Tyumenenergo JSC, Director of the Technological Connection Department and Infrastructure Development in Rosseti PJSC	10/31/2019 to present
8	Sotnikov Vyacheslav Valerievich	Acting Deputy Director General in Economics and Finance of Tyumenenergo JSC	10/31/2019 to present
9	Medvedev Mikhail Vladimirovich	Deputy Director General of Intra Tool Holding Company LLC	08/27/2018–07/09/2019 10/31/2019 to present
10	Selivyorstova Tatyana Aleksandrovna	Member of the Board of Directors of Tyumenenergo, chief expert of the Directorate of Securities and Information Disclosure of the Corporate Governance Department of Rosseti PJSC	10/31/2019 to present
11	Grebtsov Pavel Vladimirovich	Director of the Tariff Policy Department, Rosseti PJSC	08/27/2018–07/09/2019 (Committee Chairman)
12	Burkova Anna Vladimirovna	Deputy Head of the Service for Strategic Projects of the Strategic Development Department, Rosseti PJSC	08/27/2018–07/09/2019
13	Aleksandr Konstantinovich Melikhov	Director General of Tyumenenergo JSC	12/26/2018–07/09/2019
14	Sedykh Nadezhda Vitalyevna	Deputy Head of the Directorate, Head of the Consolidated Business Planning Division of the Directorate for Economics in Subsidiaries and Affiliates, Department for Economic Planning and Budgeting of Rosseti PJSC	08/27/2018–07/09/2019
15	Seleznev Viktor Yurievich	Head of the Directorate for the Company's Scientific and Technical Development and Supervision of the R&D of the Technological Development Innovations Department, Rosseti PJSC	08/27/2018–07/09/2019

** "To present" herein means through 12/31/2019.*

In 2019, the Strategy Committee held 9 meetings, including 1 by personal attendance. In total, 33 matters were reviewed and discussed.

Matters concerning investment activities:

- Recommendations for the Board of Directors on "Review of the draft amendments to Tyumenenergo JSC's 2018–2022 investment program";
- Recommendations for the Board of Directors on "Review of the report on execution of Tyumenenergo JSC's investment program in Q4 2018 and 2018";
- Recommendations for the Board of Directors on "Review of the report on execution of Tyumenenergo JSC's investment program in Q1 2019";
- Recommendations for the Board of Directors on "Review of the report on execution of the investment program in Q2 and H1 2019";
- Recommendations for the Board of Directors of Rosseti Tyumen JSC "On execution of the Company's investment program in Q3 and 9 months 2019".

Matters concerning business planning:

– Recommendations for the Tyumenenergo JSC's Board of Directors on "Approval of Tyumenenergo JSC's business plan for 2019 and forecast for 2020 -2023";
– Recommendations for the Tyumenenergo JSC's Board of Directors on "Execution of Tyumenenergo JSC's business plan in 2018";
– Recommendations for the Tyumenenergo JSC's Board of Directors on "Execution of Tyumenenergo Group's RAS-based and IFRS-consolidated business plans in 2018".
– Recommendations for the Tyumenenergo JSC's Board of Directors on "Execution of Tyumenenergo Group's RAS-based and IFRS-consolidated business plans for 2019 and the forecast for 2020 -2023".
– Recommendations for the Tyumenenergo JSC's Board of Directors on "Execution of Tyumenenergo JSC's business plan for Q1 2019";
– Recommendations for the Tyumenenergo JSC's Board of Directors on "Execution of Tyumenenergo Group's RAS-based and IFRS-consolidated business plans in Q1 2019";
– Recommendations for the Tyumenenergo JSC's Board of Directors on "Execution of Tyumenenergo JSC's business plan in H1 2019";
– Recommendations for the Tyumenenergo JSC's Board of Directors on "Execution of Tyumenenergo Group's RAS-based and IFRS-consolidated business plans in H1 2019";
– Recommendations for the Rosseti Tyumen JSC's Board of Directors on "Execution of Company's business plan for 9 months of 2019";
– Recommendations for the Rosseti Tyumen JSC's Board of Directors on "Execution of Rosseti Group's RAS-based and IFRS-consolidated business plans for 9 months of 2019".
– Recommendations for the Rosseti Tyumen JSC's Board of Directors "On Approval of Business Plan of Rosseti Tyumen JSC for 2020 and Forecast Indicators for 2021-2024".

Matters concerning risk management:

– Recommendations for the Company's Board of Directors on "Review of the Tyumenenergo JSC's Director General's report on management of the Company's key operating risks in 2018".
– Recommendations for the Company's Board of Directors on "Review of Tyumenenergo JSC's Director General's report on organization, operation, and efficiency of Tyumenenergo JSC's risk management system in 2018, including the report on executing measures on enhancing the risk management system".
– Recommendations for the Board of Directors of Tyumenenergo JSC on "Review of Results of External Independent Evaluation of the Tyumenenergo JSC's RMS Efficiency".
– Review of Tyumenenergo JSC's Director General's report on management of the Company's key operating risks in H1 2019.
– Recommendations for the Board of Directors of Tyumenenergo JSC on "Approval of Plan of Measures for RMS Improving in Tyumenenergo JSC";
– Recommendations to the Board of Directors of Rosseti Tyumen JSC on "Approval of Amendments to Method of Calculation and Evaluation of Director General's KPI Achievement".

Other matters:

– Election of the Deputy Chairman of the Strategy and Development Committee of the Tyumenenergo JSC's Board of Directors.
– Recommendations for the Tyumenenergo JSC's Board of Directors on approval of the Register of non-core assets of Tyumenenergo JSC as of 12/31/2018;
– Coordination of the RMS section of the Annual Report of Tyumenenergo JSC for 2018.

– Election of the Secretary of the Strategy Committee and Development of the Board of Directors of Tyumenenergo JSC;

– Recommendations for the Tyumenenergo JSC's Board of Directors on approval of the Register of non-core assets of Tyumenenergo JSC as of 3/31/2019;

– Recommendations to the Board of Directors of Tyumenenergo JSC on "Review of Report of Strategy Committee and Development at the Board of Directors of Tyumenenergo JSC on Work Done in 2018–2019 Corporate Year".

– Election of the Deputy Chairman of the Strategy Committee of the Board of Directors of Tyumenenergo JSC;

– Approval of the Operational Plan of the Strategy Committee of the Tyumenenergo JSC's Board of Directors for the corporate year 2019-2020.

– Recommendations for the Board of Directors of Tyumenenergo JSC on "Approval of the Budget of the Strategy Committee of the Board of Directors of Tyumenenergo JSC for 2019-2020 Corporate Year".

– Recommendations for the Board of Directors of Tyumenenergo JSC on approval of the Register of non-core assets of Tyumenenergo JSC as of 9/30/2019

– Recommendations for the Board of Directors of Rosseti Tyumen JSC on "Approval of Target KPIs of the Company's Director General".

Participation of the Members of the Strategy Committee in Meetings for the period 01/01/2019 to 12/31/2019

No.	Surname Name Patronymic	Number of Meetings the Member was Entitled to Attend	Number of Meetings Actually Attended	Activity of the Strategy Committee Member, %
1	Yuliya Gennadievna Obrezkova	2	2	100
2	Dzerassa Aleksandrovna Bazoyeva	2	2	100
3	Oleg Borisovich Basenko	2	2	100
4	Irina Vladimirovna Bogachyova	9	8	89
5	Tatyana Aleksandrovna Ivanova	2	2	100
6	Marina Aleksandrovna Lavrova	2	2	100
7	Aleksandr Yuryevich Korneev	2	2	100
8	Vyacheslav Valerievich Sotnikov	2	2	100
9	Mikhail Vladimirovich Medvedev	9	9	100
10	Tatyana Aleksandrovna Selivyorstova	2	1	50
11	Pavel Vladimirovich Grebtsov	7	7	100
12	Anna Vladimirovna Burkova	7	7	100
13	Aleksandr Konstantinovich Melikhov	7	7	100
14	Nadezhda Vitalyevna Sedykh	7	7	100
15	Viktor Yuryevich Seleznyov	7	1	14

On average, each member of the Reliability Committee was active at **90 %**.

Remunerations and Compensations Paid to the Strategy Committee in 2019

rubles

Indicator	Gross Remuneration	Income Tax Charged	Net Compensation
Remuneration for the Committee membership	509,507	66,236	443,271

7.5.3. RELIABILITY COMMITTEE

On December 16, 2005, the Board of Directors established the Reliability Committee which was called to ensure efficient performance of the Board of Directors on general governance over the Company's activities. The activities of the Committee are regulated by the new version of the Regulation on the Reliability Committee of the Company's Board of Directors approved by the Board of Directors on July 18, 2017 (Minutes No. 21/17).

The Reliability Committee consists of no more than 7 (seven) members.

On 8/29/2019, the Board of Directors elected four persons to the Reliability Committee (positions specified herein were valid as of the election date):

No.	Surname Name Patronymic	Position
1	Farit Gabdulkhanovich Shaidullin	Head of the Analytical Department, Situation Analysis Center of Rosseti PJSC - Committee Chairman
2	Andrey Anatolyevich Bragin	First Deputy Director General - Chief Engineer of Tyumenenergo JSC
3	Sotnikov Vyacheslav Valerievich	Acting Deputy Director General on Economy and Finance at Tyumenenergo JSC
4	Andrey Borisovich Akhtyrsky	Head of the Methodology and Planning Department at the Center for Technical Supervision

Over 2019 before the re-election, the Reliability Committee of the Board of Directors also included the following person **(position specified herein was valid as of the election date, 8/27/2018):**

No.	Surname Name Patronymic	Position
1	Tatyana Valeryevna Petrova	Deputy Director General on Economics and Finance of Tyumenenergo JSC

The Reliability Committee was mainly tasked with the following: prepare and submit recommendations (opinions) to the Company's Board of Directors related to the following activities of the Board of Directors:

- expertise of production programs, plans for technical re-equipment, reconstruction, new construction and repair of electric grid facilities, analysis of their development and execution in terms of ensuring the requirements for reliability of operation and technical condition of electric grids;
- assessment of the completeness and adequacy of measures based on the accident investigation results in accordance with the Rules of accident cause investigation in electric power industry approved by the Decree of the Government of the Russian Federation dd. October 28, 2009 No. 846, as well as monitoring the execution thereof;
- expertise of the quality of investigations of the causes of technological failures (accidents);
- expertise of the Company's activity in the field of emergency response (ensuring readiness, organization and carrying out emergency recovery operations at electric grid facilities);
- expertise of programs for prevention and reduction of risks of injuries to the Company's personnel and third parties at the Company's electrical facilities, as well as control over their execution;
- monitoring and assessment of the Company's technical services' activities for ensuring reliable operation of electric grids and industrial safety;
- expertise of the Company's internal technical control system;
- expertise of the Company's occupational safety and health management system;
- expertise of the environmental policy implementation program;
- expertise of the fire and industrial safety system.

In 2019, the Reliability Committee held 9 meetings in absentia.

Within its authorities, the Reliability Committee approved the following regulatory documents:

- 2018 Tyumenenergo JSC's Electric grids Reliability Enhancement Program;
- adjusted 2016-2019 Plan for Development of Tyumenenergo JSC's Production Asset Management System;
- Model of the Operational and Technological and SituationManagement of Tyumenenergo JSC's Distributed Electric Grid Complex;
- 2019-2023 Target Production Activity Programs of Tyumenenergo JSC;
- Updated 2019–2026 Program for Modernization (Renovation) of Tyumenenergo JSC's Power Grid Facilities;
- Production programs, plans for technical re-equipment, modernization, and repairs of power grid facilities for 2020;

The following reports were approved:

- Implementation of the Plan for Development of Tyumenenergo JSC's Production Asset Management System in 2018;
- Execution of the Electric grids Reliability Enhancement Program for 2018;
- Execution of the updated 2018-2020 Comprehensive Program for Reduction of the Number of Injuries of Tyumenenergo JSC's Personnel and Third Parties at the Company's Power Grid Facilities in 2018;
- Execution of the Program for Reduction of the Number of Failures (Accidents) and Equipment Reliability Improvement in 2019 of Tyumenenergo JSC for H1 2019;
- Achievement of the tariff-regulated service reliability and quality indicators in 2018;
- Execution of Tyumenenergo JSC's Production Program (M&R, technical re-equipment) in Q1 2019;
- Execution of the Plan of Measures on Tyumenenergo JSC's for 2017-2019 according to the results of 2018;
- Execution of the Program for Reduction of the Number of Failures (Accidents) at Tyumenenergo JSC's Power Grid Facilities in 2018;
- Implementation of measures of the corrected Program of the Reliability of PL at the Yamburg LGO, the branch Severnye Electric grids of Tyumenenergo JSC in part of replacing the measures on the substitution of additional supports for OPL 110 kV YaGP-6-YaGTES (15 supports) and OPL 110 kV Yamburg-YaGP-2 (7 supports) with the compensating measures on the installation of insulating separators in these spans with the implementation scheduled for H1 2019;
- Implementation of the measures related to the Program for Reliability Enhancement of Power Lines of the Yamburg LGO of Tyumenenergo JSC's subsidiary Northern Electric Grids for H1 2019;
- Results of the power grid complex Tyumenenergo JSC's operation during the autumn-winter period 2018–2019;
- Operation of the Reliability Committee of the Tyumenenero JSC's Board of Directors in the corporate year 2018-2019;
- Results of Tyumenenergo JSC's operation during the high-water period of 2019;
- Results of Tyumenenergo JSC's operation during the fire-hazard period of 2019;
- Tyumenenergo JSC's preparedness for the autumn-winter period of 2019–2020;
- Preparedness for organization and conduct of emergency recovery operations during the autumn-winter period of 2019-2020;
- Results of Tyumenenergo JSC's operation during the thunderstorm period of 2019;
- Quality analysis of the failure cause investigation. Completeness of measures taken to follow-up the investigation results.

Participation of the Members of the Reliability Committee of the Board of Directors

of Rosseti Tyumen JSC in the Meetings since 01/01/2019 to 12/31/2019

No.	Surname Name Patronymic	Number of Meetings the Member was Entitled to Attend	Number of Meetings Actually Attended	Activity, %
1.	Farit Gabdulkhanovich Shaidullin	9	9	100
2.	Andrey Anatolyevich Bragin	9	9	100
3.	Vyacheslav Valerievich Sotnikov	4	4	100
4.	Andrey Borisovich Akhtyrsky	9	9	100
5.	Tatyana Valeryevna Petrova	5	2	40

On average, each member of the Reliability Committee was active at **94 %**.

Remuneration to the Members of the Reliability Committee of the Board of Directors of Rosseti Tyumen JSC in 2019

rubles

Indicator	Gross Remuneration	Income Tax Charged	Net Compensation
Remuneration for the Committee membership	389,670.00	50,658.00	339,012.00

Planned for 2020:

Analysis and evaluation of the following aspects of the operating activities:

– Execution of the Program for Reduction of the Number of Accidents (Failures) at Tyumenenergo JSC's Power Grid Facilities in 2019 (Program for Reduction of the Number of Technological Disturbances);

– Execution of the Tyumenenergo JSC's Facilities Reliability Enhancement Program in 2018;

– Execution of the updated 2018-2020 Comprehensive Program for Reduction of the Number of Injuries of Tyumenenergo JSC's Personnel and Third Parties at the Company's Power Grid Facilities;

– Execution of the Schedule of Measures on implementation of the Production Asset Management System in 2019;

– Execution of the Program for Reliability Enhancement of Power Lines of the Yamburg LGO of Tyumenenergo JSC's subsidiary Northern Electric Grids in 2019;

– Execution of the Program for Implementation of the Environmental Policy of the Power Grid Complex;

– Results of the autumn-winter period of 2019-2020;

– Execution of the Program for Elimination of Bottlenecks;

– Review of the Company's report on reliability indicators for 2019; Achievement of the tariff-regulated service reliability and quality indicators for 2018;

– Achievement of the tariff-regulated service reliability and quality indicators in 2019;

– Execution of production programs, plans for technical re-equipment, reconstruction, new construction and repair of electric grid facilities for 2020;

– Results of specific periods: fire-hazard, thunderstorm, high-water;

– Preparedness for organization and conduct of emergency recovery operations during the autumn-winter period of 2020-2021.

7.5.4. TECHNOLOGICAL CONNECTION COMMITTEE

The Tyumenenergo JSC's Board of Directors Committee for Technological Connection to Electric grids (hereinafter "the TC Committee") is regulated by the relevant Regulation as approved by the Company's Board of Directors on July 18, 2017, Minutes No. 21/17. By the resolution of the Board of Directors of August 29, 2019 No. 21/19 a new composition of the

Technological Connection Committee was elected - three persons. Aleksandr Yuryevich Korneev was elected as the Chairman of the Technological Connection Committee of the Company's Board of Directors.

No.	Surname Name Patronymic	Position	Committee Member Since
1	Vladimir Aleksandrovich Kiryukhin	Acting Deputy Director General for Development and Sales of Tyumenenergo JSC's Services	9/29/2019 to present
2	Aleksandr Yuryevich Korneev	Deputy Director of the Department of Sales of Rosseti PJSC's Services	7/18/2017 to present
3	Lebedeva Nadezhda Ivanovna	Leading expert of the Technological Connection Directorate of Rosseti PJSC	7/18/2017 to present

In 2019, the TC Committee held four meetings in absentia:

– of February 20, 2019 (Minutes No.9 of the Technological Connection Committee of the Board of Directors);

– of May 27, 2019 (Minutes No. 10 of the Technological Connection Committee of the Board of Directors);

– of October 11, 2019 (Minutes No. 11 of the Technological Connection Committee of the Board of Directors);

– of December 9, 2019 (Minutes No. 12 of the Technological Connection Committee of the Board of Directors).

In 2019, the TC Committee reviewed and discussed the following matters:

– Review of the report on technological connection to Tyumenenergo JSC's electric grids for Q4 2018 pursuant to 2018 Schedule for Execution of Overdue Agreements;

– Achievement of the quality indicator for the provided services of technological connection to Tyumenenergo JSC for 2018.

– Review of the TC Committee's of the Company's Board of Directors report on the results of the corporate year 2018-2019;

– Review of the report on compliance with current Russian law when conducting technological connection to Tyumenenergo JSC's electric grids for Q1 2019;

– Review of the technological connection results for 6 months of 2019 and the report on the execution of the Plan of measures aimed at the reduction in the number of existing technological connection overdue agreements.

– Review of the technological connection results for 9 months of 2019 and the report on the execution of the Plan of measures aimed at the reduction in the number of existing technological connection overdue agreements.

The following resolutions and recommendations were adopted:

– Recommend the Board of Directors of Tyumenenero JSC to take into account the TC Committee report of the Board of Directors on the results of the corporate year 2018-2019;

– Recommend the Board of Directors of Tyumenenero JSC to take into account the report on compliance with current Russian law when conducting technological connection to Tyumenenergo JSC's electric grids for Q1 2019;

– Recommend the Board of Directors of Tyumenenero JSC to take into account the TC Committee's report on the results of the corporate year 2018-2019;

– Recommend the Board of Directors of Tyumenenero JSC to take into account the report on compliance with current Russian law when conducting technological connection to Tyumenenergo JSC's electric grids for Q1 2019;

– Recommend the Board of Directors of Tyumenenergo JSC to take into account the results of the technological connection activity for 6 months of 2019 and the report on the execution of the Plan of measures aimed at the reduction in the number of existing technological connection overdue agreements.

– Recommend the Board of Directors of Tyumenenergo JSC to take into account the results of the technological connection activity for 9 months of 2019 and the report on the execution of the Plan of measures aimed at the reduction in the number of existing technological connection overdue agreements.

The TC Committee is intended for the execution of the measures aimed at the reduction in the number of existing technological connection overdue agreements. The TC Committee allowed reducing the number of agreements with outstanding terms of fulfillment by 618.

7.5.5. PERSONNEL AND REMUNERATION COMMITTEE

On September 21, 2017, the Board of Directors of Tyumenenergo JSC (Minutes No. 25/17 dd. September 21, 2017) established its Personnel and Remuneration Committee consisting of three persons and approved the Regulation on the Personnel and Remuneration Committee of the Company's Board of Directors.

The Committee was mainly established to help the Board of Directors efficiently solve matters within its competence, as well as to prepare the necessary recommendations for the Board of Directors and the Company's executive bodies.

