

ANTI-CORRUPTION POLICY OF THE COMPANY

The purpose of the Anti-Corruption Policy of PJSC Rosseti and subsidiaries and affiliates of PJSC Rosseti is a common approach to the implementation of requirements of Article 13.3 of the Federal Law No. 273-FZ dated 25.12.2008 "On Combating the Corruption" concerning the Company's responsibility for development and adoption of measures to prevent and combat corruption, including:

- identification and subsequent elimination of the causes of corruption (prevention of corruption);
- detection, prevention and suppression of corruption and other offenses;
- minimization and (or) liquidation of the consequences of corruption and other offenses.

During 2018, measures for introduction of the anti-corruption policy of the Company were carried out in the following main areas:

DIRECTION OF ANTI-CORRUPTION POLICY	ACTIVITIES TAKEN IN 2018
Organization of risk management process in preventing and combating corruption	<p>The standard methodology for assessing the risk of corruption in the Rosseti Group of Companies was put into effect by the Order of Kubanenergo PJSC of March 27, 2018, No. 308</p> <p>In accordance with the standard process control matrix, there was carried out a self-assessment of the effectiveness of control procedures of the "Anti-Corruption" activity for 2018.</p> <p>Measures have been completed under the Action Plan aimed at preventing and detecting corruption in the field of technological connection for 2018.</p>
Identify and resolve conflicts of interest	<p>The annual declaration of the conflict of interests of employees was carried out for 2017: there were collected 1,513 declarations and revealed 12 cases of pre-conflict situations.</p> <p>By the end of 2018, all cases of conflict of interest/pre-conflict situations were considered as resolved.</p> <p>There were held four meetings of the Kubanenergo PJSC Corporate Ethics and Conflict of Interest Commission and conflict of interest.</p> <p>Verification of the submitted certificates of income, property and property liabilities of the Company's executives (79 certificates) and their close relatives (319 certificates) was conducted for the year of 2017. As a result of the conducted verification, signs of affiliation, conflict of interests, pre-conflict situations were not revealed.</p>
Development and introduction of standards and procedures aimed at ensuring fair work	<p>The data of the concluded contracts, additional agreements, and subcontractors of the Company's counterparties were entered into an automated system for analysis and accumulation of information on beneficiaries on a daily basis; in 2018 there were loaded over 58 thousand contracts.</p> <p>There was declared the conflict of interest of candidates for vacancies in Kubanenergo PJSC</p>
Monitoring compliance with the requirements of the legislation of the Russian Federation, in the Company, concerning countering the unlawful use of insider information and market manipulation	<p>The control was carried out by the new Regulation on Insider Information of Kubanenergo PJSC, approved by the decision of the Board of Directors of the Company (Minutes No. 315/2018 dated 31.07.2018) in the following areas:</p> <ul style="list-style-type: none"> • current control over compliance with the legislation of the Russian Federation; • methodological work; • coordination of development activities of the insider information control system. <p>As of December 24, 2018 - the date of the last request of Moscow Exchange PJSC in the reporting year — 19 insiders — legal entities and 376 individual insiders — are on the Company's insiders list.</p> <p>During the year, 12 requests from Moscow Exchange PJSC to transfer the list of insiders to the exchange were received by the Company and processed.</p> <p>On the corporate website in the section "Shareholders and Investors/ Information for Company Insiders" contains the information for the Company's insiders.</p>

DIRECTION OF ANTI-CORRUPTION POLICY	ACTIVITIES TAKEN IN 2018
The adoption of measures to prevent corruption in cooperation with partners and contractors	Approval of the procurement documentation was carried out for the execution of instructions of the Government of the Russian Federation dated 28.12.2011 No. ВП-П13-9308 and dated 05.03.2012 No. ВП-П24-1269. In 2018, 1.6 thousand packages of documents from counterparties were reviewed, 463 sets of documents were agreed upon before being sent to procurement procedures. Anti-corruption clause and counterparty obligations to provide information about beneficiaries were included in more than 36 thousand contracts
Legal education and the formation of the foundations of law-abiding behavior of employees, consulting and training of employees	The regulatory legal base is continuously updated, the necessary measures and anti-corruption procedures that promote the formation of an intolerant attitude towards corrupt behavior in the Company are carried out on a regular basis. In order to comply with the anti-corruption legislation of the Russian Federation, organizational and administrative documents on the conflict of interests were updated in the Company. Participation in three meetings of the working group, in one seminar-meeting on the advanced training program, in the meeting of the Central Commission of PJSC Rosseti for the observance of corporate ethics and conflict of interest, in the meeting at the end of the year, was taken jointly with representatives of the security department and countering corruption in PJSC Rosseti
Participation in collective initiatives to combat and prevent corruption	The results of the fourth stage of the special project of the Chamber of Commerce and Industry of the Russian Federation "Business Barometer of Corruption" were studied and used in the work; more than 40 thousand entrepreneurs from 85 regions of the country took part in the project

For 2019, it is planned to approve and implement the annual anti-corruption plan, as well as to improve the mechanisms:

- risk management and internal control in the field of preventing and combating corruption;
- systems for identifying and resolving conflicts of interest;
- verification of information about the chain of ownership of counterparties;