

**Minutes of Board of Directors Meeting No. 216/2015**  
**Public joint-stock Company of power industry and electrification of Kuban**  
**(“Kubanenergo” PJSC)**

Date of meeting	17 July 2015
Form of holding the meeting	absentee voting (questionnaire)
Place of vote counting	Office 105, building 1, 2A Stavropolskaya St., Krasnodar (postal address of “Kubanenergo”, JSC)
Date of vote counting	17.07.2015, 5 p.m.
Date of drawing up minutes	20 July 2015

**Board of Directors Members: 11**

**Questionnaires were submitted by:** Bogach Ye.V., Varvarin A.V., Gavrilov A.I., Kataev S.M., Kislyakov A.M., Lavrova M.A., Mangarov Yu.N., Terebkov F.A., Kharin A.N., Khokholkova K.V.

**Questionnaires were not submitted by:** Niyazmetov A.K.

According to requirements of paragraph 7.3 of Regulation on Public Joint-Stock Company of power industry and electrification of Kuban” (approved by decision of annual General meeting of “Kubanenergo” JSC shareholders dated 11.06.2015, minutes No.36), quorum for holding the meeting should count at least half of elected members of Company’s Board of Directors.

**Quorum is present**

**Agenda**

1. Election of members to the Audit Committee of the BoD of Kubanenergo PJSC and its Chairperson.
2. Election of members to the Committee for Strategy, Development, Investments and Reforming of the BoD of Kubanenergo PJSC and its Chairperson.
3. Election of members to the Personnel and Remuneration Committee of the BoD of Kubanenergo PJSC and its Chairperson.
4. Election of members to the Reliability Committee of the BoD of Kubanenergo PJSC and its Chairperson.
5. Election of members to the Technological Connection Committee of the BoD of Kubanenergo PJSC and its Chairperson.
6. Approval of Programme of non-state pension provision for employees of Kubanenergo PJSC for 2015.
7. Preliminary approval of changes in Collective Employment Agreement of Kubanenergo PJSC for 2013 – 2015.

8. Discussion of report prepared by the Director general of Kubanenergo PJSC on implementation of resolutions adopted by the BoD on 14.03.2014 on item 1 clause 3 (minutes of meeting No.183/2014 dated 17.03.2014).

9. Discussion of report prepared by the Director general of Kubanenergo PJSC on spending of funds related to preparation to and holding the AGM on 10 June 2015.

10. Approval of cash flow benchmarks of Kubanenergo PJSC for the 3<sup>rd</sup> quarter of 2015.

11. Approval of contract on services of arrangement and holding of Competitions among maintenance and response staff of affiliated companies of Rosseti JSC between Kubanenergo PJSC and Tyumenenergo JSC as interested-party transaction.

12. Approval of contract between Kubanenergo PJSC and IDGC of Centre JSC as interested-party transaction, on rectification of the consequences of the accidents happened at facilities of Slavyanskiye electric networks, branch of Kubanenergo PJSC, caused by the damage of equipment in the result of natural disaster.

## **Item 1**

### **Election of members to the Audit Committee of the BoD of Kubanenergo PJSC and its Chairperson.**

The following decision is proposed:

1. To decide that the Audit Committee of the BoD shall consist of 3 (three) members.
2. To elect the following candidates to the Audit Committee:

#	Name	Position
1	Lavrova Marina Alexandrovna	Head of Directorate of Economy of Affiliates at Department for economic planning and budgeting of Russian Grids JSC
2	Khokholkova Kseniya Valerievna	Deputy Head of Directorate of Share Capital Issues, Head of Division of Shareholders' Rights Protection at Department of Corporate Governance and Interaction with Shareholders, Russian Grids JSC
3	Kislyakov Anton Mikhailovich	Head of Directorate for arrangement of daily operations at Legal department, Rosseti JSC

3. To appoint Lavrova Marina Alexandrovna for the position of Chairperson of the Audit Committee attached to the BoD.

### **Voting results**

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- FOR
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR

Thus, the decision on the first item was unomously adopted by BoD members participating in the meeting.

## Item 2

### **Election of members to the Committee for Strategy, Development, Investments and Reforming of the BoD of Kubanenergo PJSC and its Chairperson.**

The following decision is proposed:

1. To decide that the Committee for Strategy, Development, Investments and Reforming of the BoD shall consist of 9 (nine) members.
2. To elect the following candidates to the Committee for Strategy, Development, Investments and Reforming:

#	Name	Position
1	Pavlov Alexey Igorevich	Head of Financial department, Начальник Управления финансов
2	<b>Pankstiyanov Yuriy Borisovich</b>	Head of Tariff policy department, Russian Grids JSC
3	Podlutskiy Sergey Vladimirovich	Head of Sector of consolidated planning and reporting at Investment activity department, Russian Grids JSC
4	Palieva Svetlana Dmitrievna	Chief expert at Department for economics of affiliated companies, Russian Grids JSC
5	Balaban Fyodor Nikolaevich	Head of Research and information service, Russian Grids JSC
6	Goncharov Alexey Nikolaevich	Head of Directorate for interaction with wholesale and retail market entities in the sphere of power industry, Russian Grids JSC
7	Khokholkova Kseniya Valerievna	Deputy Head of Directorate of share capital issues, head of division of shareholders' rights protection at Department of corporate governance and interaction with shareholders, Russian Grids JSC
8	Snikkars Pavel Nikolaevich	Head of Department for development of electrical energy industry, RF Ministry of Energy
9	Ocheredko Olga Vyacheslavovna	Deputy General Director for Economics and Finance, "Kubanenergo" PJSC

3. To appoint Pavlov Alexey Igorevich for the position of Chairperson of the Committee for Strategy, Development, Investments and Reforming attached to the BoD.

#### **Voting results**

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- FOR
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR

Thus, the decision on the second item was unomously adopted by BoD members participating in the meeting.

## Item 3

**Election of members to the Personnel and Remuneration Committee of the BoD of Kubanenergo PJSC and its Chairperson.**

The following decision is proposed:

1. To decide that the Personnel and Remuneration Committee of the BoD shall consist of 5 (five) members.
2. To elect the following candidates to the Personnel and Remuneration Committee:

#	Name	Position
1	Mangarov Yuriy Nikolaevich	Chief advisor, Russian Grids JSC
2	Chevkin Dmitriy Aleksandrovich	Head of Personnel and organization development department, Russian Grids JSC
3	Erpsher Nataliya Ilinichna	Head of Head of Directorate organization development under Department of HR policy and organization development, Russian Grids JSC
4	Shumakher Nataliya Alexeyevna	Chief specialist at Directorate for enforcement of the property right at Department for property management, IDGC of Centre PJSC
5	Varvarin Aleksandr Viktorovich	Managing director in charge of corporate relations and legal support, RSPP

3. To appoint Mangarov Yuriy Nikolaevich for the position of Chairperson of the Personnel and Remuneration Committee attached to the BoD.

**Voting results**

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- FOR
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR

Thus, the decision on the third item was unomously adopted by BoD members participating in the meeting.

**Item 4**

**Election of members to the Reliability Committee of the BoD of Kubanenergo PJSC and its Chairperson.**

The following decision is proposed:

1. To decide that the Reliability Committee of the BoD shall consist of 5 (five) members.
2. To elect the following candidates to the Reliability Committee:

#	Name	Position
1	Magadeyev Ruslan Raisovich	Deputy director of Situational and analytical centre of Russian Grids JSC
2	Smaga Mikjhail Vladimirovich	Deputy head of Centre of engineering supervision, branch of Russian Grids
3	Shpilevoy Sergey Vladimirovich	Deputy head of Directorate – head of sector for accident risk analysis at Directorate for accidents risks analysis and

		methodology of accident recovery works at Situational and analytical centre of Russian Grids JSC
4	Mikheyev Dmitry Dmitrievich	Head of sector at Department for development of electrical energy industry, RF Ministry of Energy
5	Ryazantsev Dmitry Yurievich	Deputy Director general in charge of technical issues – chief engineer of Kubanenergo PJSC.

3. To appoint Magadeyev Ruslan Raisovich for the position of Chairperson of the Reliability Committee attached to the BoD.

#### **Voting results**

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- ABSTAINED
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR

Thus, the decision on the forth item was unomously adopted by BoD members participating in the meeting.

#### **Item 5**

#### **Election of members to the Technological Connection Committee of the BoD of Kubanenergo PJSC and its Chairperson.**

The following decision is proposed:

1. To decide that the Technological Connection Committee of the BoD shall consist of 7 (seven) members.
2. To elect the following candidates to the Technological Connection Committee:

#	Name	Position
1	Varvarin Aleksandr Viktorovich	Managing director in charge of corporate relations and legal support, RSPP
2	Bashmakov Daniel Maratovich	Chairperson of Krasnodar regional department of Russian public organization of small and medium business “OPORY Russia”
3	Mikheyev Dmitry Dmitrievich	Head of sector at Department for development of electrical energy industry, RF Ministry of Energy
4	Masalyova Irina Borisovna	Head of Department for perspective development for the grid and technological connection, Russian Grids JSC
5	Korneyev Alexandr Yurievich	Head of sector for scheduling the technological connection at Department of perspective development of grids and technological connection, Kubanenergo PJSC
6	Kosteskiy Vyacheslav Yurievich	Deputy director general in charge of development and selling of services of Kubanenergo PJSC
7	Soltan Yelena Leonidovna	Head of Department for technological connection, Kubanenergo PJSC

3. To appoint Varvarin Aleksandr Viktorovich for the position of Chairperson of the Technological Connection Committee attached to the BoD.