The Committee is tasked to prepare and submit recommendations (opinions) with respect to the following activities:

– preparing recommendations on the remuneration for the Board of Directors members;

– development of principles and criteria for determining the amount of remuneration for the Board of Directors members, members of the collegial executive body and the person performing the functions of Company’s sole executive body;

– elaboration of proposals for determining the material terms of agreements with the Board of Directors members, members of the collegial executive body and the person exercising the functions of Company’s sole executive body;

– defining criteria for nominating members of the Board of Directors, members of the collegial executive body, and to the Company’s sole executive body, as well as preliminary assessment of these nominees;

– regular assessment of the activities of the person performing the functions of Company’s sole executive body, members of the collegial executive body and preparing proposals for the Board of Directors on the possibility of their re-appointment.

On 8/29/2019, the Board of Directors elected 3 persons to the Personnel and Remuneration Committee **(positions specified herein were valid as of the election date):**

No.	Surname Name Patronymic	Position and Employer
1.	Larisa Anatolyevna Romanovskaya Chairman of the Personnel and Remuneration Committee	Deputy Director General on Personnel Management, Government and Mass-Media Relations of Rosseti PJSC
2.	Dmitry Aleksandrovich Chevkin First elected to the Personnel and Remuneration Committee on September 21, 2017	Director of the Department for HR Policy and Organizational Development, Rosseti PJSC
3.	Nataliya Ilyinichna Erpsher First elected to the Personnel and Remuneration Committee on September 21, 2017	Head of the Organizational Development Directorate, Department for HR Policy and Organizational Development of Rosseti PJSC

Over 2019, the Personnel and Remuneration Committee also included the following person (**position specified herein was valid as of the election date, 8/27/2018)**:

No.	Surname Name Patronymic	Position and Employer
1	Olga Andreevna Sergeyeva	Deputy Director General, Head of the Office of Rosseti PJSC

In 2019, the Personnel and Remuneration Committee held 8 meetings. In total, 13 matters were reviewed and discussed.

The matters included the following material issues:

– Preliminary approval of eleven candidates for separate positions in the Company's executive office (positions are determined by the Board of Directors);

– Report of the Personnel and Remuneration Committee of the Board of Directors of Tyumenenergo JSC on the results of the corporate year 2018 – 2019;

– Approval of the Tyumenenergo JSC's Corporate Secretary's report on results;

– Recommendations for the Company's Board of Directors on "Approval of Tyumenenergo JSC's Corporate Secretary's report on results";

– Approval of the Operational Plan of the Personnel and Remuneration Committee of the Company's Board of Directors for the corporate year 2019-2020.

Attendance of Members of the Personnel and Remuneration Committee at Meetings from 1/1/2019 to 12/31/2019

No.	Surname Name Patronymic	Number of Meetings the Member was Entitled to Attend	Number of Meetings Actually Attended	Activity, %
1	Larisa Anatolyevna Romanovskaya	3	3	100
2	Dmitry Aleksandrovich Chevkin	8	8	100
3	Nataliya Ilyinichna Erpsher	8	8	100
4	Olga Andreevna Sergeyeva	5	5	100

On average, members of the Board of Directors were active at **100 %**.

Remuneration of Members of the Personnel and Remuneration Committee of the Board of Directors of Rosseti Tyumen JSC in 2019

rubles

Indicator	Gross Remuneration	Income Tax Charged	Net Compensation
Remuneration for the Committee membership	203,173.00	26,412.00	176,761.00

7.6. SOLE EXECUTIVE BODY

The Company's Director General's competences include all the matters related to managing the Company's ongoing activities except matters within the competence of the General Shareholders Meeting or the Board of Directors.

Director General is elected by the Company's Board of Directors by majority voting (only the directors present at a meeting are eligible to vote).

The terms and conditions of the Director's employment agreement, including the term of their office, are determined by the Company's Board of Directors or by the person whom the Board of Directors has authorized to sign such employment agreement in accordance with the Company's Charter.

The Board of Directors is entitled to terminate the Director General's office and to establish a new executive body at any time.

Director General's remuneration shall be defined by the Board of Directors. Such remuneration consists of a fixed part and a variable part, whereby the latte depends on the executive body's KPIs and is linked to their personal contribution to the long-term development of the Company in the interest of its shareholders.

The KPIs form a system of financial and non -financial indicators that affect the qualitative or quantitative changes in the results relative to the Company's strategic objective.

On 9/30/2019, the Company's Board of Directors approved a new method for calculating and evaluating the Director General's key performance indicators so that the KPI system would stay up-to-date.

On 6/26/2019, the powers of Tyumenenergo JSC's Director General, Melikhov Aleksandr Konstantinovich were terminated prior to the schedule date; the employment agreement was terminated at the employee's request pursuant to Clause 3 or Article 77 of the Labor Code of the Russian Federation.

The Board of Directors appoints Alexey Vladimirovich Soldatenko as the Acting Director General of Tyumenenergo JSC since 6/27/2019 (Minutes of 6/26/2019 No. 11/19). By the resolution of the Board of Directors Alexey Vladimirovich Soldatenko is appointed the Director General of Tyumenenergo JSC since 7/18/2019 till 7/17/2022 inclusive (Minutes of 7/17/2019 No. 14/19).

Soldatenko Alexey Vladimirovich was born in 1976 in the Zyulzya village of the Nerchinsky district, Chita Oblast.

Graduated in 1998 from the Krasnoyarsk State Technical University (major in Electric Power Systems and Grids).

September 1998 - December 1998: 5th category electrician on relay automation protection, Krasnoyarskenergo OJSC.

December 1998 - May 2001: relay protection and automation engineer, Berezovskaya GRES-2.

June 2001 - October 2002: 5th category electrician on the repair of relay protection equipment and automation at the Substation Krasnoyarskaya -500, Krasnoyarsk Enterprise of Intersystem Electric grids.

October 2002 - January 2004 – 5th category electrician on the repair of Relay Automation Protection Devices in the Service of Relay Automation Protection Devices and Metrology, engineer, FGC UES OJSC at the Krasnoyarsk Main Electric grids.

February 2004 - April 2005: chief engineer, Deputy Head of the Production & Dispatching Department, Branch Krasnoyarsk Repair Electric grid company of Krasnoyarskenergo OJSC.

April .2005 - September 2006: Deputy Head, Head of the Production & Technical Department, Krasnoyarsk Repair Electric grid company JSC.

September 2006 - March 2017 : 2nd category specialist, leading specialist, Head of the Directorate of Repair Organization – Deputy Head of the Department of Operation and Repair, Deputy Chief Engineer, Deputy Director on Technical Issues – Chief Engineer, Deputy Chief Engineer on Operation, IDGC of Siberia PJSC, Krasnoyarsk.

July 2017 - March 2019: Deputy General Director – Branch Director, Executive office of the branch of IDGC of Siberia PJSC - Chitaenergo, Chita.

March 2019 - July.2019: First Deputy Director General, Acting Director General of Tyumenenergo JSC.

July 15, 2019 - July 24, 2019: training at the ANO APO "Education Center "Professional" on the major: "Occupational health and safety for heads, specialists, engineering & technical workers organizing, managing and conducting the works at workstations and in production subdivisions as well as control and technical supervision over the works conduct".

September 2, 2019 - September 23, 2019: training in the FSAEI APO "IPK TEK" on the major: "Organization of official secrets protection at the enterprise (as the Head State Attestation)".

11/28/2019 - 11/29/2019: training at the ANO APO "Education Center "Professional" on the major: "Occupational Management for Heads and Persons in Charge for Fire Safety in Institutions (Offices)".

7.7.CORPORATE SECRETARY

The Corporate Secretary is an officer of the Company responsible for the Company's compliance with the Russian legislation, the Charter, and the internal documents that protect the

rights and lawful interests of the Company's shareholders. The Corporate Secretary is functionally subordinate to the Company's Board of Directors.

The Corporate Secretary's activities are regulated by the Regulation on the Corporate Secretary approved by the Board of Directors on November 11, 2016 (Minutes No. 22/16 dd. November 11, 2016).

Andrey Nikolayevich Shaidurov is the Corporate Secretary of Rosseti Tyumen JSC.

Year of birth: 1983.

Education:

1. Higher education, graduated from the Surgut Institute of World Economy and Business Planeta (Surgut) in 2005 majoring in Finances and Credit, qualification of Economist.
2. State University "Higher School of Economy" (Corporate Governance Center, Moscow). Advance training course "Corporate Secretary of Joint-Stock Company", 2008.
3. State University "Higher School of Economy" (Corporate Governance Center, Moscow). Advance training course "Special (Extraordinary) Transactions in Joint-Stock Company: Purchasing More than 30 % of Shares, Large Transactions, Related Party Transaction", 2012.
4. State University "Higher School of Economy" (Corporate Governance Center, Moscow). Occupational retraining program "Professional Member of the Board of Directors – Corporate Director", 2015.

Occupied positions:

2007–2018: Tyumenenergo JSC, leading specialist of Corporate Relations and Accountability Department of the Corporate Policy Directorate;

2018 to present: Rosseti Tyumen JSC, Deputy Head of the Corporate Policy Directorate.

Rosseti Tyumen JSC owns no shares.

7.8. AUDIT COMMITTEE

The Audit Committee is a permanent body that monitors the Company's financial and economic activities for compliance with the Russian legislation, the Company's Charter and internal documents.

The Audit Committee shall protect the interests of the Company's shareholder and be held accountable to the General Shareholders Meeting. Pursuant to Clause 19 of Article 19 of the Company's Charter, the Audit Committee consists of 5 members.

From 6/29/2018 to 6/28/2019, the Rosseti Tyumen JSC's Audit Committee consisted of the following persons (positions specified herein were valid as of the election date, 6/29/2018):

Surname Name Patronymic	Position and Employer
Sergey Vladimirovich Kiryukhin Chairman of the Audit Committee	Acting Deputy Director General, Head of the Office of Rosseti PJSC
Marina Alekseevna Lelekova Secretary of the Audit Committee	-
Elena Aleksandrovna Kabizskina	Deputy Head of the Audit Activities Directorate, Department for Control and Auditing Activities, Rosseti PJSC
Artyom Nikolaevich Kirillov	Deputy Head of the Audit Activities Directorate, Department for Control and Auditing Activities, Rosseti PJSC
Oksana Alekseevna Medvedeva	Chief Expert of the Audit Activities Directorate, Department for Control and Auditing Activities, Rosseti PJSC

On 6/28/2019, the Management Board of Rosseti PJSC elected the following members of the Tyumenenergo JSC's Audit Committee for the period from 6/29/2019 to 6/28/2020 (positions specified herein were valid as of the election date):

Surname Name Patronymic	Position and Employer
Sergey Vladimirovich Kiryukhin Chairman of the Audit Committee	Acting Deputy Director General, Head of the Office of Rosseti PJSC Year of birth: 1979. Education: 1. Tula Agricultural College, qualification of Lawyer, graduated in 1997. 2. Tula State University, major in Legal Studies, qualification of Lawyer, graduated in 2002. 3. Oryol Regional State Service Academy, major in State and Municipal Management, qualification of Manager, graduated in 2010. Experience: 2014 to 2015: Head of the Second Investigation Department of the First Investigation Directorate of the Main Investigation Directorate for the Investigative Committee of the Russian Federation. 2015 to 2016: Deputy Head of the Internal Investigations Division of the Main Directorate for Interdepartmental Interaction and Internal Investigations — Head of the Functional Audit of the Investigative Committee of the Russian Federation. 2017: Advisor of the Director General of the All-Russian Research Institute of Labor of the Ministry of Labor of the Russian Federation. 2017 to 2018: Deputy Head of the Control and Analysis Directorate, Head of the Organizational Analysis Directorate of the Federal Environmental, Industrial, and Nuclear Supervision Service of Russia 2018 to present: Chief Advisor of Rosseti Deputy Director General – Head of the Office of Rosseti PJSC
Marina Alekseevna Lelekova	Director of the Department for Control and Auditing Activities at Rosseti PJSC Year of birth: 1961. Education: Far Eastern Institute of Soviet Trade, qualification of Economist, graduated in 1982. Experience: 2013 to present*: Director of the Department for Control and Auditing Activities at Rosseti PJSC
Elena Aleksandrovna Kabizskina	Deputy Head of the Audit Activities Directorate, Department for Control and Auditing Activities, Rosseti PJSC Year of birth: 1964. Education: Far Eastern State Technical Fisheries University, Department of Engineering and Economics, qualification of Engineer-Economist, graduated in 1986. Experience: 2014 to present: Deputy Head of the Audit Activities Directorate, Department for Control and Auditing Activities, Rosseti PJSC
Artyom Nikolaevich Kirillov	Deputy Head of the Audit Activities Directorate, Department for Control and Auditing Activities, Rosseti PJSC Year of birth: 1984. Education: Moscow Energy Institute (Moscow, Russia), qualification of Electrical Engineer, graduated in 2008. Experience: 2013 to 2015:Rosseti OJSC, Head of the Investment Audit Department

Surname Name Patronymic	Position and Employer
	2015 to present: Deputy Head of Audit Activities Directorate, Rosseti PJSC
Yelena Stanislavovna Yerandina	Chief Expert of the Audit Activities Directorate, Department for Control and Auditing Activities, Rosseti PJSC Year of birth: 1972. Education: State University of Management. Major in Finance and Credit, qualification "Economist, 2006 Experience: 2013–2015: Elektrosetservis Unified Energy System JSC, Chief Specialist of the Internal Audit Service; 2016 to present*: Chief Expert of the Control & Expert Directorate, Department for Control and Auditing Activities, Rosseti PJSC

** "To present" herein means through 12/31/2019.*

Members of the Audit Committee do not hold any shares of Rosseti Tyumen JSC. In 2019, they did not make any transactions with the Company. Rosseti Tyumen JSC did not make any claims against the members of the Audit Committee.

Audit Committee members are remunerated pursuant with the Regulation on Compensations for members of the Audit Committee of Rosseti Tyumen JSC approved by Tyumenenergo JSC's General Shareholders Meeting on June 29, 2018 (Minutes No. 733 pr/1).

Remuneration of Members of the Audit Committee of Rosseti Tyumen JSC in 2019

Indicator	Gross Remuneration	Income Tax Charged	Net Compensation
Remuneration for the Commission membership	634,749.97	82,517.00	552,232.97

7.9. AUDITOR

Pursuant to Russian law, Rosseti Tyumen JSC is obliged to carry out annual audit of its financial statements.

Pursuant to Federal Law No. 307-FZ dd. December 30, 2008 "On Audit", the auditor shall be selected, on the basis of an open-tender procurement procedure, at least every five years. Rosseti PJSC selects the external auditor following the results of the open-tender procedure every three years. According to the results of the open non-prequalification tender to conclude an audit agreement for 2018–2020, the winner was Ernst and Young LLC.

On 6/28/2019, the General Shareholders Meeting approved Ernst and Young LLC as the Company's Auditor.

Auditor Information: Ernst and Young Limited Liability Company. Registered with the Uniform State Register of Legal Entities on October 14, 2002, given the state registration number 1028600587399.

Address: 77 Bldg. 1 Sadovnicheskaya Embankment, Moscow, Russia 115035

Ernst and Young LLC is a member of the Russian Union of Auditors. Ernst and Young LLC is listed in the check copy of the register of auditors and audit companies, given the main organizational entry number 11603050648.

On 8/6/2019, the Company's Board of Directors set the remuneration payable to Ernst and Young LLC for auditing the RAS-based accounting statements for 2019 and the IFRS- based consolidated financial statements as of 12/31/2019, at 5,565,690.00 rubles, VAT included.

The Auditor Ernst and Young LLC did not provide non-auditing services for the Company in 2019.

7.9.1. RELATED PARTIES

The Company's related parties are shareholders, affiliated entities and organizations under common control and at the common property, members of the Board of Directors, and the Company's senior management. As of December 31, 2019 the Company was controlled by Rosseti PJSC. The end controlling party is the state represented by the Federal Agency for Property Management owning a control block of shares of Rosseti PJSC.

The table below presents the list of main legal entities which are the Company's related parties and with which the Company interacted over 2019:

No.	Full Name of a Legal Entity or Individual	Address of a Legal Entity or Residential Address of an Individual	Reason for Relation	Related Party's Stake in the Company's Equity, %	The Company's Stake in the Related Party's Equity, %
Parent Company					
1	Rosseti PJSC	Moscow, Russia	Holds more than 50% of all the Company's votes	100 %	0.0025 %
Subsidiary Companies					
2	Tyumenenergo Engineering JSC	Surgut, KhMAO-Yugra, the Tyumen Oblast, Russia	The Company holds more than 50 % of the entity's equity	–	51 %
Other Related Parties					
3	FGC UES PJSC	Moscow, Russia	The entity belongs to the same group as the Company	–	–
4	Fiber-Optic Line and Overhead Power Line Directorate JSC	Moscow, Russia	The entity belongs to the same group as the Company	–	–
5	CTZ JSC	Moscow, Russia	The entity belongs to the same group as the Company	–	–
6	IDGC of the Central Russia and Volga Region PJSC	Nizhny Novgorod, Russia	The entity belongs to the same group as the Company	–	–
7	IDGC of Volga PJSC	Saratov, Russia	The entity belongs to the same group as the Company	–	–
8	IDGC of the Northern Caucasus PJSC	Pyatigorsk, Russia	The entity belongs to the same group as the Company	–	–
9	IDGC of the Center of Russia PJSC	Moscow, Russia	The entity belongs to the same group as the Company	–	–
10	IDGC of the South PJSC	Rostov-on-Don, Russia	The entity belongs to the same group as the Company	–	–
11	IDGC of the North-West PJSC	Saint Petersburg, Russia	The entity belongs to the same group as the Company	–	–
12	IDGC of the Urals PJSC	Ekaterinburg, Russia	The entity belongs to the same group as the Company	–	–
13	MOESK PJSC	Moscow, Russia	The entity belongs to the same group as the Company	–	–
14	IDGC of Siberia PJSC	Krasnoyarsk, Krasnoyarsky Krai, Russia	The entity belongs to the same group as the Company	–	–
15	Kubanenergo PJSC	Krasnodar, Russia	The entity belongs to the same group as the Company	–	–

No.	Full Name of a Legal Entity or Individual	Address of a Legal Entity or Residential Address of an Individual	Reason for Relation	Related Party's Stake in the Company's Equity, %	The Company's Stake in the Related Party's Equity, %
16	TRK PJSC	Tomsk, Russia	The entity belongs to the same group as the Company	–	–
17	Lenenergo PJSC	Saint Petersburg, Russia	The entity belongs to the same group as the Company	–	–
18	Yantarenergo JSC	Kaliningrad, Russia	The entity belongs to the same group as the Company	–	–
19	Professional Non-Governmental Pension Fund	Moscow, Russia Chaplygin Str. 11	Non-state pension fund with which the Company entered into a non-state pension funding agreement	–	–
20	Lukoil Garant Non-State Pension Fund JSC	Moscow, Russia Gilyarovsky Str. 39 b. 3	Non-state pension fund with which the Company entered into a non-state pension funding agreement	–	–

Transactions Between the Company and Related Parties

Transactions with the related parties involved monetary funds. No doubtful debt reserves were formed for related parties. No receivables from related parties were written off.

The tables below present figures, conditions, terms, and settlement forms of transactions not finished as of December 31 as well as types and amounts of transactions with the related parties.

2019 Figures, thousand rubles

Related Party	Transaction Type	Amount, VAT included	Balance of Payments	Terms and Conditions or Transaction Completion
Revenue and other Incomes				
Parent Company				
Rosseti PJSC	Services, dividends	1,539	–	
Subsidiary Companies				
Tyumenenergo Engineering JSC	Services, interest yields and revenues from fixed assets sales	19,488	10,406	Payment by monetary funds in 2020
Other Related Parties				
FGC UES PJSC	Rental services, dividends, object rearrangement	3,083	3,797	Payment by monetary funds in 2020
Fiber-Optic Line and Overhead Power Line Directorate JSC	Rental services	108	19	Payment by monetary funds in 2020
Mobile GTPP JSC	Rental services	538	–	
IDGC of Siberia PJSC	Rental services	11,149	1,833	Payment by monetary funds in 2020
IDGC of the Northern Caucasus PJSC	Services for the maintenance of power systems at other facilities, interest yields	87,051	178,627	Payment by monetary funds in 2020
Procurements and Other Expenses				
Parent Company				
Rosseti PJSC	UES operation organization	211,770	(32,867)	Payment by monetary funds in 2020
	Engineering supervision	46,608	–	
	Rental	2,059	–	

Related Party	Transaction Type	Amount, VAT included	Balance of Payments	Terms and Conditions or Transaction Completion
Subsidiary Companies				
Tyumenenergo Engineering JSC	Services	474,146	465,004	Activities carried out in 2020
Other Related Parties				
FGC UES PJSC	Power transmission, rental, technological connection	22,861,768	(936,082)	Payment by monetary funds in 2020
R&D Center of FGC UES JSC	Services	2,396	(2,346)	Payment by monetary funds in 2020
Fiber-Optic Line and Overhead Power Line Directorate JSC	Capital construction works, information services, communication services, maintenance	455,708	(212,402)	Payment by monetary funds in 2020
CTZ JSC	Capital construction, equipment supply	902,248	32,896	Activities carried out in 2020
IDGC of the Urals JSC	Training and event conduct services	2,797	–	
Lenenergo PJSC	Organization of professional contests	2,320	–	
FTC JSC	R&D	5,218	(5,218)	Payment by monetary funds in 2020

The remuneration paid to the Company's senior management in 2019 totaled 111,727 thousand rubles.

