

Corporate governance principles

Rosseti PJSC manages the companies of the Group in accordance with unified corporate standards meant to ensure the efficiency of business processes and their quality control and to mitigate corporate risks as well.

As a controlling shareholder, Rosseti is fully aware of the importance of improving corporate governance in Group companies and is committed to ensuring openness and transparency of their activities and to implementing the recommendations of the Corporate Governance Code in their business practices.

While following best corporate governance practices, Rosseti PJSC makes sure that every year the number of independent directors on Rosseti Group's Boards of Directors

whose shares are traded on exchanges is sufficient to comply with listing rules and corporate governance principles. To ensure the independence and objectivity of Rosseti Group's Boards of Directors of Group's companies, Rosseti plans to maintain the number of independent directors on the boards at least at the current level.

Rosseti's representatives also participate in the annual General Meetings of Shareholders of Group's companies in order to build a dialogue with minority shareholders on the Company's development prospects.

Rosseti PJSC guarantees compliance with market principles in the conduct of financial and business activities of the Group's companies.

Rosseti, as a controlling shareholder, supports the initiatives of Group companies to protect the rights and interests of minority shareholders.



The dividend policy of Rosseti Group is founded on the strict observance of shareholder rights as prescribed by Russian law and is targeted at enhancing the investment appeal of Group companies whose securities are admitted to organised trading.

The amount of dividends recommended for payment is set by the Boards of Directors of Rosseti Group based on financial results, including those determined on the basis of consolidated IFRS statements.

GENERAL INFORMATION ON CORPORATE GOVERNANCE OF THE COMPANY

Corporate governance objectives of the Company



To observe the rights and interests of shareholders



To grow shareholder value and investment attractiveness



To make a profit based on the results of operations



To ensure effective management of assets owned

Corporate governance principles of the Company



Fairness

The Company commits to treating all shareholders fairly and equally, defending their rights, and giving them the chance to get strong protection in the case that such rights are violated



Transparency

The Company ensures timely disclosure of information about its activities in line with current laws, as well as free access to such information for shareholders and other interested parties



Accountability

The Board of Directors of the Company is accountable to the Company's shareholders



Responsibility

The Company recognises and ensures the rights of shareholders and all interested parties as stipulated by the laws of the Russian Federation

Key documents regulating corporate governance in the Company¹:

- Articles of Association
- Regulations on the Company's management bodies (General Meeting of Shareholders, Board of Directors, Management Board)
- Regulations on Committees under the Board of Directors
- Corporate Governance Code
- Auditing Commission Regulations
- Regulations on the Dividend Policy
- Regulations on the Corporate Secretary of the Company
- Procedure for interaction between the Company and business entities whose shares (stakes) are owned by Rosseti Kuban JSC
- Policy on the ownership of shares in the Company, its S&As and other entities by members of the Board of Directors

¹ The documents mentioned herein and other internal corporate governance documents of the Company are published on the website of Rosseti Kuban JSC in the [About the Company / Constitutive and Internal Documents](#) section.