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Minutes of Board of Directors Meeting No. 222/2015

Public joint stock Company of power industry and electrification of Kuban ("Kubanenergo" PJSC)

Date of meeting	29 October 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", PJSC)
Date of vote counting	29.10.2015, 5 p.m.
Date of drawing up minutes	30 October 2015

Board of Directors Members: 11

Questionnaires were submitted by: Mangarov Yu.N. (chairperson), Bogach Ye.V., Varvarin A.V., Kataev S.M., Kislyakov A.M., Lavrova M.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 order of conveying and holding meetings of "Kubanenergo", JSC Board of Directors approved by decision of annual General meeting of "Kubanenergo", JSC shareholders dated 22.06.2012, minutes No.31, quorum for holding the meeting should count at least half of elected members of Board of Directors.

Quorum is present

Agenda

1. On approval of agreement on arrangement and holding of purchase procedures for delivery of 35-220kV transformers for the needs of Purchaser, concluded between the Company and Scientific and Research Centre of IDGC as transaction of interest.

Item 1

On approval of agreement on arrangement and holding of purchase procedures for delivery of 35-220kV transformers for the needs of Purchaser, concluded between the Company and Scientific and Research Centre of IDGC as transaction of interest.

In accordance with paragraph 3 of article 83 of the Federal Law No.208-FZ dated 26.12.1995 "On Joint Stock Companies" resolution on this item should be taken by majority of votes of independent directors uninterested in the transaction.

Except Gavrilov A.I. and Terebkov F.A. other members of the BoD vote on this item and are recognized as independent directors uninterested in the transaction in accordance with paragraph 3 of article 83 of the Federal Law No.208-FZ dated 26.12.1995 "On Joint Stock Companies".

The following decision is proposed:

1. To determine that the cost of services to conduct one procurement procedure under the agreement on the organization and conduct of procurement procedures for the supply of power transformers of 35-220 kV for the needs of the Customer (hereinafter - the Agreement, Appendix No. 9 to this decision), concluded between Kubanenergo, PJSC and Scientific and Research Centre of IDGC, which is a related party transaction, is determined in accordance with Appendix 6 to the Agreement.

To determine that the total cost of services provided under the Agreement cannot constitute or exceed 2% of the net value of the Company's assets according to its financial statements as of the last reporting date, preceding the date of the transaction.

2. To approve the Agreement, concluded between the Company and Scientific and Research Centre of IDGC, which is a related party transaction, on the following essential conditions:

Parties of the Agreement:

Customer - Kubanenergo, PJSC

Contractor - Scientific and Research Centre of IDGC, JSC.

Subject of the Agreement:

Customer instructs, and Contractor undertakes on his own behalf, but at the expense of Customer to organize procurement procedures for the supply of power transformers of 35-220 kV for the needs of Customer.

Actions, related to the procurement procedures in the implementation of the Agreement, are carried out by Contractor on the basis of instructions of Customer.

Price of the Agreement:

The cost of the services rendered by Contractor on organization and implementation of one procurement procedure is determined in accordance with Appendix 6 to the Agreement.

Duration of the Agreement:

The Agreement shall enter into force upon the signature and shall be valid for 36 (thirty six) months. If 30 (thirty) days before the expiry of the Agreement, neither of the Parties declares its intention to renew the Agreement or to conclude a new agreement with other essential conditions, the Agreement is automatically extended for the same period.

Customer is entitled at any time to refuse from the Agreement, notifying Contractor, not later than 10 (ten) days before the expected date of termination of the Agreement, without incurring penalties and having

paid for services actually rendered by Contractor.

Voting results

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

Thus, the decision on the first item was adopted by majority of votes of independent directors uninterested in transaction.

Chairperson

Mangarov Yu.N..

Corporate secretary

Russu O.V.