7.10. INTERNAL CONTROL SYSTEM

The Company's Internal Control System (hereinafter, "the ICS") is a component of the Company's general management system, intended to provide reasonable for assurance the goals and objectives in the following areas:

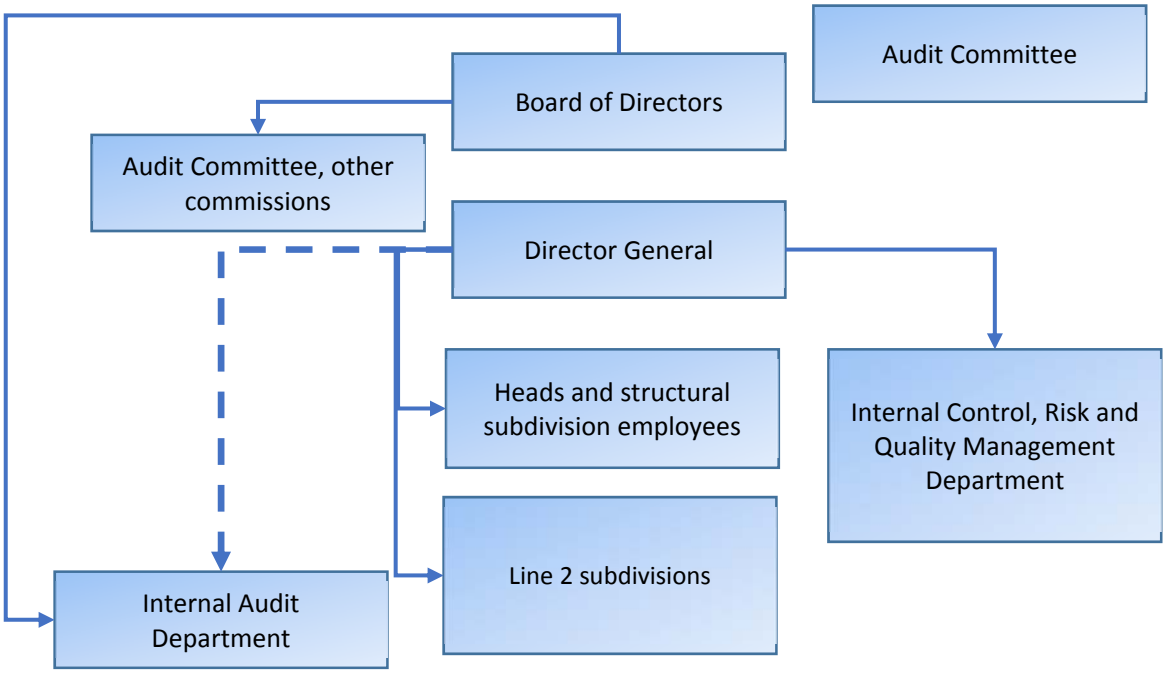
- the Company's efficiency and performance, including its financial and operational indicators as well as the security of its assets;
- compliance with the legal requirements applicable to the Company and with the internal policies and procedures, as well as in the course of economic operations and accounting;
- accuracy and timeliness of accounting (financial) statements and other reports.

The ICS is the risk-oriented structure which developed the control procedures based on the risks and set them to reasonably guarantee that every possible risk would be efficiently and timely addressed.

The ICS encompasses all areas of the Company's activities. Control procedures are implemented in all processes at all levels of management in compliance with the model of "three lines of protection":

- Line 1 comprises governance bodies (the sole and the collegial executive bodies), the Company's units and subdivisions responsible for control within their functional and job duties;
- Line 2 comprises the Company's special control units;
- Line 3 comprises the Internal Audit Subdivisions.

Participants of the Internal Control System



Functions of the ICS Participants are stipulated by the Company's Internal Control Policy approved by the Board of Directors on March 21, 2016 (Minutes No. 06/16), as well as by the regulations specific to structural units and job definitions, and provided in Appendix to the Annual Report (Table 1).

The Company includes the Internal Control, Risk and Quality Management Directorate which has the following functions stipulated for in the Internal Control Policy and the Regulation on Subdivision:

– development and facilitation of the introduction of main and methodical documents on building and improving the Internal Control System (ICS);
– assisting management in building the control environment, development of recommendations on the description and integration of control procedures into the processes (activities) as well as confirming the liability of executive officers;
– coordinating the activity on the maintenance and monitoring of the ICS target state;
– preparation of the information on the ICS state for concerned parties;
– relations with government regulatory and supervisory bodies on IC issues.

To ensure implementation and support of the efficient Internal Control System which (a) conforms to the established practices and standards in the field of the internal control, as well as the requirements of regulators, and (b) is aimed at facilitating the fulfillment of the Company's objective, the Internal Control Policy (new edition) was approved by the Board of Directors on March 21, 2016 (Minutes No. 06/16).

The Internal Control Policy specifies the objectives, functioning principles and components of the Company's ICS, primary functions and responsibilities of the ICS participants, as well as the procedure for assessment of the ICS efficiency.

The Company has an Internal Control Policy Compliance Procedure in place that defines the applied aspects of using the norms set by the Internal Control Policy.

The control procedures for the processes and subprocesses of primary and supporting activities, as well as for the Company's management processes, are documented in the control and risk matrices.

To guarantee that the ICS is efficient and conforms to the objectively changing requirements and conditions, the Company tasks the internal auditor to assess if the efficiency of the ICS is in desired state and mature enough.

The Internal Auditor's report on the ICS efficiency based on the results of 2019 was discussed and reviewed at the Board of Directors meeting on _____ (Minutes No.

_____ dd. _____) while also being preliminarily discussed by the Audit Committee of the Board of Directors on 3/18/2020 (Minutes No. 05/20). Resolution: _____ _____ _____ _____.

The ICS maturity level was evaluated as _____, according to the results of 2018 the ICS maturity level was evaluated as "Optimal".

In the reporting the ICS was subject to the external independent evaluation. According to the results ICS was recognized efficient by the independent expert. The results of the external independent evaluation of ICS were reviewed at the meeting of Board of Directors of August 6, 2019 (Minutes No. 18/19) with a preliminary discussion of the specified issue in the Audit Committee of the Board of Directors on May 28, 2019 (Minutes No. 06/19).

On the basis of the recommendations given by the external auditor the Company's management developed the Plan of measures for ICS efficiency maintaining and development. This Plan is approved by the Company's Board of Directors (Minutes No. 01/20 dd. 01/15/2020) with a preliminary review by the Audit Committee of the Board of Directors (Minutes No. 09/19 dd. 09/17/2019).

To enhance the maturity of the ICS and risk management system, the Company approved the Internal Control System and Risk Management System Improvement Plans (Order No. 227 dd. 04/12/2019).

In the reporting year the Company took the following key measures aimed at ICS improving:

1. The upgraded model and lists of business processes were approved.
2. The training of the Company's personnel on the issues of building the Internal Control System with subsequent interrogation was organized.
3. The Regulation for the Internal Control process, risk and control point matrix, graphical process diagram, as well as the responsibility division matrix were developed and approved.
4. The efficiency of the Company's main business processes was evaluated and their description was analyzed with the application of a risk-oriented approach. In addition, the analysis of risks specified in risk & control point matrices was conducted with the account of the registered risks.
5. The business processes, approved risk and control matrices as well as the graphical diagrams of business processes on which the corresponding work wasn't conducted (in compliance with the upgraded model of business processes) were described.
6. Risk and control point matrices and diagrams of the Company's business processes were reviewed, upgraded and approved by the organizational and executive documentation was updated and approved. Additional control procedures were introduced. These procedures are executed by the Company's collegial bodies (work groups, committees, etc.). In addition, key control procedures were identified and the control procedures, executed by third parties, were excluded.
7. Local regulatory acts were updated (supplemented with updated risk and control point matrices, responsibility matrices, and diagrams of corresponding business processes).

Key planned measures on the ICS development:

1. Adaptation and update of the Company's internal regulatory documentation controlling the management system (including the applied management model, requirements to process regulation and description and etc.).
2. Introduction of the system of process passports, including those that contain information on the efficiency metrics/indicators (amount and costs) and the process effectiveness (goal achievement).

3. Introduction of the updated form for the annual report of the Company's Director General on the organization, functioning and efficiency of Risk Management and Internal Control Systems including the information on the implementation of Plans on the ICS efficiency maintaining and development, the RMS enhancement, submitted for the review of the Company's Board of Directors.

4. Enhancement of the self-evaluation mechanisms used by the management for analyzing the efficiency of control procedures and the process ICS. Verification of the quality and the results of the annual self-evaluation of process efficiency, conducted by the process owners , by the Company's Internal Control subdivision.

5. Integration of the existing anti-corruption compliance system in the common system of internal control and the risk management system.

6. Conduct of the ISMA audits on the business processes subject to automation in 2020.

7. Further automation of control procedures with the account of the Digital Transformation Concept.

8. The Company's internal control subdivision participation in the preparation, coordination, approval of technical inquiries for the introduction and refining of the Company's automated control systems for the purposes of identifying necessary automatic control procedures, as well as in test operation and qualification tests of the specified systems in part of testing such control procedures together with the automated process owners.

7.11. INTERNAL AUDIT

The subdivision responsible for internal audit in the Company is the Internal Audit Directorate.

Internal audit is functionally accountable to the Company's Board of Directors. It means that the Board of Directors controls and organizes the internal audit subdivision operation, including the approval of the Internal Audit Plan of Action, the report on its execution and the internal audit budget, preliminary approval of the resolution made by the Company's sole executive body on the appointment and appointment termination (not by the employee's initiative) of the Internal Audit Head, application of disciplinary measure to that employee as well as the approval of the employment agreement terms and remuneration for the Internal Control Head, review of the evaluation of the internal audit quality.

Internal audit is intended to assist the Board of Directors and the Company's executive bodies to optimize the management of the Company as well as its financial and economic activities by, among other means, a systemic and consistent approach to the analysis and evaluation of the Risk Management System, Internal Control System, and Corporate Governance System as tools for securing reasonable confidence in the accomplishment of the Company's objectives.

The objectives and tasks, key principles of organization, functions and powers of the internal audit are set in the Internal Audit Policy of Rosseti Tyumen JSC (new revision) approved by the resolution of the Company's Board of Directors of November 18, 2019 (Minutes N 26/19 dd. November 20, 2019) and the Regulation on the Internal Audit Directorate No. 19/1 of October 4, 2018 approved by the Company's Board of Directors (Minutes No. 14/18 of August 15, 2018).

Feedback from the Audit Committee is received by the Head of Internal Audit in various forms as a part of their cooperation with the Audit Committee, which includes the analysis of the Audit Committee's decisions and recommendations on internal-audit matters; surveying the members of the Audit Committee is another feedback channel.

In 2019 KMPG JSC conducted the external independent evaluation of the Company's internal audit processes. Following the results of the specified evaluation the Company received the conclusion of KPMG JSC according to which the Company's internal audit activity in general corresponds to the requirements of the International Professional Standards of Internal Audit, the

Code of Ethics and the Internal Audit Policy. Besides, KPMG JSC provided the recommendations on the improvement of the internal audit activity.

On the areas pointed by the Audit Committee members in the questionnaires for the enhancement and according to the recommendations, provided by the external independent expert, the Company developed the Plan of measures for the development and enhancement of the Company's internal audit for 2020 - 2024.

7.12. ETHICS AND ANTI-CORRUPTION PRACTICES

The National Anti-Corruption Plan for 2018–2020, approved by Decree No. 378 of the President of the Russian Federation dd. June 29, 2018, defines its main objective as the enforcement of Article 13.3 of Federal Law No. 273-FZ dd. December 25, 2008 "On Combating Corruption"; the clause mandates that legal persons shall elaborate and take action to prevent and combat corruption.

Pursuant to the Law, the Company established its Division for Anti-Corruption Compliance Procedures (ACCP) which is a part of the Economic Security and Anti-Corruption Department. This subdivision is tasked to reveal, identify and subsequently eliminate any possible cause of corruption (corruption prevention), reveal, prevent, suppress, solve, and investigate all cases of corruption (combat against corruption); minimize and (or) mitigate all the consequences of corruption and other offenses. Subdivision personnel size – two persons.

The Company implements the Uniform Anti-Corruption Policy of Rosseti PJSC and its subsidiaries / affiliates as approved by the Company's Board of Directors (Minutes No. 02/17 dd. February 6, 2017) , which defines the Rosseti Company Group's uniform approach to ensuring compliance with the Federal Law No. 273-FZ dd. December 25, 2008 "On Combating Corruption".

To improve the efficiency of the ethical standards of Rosseti Tyumen JSC's activity, the behavior of the Company's and its subsidiaries and affiliates' employees at work, compliance with the anti-corruption requirements of the RF law, maintaining the Company's commercial goodwill, the Code of Corporate Ethics and the Tyumenenergo JSC's employees' behavior at work is in place in the Company (approved by the resolution of the Board of Directors N. 16/7 of May 12, 2017). It contains a code of general principles, norms and professional ethics and corporate conduct rules mandatory for the Company's employees regardless of the position as well as for the members of the Company's Board of Directors. The Code is available in the Automated System of Document Flow Management (ASDM) in the section Mandatory documents, the subsection Anti-corruption procedures. Newly recruited Heads and employees should familiarize with the Code on a compulsory basis. In addition, the employees of the Company and its subsidiaries and affiliates are continuously consulted on the individual basis in terms of compliance with the Code and Anti-Corruption Standards. In 2019 623 consultations were conducted. This activity is supervised by the Deputy Director General on Safety being the Chairman of the Corporate Ethics Compliance and Interest Conflict Settlement Committee of Rosseti Tyumen JSC.

The official website of Rosseti Tyumen JSC has a frequently updated section Anti-Corruption Policy and a feedback form where one can report the possible corruption cases and situations of improper conduct. Other mechanisms of reporting are stipulated for employees, citizens, legal entity representatives:

– hotline phone number, e-mail, letter to the Company's place of location, during the audience at the Head of the Anti-Corruption Compliance Procedures Department.

Pursuant to the requirements of the Federal Law No. 273-FZ "On Corruption Combating" dd. December 25, 2008 and the Anti-Corruption Policy, the Company approved the Anti-Corruption Plan for 2019 (Order N.17 of February 7, 2019).

In 2019 the Company conducted measures for improving the legal regulation of the Company's anti-corruption activity, developed and updated the following organization and administrative documents and local regulatory acts:

- The Regulation on Interest Conflict Settlement in Tyumenenergo JSC was approved by the Order No. 10 of January 11, 2019;
- The Regulation on the Corporate Ethics Compliance and Interest Conflict Settlement Committee of Tyumenenergo JSC was approved by Order No. 10 of January 11, 2019;
- The Order No. 36 of January 25, 2019 "On Re-electing Corporate Ethics Compliance and Interest Conflict Settlement Committee of Tyumenenergo JSC";
- The Order No. 495 of 9/4/2019 "On Re-electing Corporate Ethics Compliance and Interest Conflict Settlement Committee of Tyumenenergo JSC";
- The order No. 11 of January 11, 2019 "On Annual Declaring of the Information on Employees' Interest Conflict as of December 31, 2018";
- Order No. 181 of April 1, 2019 "On Organization of Work on Disclosing Information about Chain of Counterparty Ownership";
- Order No. 307 of June 3, 2019 on the approval of "Regulation of Job Descriptions of Tyumenenergo JSC".

The Company continually trains its employees on legal matters and seeks to lay the foundations of law-abiding behavior. To inform the Company's employees, the internal network storage of Rosseti Tyumen JSC contains documents that regulate anti-corruption activities, compliance with corporate ethics, and settlement of the conflicts of interests. In 2019, a total of 7,494 persons were made aware of the effective local anti-corruption regulations, which was 100% of the personnel as of December 31, 2019. 104 candidates for vacant positions to the Executive Office of Rosseti Tyumen JSC were instructed and familiarized with the existing regulatory anti-corruption acts.

In 2019 the Head of the Anti-Corruption Compliance Procedures Department took the advanced training in the framework of the workshop meeting "Relevant Problems of Corruption Prevention and Combating n Power Grid Complex" conducted in ANO APE "Saint-Petersburg Safety Academy".

In 2019, the Company's activities were strictly in line with the principles of preventing and combating corruption as proclaimed by the parties to the Anti-Corruption Charter of Russian Business. Accepting the Charter terms (certificate No. 414 of July 1, 2015) and confirming the compliance with its requirements in 2019 (in the RF Chamber of Commerce and Industry on 06/03/19), the Company ensured efficient financial control, rejection of illicitly-gained advantages, open tendering-based procurements, personnel training and control, assistance to law enforcement agencies on all matters relating to anti-corruption measures, as well as the publicity of the Company's anti-corruption measures. No violations of the RF law were revealed in the Company's anti-corruption activity.

Interest conflict settlement is one of the most important anti-corruption mechanisms implemented by Rosseti PJSC and its subsidiaries and affiliates. The relevance and significance of measures aimed at the prevention of interest conflict is substantiated by the requirements of the existing legislation, including those set in the Federal law No. 273-FZ of December 25, 2008 "On Combating Corruption".

The Company implemented a set of measures aimed at the disclosure of the information of interest conflict at job admission / transfer of employees to the vacant positions in the Company and its subsidiaries and affiliates, 329 conflict-of-interest declarations, presented by the applicant to positions, were checked.

Within the conflict-of-interest declaration campaign, 1,542 Conflict of Interest Declarations were reviewed as of the end of 2018. It was revealed 7 facts of professional activity conducted by the employees directly subordinate to the director with whom they are near related.

The Tyumenenergo JSC Corporate Ethics Compliance and Interest Conflict Settlement Committee was active in 2019. The Commission held two meetings (Minutes No. 01/2019 of April 24, 2019, No. 02/219 of May 27, 2019) on settling of the pre-conflict situations and conflict of interests in the Company and reviewed 6 issues in total.

In the framework of the implemented Commission resolutions over 2019 the Company developed and approved amendments to 80 local regulatory acts (regulations on structural subdivisions, job descriptions) aimed at pre-conflict situation settling. The work conducted allowed settling all the pre-conflict situations. As of December 31, 2019 Rosseti Tyumen JSC did not have unsettled pre-conflict situations.

The Commission had audited 65 declarations of income, property, and liabilities submitted by the top managers and heads of the structural units of the Company and its subsidiaries / affiliates; as well as by their close relatives; these declarations were audited for authenticity, signs of affiliation, presence of conflict of interest, and other abuse of one's position within the Company. No false information was revealed.

The Company was continually collecting, analyzing, and verifying data on the entire chain of counterparty owners, including the beneficiaries, as well as data on the membership of executive bodies, for the completeness, correctness of filling, and the accuracy of provided information so as to exclude any possible conflict of interest, affiliation, and other abuse related to the positions held at Tyumenenergo JSC and its subsidiaries / affiliates. Consolidated reported thereon were further submitted to the Safety Department of Rosseti PJSC.

As a part of actions to prevent and combat corruption, all the data was stored in the Automated Beneficiary Data Collection and Analysis System (hereinafter "the ABDC AS") in 2018. The data were formed and submitted to Rosseti PJSC on the following:

- 11,446 concluded agreements;
- 2,259 addenda concluded;
- 7,712 counterparties;
- 2,442 full chain of counterparties ownership;
- 765 contractors.

The Economic Safety and Anti-Corruption Department of Rosseti Tyumen JSC conducted 2,242 checks of the procurement participants and counterparties in terms of their good standing, affiliation and personal interest. As a result, 355 participants and counterparties were rejected from the participation in procurement. By the initiative of the Company’s safety block the agreement prices were reduced by 236 million rubles. The ACCP Department employees are included in the permanent Procurement Committees of Rosseti Tyumen JSC (Order No. 523 of 09/17/2019). The counterparties and business partners receive procedures, policies, and rules intended to prevent and combat corruption (anti-corruption standards, clauses, etc.). In 2019 the counterparties by 5,069 concluded agreements were familiarized with the Anti-Corruption Policy adopted in Rosseti Tyumen JSC.

To familiarize the customers and counterparties with the corruption prevention documents, the Executive Office and branch buildings locate 14 mounts with the information on the Anti-Corruption Policy implementation.

