

**Minutes of Board of Directors Meeting No. 227/2015**  
**Public joint stock Company of power industry and electrification of Kuban**  
**(“Kubanenergo” PJSC)**

Date of meeting	23 December 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	23.12.2015, 5 p.m.
Date of drawing up minutes	25 December 2015

**Board of Directors Members: 11**

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

**Questionnaires were not submitted by:** Kislyakov A.M., Niyazmetov A.K.

According to requirements of paragraph 7.3 of Regulation on the Board of Directors of 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), the 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 business plan, including investments programme and information on key risks, for 2016 and estimates for 2017-2020.
2. On approval of the Programme of energy saving and enhancement of energy efficiency of Kubanenergo PJSC for 2016.
3. On approval Company’s internal document: Unitary procurement standard (Regulations on Procurement).
4. On approval Company’s internal document: Regulations on corporate look of Kubanenergo PJSC.
5. On approval Company’s internal document: regulations on implementation of communication programme Kubanenergo PJSC.
6. On approval of schedule of Department of internal audit and control of Kubanenergo PJSC for 2016.
7. On approval of budget of Department of internal audit and control of Kubanenergo PJSC for 2016.
8. On approval of cash flow indicators of Kubanenergo PJSC for the 1<sup>st</sup> quarter of 2016.
9. On approval of the Company’s Insurer.
10. On expressing the Company’s opinion on agendas of meetings held by the BoDs of Company’s affiliated and dependent companies.
11. On determining the number of members and election of members of the Reliably Committee under the Company’s Board of Directors.
12. On taking into consideration the report of Director general of Kubanenergo PJSC on the results of the Company’s preparedness to autumn-winter season 2015-2016.
13. On taking into consideration the report on the reasons of implementing the unscheduled projects of investment programme by the results of the 1<sup>st</sup> half of 2015, information on the planned liabilities on technological connection of “beneficiary” category of consumers in 2015 and suggestions on the funding sources for activities on technological connection of “beneficiary” category of consumers in 2015.
14. On taking into consideration the report of Director general on approval of the amended investment programme for 2015 by authorized bodies of executive power of the Russian Federation.

15. On taking into consideration the report on implementation of the Plan of activities aimed at enhancement of business efficiency and improvement of financial state of the Company by the results of 9 months of 2015.

16. On taking into consideration the report of Director general of Kubanenergo PJSC on implementation of resolutions taken by the BoD in the 3<sup>rd</sup> quarter of 2015.

17. On taking into consideration the report on implementation of liabilities under contracts on technological connection by the results of 9 months of 2015.

18. On introduction of changes to the resolution of the BoD dated 24.02.2015 (minutes of meeting No.2003/2015 dated 25.02.2015)

19. On approval of the Company's internal document: Regulations on consideration and settlement of disputes and conflict of interest within the Group of Companies Rosseti

20. On approval of the Plan of Procurement of Kubanenergo PJSC for 2016.

#### **Item 1**

#### **On approval of business plan, including investments programme and information on key risks, for 2016 and estimates for 2017-2020.**

The following decision is proposed:

1. To approve business plan of Kubanenergo PJSC, including investments programme and information on key risks, for 2016 and take into consideration estimates for 2017-2020, in accordance with Annex 1 to the resolution of the BoD.

2. To instruct Director General of Kubanenergo PJSC to:

2.1 to ensure that during the next 2016 year, the specified in the business plan level of account payable and debt portfolio, as well as indicator Debt/EBITDA, will not be exceeded by the results of 2016.

2.2 reduce to minimum the debt portfolio of the Company by the end of 2016, in case of receiving extra income of reducing expenditures from the business plan

2.3 implement activities aimed at supporting financial stability of the Company, in accordance with Annex 2 to the resolution of the BoD..

#### **Voting results**

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

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

#### **Item 2**

#### **On approval of the Programme of energy saving and enhancement of energy efficiency of Kubanenergo PJSC for 2016.**

The following decision is proposed:

To defer the discussion to a later date.

#### **Voting results**

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

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

#### **Item 3**

#### **On approval Company's internal document: Unitary procurement standard (Regulations on Procurement).**

The following decision is proposed:

To approve Unitary procurement standard (Regulations on Procurement) as Company's internal document, in accordance with Annex 3 to the resolution of the BoD..

**Voting results**

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

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

**Item 4**

**On approval Company's internal document: Regulations on corporate look of Kubanenergo PJSC.**

The following decision is proposed:

To approve Regulations on corporate look of Kubanenergo PJSC as Company's internal document, in accordance with Annex 4 to the resolution of the BoD.

**Voting results**

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

Thus, the decision on the fourth item was unanimously adopted by the BoD members participating in the meeting.

**Item 5**

**On approval Company's internal document: Regulations on implementation of communication programme Kubanenergo PJSC.**

The following decision is proposed:

To approve Regulations on implementation of communication programme Kubanenergo PJSC as Company's internal document, in accordance with Annex 5 to the resolution of the BoD.