**Voting results**

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- FOR
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR

Thus, the decision on the fifth item was unomously adopted by BoD members participating in the meeting.

**Item 6**

**Approval of Programme of non-state pension provision for employees of Kubanenergo PJSC for 2015.**

The following decision is proposed:

To approve the Programme of non-state pension provision for employees of Kubanenergo PJSC for 2015, in accordance with Appendix 1 to the resolution of the BoD.

**Voting results**

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- AGAINST
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR

Thus, the decision on the sixth item was adopted by majority of the BoD members participating in the meeting

**Item 7**

**Preliminary approval of changes in Collective Employment Agreement of Kubanenergo PJSC for 2013 - 2015.**

The following decision is proposed:

To approve changes in Collective Employment Agreement of Kubanenergo PJSC for 2013 – 2015 specified in paragraphs 8 and 9, in accordance with Appendixes 2 and 3 to the resolution of the BoD.

**Voting results**

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
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Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- ABSTAINED
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR

Thus, the decision on the seventh item was adopted by majority of the BoD members participating in the meeting.

### **Item 8**

**Discussion of report prepared by the Director general of Kubanenergo PJSC on implementation of resolutions adopted by the BoD on 14.03.2014 on item 1 clause 3 (minutes of meeting No.183/2014 dated 17.03.2014).**

The following decision is proposed:

To take into consideration the report prepared by the Director general of Kubanenergo PJSC on implementation of resolutions adopted by the BoD on 14.03.2014 on item 1 “Discussion of amended investment programme of the Company for 2014 and for the period up to 2019” in the clause 3 (minutes of meeting No.183/2014 dated 17.03.2014), in accordance with 4 to the resolution of the BoD.

#### **Voting results**

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- AGAINST
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR

Thus, the decision on the eighth item was adopted by majority of the BoD members participating in the meeting.

### **Item 9**

**Discussion of report prepared by the Director general of Kubanenergo PJSC on spending of funds related to preparation to and holding the AGM on 10 June 2015.**

The following decision is proposed:

To take into consideration the report prepared by the Director general of Kubanenergo PJSC on spending of funds related to preparation to and holding the AGM on 10 June 2015, in accordance with 5 to the resolution of the BoD.

#### **Voting results**

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
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Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- AGAINST
Kataev S.M.	- FOR	Kharin A.N.	- FOR
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR

Thus, the decision on the ninth item was adopted by majority of the BoD members participating in the meeting.

### Item 10

#### **Approval of cash flow benchmarks of Kubanenergo PJSC for the 3<sup>rd</sup> quarter of 2015.**

The following decision is proposed:

1. to approve the following indicators:

Month	Services on arrangement of functioning and development of distribution network	Dividends (VAT excluded)
July	7 521	0
August	7 521	0
September	7 521	0

2. To instruct Director general to:

- within 5 (five) business days upon the adoption of the resolution to prepare the draft cash flow and approve it;
- within 1 (one) business day upon the adoption of cash flow indicators to submit the document to the members of the BoD .

### **Voting results**

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- ABSTAINED
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR

Thus, the decision on the tenth item was adopted by majority of the BoD members participating in the meeting.

### Item 11

#### **Approval of contract on services of arrangement and holding of Competitions among maintenance and response staff of affiliated companies of Rosseti JSC between Kubanenergo PJSC and Tyumenenergo JSC as interested-party transaction.**

The following decision is proposed:

1. To determine that the price of the contract on services of arrangement and holding of Interregional Competitions among maintenance and response staff of affiliated companies of Rosseti PJSC (hereinafter – the Event) between Kubanenergo PJSC and Tyumenenergo JSC as interested-party transaction shall equal 2 384 390.00 (two million three hundred and eighty-four

thousand three hundred and ninety) rubles and 00 kopecks including 18% VAT being 363 720.51 (three hundred and sixty-three thousand seven hundred and twenty) rubles and 51 kopecks.

2. To approve the contract on services of arrangement and holding of Interregional Competitions among maintenance and response staff of affiliated companies of Rosseti PJSC (hereinafter – the Event) between Kubanenergo PJSC and Tyumenenergo JSC as interested-party transaction the following essential conditions:

Parties to the Agreement

The Customer – Kubanenergo PJSC.

The Contractor – Tyumenenergo JSC.

Subject of the Contract: The Contractor shall provide the services of organizing and holding the Event at the testing site of Nizhnevartovskie Electric Grids, a branch of Tyumenenergo JSC, in the town of Nizhnevartovsk on July 20-24, 2015 in accordance with the Regulations on Competitions among maintenance and response staff of affiliated companies of Rosseti PJSC during organization and performance of the works relating to maintenance and repair of relay protection and automatic equipment devoted to the 70th anniversary of victory in the Great Patriotic War, and the Customer shall pay for the services in accordance with the terms of the Contract.