The Company has in place the Procedure for admission, review and settlement of the applications (from employees, counterparties of Rosseti Tyumen JSC) on potential corruption actions (approved by the Order of Tyumenenergo JSC No. 603 of November 14, 2017). In 2019 six addresses were registered and one corruption case was confirmed in the Samotlorsk LGO of the Nizhnevartovsk Electric Grids. The violation related to the compensated use of a personal vehicle for the production purposes. One employee was fired and another employee was held disciplinary liable.

In compliance with the Regulation on the reporting by the employees of Rosseti Tyumen JSC the gift receipt in connection with their position or performance of the duties, gift submission and evaluation, sale (repurchase) and remittance of funds from the sale (approved by the Order of Tyumenenergo JSC No. 352 of August 18, 2015), one notice was submitted. The gift from a

counterparty was rejected by the employee, and the counterparty was notified on the violation of Anti-corruption obligations under the agreement in force.

As agreed with the Safety and Security Department of Rosseti PJSC, the ACCP Department Head is included in the working group on the enhancement of the methodological support in the anti-corruption measures. The Head took part in 4 meetings and in the review of the draft new revision of the Anti-Corruption Policy of the Group of Companies Rosseti.

Complete, timely, and appropriate execution of anti-corruption measures on the part of Rosseti Tyumen JSC reflects its commitment to high ethical standards of transparent and fair business, of following the best practices of corporate governance, and maintaining an appropriate reputation as a grid-complex company.

8. SHARE CAPITAL

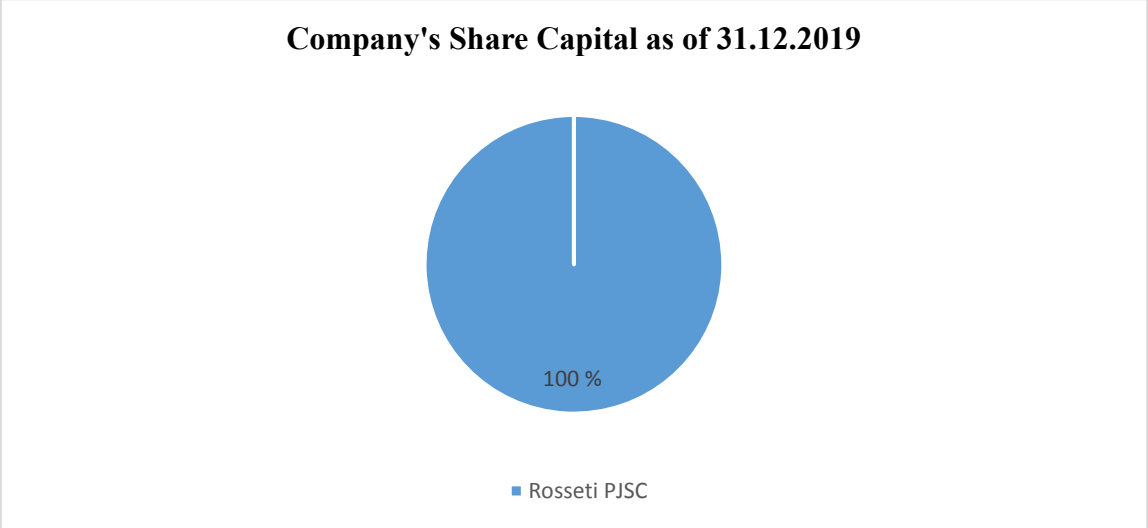
8.1.SHARE CAPITAL

Pursuant to the Charter of Rosseti Tyumen JSC, the Authorized Capital of Rosseti Tyumen JSC amounted to 27,373,895,100 rubles as of 12/31/2019, divided into 273,738,951 ordinary registered shares each of a 100-ruble nominal value. The Authorized Capital of Rosseti Tyumen JSC does not include any preferred shares.

The Company has authorized 3,121,409 additional ordinary shares each of a 100-ruble nominal value, for a total 312,140,900 rubles. Registered ordinary shares authorized by the Company entitle their holders to the same as the placed ordinary registered shares.

Public Joint-Stock Company Russian Grids (Rosseti) is the sole shareholder of Rosseti Tyumen JSC.

The Company's shares are not traded in the organized securities market.



Rosseti Tyumen JSC holds preferred shares of Rosseti PJSC. Information on shares in cross-ownership as of 12/31/2019:

No. of the emitter	CB Code	Nominee holder	Share Rosseti Tyumen JSC, %	Nominal value of 1 share, rubles
Rosseti PJSC	RSTIP	JSC "Sberbank CIB"	0.0025	1

8.2.BOND ISSUES.

On March 1, 2017, Moscow Exchange PJSC decided to assign ID 4-00159-F-001P-02E to the Company’s Program of Exchange Bonds Series 001P, which totaled 25 billion rubles and had a maximum maturity of 10,920 days (30 years).

As of December 31, 2019 and the Annual Report approval date, no bond issues of the Company were in circulation.

8.3. DIVIDEND POLICY

The Dividend Policy of Rosseti Tyumen JSC is stipulated by the Dividend Policy Regulation as approved by the Company's Board of Directors (Minutes No. 01/18 dd. 1/30/2018) taking into account the amendments approved by the resolution of the Company's Board of Directors (Minutes No. 14/18 dd. August 15, 2018).

The Company's Dividend Policy is based on the following principles:

- compliance of the Company's adopted Policy for dividend distribution and payout with the Russian Federation law and corporate management standards (Decree of the Government of the Russian Federation No. 1094-r of 05/29/2017);
- the Company's and the shareholders' interests shall be optimally balanced;
- defining the amount of dividends in the volume of at least 50% of net profit defined by the data of financial statements, including IFRS-consolidated ones and calculated in compliance with the procedure set by the Dividend Policy Procedure;
- defining a possibility to provide dividend payouts on a quarterly basis in case all the corresponding criteria are fulfilled;
- dividend calculation and payment mechanism must be absolutely transparent.
- provision of the positive dynamics of the dividend payout values if the Company's net profit grows;
- availability of the Company's dividend policy information for shareholders and other concerned parties;
- it is necessary to maintain the Company's certain financial and technical status (i.e., to carry out the Investment Program) while also supporting its development prospects.

In 2019 according to the results of 2018 the dividends for the Company's common shares were not paid out.

Dividend Payments in 2016-2019*

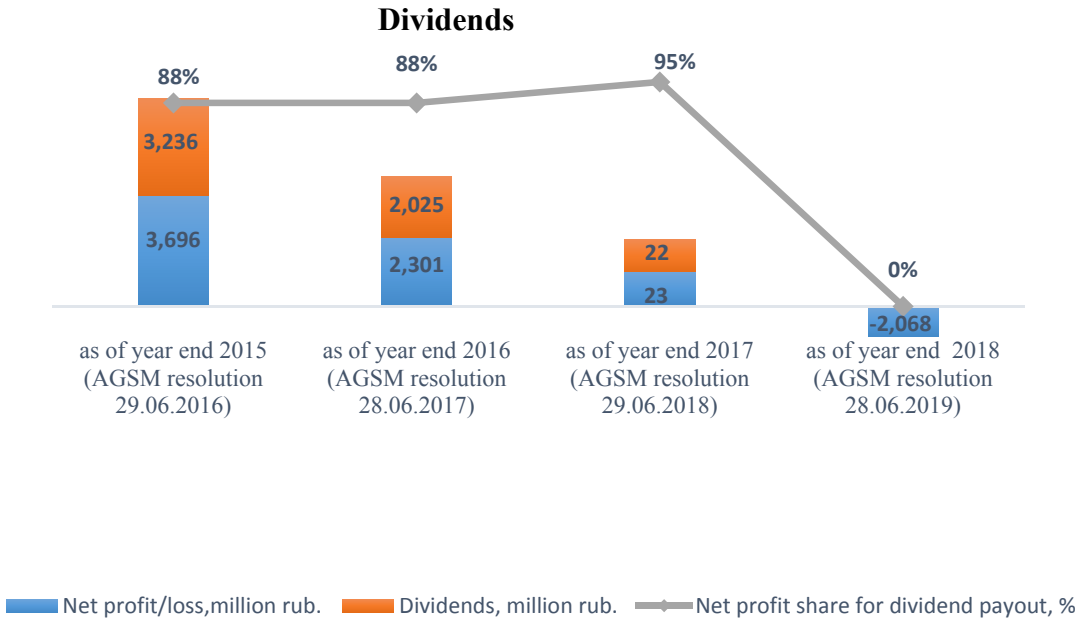
million rubles

Payment Period	Amount of Dividends, million rubles	Share of Net Profits, %	Dividends per Share, rubles
for 2015 (AGSM 2016)	3,236	88	11.8214598
for 2016 (AGSM 2017)	2,025	88	7.39835
for 2017 (AGSM 2018)	22	95	0.08084
for 2018 (AGSM 2019)	0	0	0

* Profit distribution in accordance with the Annual General Shareholders Meetings (AGSM) resolutions.

AGSM 2016 (for 2015) – AGSM Minutes No. 491pr/9 dd June 29, 2016.
AGSM 2017 (for 2016) – AGSM Minutes No. 620pr/3 dd. June 28, 2017.
AGSM 2018 (for 2017) – AGSM Minutes No. 733 pr/1 dd. June 29, 2018.
AGSM 2019 (for 2018) – AGSM Minutes No. 888 pr/1 dd. 6/28/2019.

In accordance with the Charter of the Company, decision on the distribution of profits for year-end 2019 will be made on the basis of the AGSM decision.



8.4.MAJOR TRANSACTIONS

In 2019 major transactions and interested-party transactions were not conducted by the Company.

9. HR AND SOCIAL POLICY

The key goals of the Company's HR and Social Policy (hereinafter, "the Policy") intended to enable the Company to attain the targets of its Grid Complex Development Strategy, are as follows:

– planning of the staffing to ensure the availability of reliable information on the operational and forecast quantitative and qualitative personnel requirements that is necessary and sufficient to fulfill the tasks of the Company;

– timely meeting the Company's needs for personnel of required qualification;

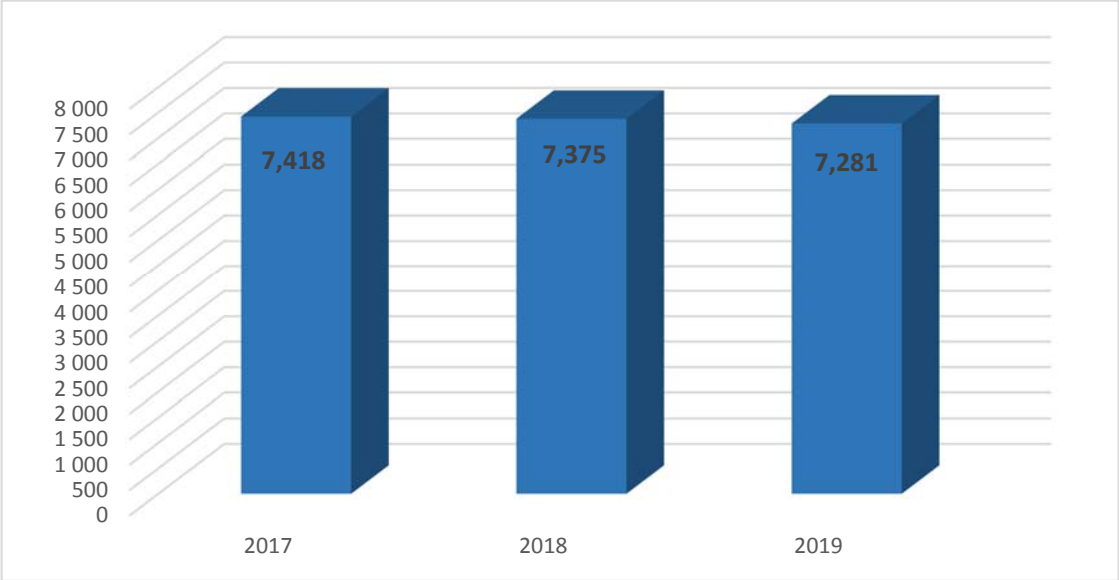
– ensuring efficiency of personnel activities, labor productivity improvement in the Company.

These key HR and Social Policy goals are attained by means of a set of measures taken to reach certain targets in the areas of:

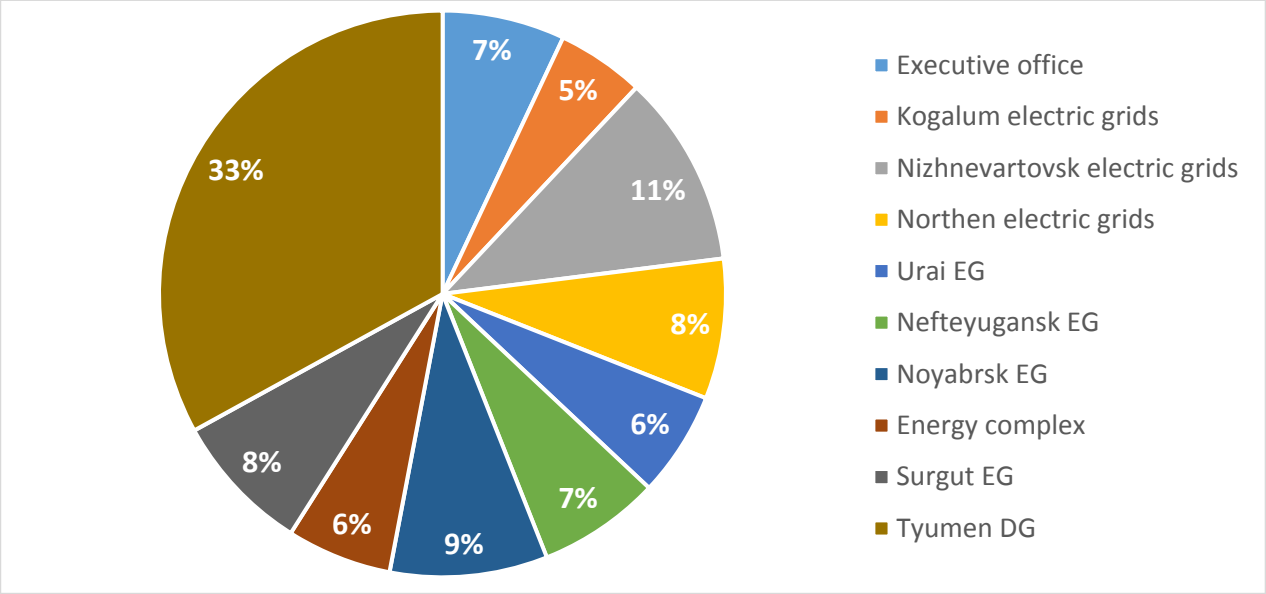
- organizational design;
- manpower management;
- staffing and personnel development;
- personnel efficiency management (motivation);
- social benefits and guarantees;
- occupational safety and labor culture.

9.1.HEADCOUNT AND PERSONNEL STRUCTURE

In 2019, the headcount of Rosseti Tyumen JSC was 7,281 persons, 1.27 % reduction against 2018. A slight decrease in the headcount in 2019 was due to optimization of the headcount of the administrative and management personnel and natural movement of the personnel.



Headcount breakdown of Rosseti Tyumen JSC in the dynamics for 2017–2019, people



Headcount breakdown distribution in 2019

The staffing level of the Company has been stable for the recent three years and maintained at a high level of at least 97 %.

An average age of employees in 2019 fluctuates insignificantly, in 2019 it was equal to 42 years (against 41 years in 2018 and 42 years in 2017), the active personnel turnover did not exceed the set indices in 2019 and equaled 4.1 %. The gender composition is quite typical for an electric company: 76 % are men and 24 % are women.

Over the recent three years, the share of employees between 50 years and the retiring age has been decreasing (-0.3 percentage points), and the share of employees between 25 years and 50 years has been increasing (+0.7 percentage points). The share of young specialists in the age under 35 is 29% of the headcount.

The Tyumenenergo JSC's personnel is highly-qualified, with 86.5% having professional degrees. This number has gained 3.3 percentage points over the recent three years.

9.2.PERSONNEL QUALIFICATION MANAGEMENT, TALENT POOL.

Personnel qualification management

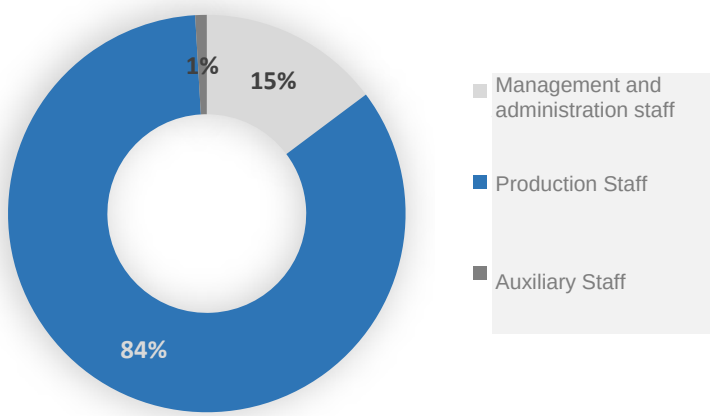
Training is a priority under the Company's HR and Social Policy and is regulated by the Personnel Training Regulation of Rosseti Tyumen JSC, developed with due account of the HR Management Rules of Electric Power Industry Enterprises of the Russian Federation.

The share of employees who took part in full-time trainings in the reporting year totaled 46.6 % (3,394 persons) of the headcount, which was comparable to 2018: 48,8 % (3,597 people).

As a part of executing the plans for ensuring that the qualification of the Company's employees conforms to professional standards, 589 employees completed further education courses in 2019.

Production personnel accounted for the highest share of employees who passed such training (84 % or 5,389 persons). The breakdown of the personnel that passed full-time training is presented below by category:

Breakdown of the Personnel that Passed Full-Time Training by Category, %



Key educational service providers:

– Autonomous Non-Commercial Organization of Vocational Education Professional Training Center (Surgut, Russia);

– ANCO APE "Educational Center "Gelios" (Tyumen);

– Autonomous Non-Commercial Organization of Vocational Education Professional Training Center (Surgut, Russia);

In 2019, training costs (TC) totaled 0.7 % of the payroll amount (0.8 % in 2018).

The most demanded directions in the training were short-term programs for developing professional and management competences of young specialists and employees enrolled into the talent pool, advanced training of IT personnel in relation of the grid digital transformation, training in power saving and efficiency, operating personnel training. On average, training time in 2019 was 32 hours per employee.

Talent pool

The Company has a systematic approach to supporting and involving its talent pool, a crucial task of HR management. It systematically seeks to form and develop managerial and youth talent pools at the level of branches and the Executive Office.

In order to meet the Company's demand for well-trained specialists, and do so promptly and appropriately, Rosseti Tyumen JSC has created managerial talent pools for the following positions:

1. In the Company:

– Deputy Directors General;

– Heads of Structural Subdivisions;
– Heads of Directorates and Departments.
2. In the branches:
– Deputy Branch Directors;
– Heads of Structural Subdivisions;
– Heads of Directorates, Divisions, and Services;
– Heads of Production Units.

Below are the key criteria for including an employee in the managerial talent pool:
1) high professional expertise;
2) high production performance;
3) personal and business potential necessary for professional development and career progress. Candidates are assigned to the managerial talent pool on a competitive basis. In 2019, 525 persons were assigned to the managerial talent pool of the Company. 98.9 % of management positions now have a talent pool behind them.

To involve young specialists in solving the acute problems of the electric grid complex, to improve their professional competence, and to assist in their professional growth, the Company actively engages in working with youth talent pools.

These talent tools of the Company are young specialists that boast a high potential of their professional and managerial competences. Enrollment preferences are given to the employees who are actively engaged in the Company's social life and have rationalization-, invention-, and innovation-related achievements.

Talent pools are reviewed and updated annually; vacated positions are filled additionally from the pool of the Company's young specialists.

As of the reporting year, the Company's youth talent pools totaled 132 employees.

The efficiency of such talent pools directly depends on the conditions created for the professional development of candidates. For each person in the talent pool, the Company has approved target positions and individual development plans; it assigns mentors from the list of the Company's most competent employees to help these candidates master their target jobs.

To develop their professional and managerial competences, candidates take part in the advanced training programs of Russia's premier educational institutions: The National Research University “Higher School of Economy”, The Russian Presidential Academy of National Economy and Public Administration, etc. The employees enrolled in the management talent pool of the Company take part in the Presidential program of management personnel training.

In 2019, members of the managerial and youth talent pools of the Company had a cycle of business trainings on such topics as Teamworking and time Management.

