

Approved by resolution of  
the Board of Directors of Kubanenergo PJSC  
(Minutes No.257/2016 dated 06.12.2016)

**REGULATIONS  
FOR THE CORPORATE SECRETARY  
OF KUBANENERGO PJSC**

Krasnodar  
2016

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## 1. GENERAL PROVISIONS

1.1. These Regulations are prepared according to requirements of the Federal Law “On joint stock companies” No.208-FZ dated 26 December 1995, the Federal Law “On counteraction to misuse of insider information and manipulation of the market and on modification of separate acts of the Russian Federation” No.224-FZ dated 27 July 2010, other regulations of the Russian Federation, the Charter of Kubanenergo PJSC (hereinafter – “the Company”), the Rules of listing of a stock exchange on which the Company’s securities are traded, and other internal documents of the Company, and also according to recommendations of the Code of Corporate Governance approved on 21 March 2014 by the Board of Directors of the Central Bank of the Russian Federation (the letter of the Central Bank of the Russian Federation from 10 April 2014 No.06-52/2463) (hereinafter – the Code of Corporate Governance of the Bank of Russia).

1.2. The Regulations define the status of the Corporate Secretary, the requirements to a nominee, the procedure of appointment and termination of powers of the Corporate Secretary, their subordination and the procedure for interaction with the management bodies and structural divisions of the Company as well as other activity of the Corporate Secretary of the Company.

1.3. The Corporate Secretary of the Company is an office holder of the Company ensuring the Company observes the legislation of the Russian Federation, the Charter and internal documents of the Company warranting implementation of the rights and legitimate interests of the Company’s shareholders.

1.4. In the course of their activity, the Corporate Secretary of the Company is guided by the legislation of the Russian Federation, the Charter, internal documents of the Company, decisions of Shareholders’ general meetings, the Board of Directors of the Company and these Regulations.

1.5. The Corporate Secretary of the Company cooperates with management bodies, structural divisions of the Company to the extent to which it is necessary for proper implementation of functions of the Corporate Secretary established by these Regulations.

1.6. The Management bodies of the Company and heads of structural divisions of the Company assist the Corporate Secretary in implementation of the functions as it should be and within the terms established by the organizational-administrative document of the Company both providing timely and complete submission to the Corporate Secretary of the Company of the information with a view of proper implementation of functions assigned to them to ensure the current activity of the Company’s Board of Directors.

1.7. Data on the Corporate Secretary are posted on the Company’s site on the Internet and in the Company’s annual report in the same volume, as the scope of data provided for disclosing concerning members of the Company’s Board of Directors and executive powers of the Company.

## 2. REQUIREMENTS TO THE NOMINEE OF THE CORPORATE SECRETARY

2.1. The Corporate Secretary of the Company should possess knowledge, experience and qualification sufficient for implementation of the duties assigned to them, faultless reputation and should be trusted by the Company's Board of Directors.

2.2. It is recommended to appoint the person meeting the following requirements to the position of the Corporate Secretary:

- 1) higher legal, or economic, or business education;
- 2) at least 3 (three) years of general length of service in the field of corporate governance;
- 3) knowledge of the legislation of the Russian Federation in the field of the corporate law;
- 4) knowledge of specificity of activity, and also the Charter and internal documents of the Company;
- 5) faultless reputation, absence of a previous conviction;
- 6) personal qualities and skills (social skills, responsibility, sense of duty, discipline, ability to cope with stress, punctuality, personal computer skills, managerial skills).

2.3. Data on the candidate (surname, name, patronymic name; year of birth; quantity, category and type of the Company shares belonging to the candidate if those are present), and the information on their conformity to the requirements specified in this section are given to members of the Company's Board of Directors within the limits of their promotion to the position of the Corporate Secretary of the Company as a part of materials of appointment of the candidate to the post of the Corporate Secretary of the Company.

2.4. The candidate to the position of the Company's Corporate Secretary can submit supplementary information for estimation by the Board of Directors of their professional and personal qualities.

## 3. PROCEDURE OF APPOINTMENT OF THE CORPORATE SECRETARY AND TERMINATION OF THEIR POWERS. CONDITIONS AND ORDER OF PAYMENT OF COMPENSATION

3.1. The Corporate Secretary of the Company is appointed and dismissed by the Company's General Director on the basis of the decision of the Company's Board of Directors, accepted in an order provided by the Charter of the Company and these Regulations.