**Voting results**

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

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

**Item 6**

**On approval of schedule of Department of internal audit and control of Kubanenergo PJSC for 2016.**

The following decision is proposed:

To approve of schedule of Department of internal audit and control of Kubanenergo PJSC for 2016, in accordance with Annex 6 to the resolution of the BoD..

**Voting results**

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

Thus, the decision on the sixth item was unanimously adopted by the BoD members participating in the meeting.

**Item 7 On approval of budget of Department of internal audit and control of Kubanenergo PJSC for 2016**

The following decision is proposed:

To approve budget of Department of internal audit and control of Kubanenergo PJSC for 2016, in accordance with Annex 7 to the resolution of the BoD.

**Voting results**

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

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

**Item 8 On approval of cash flow indicators of Kubanenergo PJSC for the 1<sup>st</sup> quarter of 2016**

The following decision is proposed:

1. To approve cash flow indicators of Kubanenergo PJSC for the 1<sup>st</sup> quarter of 2016, in accordance with Annex 8 to the resolution of the BoD.

2. To instruct Director General to:

- within 5 (five) business days after adopting this decision, to ensure preparation of project of cash flow indicators and its approval;
- within 1 (one) business day after approval of the cash flow indicators, to submit the document to members of the Board of Directors.

**Voting results**

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

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

**Item 9 On approval of the Company's Insurer**

The following decision is proposed:

To appoint as Company's insurer the following companies:

Insurance	Insurance company	Period of insurance
compulsory civil liability insurance of owners of motor vehicles	"VSK" insurance company	from 01.01.2016 to 31.12.2016
Voluntary insurance of vehicles	"SOGAZ" Insurance Group	from 31.12.2015 to 31.12.2016
compulsory insurance of the civil liability of owners of hazardous facility for causing damage in the result of accident at hazardous facility	"AlfaStrakhovanie" Group	from 01.01.2016 to 31.12.2016

**Voting results**

Bogach Ye.V.	-	<b>FOR</b>	Mangarov Yu.N.	-	<b>FOR</b>
Varvarin A.V.	-	<b>FOR</b>	Terebkov F.A.	-	<b>FOR</b>
Kataev S.M.	-	<b>FOR</b>	Kharin A.N.	-	<b>FOR</b>

Gavrilov A.I. - **FOR** Khokholkova K.V. - **FOR**  
Lavrova M.A. - **FOR**

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

**Item 10 On expressing the Company's opinion on agendas of meetings held by the BoDs of Company's affiliated and dependent companies**

The following decision is proposed:

1. To instruct representatives of Kubanenergo PJSC in the Board of Directors of "Recreation Centre "Energetik" JSC to choose "for" when voting on the following resolution for agenda item "On approval of report on the results of implementation of business plan in the 3<sup>rd</sup> quarter of 2015 and 9 months of 2015":

1.1. To approve the report on the results of implementation of business plan in the 3<sup>rd</sup> quarter of 2015 and 9 months of 2015, in accordance with Annex to the resolution of the BoD.

1.2. To note that by the end of 9 months of 2015 the planned financial result was not reached (the planned result – 8 600 thousand rubles, actual result – 1 508 thousand rubles, loss of expected profit – 7 092 thousand rubles, or -82%).

1.3 To instruct director general to ensure that the parameters of the business plan are reached in 2015.

2. To instruct representatives of Kubanenergo PJSC in the Board of Directors of "Energoservis Kuban" JSC to choose "for" when voting on the following resolution for agenda item "On approval of report on the results of implementation of business plan in the 3<sup>rd</sup> quarter of 2015 and 9 months of 2015":

2.1. To approve the report on the results of implementation of business plan in the 3<sup>rd</sup> quarter of 2015 and 9 months of 2015, in accordance with Annex to the resolution of the BoD.

2.2. To note that by the end of 9 months of 2015 the planned financial result was not reached:

- "Revenue from services": the planned result – 75 900 thousand rubles, actual result – 5 501 thousand rubles, loss of expected profit – 70 399 thousand rubles, or -93%).

2.3 To instruct director general to ensure that the parameters of the business plan are reached in 2015.

**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**  
Gavrilov A.I. - **FOR** Khokholkova K.V. - **FOR**  
Lavrova M.A. - **FOR**

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

**Item 11 On determining the number of members and election of members of the Reliably Committee under the Company's Board of Directors**

The following decision is proposed:

1. To decide that the Reliably Committee under the Company's Board of Directors shall consist of 7 members.

2. To elect the following person to the Reliably Committee under the Company's Board of Directors:

- Ocheredko Olga Vyacheslavovna, Deputy General Director for Economics and Finance, Kubanenergo PJSC

- Armaganyan Edgar Garrievich, Deputy General Director for selling of services of Kubanenergo PJSC.