Talent pool development measures are not limited to advanced trainings, seminars, and workshops; practical management experience is emphasized as well: candidates are actively engaged in preparations for meetings, take part in the development of regulatory documents, are involved with work groups, and may even fill the role of an Acting Head at their target positions when the actual Head is temporarily absent.

Of all 278 candidates granted management positions in 2019 at the Company's branches and Executive Office, 167 (60.1 %) were from the Company itself, of which 112 (40.3 %) were from the talent pools.

To improve the level of engineering personnel training and form a pool of high-potential, motivated Heads of the technical block and their further career development and promotion, within the group of companies Rosseti 60 linear executives took part in the All-Russian competition “Power engineering leaders”. According to the results of the competition 5 employees were included in top 100. In the framework of the implementation of the measures set by the individual development plans, the competition finalists won a period of probation at a higher-level position in the Executive office of the Company.

9.3. YOUTH POLICY

The joint-stock company “Rosseti Tyumen” pay a special attention to the implementation of the youth policy events. In the presence region Rosseti Tyumen JSC organized the work with schools, lyceums, colleges the task of which is early professional orientation of schoolers, identification of the best students for referring them to target training in specialized education institutions.

Rosseti Tyumen JSC is a coordinator of the organization and conduct of the All-Russian Olympiad from the Rosseti group of companies for the schoolers in the regions of the Company’s presence. The Olympiad is conducted to develop talented students in schools, boosting their motivation for further training in the power engineering area and subsequent employment by the Company. Thus, in 2019 50 schoolers from the Tyumen Oblast and KhMAO took part in the Olympiad. Four schoolers became the winners and were awarded the prizes of the Olympiad. Two of them participated in the Power engineering project shift in the group of companies Rosseti on the basis of the All-Russian Children Center “Orlenok”. One of the best projects “Multi-agent aggregator for managing the demand to unload the grids” developed by the participants of the power engineering project shift of Rosseti PJSC and was presented in the semi-final of the All-Russian Competition of Innovative Projects and R&D in Power Engineering “Energoproryv - 2019” (“Energy breakthrough”) by our guys.

In 2019 young specialists of Rosseti Tyumen took part in:

- The First All-Russian Contest “Power Engineering Leaders”, Chelyabinsk;
- Youth Day in the framework of the Russian Power Engineering Week 2019, Moscow;
- International Forum “Electric grids”, Moscow;
- All-Russian Power Saving Festival “Brighter Together!”, Khanty-Mansyisk.

The Company pays a lot of attention to the practice-oriented training of young specialists - organization of practices, work of student teams at the power engineering objects of Rosseti Tyumen. The Company's Management pays due attention to expanding the cooperation with higher and secondary educational institutions that provide power engineering training in the areas of the Company's operations.

By the moment, the Company have concluded cooperation agreements with 21 educational institutions having major chairs, including Surgut State University, Tyumen State University, Northern Trans-Ural State Agrarian University, Omsk State Technical University, Yugorsk State University.

Over 2019 the specialists from the Company’s technical block provided expert support to educational partners in the improvement of main professional education programs of higher education in the majors “Power engineering and electrotechnics” and programs for training blue-collar workers on the professions “Power supply” (by sectors), Technical operation and maintenance of the electric and electromechanical equipment, Electrician on electric equipment repair and maintenance. The Company’s employees play a role of supervisors during the preparation of graduate qualification papers for the students of these educational organizations and take part in the activity of the State Attestation Committees.

In 2019, 184 students had production and pre-diploma internships with the Company's Executive Office and branches, 55 of whom did it under fixed-term employment agreements and were paid.

During the summer working season 2019 the student team “Power Engineer” worked at the power engineering facilities of Rosseti Tyumen JSC as part of three teams from 15 educational institutions of KhMAO-Yugra and the Tyumen Oblast. The team participated in the Closing of the 10th Labor Season of Student in Moscow. For the first time in the framework of the competition “Best Student Team of Power the student team participants took part in the professional skill competition among the student teams of the group of companies Rosseti. At four contest stages professional skills were evaluated in the following activities: at the maintenance and repair of automation relay protection equipment, at conducting the works on the replacement of a defective insulator on the intermediate wooden support of the OPL -10 kV at the replacement of a single-

phase electric power meter. The team was highly appreciated during the demonstration of their first aid skills and the application of rules and standards of OH&S at the solution of situation tasks.

The student team "Power Engineer" took part in the opening and closing of the All-Russian Convention of Student Teams in the State Kremlin Palace.

For young specialists - Company's employees various events are organized. Such events are intended for the development of professional competences, growing up a team spirit, integration into the Company's corporate culture.

In 2019 the XI Festival of Working Young People of Rosseti Tyumen JSC was organized and held. The representatives of the working young people from nine Company's branches took part in the festival. The festival program included educational, sports and entertaining parts. In the framework of the festival to boost the creative initiative of the working young people a KVN championship was organized for the teams of the Company's branches. The Festival competition program consisted of the following parts: "Introduce yourself", "Video presentation", " Musical home task".

Jointly with the Veteran Board, the Youth Board held the following events:

- Annual campaign "Soldier of the Motherland" - "Na Privale": concerts and field kitchen for veterans;
- Meetings with veterans in the Surgut Local History Museum;
- Fair of Artworks of the Company's veterans.

9.4. WORKING CONDITIONS AND REMUNERATION (INCLUDING KPIS)

The incentives for key Company's heads (Director General and top managers) is regulated by the following documents:

- Regulation on financial motivation of the Director General (approved by the resolution of the Board of Directors No. 09/11 of July 22, 2011 *(taking into account the amendments made by the resolution of the Board of Directors of Tyumenenergo JSC No. 16/12 of December 29, 2012 (Minutes No. 16/12 of January 10, 2013); of February 27, 2015 (Minutes No. 2/15 of March 3, 2015);*
of July 18, 2017 (Minutes No. 21/17 of July 18, 2017); of September 30, 2019 (Minutes No.22/19 of September 30, 2019);
- The regulation on financial motivation and social package for top managers (approved by the resolution of the Board of Directors of the Company No. 09/11 of July 22, 2011).

The specified documents have the following aspects:

- Procedure for the definition, approval and changing the amount of the fixed salary of the Company's key executives;
- terms, size, procedure of paying bonuses for the achievement of the quarter and annual key performance indicators set by the Company's internal regulatory acts;
- terms, size, procedure of the lump sum bonus award for the conduct of particularly important tasks (works);
- terms of bonus award and the procedure of calculation of additional and special bonuses.

The system of financial motivation of the key executives of Rosseti Tyumen JSC is based on the KPI system of the Director General of Rosseti Tyumen JSC developed in compliance with regulatory and administrative documents of the superior body – Rosseti PJSC *(order of Rosseti PJSC No. 270 dd. November 19, 2019 "On Amending Order No. 43 "On Approval of Typical Method for Calculation and Achievement of KPIs for Subsidiaries and Affiliates of Rosseti OJSC" of March 17, 2017*) approved by the resolution of the Company's Board of Directors and translated to the Company's top management (Deputy Directors General and Branch Directors).

Key performance indicators, the methods for their calculation and evaluation of their achievement by Company's Director General, target values for 2019 are approved by the Company's Board of Directors (Minutes No 12/17 of April 4, 2017) in the revision of the Board

of Directors' resolutions of June 7, 2018 (Minutes No. 11/18 of June 7, 2018), of December 25, 2019 (Minutes No. 28/19 of December 25, 2019).

Therefore, the scope of indicators specific indicator weight in the system of bonus awarding to the Company's Director General, the calculation procedure including the approaches to the evaluation of the KPI achievement for the bonus award purposes are defined in the Method for calculation and evaluation of the KPI achievement by the Company's Director General.

The indicators applied in the system of bonus awarding to the Company's Director General also cover the top managers (n compliance with the list of positions confirmed by the Company's Board of Directors) with the definition of the indicator specific weight and target values for each manager by the resolution of the Company's Director General.

For other Company's key executives (Deputy Directors General and Branch Directors) key performance indicators, specific indicator weights in the bonus award system, methods for the calculation and evaluation of the KPIs achievement are approved by the Company's sole executive body *(Orders No. 342 "On Key Performance Indicators of Top Managers and Personnel of Tyumenenergo JSC" dd. July 12,2018, Order No. 360 "On Amendments in Financial Motivation of Director General and Top Managers of Tyumenenergo JSC dd. July 18, 2018).*

Cumulative remuneration of five Company's key employees equaled to 33,855 thousand rubles for 2019.

KPI

Attainment of the Company's priority goals is validated by the Key Performance Indicator (KPI) System.

The system of the Director General's KPIs was established based on the following documents:

- subclause 15 of Clause 12.1 of Article 12 of the Company's Charter;
- The Company's Board of Directors of April 4, 2017 (Minutes No. 12/17 of 04/04/2017) in the revision of the Board of Directors' resolutions dd. June 7, 2018 (Minutes No. 11/18 dd. June 7, 2018), of December 25, 2019 (Minutes No.28/19 of December 25, 2019)

Target KPI values for 2018 were set by the Resolution of the Board of Directors dd. December 25, 2019 (Minutes No. 28/19 dd. December 25, 2019).

Pursuant to the above Resolutions of the Board of Directors, the following KPIs and respective target values were set in 2019:

Quarterly Indicators

No. p. p.	96	2018 Actual	2019 Target	2019 Actual results achieved (being approved)
1	Consolidated profit from operating activities (EBITDA)	KPI attained overall quarter except for Q4	for Q1, H1 and 9 months of the reporting year ≥ 0 for year ≥ 3.0 %	KPI attained over all quarters
2	Consolidated net debt / EBITDA	KPI attained over all quarters	Q1,2,3,4 ≤ 3.0	KPI attained over all quarters
3	Progress in the plans to reduce the receivables of subsidiaries and affiliates	KPI attained over all quarters	≥ 100.0 %	KPI attained over all quarters

4	Zero increase in the number of major accidents	KPI attained overall quarter except for Q4	Zero increase Target value in the digital measurement ≤ 1	KPI attained over all quarters
5	Zero increase in the number of casualties	KPI attained overall quarter except for Q4	Zero increase Target value in the digital measurement ≤ 0.0337	KPI attained overall quarter except for Q4
	Compliance with the commissioning schedule	-	≥ 90 %	KPI attained for Q3 and Q4

Annual Indicators

No. p. p.	Indicators composition	2018 Actual	2019 Target	Actual results 2019 (the data are preliminary)
1	Consolidated net cash flow	-3.0 billion rubles	≥ 1,322.1million rubles.	KPI was attained by 244%
2	Reduction in specific operating costs (expenses)	3.9 %	≥ 2.0 %	KPI was attained by 225%
3	Increase in the power grid equipment power used	Attained	Attained	KPI was attained by 100%
4	Power losses level	2.84 %	≤ 2.73 %	KPI was attained by 103%
5	Reduction in specific investment costs	0.95	≤ 1.00	KPI was attained by 115%
6	Increase in labor productivity	-7.1 %	≥ 2.00 %	KPI was attained by 100%
7	Innovation activity efficiency	121%	≥ 90 %	- [5]
8	Observance of technological connection deadlines	1.012	≤ 1.1	KPI was attained by 100%
9	Achievement of the service reliability level	Attained	Simultaneously: 1) KPI ≤ 1,00 2) Ki < 1.00	1) KPI was attained by 100% 2) Ki was achieved by 95%

Actual values of the indicators for Q4 2019 and 2019 in total were not drawn up nor approved by the Company's Board of Directors as of the moment of the Annual Report preparation, given the time period and the procedure for compiling the reporting that is the source of information for calculating those values.

To improve the efficiency of subsidiaries and affiliates of Rosseti PJSC as well as for the purpose of upgrading the KPI calculation methods for subsidiaries and affiliates of Rosseti PJSC, in compliance with the resolution of the Board of Directors of Rosseti PJSC of April 18, 2019

[5] The evaluation of KPI attainment "Innovation activity efficiency" will be conducted after summarizing the final results and approving the values of the indicator QUALITY_IDP for 2019 being a part of such KPI, by the Innovative Development Committee of Rosseti PJSC.

(Minutes No. 349 of April 22, 2019) over 2019 the Company amended the system of KPIs. These amendments were approved by the Company's Board of Directors resolution of December 25, 2019 (Minutes No. 28/19 dd 12/25/19) including:

1) in connection with the achieved statistical minimum of the quarter emergency levels the amendments were made to the method of calculating the quarterly indicator "Zero increase in the number of major accidents" in part of transition from the account of general statistics to the index evaluation of the indicator attainment depending on the scope of the maintainable equipment;

2) in connection with the transition of the Company's branches to the application of SAIDI/SAIFI in tariff regulation and the account of the provisions of the order of the Ministry of Energy of Russia No. 1256 of November 29, 2016 the amendments were made to the annual KPI "Achievement of the service reliability level" allowing coordinating the actual values of SAIDI/SAIFI in the branches with the planned indicators set for them by the regulator;

3) annual KPI "Compliance with the commissioning schedule" was transferred from the annual ones to the quarterly ones since July 1, 2019,

4) the section of information source is specified for the indicator "Power losses level";

5) the method of the KPI "Observance of technological connection deadlines" included an indicative indicator taking into account the task of reducing the number of agreements with violated fulfillment terms because of untimely obligation fulfillment, including on the applicant's part.

The comparison between 2019 and 2018 expected values is presented in the tables.

The system of Key Performance Indicators used in the Company is interconnected with the amount of the management team's variable remuneration part — ratios are set for each of the indicators in the amount of paid bonuses; quarterly and yearly bonuses are paid upon achievement of relevant KPIs.

9.5.OCCUPATIONAL HEALTH AND SAFETY

Share of total personnel represented in the official joint committees for health and safety, with the involvement of managers and employees that monitor, and make recommendations on, occupational health and safety programs

Pursuant to Article 218 of the Labor Code of the Russian Federation, Rosseti Tyumen JSC has by virtue of organizational and administrative documents established committees (commissions) in its Executive Office and branches, which on a parity basis consist of persons representing the employer and the elective body of the Primary Trade Union Organization. 45 % of the personnel is represented in the official joint committees for occupational safety.

In total, there are 128 authorized persons in occupational health and safety (OH&S). In 2019 86 persons were trained for being authorized in OH&S. During 2019 the OH&S authorized persons conducted 1,328 checks, made 507 proposals and 505 of those proposals were implemented by the employers in 2019, the term for the implementation of two proposals – 2020 .

Occupational injury types and incidence, occupational disease incidence, lost-day and absenteeism coefficients, total casualties: breakdown by regions and gender

No occupational disease cases were registered at Rosseti Tyumen JSC in 2019.

In 2019 two production casualties occurred in Rosseti Tyumen JSC (including 1 group case) in which three Company's workers were injured.

Region	Subsidiary	Accident type	Number and Nature of Injuries				
			Total	incl. men	Slight	Severe	Fatal
KhMAO-Yugra	Nizhnevartovsk PG	Electric injury	1	1	1	0	0
Southern the Tyumen Oblast	Tyumen Electric Grids	Road accident	2	2	2	0	0
Total for Rosseti Tyumen JSC:			**3**	**3**	**3**	**0**	**0**

General injury frequency rate in 2019 was 0.41.

Fatal injury frequency rate was 0.

Occupational accidents were investigated pursuant to Article 227 of the Labor Code of the Russian Federation, in full compliance with the Regulation on the Investigation of Occupational Accidents in Specific Industries and Organizations (approved by Decree No. 73 of the Ministry of Labor and Social Development of the Russian Federation dd. October 24, 2002, edited Orders of this Ministry № 103n dd. February 20, 2014 and No. 640n dd. November 14, 2016).

Acts in a prescribed form were made as a result of investigations; Rosseti Tyumen JSC issued regulatory documents stipulating measures aimed at preventing similar accidents in future.

Employment-Conditioned high-injury and high-morbidity among employees

Power engineering is one of the areas where the risk of injuries is rather high. That is why Rosseti Tyumen JSC puts a special emphasis on the OH&S issues.

The key strategic goals of Rosseti Tyumen JSC in OH&S are defined by the corresponding Policy and are aimed at the provision of a safe working environment and their health preservation, prevention and maximum reduction of professional risk levels for the health of workers and contracting organizations' workers conducting the works at power grid facilities of Rosseti Tyumen JSC.

Targets of Rosseti Tyumen JSC are set by the management with the account of the following:

– requirements of regulatory acts;
– management decisions;
– results of the evaluation of professional risk levels;
– opinions of workers and their representatives.

OHS objectives are analyzed and assessed with the use of indicators reflecting performance and efficiency of measures of the Occupational Health and Safety Management System (OHSMS) procedures. The key indicators are:

- reduction of accidents and injuries at workplaces;
- reduction of professional diseases among employees;
- reduction of workplaces with hazardous or harmful environment;
- reduction of workplaces of high or moderate professional risk levels;
- number of employees underwent medical examination and having no precautions or limitations;
- reduction of violations of the OHS requirements by employees, contractors (subcontractors) or other parties at Tyumenenergo JSC's power grid facilities;
- reduction of violations of OHS requirements identified during OHSMS inspections by governmental regulators;
- number of taken measures designed based on the results of OHSMS inspections by governmental regulators;
- reduction of accidents and injuries of contractor (subcontractor) personnel of other parties at Rosseti Tyumen JSC's power grid facilities;
- number of OHS-related meetings and consultations with employees and their representatives, including the meeting of the OHS Committee;
- number of implemented and executed resolutions of Rosseti Tyumen JSC's executives, prescribed during previous OHSMS inspections;
- funds devoted to privileges and compensations for employees working in hazardous and (or) harmful environments;
- funds devoted to compensations for damage done by accidents, injuries, or violations of OHS requirements;
- funding of OHS-related measures.

Based on the analysis and assessment, the executive board makes a resolution on the following:

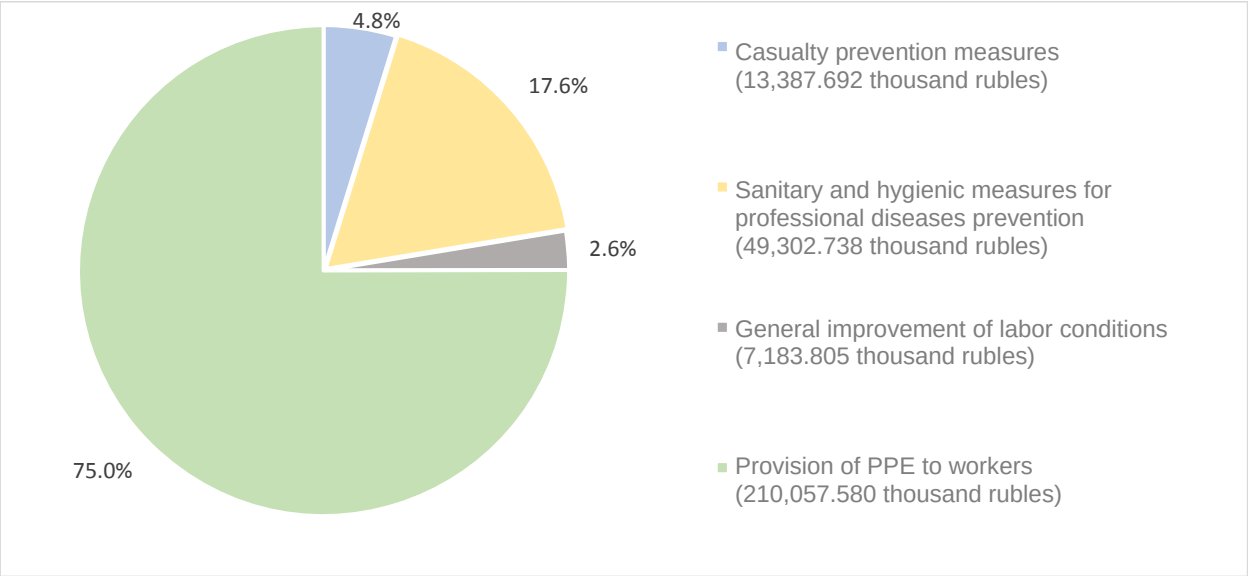
- whether the OHS objectives are achieved;
- whether any of OHS objectives need to be changed;

- whether the number of OHS objectives for the next reporting period needs to be chanced;
- whether the OHS Policy needs to be reviewed.

