

PRINCIPLES AND PRACTICES OF CORPORATE GOVERNANCE

By corporate governance, the Company understands a set of processes ensuring the management and control of the Company's activities, including relations between shareholders, the Board of Directors and executive bodies, in the interests of all participants in corporate affairs, including shareholders and management bodies, as well as potential investors, consumers of services, Company employees, contractors, creditors, partners, the state and local communities. Kubanenergo PJSC considers corporate governance as a means of increasing the efficiency of its activities, strengthening its reputation and reducing the costs of raising capital by the Company.

The Company consistently adheres to the following principles of corporate governance:

1. **Justice.** The Company undertakes to protect the legal rights of shareholders, to ensure equal treatment of all shareholders, to provide all shareholders with the possibility of adequate protection in case of violation of their rights.
2. **Accountability.** The Board of Directors of the Company is accountable to all shareholders in compliance with the current legislation of the Russian Federation.
3. **Transparency.** The Company ensures timely disclosure of reliable information about all material facts relating to its activities, including its financial position, results of operations, ownership structure, and management of the Company, as well as free access to such information for all interested parties.
4. **Responsibility.** The Company recognizes its responsibility to the shareholders of the Company and provides a reliable way to record the rights to the shares owned by them.