3.2. The Company's Corporate Secretary is functionally subordinate to the Board of Directors. Administrative subordination of Corporate Secretary is determined by the Company's corporate structure.

3.3. Nomination of candidature to the position of Corporate Secretary is carried out by the Chairman of the Company's Board of Directors with the account of requirements, stipulated by the chapter 2

of these Regulations. If Chairman of the Company's Board of Directors is not elected, the right to nominate candidature to the position of Corporate Secretary of the Company is given to all members of the Company's Board of Directors.

3.4. Personnel and Remunerations Committee under the Company's Board of Directors (hereinafter referred to as – Personnel and Remunerations Committee) provides recommendations to the Company's Board of Directors regarding the nominated candidates, amount of remuneration and methods of bonus award of the Company's Corporate Secretary.

3.5. The Company's Board of Directors adopts decisions regarding election of the Company's Corporate Secretary, determines amount and procedure of remuneration, payment of bonuses to the Company's Corporate Secretary with the account of recommendations of Personnel and Remunerations Committee.

If by the date of meeting of the Company's Board of Directors regarding consideration of the issue on election of the Company's Corporate Secretary the Company's Board of Directors does not receive recommendations of the Personnel and Remunerations Committee, mentioned in the present clause, the Company's Board of Directors is entitled to pass resolution on an independent basis on election of the Company's Corporate Secretary, determine amount and procedure of remuneration and bonuses payment of the Company's Corporate Secretary.

If amount and procedure of remuneration and bonuses payment to the Company's Corporate Secretary are not determined by the resolution of the Company's Board of Directors, then they are stipulated according to the labour agreement and local regulatory legal acts of the Company.

3.6. The Company's Director General concludes labour agreement with the person, whose candidature is agreed upon by the resolution of the Company's Board of Directors, under conditions, determined by the resolution of the Company's Board of Directors.

3.7. Corporate Secretary reports on their activity to the Company's Board of Directors, which annually, not later than 10 (ten) calendar days before the annual General Shareholders' Meeting of the Company assesses work and approves the report on the work of the Company's Corporate Secretary.

Along with it, the Company's Board of Directors on the basis of the assessment of the work of Corporate Secretary and with the account of recommendations of the Personnel and Remunerations Committee, can pass resolution on payment of additional remuneration to the Company's Corporate Secretary, which is not stipulated by conditions of labour agreement and local regulatory legal acts of the Company.

3.8. The Company's Corporate Secretary performs their obligations until the moment of passing by the Board of Directors of resolution on dismissal from the held position. The mentioned resolution of the Company's Board of Directors is the ground for termination by the Company's Director

General of labour agreement with the Company's Corporate Secretary in the order stipulated by legislation of the Russian Federation.

#### 4. FUNCTIONS, RIGHTS AND OBLIGATIONS OF CORPORATE SECRETARY

4.1. The functions of the Company's Corporate Secretary are:

- 1) participation in arrangement of the Company's interaction with regulatory bodies, trade organizers, registrar, other professional participants of securities market within the powers stipulated for Corporate Secretary by labour agreement;
- 2) immediate informing of the Company's Board of Directors on all detected violations of legislation of the Russian Federation, as well as provisions of the Company's internal documents, observation of which refers to the functions of the Company's Corporate Secretary;
- 3) participation in interaction of the Company with its shareholders and in prevention of corporate conflicts, in realization of procedures, stipulated by legislation of the Russian Federation and the Company's internal documents, which ensure realization of rights and legal interests of shareholders, control over their execution within the powers, stipulated for Corporate Secretary by labor agreement;
- 4) participation in preparation and conduct of General Shareholders' Meetings of the Company in the order stipulated by the Company's internal documents;
- 5) participation in implementation of the Company's policy on information disclosure, as well as securing of storage of the Company's corporate documents within the powers, stipulated for Corporate Secretary by labour agreement;
- 6) participation in improvement of system and practice of the Company's corporate governance by submitting the corresponding proposals to the responsible structural subdivision of the Company;
- 7) arrangement of the current activity of the Board of Directors, including:
  - preparation and submission to Chairman of the Company's Board of Directors the project of agenda of regular meetings of the Board of Directors according to the Plan of work of the Board of Directors and proposals, received from the members of the Board of Directors, Internal Audit Commission, the Company's Auditor and Director General;
  - preparation and submission of documents (materials), necessary for organization and conduct of the meeting of the Board of Directors (notice on meetings conduct, draft resolutions regarding agenda issues of the meeting, projects of documents for preliminary acquaintance, etc.);
  - organizational and technical ensuring of the meeting conduct of the Board of Directors;
  - arrangement of interaction of the Board of Directors with the Company's executive bodies, with the Committees of the Board of Directors, the Company's Auditor, Internal Audit Commission and structural subdivisions of the Company;