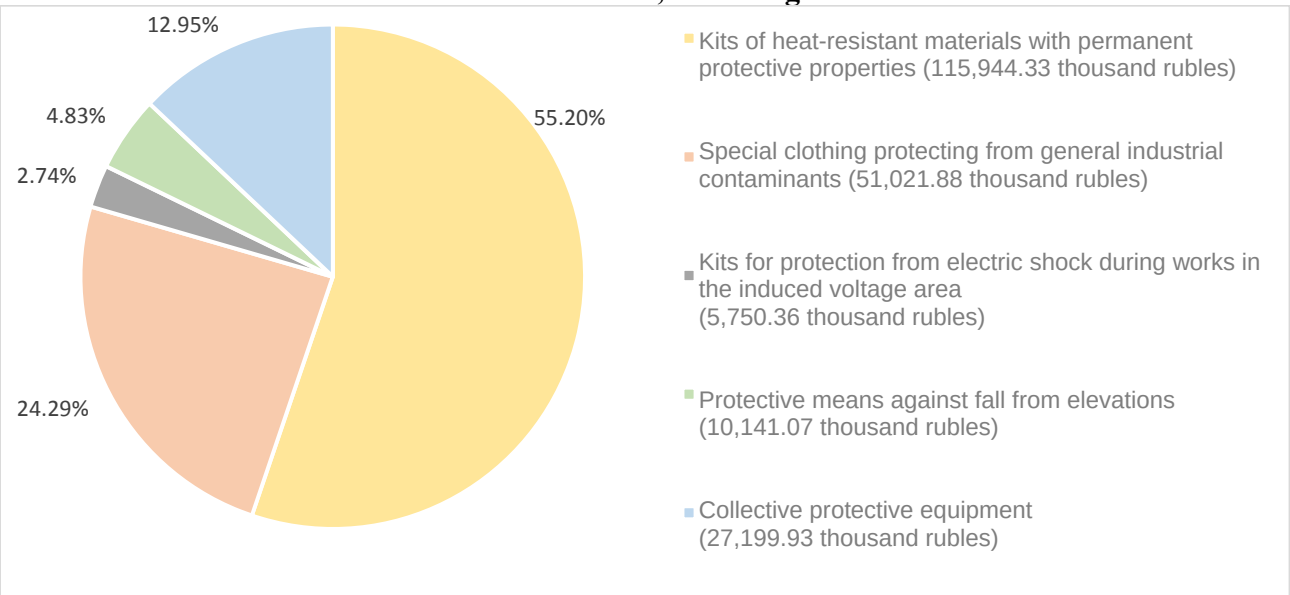
The Company follows the Tyumenenergo JSC's Regulation on the Occupational Health and Safety Management (put into effect by Order No. 546 of Tyumenenergo JSC dd. November 20, 2018).

In Rosseti Tyumen JSC the work on injury prevention and OH&S level enhancement is organized in compliance with the Complex program on mitigating injury risks of the personnel of Tyumenenergo JSC for the period 2019–2020,, the Complex program for mitigating injury risks of third parties at the facilities of Tyumen Rosseti JSC introduced by the Order of Tyumenenergo JSC No. 43 of January 29, 2019. Besides, the Company takes the measures of the Target program in elimination of injurious equipment of the branches of Tyumenenergo JSC (approved by the Reliability Committee of the Board of Directors of Tyumenenergo JSC, Minutes No. 05/18 dd. 05/18/2018).

In total, 279,931.815 thousand rubles were spent on OHS-related measures in 2019, including:



Expenses on providing employees with protective equipment totaled 210,057.58 thousand rubles, including:



OHS Matters in Official Agreements with Labor Unions

Occupational health and safety matters are reflected in the Occupational Safety section of the Collective Agreement. The Section stipulates for:

1. Mandatory social insurance against occupational accidents and diseases.
2. Ensuring that the safety and labor conditions of each workplace and each facility/site are compliant with the state occupational safety regulations.
3. Evaluating the labor conditions at workplaces to elaborate and take measures for occupational safety and labor condition improvement.
4. Training the workers employed for harmful and (or) hazardous jobs to use safe methods and techniques in their work, which is supplemented with workplace training and exams; training employees to provide first aid in case of an occupational accident, using state-of-the-art training technology and advice from qualified instructors.
5. Timely development of occupational safety rules and regulations with due account of the opinion submitted by the elected body of the primary trade union organization in due order.
6. Provision of the workers, which are employed for harmful and (or) hazardous jobs as well as for the jobs conducted under special temperature conditions or related to pollution, and had passed mandatory certification or the declaration of the compliance of special clothes, shoes and other personal protective equipment as well as special food, cleaning and (or) decontaminants with the set norms/additional norms for free issue of special clothes, shoes and other PPEs to the workers of Tyumenenergo JSC, employed or harmful and (or) hazardous jobs as well as for the jobs conducted under special temperature conditions or related to pollution.
7. Workers undergo preliminary (at the start of employment) and periodic (during their employment) health checkups at the expense of the employer; for some positions, psychiatric examination is mandatory.
8. Measures to Improve Occupational Safety and Labor Conditions, Preserve Life and Health of Employees.

Besides, Rosseti Tyumen JSC trains its Occupational Safety Commissioners, provides them with technical literature, occupational safety rules and instructions. Occupational Safety Commissioners have four hours a week to perform their duties, paid at the same rate as their primary jobs.

Safety rules training for employees

Pursuant to the Procedure for OHS Education and Examination of OHS-Related Knowledge of Employees, approved by Decree No. 1/29 of the Ministry of Labor and Social Development of the Russian Federation dd. January 13, 2003, Rosseti Tyumen JSC's employees undergo regular OHS training.

For the training purposes, Rosseti Tyumen JSC uses the automated personnel training system ASOP Expert recommended by Rosseti PJSC and Rostekhnadzor. The training sessions take place for the executive board and Rosseti Tyumen JSC's subsidiaries in special computer-equipped classrooms and at some workplaces provided with the remote access to ASOP Expert.

The following procedures take place in OHS classrooms: pre-examination training, exams, first aid training. Software and hardware used: ASOP Expert for pre-examination, GOSHA mockup for first aid training.

This software and hardware allow for detailed studying of the operating instructions, fire safety instructions, and OHS guidelines, as well as acquire first aid skills. Key functions and activities of the OHS classrooms:

- training of the personnel to use safety methods of works conduct and to apply necessary protective means;
- studying regulatory and statutory documents in OHS;
- familiarizing with hazardous and harmful production factors by which the workers can be affected at workplaces;

– conducting training in OHS, special lessons and check of knowledge of OHS requirements;

– employees' training (with the application of simulators) in first aid application at accidents;

– familiarization with the protective equipment against hazardous and harmful production factors.

The OHS rooms are equipped with stands, OHS banners, TV sets, video cassette recorders, DVD for watching training films and conducting production training.

The OHS corners have the relevant information on the conducted checks at the workplaces, reviews of the injury rate in power engineering, reference information in OHS.

Measures to ensure health and safety of employees during work

To meet the requirements of thee work with personnel in OHS, conduct preventive measures to avoid occupational injuries and diseases as well as to evaluate the readiness to perform professional and job functions, Rosseti Tyumen JSC equipped 50 OHS rooms functioning in the Company. Rosseti Tyumen JSC's OHS classrooms are equipped in compliance with the Recommendations for Organizing the OHS Classroom and Information Board, approved by Decree No. 7 of the Ministry of Labor and Social Development of the Russian Federation dd. January 17, 2001, and the Standard for the OHS Classroom in Power Industry Organizations, approved by Order of the Russian Academy UES of Russia dd. September 27, 2001, RD 153–34.03.107–2001. Costs for equipping road safety classrooms with visual aids and special literature amounted to 367.753 thousand rubles.

1. The Company established the system for responding on violation of OHS requirements pursuant to the Regulation on the System for Responding on Violation of OHS Requirements by Employees of Rosseti PJSC's Subsidiaries and Affiliates approved by Decree No. 144r of Rosseti PJSC dd. March 6, 2017 and put into effect in Rosseti Tyumen JSC by Order No. 191 dd. March 30, 2017 "On measures aimed at preventing employee injuries".
2. The Company organized a system called "Three 'Befores'" pursuant to Regulation approved by Decree No. 114r of Rosseti PJSC dd. March 6, 2017 and put into effect in Rosseti Tyumen JSC by Order No. 191 dd. March 30, 2017 "On System of Measures on Personnel Injuries Prevention".
3. The Company ensured full compliance of the responsible persons (appointed by work permits or decrees) with the Guidelines for the Primary Permit to Work Pursuant to Work Permit (Decree) and Guidelines for Repeated Permit to Work Pursuant to Work Permit, approved by Decree No. 353r of Rosseti PJSC dd. July 11, 2017, and introduced in the Company by the Order No. 395 of Rosseti Tyumen JSC dd. July 18, 2017 "On enhancing the briefing quality".

In order to ensure safe and normal work environments at all production stages, compliance with OHS requirements at all management levels, enhancement of the efficiency and responsibility of officers organizing and supervising the efficiency of the OHSMS and Internal Technical Control System (ITCS) during the "Days 'Since'", the Company conducted inspections of compliance with current OHSMS and ITCS requirements, including compliance with them by officers of the Company's subdivisions who are responsible for implementation of such requirements. Following the identified violations, directors of the Company's subsidiaries were given the instructions; execution of such instructions was supervised by the specialists of the Industrial Safety and Production Control Services.

Injuries and Casualties of Non-Employees

Region	Subsidiary	Accident Type	Number and Nature of Injuries			
			Total	incl. men	incl. teenagers	Fatal cases
The KhMAO-Yugra	Power Grid Complex	Fall from elevations	1	1	0	1

the Southern Tyumen Oblast	Tyumen Electric grids	Electrical injury	2	2	0	1
Total for Rosseti Tyumen JSC:			**3**	**3**	**0**	**2**

9.6. ACTION ON THE REGIONS OF PRESENCE

Over 2019, the Company transferred 8,028,737,749 rubles as tax to the federal budget and regional budgets, including:

		rubles
1	Federal budget	**3,932,984,780.60**
2	Moscow budget	**6,710,756.39**
3	KhMAO-Yugra budget	**2,032,334,487.42**
4	YNAO budget	**1,232,168,155.38**
5	the Tyumen Oblast budget	**823,439,624.02**
6	Sverdlovsk Oblast budget	**972,916.54**
7	Omsk budget	**127,028.73**

Rosseti Tyumen JSC pays due attention to the popularization of highly-demanded sectoral professions, in particular, in the power engineering area. It also takes efforts to form the culture of an energy-efficient lifestyle and safe conduct near the power facilities .

In 2019, specialists of Rosseti Tyumen JSC's subsidiaries conducted 749 electric safety events in the KhMAO-Yugra, YNAO, and the Tyumen Oblast. These events involved more than 35,000 children and some 3.2 thousand adults.

In 2019 the Company traditionally supported the events of the All-Russian Energy Saving and Ecology Festival #Brightertogether (#ВместеЯрче). The specialists organized the Doors Open Day for students and schoolers, teachers of colleges and universities, held excursions to the Company's subdivisions and power facilities. Also, the Company actively facilitated the All-Russian week "Energy Saving and Ecology" and the initiative "Day Without Pay Gates". The participants of these events were students from Yugorsk, Surgut and Nizhnevartovsk State Universities, Surgut, Nizhnevartovsk, Kogalym, Uray, Nyagan and Nefteyugansk colleges which train future specialists for the sector, and the graduates are employed by Rosseti Tyumen JSC. About thousand people took part in these events.

In November the specialists of Rosseti Tyumen JSC took part in the Third Open Conference of Mentors of Russia where they shared their mentoring experience in an electric grid company and told about the trends in the work with young specialists.

Optionally

Quotes

Dmitry Artyukhov, YNAO Governor:

– Rosseti Tyumen is our long-standing partner. In supplies power not only to the Northern cities but also lays the groundwork for supplying power to the key facilities of the power grid complex.

Nadezhda Mazurkevich, Director of the Labor and Employment Department for the Tyumen Oblast:

– Rosseti Tyumen is a socially responsible company providing all the conditions for forming the safe work culture.

Mariya Shatokhina, Director General of NP "Tyumen Business Club":

– We may observe that Rosseti Tyumen considers mentoring as a strategically important component of the personnel development system prioritizing the tasks of forming unique knowledge, skills and competences in their employees and developing their talents, behavior models corresponding to the goals of organization development, increase of personnel involvement and innovative activity. Mentoring is considered as a key strategy for the Company's management.

Chumakina Lyudmila Ivanovna, teacher of the year 3a in the gymnasium No. 1 (Noyabrsk):

– We are very glad to take part in the All-Russian Festival "It's Brighter Together". The children learned very simple but yet very important methods of energy saving. I'm sure that such interaction with power engineers is a very useful practice: energy saving lessons involve schoolchildren in some useful activity, develop responsibility, careful and attentive attitude to power.

9.7.SOCIAL RESPONSIBILITY

Rosseti Tyumen JSC prioritizes corporate social responsibility as a development factor. Being a socially-oriented company, Tyumenenergo JSC adheres to the following key principles:

- non-discrimination in labor relations;
- abolition of all forms of forced and compulsory labor;
- provision of a safe working environment;
- timely payment of wages;
- raising the employees' wages by indexing their tariff rates and salaries;
- having a system of material and moral incentives in place;
- ensuring that every employee of the Company has equal opportunities for personal and professional growth.

To maintain the social stability and develop social partnership, Rosseti Tyumen JSC has entered into a Collective Agreement with its employees represented by the Tyumen Interregional Organization of the Public Association All-Russian Elektroprofsouyz (Power Labor Union). This Collective Agreement of Rosseti Tyumen JSC does not worsen the employees' situation compared to the Russian legislation and the effective Industrial Tariff Agreement of Russian Power Engineering.

Rosseti Tyumen JSC also has a Non-State Pension Program in place to ensure a worthy standard of living for its retirement-age workers. The Company's participation in a non-station pension program strengthens the trust of its employees, helping stabilize it and make the average age lower.

Besides, Rosseti Tyumen JSC actively helps its employees to improve their housing. A long-term program has been adopted pursuant to the Rosseti Tyumen JSC Regulation on Corporate Assistance and Support for Housing Improvement. The program prioritizes high-skilled specialists that urgently need better housing, including young managers, specialists, and workers of the major production subdivisions.

Beside material incentives, Rosseti Tyumen JSC also has moral ones.

More than 1,100 of the Company's employees have been granted awards of various denominations. 29 people got departmental awards, including 2 employees granted the Honorary Title of an Honored Power Engineer. Seven persons were awarded Diploma of the Ministry of Energy of the Russian Federation. 20 people were awarded the letters of acknowledgment of the Ministry of Energy of the Russian Federation. Corporate awards of Rosseti PJSC were presented to 121 persons, including the conferment of the Honorary Title " Honored Employee of Power

Grid Complex" to one person, the Honorary Title "Labor Veteran of Power Grid Complex" - to 15 people. One employee was awarded with the Grade 2 Honorary Badge for Contribution to Development of the Power Grid Complex, 7 persons were awarded with the badge for Professional Skills; 82 people were awarded the Honorary Diploma of Rosseti PJSC, and one was named on the Roll of Honor of Rosseti PJSC. 49 people got industry-specific awards. Over 200 employees of the Company were granted regional awards from public authorities and local self-government. For their merits and many years of work in the power industry, over 300 employees were granted the Honorary Diplomas and Letters of Appreciation from Rosseti Tyumen JSC; 27 were named on Company's Roll of Honor; more than 500 people were granted awards from their branches.

For employees living in the Far North or equivalent areas, the Company offers a Wellness Program for Children and Families to help them recover. 647 people - the Company's employees with their children improved their health in the Black Sea coast health centers. The Company organized summer trips to health resorts for children, 158 of whom traveled to the Black Sea and 28 people - to Southern the Tyumen Oblast.

Rosseti Tyumen JSC is a socially responsible company. To popularize a healthy lifestyle, promote interest in the employees to sports and physical culture, the Company leases sport facilities: gyms, exercise rooms for sport games (volleyball, basketball, mini-football, table tennis), ice arenas, swimming pools. Within the Spartakiad, Rosseti Tyumen JSC organized and held contests on 9 kinds of sports for the Company's employees (ski racing, ping-pong, track and field, kettlebell lifting, basketball, chess, volleyball, swimming, indoor soccer). Also, the Company forms combined teams and facilitates the participation of its employees in corporate, sectoral and All-Russian sports events.

The Company traditionally honors power engineering veterans. For the senior generation the Company organizes festive events to celebrate the Victory Day and the professional celebration of the Day of Power Engineer.

The Company's social responsibility also manifests in regular special actions conducted together with the regional Charity Funds and intended for the support and treatment of seriously ill children.

9.8. SPONSOR SUPPORT PROJECTS

Charity to individuals and legal entities is mainly provided in the following areas:

- facilitating the education, science, culture, art, enlightenment;
- facilitating physical culture and popular sport;
- social support and protection for citizen, including financial support for the impoverished, social rehabilitation of the unemployed, disabled, and other persons who are not capable of protecting their rights and lawful interests due to their physical, mental, or other conditions;
- protection and maintenance of buildings, sites, and territories of historical, cultural, religious, or environmental significance;
- social rehabilitation of orphans, children left without parental care, children suffering from neglect, children in a difficult real-life situation;
- facilitating the preventive medicine, treatment, rehabilitation and civic health care as well as promoting a healthy lifestyle, improving moral & psychological state of citizens;
- assistance for victims of natural disasters, environmental, industrial, and other catastrophes, social, national, and religious conflicts, repressions, as well as for refugees and internally displaced persons.

In 2019 no sponsored projects were implemented.

10. ENVIRONMENTAL POLICY

By the resolution of the Board of Directors of Tyumenenergo JSC No. 26/17 of October 6, 2017 joined to the implementation of the environmental policy in the power grid complex and approved the Policy as an internal document of Tyumenenergo JSC with the implementation of the Plan of measures for the Policy realization.

The purpose of the environmental policy of the power grid complex is the provision of the level of production processes when the action on the environment, personnel and population in the presence regions now and in the longer term ensures the preservation of natural eco-systems.

Key principles of the Environmental Policy implementation:

– compliance principle – provision of the production activity compliance with legal and other regulatory requirements, including the international ones;

– principle of prevention of the production activity negative influence – a system of actions aimed at the prevention of dangerous factors which may negatively influence people and the environment;

– principle of readiness – continuous readiness of the personnel for the prevention of technogenic accidents, other emergencies and elimination of their aftermath;

– system principle – systematic resolving of environmental safety provision issues, planning and conducting nature protection activities.

10.1. ENVIRONMENTAL COMPLIANCE

Environmental Management System (EMS);

Rosseti Tyumen JSC is a modern, large and technologically complex company. To improve the Company's efficiency in production, environmental safety, OH&S, the Company took the following actions: certification of the Company's management system on the basis of the principles of the EMS international standards, quality management and OH&S.

In the period of October 21 to November 1, 2019 a regular EMS inspection audit was conducted in Rosseti Tyumen JSC to check the compliance with international standard ISO 14001:2015. Objective: in addition to compliance check, inspect the Environmental Management System efficiency.
EMS has been in effect in Rosseti Tyumen JSC since 2008. The experts were the auditors from the independent body on the certification of the strategic management systems (SMS) DQS. According to the results of the audit the experts recommended to extend the certificate. This confirms the fact of high technological and environmental safety of the Company. In general, for 2018–2019 the following goals were achieved on key indicators of industrial safety, OH&S and environmental protection: no accidents (casualties happened to the Company's workers), no accidents and emergencies at production facilities and critical sites, no accidents relating to causing damage to the environment.

Environmental Management System (EMS) as the basis of the Company's environmental safety

The Company's environmental management system is the tool which allows increasing the performance and efficiency of the measures of the production environmental safety. To do this, Rosseti Tyumen JSC conduct the following :

– identified the processes aimed at environmental safety provision;
– identified the sequence and interconnection of these processes;
– defined the criteria and methods of evaluating the performance of the EMS functioning;
– provided the availability of resources for the EMS functioning;
– constantly performs monitoring and measurement of the environmental safety level;
– takes the measures for continuous EMS processes enhancement.

The table provides the main goals of the environmental safety provision processes and the performance of these processes (for 2019).