The essence of the services provided by Contractor under the Contract is determination of the personnel professional competence level with regard to maintenance and repair of relay protection and automatic equipment, dissemination among the subsidiaries and affiliates of the best practices, which, in turn, will make it possible for Rosseti PJSC to take strategic decisions aimed at improving reliability of electric grid infrastructure and investment attractiveness of Rosseti PJSC and subsidiaries and affiliates.

#### **Contract price:**

The cost of the services shall equal 2 384 390.00 (two million three hundred and eighty-four thousand three hundred and ninety) rubles and 00 kopecks including 18% VAT being 363 720.51 (three hundred and sixty-three thousand seven hundred and twenty) rubles and 51 kopecks.

Duration of the **Contract**: The **Contract** comes into force from the date of signature and is valid until the parties fulfill their obligations.

Settlement of Disputes: All disputes, disagreements arising in the performance, modification or termination of the **Contract** shall be settled by the Parties, if possible, by negotiation, and if no agreement is reached - in the manner prescribed by the current legislation of the Russian Federation.

Disputes party to the contract shall be settled in the complaint procedure. In the case of dispute settlement corresponding claims within 20 twenty calendar days from the date of application by one of the parties; the disputes shall be settled by Commercial court in accordance with the applicable legislation of the Russian Federation.

#### **Voting results**

Bogach Ye.V. - FOR

Mangarov Yu.N. - FOR

Varvarin A.V.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- FOR
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR		

Thus, the decision on the eleventh item was adopted by majority of BoD members uninterest in transaction.

## **Item 12**

### **Approval of contract between Kubanenergo PJSC and IDGC of Centre JSC as interested-party transaction, on rectification of the consequences of the accidents happened at facilities of Slavyanskiye electric networks, branch of Kubanenergo PJSC, caused by the damage of equipment in the result of natural disaster.**

The following decision is proposed:

1 To set the preliminary price of the contract on rectification of consequences of accidents at facilities of Slavyanskiye electric networks, branch of Kubanenergo PJSC caused by damaged equipment in the result of natural disaster, concluded between Kubanenergo PJSC and “IDGC of Centre” PJSC (hereinafter – the Contract) as interested party transaction: 10 369 521 (ten million three hundred sixty nine thousand five hundred twenty one) rubles 74 kopecks, including 18% VAT – 1 581 791 (one million five hundred eighty one thousand seven hundred ninety one) rubles 45 kopecks.

To specify that the cost of work under the Contract cannot equal 2 or more % from balance sheet cost of assets owned by Kubanenergo PJSC in accordance with the accounts as of the last reporting date.

2. To approve the contract on rectification of consequences of accidents at facilities of Slavyanskiye electric networks, branch of Kubanenergo PJSC caused by damaged equipment in the result of natural disaster, concluded between Kubanenergo PJSC and “IDGC of Centre” PJSC as interested party transaction on the following conditions:

Contract parties:

Customer – Kubanenergo PJSC

Contractor – IDGC of Centre PJSC

Subject of the Contract: The Contractor undertakes to perform work to eliminate the consequences of accidents at facilities of Kubanenergo branches caused by damaged equipment in result of natural disaster and to deliver the results of work to the Customer. Types of work, the volume and description are discussed by the Parties in the activity dependent cost estimate (Annex 1 to the Contract).

Contract price: The preliminary price of the work performed by the Contractor amounts to 10 369 521 (ten million three hundred sixty nine thousand five hundred twenty one) rubles 74

kopecks, including 18% VAT – 1 581 791 (one million five hundred eighty one thousand seven hundred ninety one) rubles 45 kopecks, in accordance with planned volume of work specified in the activity dependent cost estimate (Annex 1 to the Contract).

Term of the Contract: The Contract comes into force upon the signature and covers legal relationship between the parties that occurred from 21.01.2014 and are valid until complete fulfillment of all contractual obligations by the Parties.

Term of fulfilling the work: from 21st January 2014 to 2 February 2014.

Settlement of Disputes: Disputes and disagreements that may arise when performing the contract will be solved via negotiation if possible. Parties shall use the complaint procedure. Period of considering the complaint is 30 (thirty) calendar days from the receipt. In case no agreement is reached via negotiations, Parties shall address the Commercial court of Krasnodar in accordance with legislation in force. In all other respects not specified by this Contract, the Parties shall be governed by legislation of the RF.

#### **Voting results**

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Khokholkova K.V.	- FOR
Kislyakov A.M.	- FOR		

Thus, the decision on the twelvth item was adopted by majority of BoD members uninterest in transaction.

Chairperson

Mangarov Yu.N.

Corporate secretary

Russu O.V.