- preparation and submission of documents (information) according to the requests of the Board of Directors' members;
- preparation of requests, answers on letters, received by the Board of Directors, under signature and by order of Chairman of the Board of Directors;
- collection of questionnaires, filled in by the members of the Company's Board of Directors;
- drawing of minutes of the Board of Directors' meetings and extracts from the minutes of the Board of Directors' meetings;
- submission and attestation of authenticity of copies of the minutes of meetings of the Board of Directors and General Shareholders' Meetings of the Company, as well as extracts from them;
- distribution of documents, approved by the Board of Directors;
- development and keeping of file register of the Board of Directors;
- organization of control over the process of implementation of resolutions of the Board of Directors and General Shareholders' Meeting of the Company;
- preparation of requests for information (materials) submission regarding agenda issues of meetings of the Board of Directors to the address of the Company's subdivisions by order of the members of the Company's Board of Directors;
- control of reliability of the submitted information and accuracy of documents drawing, submitted for consideration and approval of the Board of Directors;
- preparation by order of Chairman of the Board of Directors (Deputy Chairman of the Board of Directors) of projects of separate documents and resolutions of the Board of Directors, including project of the Plan of work of the Board of Directors;
- organization of record keeping of the course of meetings of the Board of Directors, including, with the consent of the present members, on electronic media;
- systematization and archiving of documents and materials of the Board of Directors;
- submission due to the request of Chairman of the Board of Directors and/or responsible structural subdivisions of the Company of the information for assessment of work efficiency of the Board of Directors and single members of the Board of Directors;
- solving of other issues and execution of other functions, stipulated by the present Regulations, Regulations on the Board of Directors of the Company, labor agreement with the Company's Corporate Secretary, as well as according to orders of Chairman and members of the Company's Board of Directors.

8) arrangement of the current activity of the Committees of the Board of Directors (functions of Secretary of the Committees of the Company's Board of Directors according to the Regulations on the Committees of the Company's Board of Directors or participation in preparation and control over execution of the plans of work of the Committees of the Company's Board of Directors, in control

over preparation and sending to the members of the Committees of the Company's Board of Directors of materials regarding agenda issues).

4.2. Corporate Secretary of the Company is entitled to:

- 1) request and receive the Company's documents;
- 2) by order of Chairman of the Company's Board of Directors submit issues for consideration by the Company's governance bodies within the frames of his competence;
- 3) control observation by officials and employees of the Company of the Charter and internal documents of the Company in respect of the issues, which refer to functions of the Company's Corporate Secretary;
- 4) interact with Chairman of the Company's Board of Directors and Chairmen of the Committees of the Company's Board of Directors;
- 5) inform Chairman of the Board of Directors and/or Director General of the Company about the facts, which lead to the impossibility of execution by Corporate Secretary of functions, stipulated by the present Regulations.

4.3. Corporate Secretary of the Company is obliged to:

- 1) in their activity observe norms and requirements of the RF legislation, the Charter and internal documents of the Company;
- 2) ensure observation of rights and interests of shareholders and members of the Board of Directors of the Company;
- 3) execute orders of Chairman of the Board of Directors and members of the Company's Board of Directors;
- 4) annually, not later than 30 (thirty) calendar days before annual General Shareholders' Meeting of the Company, submit to Personnel and Remunerations Committee and the Board of Directors of the Company the report on his work, recommended form of which is appendix 1 to the present Regulations;
- 5) inform the Company's Board of Directors on occurrence of situations, which create a threat of violation of norms of legislation of the Russian Federation, rights of shareholders, which can lead to occurrence of risks for the Company, as well as corporate conflict;
- 6) take care of systematic improvement of own qualification;
- 7) in case of conflict of interest immediately inform about it Chairman of the Company's Board of Directors;
- 8) conclude with the Company agreement on non-disclosure of insider information.