Environmental safety provision processes	Process objectives	Process results Rosseti Tyumen JSC for 2019
1. Provision of the atmospheric air quality in the presence regions	1.1. Reducing polluting emissions in the atmosphere	Polluting emissions – 37 tons/2018 2019-28tons/2019. *The process objective has been achieved*
	1.2. Providing the efficiency of dust-collecting systems (DCS) with the confirmation of the result by the Minutes of measurement with specialized accredited centers	DCS cleaning efficiency is confirmed (not lower than 95 %). *The process objective has been achieved*
	1.3. The evaluation of the atmospheric air quality (quality compliance with regulatory requirements – AAS[6]) at the border of land lots of production facilities (PF)/	Measurements were conducted at the borders of land allotment of the PF of three branches with the engagement of specialized accredited centers. No excess in AAS is identified. *The process objective has been achieved*
	1.4. The identification (absence) of the Company's facilities in relation to the excess in the level of physical action on the environment (noise, EMI)	2018 – zero objects; 2019 – zero objects. *The process objective has been achieved*
2. Water facilities quality provision	2.1. The evaluation of underground water quality of in-house artesian wells (absence of water quality decrease as compared with the terms set in the license agreements of extraction licenses)	The evaluation of underground waters required by the license agreement was conducted. No water quality deterioration was identified. *The process objective has been achieved*
	2.2. Preventing losses of water taken from water reservoirs to be used in production & economic activity	No water losses. *The process objective has been achieved*
3. Provision of the soil quality at the Company's industrial platforms	3.1. Arrangement of the waste accumulation sites	Plan: arrangement + overhaul of an open platform for accumulating used transformer oil (MHO). Conducted: 2 MHO, costs – 2,208 thousand rubles. *The process objective has been achieved*
	3.2. Evaluation of soil quality in the sites organized for wastes accumulation	According to the obtained evaluations, no excess radioactive indicators are found at the sites of waste ferrous and non-ferrous metals. No excess values are registered for the oil products at the sites of used transformer oil accumulation. *The process objective has been achieved*
4. Preserving the fauna biodiversity in the presence regions	4.1. Construction/reconstruction of OPL with the application of self-bearing insulated wires (Steel Insulated Wire – efficient protective means against birds)	Planned/actual 2019: 0.16 thousand km. *The process objective has been achieved*
	4.2. Preserving biodiversity: OPL equipment with bird protection devices (BPD)	Planned 2019 – 2,800 items Actual 2019 г. – 5,680 items *The process objective has been achieved*
5. EMS upgrade and enhancement	5.1. Organization of training for executives and specialists of the Company in the area of environmental safety and the persons admitted to waste handling	Planned – 42 people. Actual– 89 people. *The process objective has been achieved*

[6] Ambient air standard

6. Provision of environment protection in the presence regions	6.1. Provision of the secondary use of transformer oil (regeneration)	Planned 2019 – 17 tons. Actual 2019 – 30 tons. *The process objective has been achieved*
7. Evaluation (indicators) of the compliance with regulatory requirements and ISO 14001. Timely elimination of the environmental damage aftermath at the occurrence of production emergencies	7.1. Reduction in the number of material violations revealed in the course of production environmental control (self-control) in relation to a general quantity of the inspected facilities by 0.5 % against the previous year.	Actual 2019 – 1.4 %. *The process objective has been achieved*
	7.2. The number of technological damage (accidents, emergences) having negative environmental aftermath	0 *The process objective has been achieved*
	7.3. Timely update of the documents in the course of the state system of environmental limitations including the state environmental accounting.	100 % implementation. *The process objective has been achieved*

Documents regulating environmental protection activity in Rosseti Tyumen JSC

Provision of environmental safety, protection and rational use of natural resources of Rosseti Tyumen JSC is based on the full compliance with the requirements of the RF law in force.

Rosseti Tyumen JSC has all necessary permits and environmental protection documents with the specified principles of nature use for the Company's subsidiaries conditions.

Register of main permitting documents of Rosseti Tyumen JSC:

No.	Document name	Federal executive authority[7] issuing the document
1	License on collection, transportation, processing, disposal, deactivation, location of wastes of the I–IV hazard categories	Federal Service for Supervision in the Sphere of Natural Resource Use
2	Water use agreements for the conditions at the branches of Surgut and Nefteyugansk Electric grids (small boats staying in the water facilities area)	Department of Khanty-Mansi Autonomous Okrug
3	Licenses for the right of subsoil use (groundwater extraction for technological water supply to the Company's branch facilities). 15 license agreements with regional Departments	Subsoil Use Department of KhMAO-Yugra, YNAO and the Tyumen Oblast
4	Registering the facilities of Rosseti Tyumen JSC with the state register set by the Governmental Order No.1029 of the Russian Federation of September 28, 2015	60 facilities of the 3d category (as insignificant impact facilities) were registered and received certificates of the regional Departments of Federal Services on Supervision in Natural Resources Use

Biodiversity Conservation in Presence Regions

Information about rare and endangered species of plants and animals of Russia is given in the Red Book of the Russian Federation and Red Books of the constituents of the Russian Federation which are official legal documents regulating protection of rare species of animals, plants, and mushroom.

On power lines, Rosseti Tyumen JSC conducts biotechnical activities, installing bird guards aimed at (but not limited to) preserving rare species, such as fish hawk, white-tailed eagle, peregrine falcon, and Siberian crane.

[7] FEA – federal executive authority.

For 2019 5,680 items of BPD were installed on the power lines which is marked as a significant scope of conducted works on BPD installation. Such devices provide the ornithological safety of power grid facilities and reduction of the OPL disconnection .

Water intake from water objects

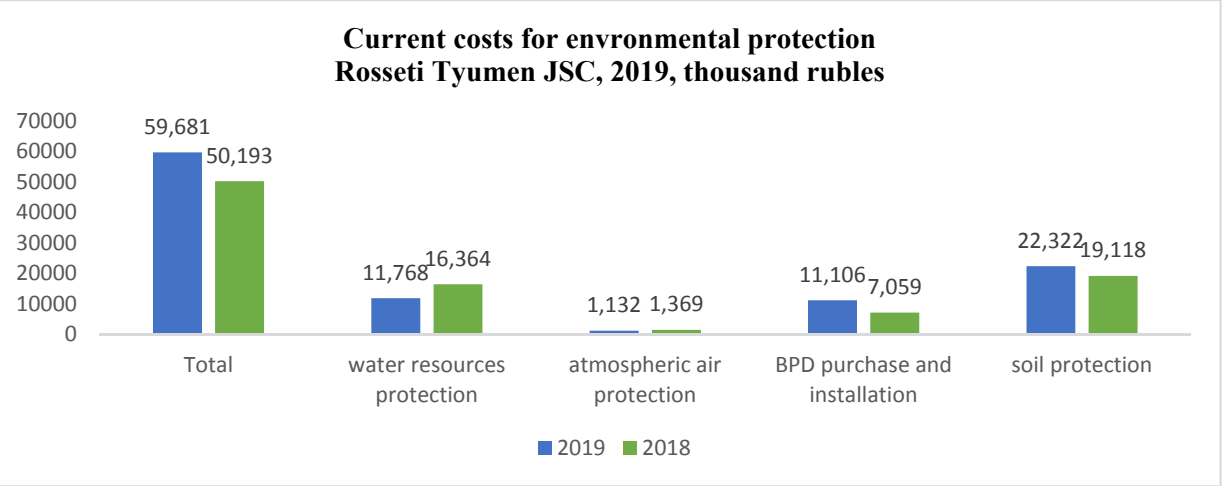
The branches of Rosseti Tyumen JSC comply with the set norms of water use, water consumption for the utility and technological purposes is regulated by the subsoil use licenses. Water intake in 2019 was conducted within the set regulations. No violations. The Company's branches have no surface impoundment.

Key points of water consumption of Rosseti Tyumen JSC (in general for the Company)

No.	Indicator	2018, thousand cu.m per annum	2019 thousand cu.m per annum	Permitted water use limit, thousand cu.m per annum
1	Water intake of in-house artesian wells	28.436	27.303	75.196

Total Environmental Protection Costs

Environmental program financing is mostly aimed at fulfilling requirements of the environmental legislation of the Russian Federation, as well as international and local corporate standards. In total, 59,681 thousand rubles were spent on environmental protection measures in 2019.



Environmental awareness and responsibility of personnel Environmental acts

Rosseti Tyumen JSC annually plans the personnel environmental education system which helps enhance personal responsibility of every employee for compliance with environmental and industrial safety requirements.

In 2019, 89 employees were trained (52 on waste handling access; 29 on environmental safety; 8 on internal environmental audit pursuant to ISO 14001:2015). Total expenses amounted to 696 thousand rubles.

In the framework of the All-Russian act "Zhivi Les" ("Life to Forest") the personnel of Noyabrsk Electric grids cleared the territory of the forest lots in the vicinity of Noyabrsk from garbage dump. 6 tons of tires were submitted for recycling and 40 m^3 of wastes were transmitted for disposal. By the order of Director of Nature & Resource Department of the Yamalo-Nenets Autonomous Okrug No. 708-ok of October 29, 2019 D.V. Yakovlev was awarded a commendation for a great personal contribution into the solution of such important problems.

In 2019 all the branches organized and conducted community cleanup days at their production territories. The personnel of Rosseti Tyumen JSC actively participated in all the measures on territorial improvement and planting organized by the city and district authorities.

Industrial Environmental Control

Against the background of administrative barrier reduction which manifested itself in the increased time intervals between scheduled checks of the Rosseti Tyumen branches checks as the companies of the 3d category (insignificant impact objects) by Rosprirodnadzor from three to five years and also in setting a possibility to conduct documentary checks without visiting a company, the part of production environmental control alongside with the responsibility of Rosseti Tyumen JSC in part of its necessary conduct has significantly grown.

Production environmental control in Rosseti Tyumen JSC is conducted with the engagement of specialized analytical centers of Rosprirodnadzor and Rospotrebnadzor and is implemented in two directions:

– evaluating natural environment elements outside the production facilities (atmospheric air, electromagnetic and noise characteristics of atmospheric air);

– control of technogenic facilities, including the sites of waste accumulation, platforms of in-house artesian wells, control of emission sources (combustion gases of small boiler houses, maintenance shops and painting posts).

A well-organized system of production environmental control allows evaluating the state of natural environment at the place of production facility location and timely reveal negative changes that can occur under the action of anthropogenic factors.

Reporting period results:

Atmosphere-pollutant emission volume does not exceed the maximum tolerable values (MTV) approved by local directorates of the Federal Supervisory Natural Resources Management Service (Rosprirodnadzor);

– the quality of extracted potable underground water corresponds to the one established by license agreements;

Physical impact (noise, electric and magnetic field) does not exceed the maximum tolerable level prescribed by sanitary regulations.

In compliance with the requirements of international standards and applying the principles of building and implementation of the EMS, Rosseti Tyumen JSC aims at further improvement of its activity environmental safety.

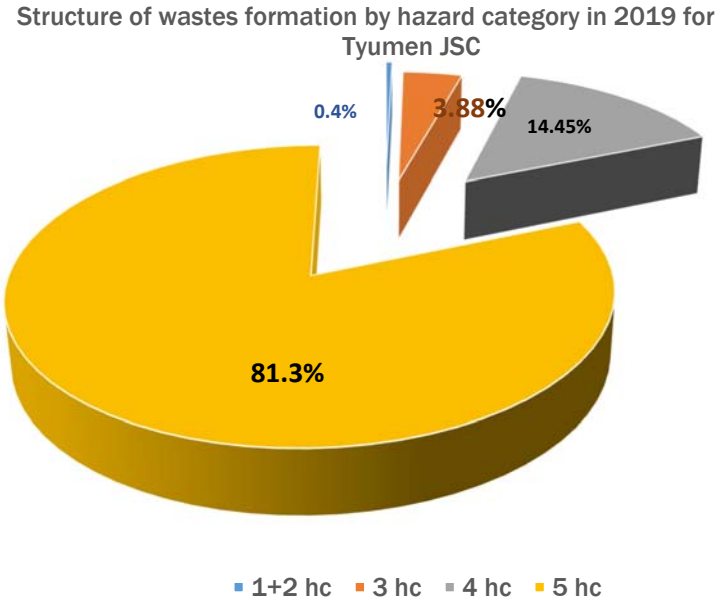
10.2. DISCHARGE AND WASTE

Waste Handling

The volume of wastes formation in 2019 amounted to 4,998.776 tons which is by 38 % higher than the volume of 2018 (3,611 tons). Such increase is explained by the growth of the share of the wastes of the 5th danger class (by 48 %), specifically – by 2.5 times growing volumes of ferrous metal formation (2,259.63 tons in 2019 against 886.839 tons in 2018) and 2 times growing volumes of non-ferrous metal formation (319 tons in 2019 against 153 tons in 2018).

Correspondingly, the volume of secondary materials involvement in the turnover also increased in 2019 by 2.5 times (2,898. 2 tons in 2019 against 1,157 tons in 2018).

The location of wastes disposed in 2019 (in the environment) decreased by 5.5% (2,077.9 tons in 2019 against 2,198 tons in 2018).



Actual Tyumenenergo JSC's waste generation in 2018-2019 is presented in the table below.

tons

No.	Indicator	2018	2019
1	Hazard Category I (dead mercury-arc lamps)	2.095	2.335
2	Hazard Category II (dead batteries)	14.597	17.728
3	Hazard Category III (discharged oils, vehicle oil filters)	251.223	194.074
4	Hazard Category IV (accommodation space waste, discharged ties, office appliance waste, construction waste)	944.148	722.156
5	Hazard Category V (ferrous and non-ferrous metal, wood waste, glass and porcelain insulation waste)	2,398.963	4,062.483
6	TOTAL	3,611.026	4,998.776
Waste Handling			
7	Disposed	2,197.920	2,077.973
8	Utilized	1,157.222	2,898.163

The implementation of the Plan of measures in the framework of the power grid complex environmental policy by Rosseti Tyumen JSC in 2019 as well as the conduct of scheduled environmental protection measures on the optimization of formed wastes handling and the evaluation of the production impact on the environment allowed setting the payment for negative environmental impact at a low level. In 2019 this payment equaled 550 thousand rubles(in 2018 – 632 thousand rubles). All the work conducted in environmental protection n 2019 makes Rosseti Tyumen JSC maintain a high level of environmental safety.

10.3. ENERGY CONSUMPTION

Energy consumption figures, including intensity values, are presented in the table below:

No.	Goal	Unit	2017	2018	2019
1	Total power loss	million kWh	1,699.96	1,640.20	1,547.02
		% of power supplied	2.61	2.84	2.66
2	In-house needs of substations	million kWh	82.05	89.12	83.24
		% of p. 1	4.83	5.43	5.38
		kWh/c. u.*	487.04	527.23	479.07
3	Energy consumed for economic needs of administrative buildings, including:	thousand TOE	16.63	16.25	15.20
3.1	Electric energy	million kWh	68.95	63.40	57.20
		kWh /m²**	192.10	176.63	159.36
3.2	Heat energy (building heating systems)	Gcal	37,840.37	39,419.15	38,616.25
		Gcal/m³***	0.034	0.036	0.035
3.3	Natural gas (including liquified)	thousand m³	1,922.65	2,098.20	2,030.41
3.4	Other fuel resources (oil)	thousand tons	0.51	0.41	0.33
4	Cold water consumption for economic needs	thousand m³	69.01	60.59	63.56
5	Total consumption of engine fuel by vehicles	thousand l	4,596.07	4,709.86	4,382.68

** 2019 value of substation equipment conditional units totaled 173,759.*

*** Area of buildings and structures operated amounts to 358,952.41 m².*

**** Volume of buildings and structures heated amounts to – 1,097,327.5 m³.*

In 2019 one could observe a positive dynamics of power efficiency consumption for electric and thermal power, oil, gas, motor fuel, which shows the effectiveness of the power saving policy in place in Rosseti Tyumen JSC.

10.4. TRANSPORTATION

Rosseti Tyumen JSC updates its vehicles on a regular basis putting the old ones from the operation. New vehicles have a higher environmental category which allows diminishing negative environmental impact.

At charging stations installed by Rosseti Tyumen JSC in 2017 in Surgut and Tyumen, Company-owned and individual-owned electric vehicles are charged.

Thee e-mobiles, purchased by Rosseti Tyumen JSC, are applied in the production process.

11. CORPORATE COMMUNICATIONS

The Rosseti Tyumen JSC's communications policy is executed in strict compliance with Rosseti Group's Uniform Communications Policy and emphasizes transparency, accessibility, operativity, and reliability of information.

Rosseti Tyumen JSC's corporate communications form the centralized and well-balanced system that handles internal and external information flows, creates the Company's sustainable positive image, and determines the business reputation both in the internal and external environments. The Company's activity in corporate communication complies with the objectives and goals adopted in the Rosseti group of companies.

Effective addressing of external communicational objectives with due regard to transparency, completeness, and reliability of information is what positively impacts the Company's reputation in the business environment and in public. The Company's corporate communications are generally aimed at reinforcing and developing relations with business, expert,

professional and scientific communities, governmental authorities and local governments, non-profit organizations, mass media, major enterprises, small and medium-sized enterprises, and citizens.

11.1. GOVERNMENTAL AND PUBLIC RELATIONS

Building up efficient governmental and local governmental relations in the area of responsibility of Rosseti Tyumen JSC facilitates adoption of the territory development programs that are aligned with the regional ones, contributes to the safety of a power grid complex resolutions on the Company's investment program fulfillment in the Tyumen Oblast, the KhMAO-Yugra and the YNAO.

Rosseti Tyumen JSC's public relations officers support and develop long-standing and regular contacts with press services of state authorities and local governments, agitation and PR departments of the regional subdivisions of the Main Directorate of the Ministry of the Russian Federation for Civil Defense, Emergency Situations and the Rectification of the Consequences of Natural Disasters of the Khanty-Mansi Autonomous Okrug — Yugra, the Yamalo-Nenets Autonomous Okrug, and the Tyumen Oblast, regional expert community, Chambers of Commerce and Industry in the Tyumen Oblast and the KhMAO-Yugra, regional offices of All-Russian public organizations Delovaya Rossiya, Opora Rossii, and All-Russia People's Front.

The Company interacts with various public organizations, supports public initiatives, thereby building its image of a socially-minded company serving interests of various public institutes.

The Company's work and the work of its specialists was multiply marked with letters of acknowledgment from governmental agencies, including acknowledgment for social partnership, electrical accident prevention work, popularization of power engineering professions, promotion of a power saving lifestyle.

11.2. CONGRESSES AND EXHIBITIONS

Congresses and exhibitions are very important for Rosseti Tyumen JSC as a part of developing brand relations and positioning as the leading electric grid company in operation regions, as well as of forming and maintaining the Rosseti PJSC's image.

In 2017, Rosseti Tyumen JSC specialists joined 41 events: All-Russian and regional exhibitions, conferences, forums dedicated to digital transformation, innovations, energy efficiency, energy safety, occupational health and safety, operation area expansion. Within the framework of these events, Rosseti Tyumen JSC was introduced as one of the leading distribution electric-grid companies following the approach of innovative growth, social responsibility, and customer service.

The most significant events where the specialists of Rosseti Tyumen took part in were Russian Investment Forum (February 14–15, 2019,Sochi), All-Russian OHS Week (April 22–26, 2019, Sochi), Russian International Power Forum (June 24–28, 2019, Saint-Petersburg), Saint-Petersburg International Economic Forum (June 06–08, 2019, Saint-Petersburg), International IT-Forum with the participation of BRICS and SCO countries (June 10–11,2019, Khanty-Mansiysk), Russian Power Engineering Week (October 02–05,2019, Moscow), Congress of Mentors of Russia "Mentoring: Effectiveness and Quality" (November 25–26, 2019, Tyumen),Tyumen digital forum and IT exhibition "INFOTECH-2019" (November 13–14, 2019, Tyumen), International Forum "Electric grids" (December 03–06, 2019, Moscow).

At the Russian Investment Forum Rosseti Tyumen and Corporation STS concluded the cooperation agreement on the issues of increasing the reliability of consumers and improving power safety of the Tyumen Oblast, KHMAO-Yugra and YNAO.

At the XI International IT Forum with the participation of BRICS and SCO countries the company Rosseti Tyumen JSC and Rostelecom PJSC ПАО «signed the Cooperation agreement

for increasing the power engineering efficiency by means of automation and introduction of the industrial Internet technology.

At the regional platform of the Festival of professions “Ticket to Future” of the All-Russian project “ProeKTOriYA” (October 28–31, 2019, Tyumen) the specialists of Tyumen Distribution Grids organized an industry-specific platform for career guiding work with schoolers of 6-11 years of study. For three days at this platform power engineers told about the sector digital transformation, resolved the cases together with students and connected chains and circuits.

Participation of Rosseti Tyumen JSC’s specialists in congresses and exhibitions is of high importance for experience exchange, establishing relations with equipment and software vendors, representatives of state authorities, business community, mass media, and public organizations of various level.

The Company’s achievements of 2019 include the victory in three categories of the All-Russian competition “Best Electric Grids of Russia”: “Best Power Supply”, “Efficient Power Saving” and “Innovative Project of the Year”; leadership positions in the reliability rating by the year-end 2018 among power grid companies of Russia (the rating was made by EnergoNews Media on the basis of comparable parameters of power companies from 70 RF entities); diploma of the laureate of the International competition of scientific, R&D and innovative works intended for the development of fuel & energy and mining area for the contribution to the TEC development; 3d place in the rating of state companies loyal to small and medium sized businesses , conducted by the initiative of ANO “Agency for Strategic Initiatives”; victory of the team “Energy of Thought” which included 11 young specialists of Rosseti Tyumen JSC, in the Youth Forecast of Global Power Engineering Development (organizer - Ministry of Energy of Russia and the Fund of Educational Projects “Reliable Shift”); diploma of the state competition “Best Video Material in Safety Labor Promotion” (organizer - administration of Surgut); Acknowledgement of Deputy Head of Surgut for active participation in OHS events and active social responsibility.

The results of Rosseti Tyumen JSC participation in various congresses and exhibitions confirm the fact that the Company continues its targeted work for maintaining and increase of publicity capital, forms a favorable communication environment for business using various tools and channels for enhancement of information influence and promoting its interests in the external environment .

11.3. INTERNAL AND SOCIAL RELATIONS

Rosseti Tyumen JSC actively develops the current internal relations instruments and creates new.

As usual, in 2018 the Company published 6 Rosseti Tyumen appendices to Russian Grids (Rossiyskiye Seti) monthly newspaper, which is an important tool for informing the employees of the Company’s activities and providing them with non-material incentives. The appendix’s key topics are Development, Our Brand, Good Example, Young but Skilled, Experience, Professionals, Occupational Safety.

The Company’s internal portal is another method for informing the employees of the Company’s life. The key publication topics are sports, cultural, internal events involving no other people than the power engineers.

Also, the Company intensely uses social media and blogs. Rosseti Tyumen JSC has official accounts on Instagram, Facebook, VKontakte, Twitter, with the total base of 8,000 subscribers.

One of Rosseti Tyumen JSC’s highest-priority social tasks in 2019 was promotion of energy-saving lifestyle and power engineering professions, and prevention of electric injuries among students of educational institutions.

Prevention of electric injuries among various groups remains one of the key fields of social relations. The employees of Rosseti Tyumen JSC conducted 749 prevention lessons over the year,

including the lessons in schools, kindergartens, school camps. More than 38 thousand people were involved in the events.

As a part of the All-Russian #BrighterTogether Festival, the Company conducted a series of events dedicated to care for energy resources and promotion of energy-saving lifestyle at educational institutions of the Tyumen Oblast, Yugra, and YNAO.

The Company organizers corporate, anniversary, celebration, sport events, competitions to develop a cross-functional cooperation between its employees which help to strengthen and distribute the values of the Company's corporate culture. The events, organized for the employees and their family members, also contribute to the unity of employees and maintain the Company's positive image.

In 2019 the Company continued cooperating with the Center of Patriotic Heritage of Surgut Local History Museum. In the course of a traditional meeting "Na privale" and the local history project "Soldier of the Mother Land" on June 22 - Day of Memory and Mourning - for the Great Patriotic War veterans and the equivalent groups of citizens the Company organized a field kitchen.

The workers of Rosseti Tyumen JSC take part in mass events organized by local self-government bodies to celebrate the Victory Day as well as in the demonstrations of working people on the 1st of May organized together with Trade Unions.

The Company's employees support a regional charity fund helping children and the youth with severe diseases "Blago Daryu", the community helping homeless animals "Dai Lapu" and take part in the initiatives of voluntary organizations.

11.4. COMMUNICATIONS WITH MASS MEDIA, SOCIAL MEDIA, AND BLOGS

The Company's relations with federal and regional mass media are built on the principles of impartiality, transparency, fairness, and professional ethics. Communications with mass media of the Tyumen Oblast, the KhMAO-Yugra, and YNAO enable the Company to promptly provide its consumers and other target groups with reliable and complete information about the electric grid company's activities and important industry changes.

Using mass media, the Company manages the consistent work on promoting the energy efficiency among the population, prevention of electric injuries among various target audiences. Awareness campaigns in these fields are based on broadcasting social video and audio materials within the Company's responsibility area, and social advertising in periodicals. Within the energy-efficiency festival #BrighterTogether, the Company's team participates in forming the intensive agenda for regional mass media workers preparing materials on care for energy resources, and in organizing the festival events.

One of the focal areas in mass media relations is the awareness campaign dedicated to prevention of energy stealing. Consequences of unlawful activities against power facilities are published and broadcast. The problem of receivables and related liabilities is also continuously covered.

Within its responsibility area, Rosseti Tyumen JSC implements the Governmental Energy Policy in compliance with Rosseti PJSC's unified relations policy. Awareness, preventive, educational, and image-building objectives are handled with the use of various mass media instruments: from consistent campaigns to individual materials, press-releases describing the Company's activities, press points, press-conferences, and press-tours to Tyumen power system facilities.

Digitalization of the power grid industry was one of the hottest topics covered by mass media in 2019. The quality breakthrough in power industry upgrade elicited strong response from the

journalism community and saturated the information field with plethora of digital transformation-related materials of various type and content.

In December the main issue of the information agenda was putting into operation of four new substations 110 kV in the area of responsibility of Rosseti Tyumen JSC: Prichal and Molodezhnaya - in the Tyumen Oblast, Argo - in the KhMAO-Yugra, GDN - in the YNAO. The covering of this event was managed by the PR Directorate within the dedicated campaign.

In the course of year the Company successfully implemented a range of information campaigns to support the projects implemented over the Rosseti group of companies: in spring - regional stage of the All-Russian School Olympiad, in August - All-Russian Competitions of Professional Skills between maintenance teams of DG of Rosseti PJSC and the first All-Russian competition "Power Engineering Leaders". In a systematic way the Company provided information coverage of the key event of 2019 – transition of the Rosseti group of companies to the uniform brand architecture.

In total, as of the year-end 2019 the Company was mentioned in mass media 5,100 times which is by 1.8 times higher than in 2018. On the Company's website, 255 production-related press releases are published and sent to mass media editorial boards.

The following results were reached in promoting Rosseti Tyumen JSC's brand with the use of social media: the Company's Instagram (priority promotion platform) has 5,000+ subscribers, having gained 65 % against 2018. In total, the Company published over 400 posts in social media in 2019.

11.5. COMMUNICATION BETWEEN ROSSETI TYUMEN JSC AND CONCERNED PARTIES

No.	Concerned Party	Concerned Party Interest	Interaction with Concerned Parties	Measures Taken to Serve Concerned Party Interest in 2019
1	**Shareholder**	1. Company's sustainable growth and efficiency. 2. Transparency of the Company's operation and management. 3. Dividend payout.	1. General Shareholders Meeting. 2. Annual Report. 3. Federal and regional mass media. 4. Corporate Website.	1. The IFRS profit amount for the year was 2,455 million rubles.; dividend payout in 2019 on the work results for 2018 wasn't performed. 2. Specific operational costs per 1 conditional unit reduced by 4.4 % in 2019 against 2018. 3. Information voluntarily disclosed pursuant to the Russian securities market legislation.

2	**Consumers**	1. Reliable, fail-safe and high-grade power supply. 2. High quality of service. 3. Information transparency and availability. 4. Fulfilling demand for the Company's services.	1. Customer service center/offices. 2. Customer account. 3. Contact center 4. Technical disturbance hotline. 5. Surveying. 6. Corporate website (online reception). 7. Regional mass media.	1. Agreement-based campaign of 2019 (Decree No. 112r dd. 10/1/2018 "On arrangement of the agreement-based campaign 2019") resulted in 80 agreements concluded: 1 with SLR, 26 with COs, 46 with LGOs, 1 with FGC UES, 6 direct. 2. Compulsory information disclosure was done. pursuant to Decree No. 24 of the Government of the Russian Federation dd. January 21, 2004 "On Approving the Standards for Information Disclosure by Entities of the Wholesale and Retail Power Markets). 3. To inform the consumers, the Company regularly places and upgrades the information on the scheduled power outages at its corporate website and in the social media
3	**Public (residents of the Company operation regions, public organizations, mass media)**	1. Reliable and sustainable operation of the power system. 2. Fail-safe power supply 3. Fulfilling demand for electric energy and power. 4. New workplaces. 5. Social-economic development of the regions of operation. 6. Transparency and availability of the information regarding Company operation. 7. Energy safety. 8. Energy saving. 9. Ecological safety and environment protection. 10. Implementation of social programs. and the Company's social responsibility	1. Interaction with mass media (digital, printed, TV, radio) of various levels (federal, regional, local). 2. Informing via the corporate website. 3. Social grids. 4. Support of social projects in regions of operation, implementation of own social projects. 5. Interaction of manager and specialists with public institutions, including meetings with students and veterans. 6. Electrical accident prevention. 7. Energy-saving lifestyle cultivation. 8. Power engineering profession popularization. 9. Congresses and exhibitions. 10. Contests and competitions.	1. 255 production-related press releases, more than 400 social media publications. 5, 100 Company mentions which is 1.8 times higher than in 2018. 2. 749 events held at educational institutions of regions of operation within the framework of the project Electricity is Safe. More than 38 thousand people took part in them. 3. Over 40 events cultivating energy-saving lifestyle held at educational institutions. 4. Doors Open Days for the students of the Yugra, Surgut, and Nizhnevartovsk State Universities, as well as Surgut, Nefteyugansk, Uray, Kogalym, Nyagan and Nizhnevartovsk Colleges preparing future industry professionals. 5. 925 thousand rubles were spent for general improving and landscaping of in-house objects. 6. 5,680 BPD were installed on power lines which ensures ornithological safety of power grid objects and reduces the number of OPL outages. 7. To-be-disposed waste volume decreased by 6 % against 2018. The volume of secondary materials in the turnover increased by 2.5 times (2,898 tons against 1,157 tons in 2018). 8. 59 million rubles spent on the environmental protection. 9. In the framework of the All-Russian initiative "Live Forest" the employees of Noyabrsk Electric

				Grids cleaned the territories of forest sections from garbage in the vicinity of Noyabrsk. 6 tons of tires were submitted for recycling and 40 m^3 of wastes were transmitted for disposal. By the Order of the Department for Natural Resources Regulation, Forest Relations and Oil & Gas Complex Development of YNAO No. 708-ok dd. 10/29/2019 Branch Director Yakovlev D. V. received an official message of thanks. The personnel of this branch is also marked by the Acknowledgment Letter from Noyabrsk Administration Head for the undertake initiative and active participation in the actions aimed at maintaining of environmentally and aesthetically organized urban environment and provision of support in the city improving and landscaping events. 10. The Company received an official message of thanks for the implementation of nature preserving events and participation in the All-Russian competition of the best regional nature preserving practices “Reliable Partner - Ecology”. 11. The Company is the winner in three categories: “Reliable Power Supply”, “Efficient Energy Saving”, and “Innovative Project of the Year” of the 8th All-Russian Contest “Russia’s Best Electric Grids”.
4	**Regulatory Bodies (federal constituents, municipal formations)**	1. Reliable and sustainable operation of the power system. 2. Participation in projects aimed at territory development. 3. Fulfilling demand for electric energy and power. 4. Tax payments. 5. New workplaces.	1. Coordinating investment programs. 2. Work groups on developing and coordinating complex programs for development of the electric energy industry in regions. 3. Reporting and information disclosure to regulatory bodies. 4. Company representatives’ membership in councils of regulatory bodies of various levels; including councils on professional education development. 5. Participation in operation of regional energy safety offices.	1. The Company participates in the activities of the coordinating authorities on developing Programs for Development of the Power Industry of the KhMAO-Yugra, YNAO, and the Tyumen Oblast. 2. Comprehensive programs for development of the power industry of the KhMAO-Yugra, YNAO, and the Tyumen Oblast in 2020-2024 developed. 3. Taxes paid, including: 2,032,334,487.42 rubles paid to the budget of the Khanty-Mansi Autonomous Okrug; 1,232,168,155.38 rubles paid to the budget of Yamalo-Nenets Autonomous Okrug; the Tyumen Oblast budget – 823,439,624.02 rubles. 4. Rosseti Tyumen JSC’s representative is the member of the Interdepartmental Council for Professional Education of the

				Government of the Khanty-Mansi Autonomous Okrug-Yugra. 5. The Company's representatives are the members of the Headquarters on Regional Energy Safety
5	**Business Partners (suppliers and contractors)**	1. Mutually beneficial and long-standing cooperation. 2. Transparency of the Company operation. 3. Gaining profits from cooperation. 4. Timely and accurate fulfillment of contractual obligations. 5. Fair competition.	1. Procurement activities. 2. Negotiations. 3. Commercial offers. 4. Corporate website. 5. Federal and regional mass media. 6. Thematic seminars and conferences. 7. Advisory body to handle issues related to efficiency of procurement activities conducted by the Company, including procurement from small and medium-sized enterprises.	1. 928 procurements for a total amount of 24,810 million rubles in 2019. 2. Information regarding procurements of the Company (including the Plan) was disclosed in the unified procurement information system and on the Company's website. 3. 100% of competitive procurements were carried out with the use of e-commerce means (electronic trade platforms). 4. Efficiency of procurements came to 1,705.8 million rubles (6.85 % of the declared procurement value). 5. Annual volume of agreements with small and medium-sized enterprises came to 82.90 % of the total procurement volume of 2019; including 24.68 % of procurements involving small and medium-sized enterprises only. 6. On May 31, 2019 the Doors Open Day for prospective participants of the Company's procurements where the equipment manufacturers presented their products. 7. In December a meeting of the Advisory body was held. It was devoted to the issues of providing the Company's efficient procurements
6	**Personnel (employees, labor union, Veteran Board, Youth Board)**	1. Adequate standard of living. 2. Social safety. 3. Labor safety. 4. Opportunities for personal and professional development. 5. Adequate pensions.	1. Collective agreement. 2. Regulation on financial motivation. 3. Regulation on corporate support of the Company's employees in improving living conditions. 4. Labor union organization. 5. Youth Board. 6. Veteran Board. 7. Corporate website and newspaper. 8. Corporate portal. 9. Talent pool. 9. Child and family recreation programs. 10. Personnel training plan. 11. Sports and cultural events.	1. Collective agreement for 2019-2021 signed. 2. Personnel insured in 2019 (including voluntary medical insurance, voluntary insurance against accidents and diseases). 3. Non-governmental pensions were granted to 182 employees. 4. 28 employees received more than 46 million rubles in total for improving their housing conditions. 5. Sports and cultural events were organized and conducted for the amount of more than 17 million rubles in total. 6. 612 employees took part in the Spartakiads of the Company, Rosseti PJSC, competitions conducted with the assistance of the Ministry of Energy of the Russian Federation.

				7. 647 recreation tours purchased for families and children of the Company's employees. 186 children visited camps of the Black Sea and Southern the Tyumen Oblast. 8. Expenditures on occupational safety in 2019 (including costs of providing personnel with protective equipment) came to 279,931.85 thousand rubles. 9. Total number of the employees trained for various specialties came to 6,394 people. Related costs came to 34,292.9 thousand rubles. 10. 132 employees (from the talent pool) were appointed as superior officials.
7	**Educational Institutions**	1. Supporting education development. 2. Training high-qualification personnel for the Company. 3. Improving educational programs in order to implement professional standards. 4. Further training of personnel, re-training of the Company's personnel.	1. Signing cooperation agreements with higher and professional secondary education institutions. 2. Holding scientific conferences. 3. Joint organization of electric graduation project contests. 4. Organization of student teams. 5. Organization of practical training programs. 6. Membership in state examination boards of educational institutions. 7. Organization of excursions to electric-grid facilities for seniors, students, and professors of universities and professional education institutions.	1. Cooperation agreements with 21 universities and professional education institutions in effect. 2. The Company's executives are members of the Guardianship Board of the Federal Budget-Funded Higher Education Institution Tyumen State University and Surgut State-Funded Higher Education State University (the KhMAO-Yugra). 3. The Company's employees participated in the research-to-practice conferences of the Surgut State University and Surgut Polytechnic College. 4. The Company's executives were experts in the Commissions of State Attestation of graduates of higher education institutions and professional education institutions devoted to power engineering and the electrotechnical sector. 5. The Company's executives and employees were experts at the evaluation of bachelor graduation theses devoted to electric energy and engineering presented for the contest in Rosseti PJSC. 6. 80 students joined the student team Energetik in the summer labor season of 2019. 7. Over the year, around 20 excursions to energy facilities and Company services were conducted for students and professors of universities and professional education institutions. 8. the Yugra's first "Professional Power Engineering Class" project implemented (Surgut Lyceum No. 3).

Corporate communications of Rosseti Tyumen JSC as a system of control over internal and external information flows are intended for the formation and strengthening of a positive image and business reputation of the Company in the external and internal environment. Rosseti Tyumen defines objectives and targets mandatory for the fulfillment by all the Company's subdivisions. The objectives and targets relate to the uniform communication policy, key (image) messages for various target audiences. Besides, the Company developed and approved the documents regulating the activity in this area.

External communications play a key role for the of Rosseti Tyumen JSC's implementation of the principles of transparency and authenticity of the disclosed information and contribute to the increase in the Company's investment attractiveness and strengthening its reputation as a reliable power grid facility, governmental partner in the expansion of presence regions. Rosseti Tyumen conducts a focused and systematic work in this area implementing the key principles of a Uniform communication policy of the Rosseti Group of companies.

REFERENCE

Full commercial name of the Company in Russian– Акционерное общество «Россети Тюмень».

Full commercial name of the Company in English – Joint Stock Company «ROSSETI Tyumen».

Abbreviated Company Name in Russian – АО "Россети Тюмень".

Abbreviated Company Name in English – JSC «ROSSETI Tyumen».

Company's location: Russia

Company Place of Business: Surgut, the Tyumen Oblast, Khanty-Mansi Autonomous Okrug — Yugra, Russia Company Address: 4 Universitetskaya St., Surgut, the Tyumen Oblast, Khanty-Mansi Autonomous Okrug — Yugra, Russia 628408Company Address is listed in the Uniform State Register of Legal Entities

State Registration Data:

According to the information specified in the Certificate of State Registration of a Legal Entity registered before July 1, 2002:

Legal Entity State Registration Number	07-4784
Registration Date	March 12, 1993
Registered By	Administration of Surgut

According to the information specified in the Certificate of Entry in the Unified State Register of Legal Entities (about a legal entity registered before July 1, 2002):

Primary State Registration Number	1028600587399
Registration Date	October 14, 2002
Registered By	Inspection of the Ministry for Taxes and Levies of the Russian Federation in Surgut, the Khanty-Mansy Autonomous Okrug

Bank details and other information:

S/a 40702810267170101719, West Siberia Bank of Sberbank PJSC, Tyumen Correspondent Account:

30101810800000000651, West Siberia Bank of Sberbank PJSC, Tyumen

BIK (bank identification code):047102651

INN (taxpayer ID): 8602060185

KPP (taxpayer record validity code): 860201001 (by address in Russia)

KPP (taxpayer record validity code): 997450001 (as a major taxpayer)
ORGN: 1028600587399 (assigned on 10/14/2002)
OKPO: 05770629
OKATO: 71136000000
OKTMO: 71876000001
OKOGY: 4210008
OKOPF: 12247
OKFS: 16
OKVED (main): 35.12

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Reception: +7 (3462) 77-64-10
Fax: +7 (3462) 77-66-77
E-mail: can@id.te.ru
Contact a Specialist: http://www.te.ru/klientam/feedback
Corporate Website: www.te.ru
Shareholder and Investor Relations:
+7 (3462) 77-66-65
+7 (3462) 77-60-50

Registrar of Rosseti Tyumen, JSC
The registrar keeps the register of the issuer's registered securities holders.

Registrar Full Name	Limited Liability Company Reestr RN
Abbreviated Registrar Name	Reestr RN LLC
Registrar Address	2/6 Bldg. 3-4, Podkopaevsky Per., Moscow, Russia 109028
Mail Address	Box 4, Moscow 115172
Telephone / Fax	+7 (495) 411-79-11 / +7 (495) 411-83-12
E-mail	support@reestrrn.ru
Website	http://www.reestrrn.ru
The registrar's license number on the implementation of activity on keeping the register of securities holders.	10-000-1-00330
Issued on	12/16/2004
License Expiry Date	None
Licensed By	Federal Financial Markets Service
Date of Registrar Involvement	12/6/2010

ANNEXES

1. FINANCIAL STATEMENTS ACCORDING TO THE RUSSIAN STANDARDS FOR 2019 + AUDITING CONCLUSION

2. SHARES OF ROSSETI TYUMEN, JSC, IN AUTHORIZED CAPITALS AND VOTING OF OTHER COMPANIES AS OF 12/31/2019

3. ROSSETI TYUMEN, JSC'S NON-CORE ASSET DISPOSAL IN 2019

4. KEY REGULATORY ACTS

5. TARIFF RATES

6. INTERNAL CONTROL SYSTEM PARTICIPANT FUNCTIONS