## 5. RESPONSIBILITY OF THE COMPANY'S CORPORATE SECRETARY



5.1. The Company's Corporate Secretary while exercising their rights and performing obligations should act in the Company's interests, exercise their rights and perform obligations in respect of the Company reasonably and in good faith.

5.2. The Company's Corporate Secretary is not entitled to disclose any information, which constitute according to the current internal documents of the Company commercial secret and/or confidential, as well as insider information.

The Company's Corporate Secretary bears responsibility for the use of insider information for personal aims and the aims, which do not meet interests of the Company.

5.3. The Company's Corporate Secretary bears responsibility for execution of functions and obligations, stipulated by the present Regulations, including for:

1) due sending to the members of the Company's Board of Directors of notices on the meeting of the Company's Board of Directors and materials for the meetings;

2) quality of preparation of materials to the meetings of the Company's Board of Directors and reliability of information, contained in the minutes of the meetings of the Company's Board of Directors;

3) due sending of the minutes to the members of the Company's Board of Directors.

## 6. FINAL PROVISIONS

6.1. The present Regulations are to be approved by the resolution of the Company's Board of Directors.

6.2. All changes and additions to the present Regulations are introduced by the resolution of the Company's Board of Directors.

6.3. If after introduction of changes in the RF legislation or the Company's Charter, some articles of the present Regulations contravene with them, then the Regulations shall be used insofar as they do not conflict with the current legislation and the Charter of the Company.

Appendix 1. Recommended form of report  
on activity of the Company's Corporate  
Secretary

REPORT ON ACTIVITY OF THE CORPORATE SECRETARY OF  
KUBANENERGO PJSC FOR THE PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

<b>I. Information on the Company's Corporate Secretary:</b>	
Surname, name, patronymic of the Corporate Secretary	
Date of appointment	
Information on education and advanced training of the Corporate Secretary during the reporting	

<b>II. Statistical information:</b>		<b>Absolute indexes</b>	<b>Relative indexes, %</b>
1	Amount of memberships of the Company's Board of Directors, which worked during the		
2	Total amount of meetings of the Company's Board of Directors, conducted in the reporting		100%
	2.1. Including, in present form:		%
	2.2. Including, in absent form:		%
3	Total amount of meetings of the Company's Board of Directors, which were not held in the reporting period due to the absence of quorum		
4	Total amount of issues, considered at meetings of the Company's Board of		100%
	4.1. Including amount of issues, considered by the Company's Board of Directors according to the Plan of work of the Company's Board		%
	4.2. Including amount of unplanned issues		%
5	Total amount of issues in the reporting period, consideration of which was postponed by the Company's Board of Directors to later term or excluded from consideration		% from the total amount of issues, considered at meetings of the Company's Board of

<b>III. Information on presence/absence of comments regarding the Company's Corporate Secretary activity during the reporting period*</b>			
#	Information on a document, containing such comment (minutes, minority opinion,	Contents of such comment	Taken measures on elimination of comments, realization result
1			
2			

\* The comment is recorded only upon availability of written confirmation. The comments, which are not tied with direct execution by the Company's Corporate Secretary of their official obligations, stipulated by the Regulations on the Company's Corporate Secretary and labour agreement, concluded with the Company's Corporate Secretary, are not recorded.

<b>IV. Information on work with requests of the members of the Company's Board of Directors and other persons in the reporting period according to functional obligations of the Company's</b>			
#	Information on the received request (appeal)	Contents of request (appeal)	Taken measures on request (appeal) execution, realization
1			
2			

**V. Other information on implementation in the reporting period by the Company's Corporate Secretary of his obligation depending on their volume, stipulated by the Regulations on the Company's Corporate Secretary and labour agreement with the Company's Corporate Secretary\*\***

\*\* Information is given in the form of tables on the implemented activities during the reporting period, divided between each other by functional obligations of the Company's Corporate Secretary.