**Voting results**

Bogach Ye.V. - **FOR** Mangarov Yu.N. - **FOR**  
Varvarin A.V. - **FOR** Terebkov F.A. - **FOR**

Kataev S.M.	-	<b>FOR</b>	Kharin A.N.	-	<b>FOR</b>
Gavrilov A.I.	-	<b>FOR</b>	Khokholkova K.V.	-	<b>FOR</b>
Lavrova M.A.	-	<b>FOR</b>			

Thus, the decision on the eleventh item was unanimously adopted by the BoD members participating in the meeting.

**Item 12 On taking into consideration the report of Director general of Kubanenergo PJSC on the results of the Company's preparedness to autumn-winter season 2015-2016**

The following decision is proposed:

To take into consideration the report of Director general of Kubanenergo PJSC on the results of the Company's preparedness to autumn-winter season 2015-2016, in accordance with Annex 9 to the resolution of the BoD.

**Voting results**

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

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

**Item 13 On taking into consideration the report on the reasons of implementing the unscheduled projects of investment programme by the results of the 1<sup>st</sup> half of 2015, information on the planned liabilities on technological connection of "beneficiary" category of consumers in 2015 and suggestions on the funding sources for activities on technological connection of "beneficiary" category of consumers in 2015**

The following decision is proposed:

1. To take into consideration the report on the reasons of implementing the unscheduled projects of investment programme by the results of the 1<sup>st</sup> half of 2015, in accordance with Annex 10 to the resolution of the BoD.

2. To take into consideration the information on the planned liabilities on technological connection of "beneficiary" category of consumers in 2015 and suggestions on the funding sources for activities on technological connection of "beneficiary" category of consumers in 2015, in accordance with Annex 11 to the resolution of the BoD.

**Voting results**

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

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

**Item 14 On taking into consideration the report of Director general on approval of the amended investment programme for 2015 by authorized bodies of executive power of the Russian Federation**

The following decision is proposed:

To take into consideration the report of Director general on approval of the amended investment programme for 2015 by authorized bodies of executive power of the Russian Federation, in accordance with Annex 12 to the resolution of the BoD.

**Voting results**

Bogach Ye.V.	-	<b>FOR</b>	Mangarov Yu.N.	-	<b>FOR</b>
Varvarin A.V.	-	<b>FOR</b>	Terebkov F.A.	-	<b>ABSTAINED</b>
Kataev S.M.	-	<b>FOR</b>	Kharin A.N.	-	<b>FOR</b>

Gavrilov A.I. - **FOR** Khokholkova K.V. - **FOR**  
Lavrova M.A. - **FOR**

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

**Item 15 On taking into consideration the report on implementation of the Plan of activities aimed at enhancement of business efficiency and improvement of financial state of the Company by the results of 9 months of 2015**

The following decision is proposed:

1. To take into consideration the report on implementation of the Plan of activities aimed at enhancement of business efficiency and improvement of financial state of the Company by the results of 9 months of 2015, in accordance with Annex 13 to the resolution of the BoD.

2. To instruct director general to include the following information to final report on implementation of the Plan of activities aimed at enhancement of business efficiency and improvement of financial state of the Company:

2.1. in order to achieve the effect in terms of indicator “Coverage of construction in progress from the investment program by the independent construction control up to 70% in 2019” the following figures should be specified: the number of the Company's facilities covered by an independent building control with regard of facilities provided for the implementation of construction supervision under procurement plan for 2015;

2.2 in order to achieve the effect, the indicator “Reduction up to 30% in 2019 the number of technological failures (accidents) associated with poor construction of commissioned facilities and as a result, the decline in electricity shortage for consumers and reduction of costs of repair and restoration works:” shall include the number of technological failures (accidents) occurred because of poor construction and classified by the code of organizational reasons 3.4.11. “Defects (drawbacks) of the project design, construction, installation” of table number 3, Annex 2 to the Sample of filling-in the form of investigating the causes of accidents in the electric power industry, Annex 2 to the Order of the Ministry of Energy No. 90 dated 02.03.2010 “On approval of the form of act for investigating the causes of accidents in the electricity and the procedure of its completion”, taking into account the indicators of quality of capital construction –decline in the number of technological disturbances: in 2015 at least 10%, in 2016 at least 15%, in 2017 at least 20%, in 2018 at least 25%; in 2019 at least 30%.

**Voting results**

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

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

**Item 16 On taking into consideration the report of Director general of Kubanenergo PJSC on implementation of resolutions taken by the BoD in the 3<sup>rd</sup> quarter of 2015”**

The following decision is proposed:

To take into consideration the report of Director general of Kubanenergo PJSC on implementation of resolutions taken by the BoD in the 3<sup>rd</sup> quarter of 2015, in accordance with Annex 14 to the resolution of the BoD.

**Voting results**

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

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

**Item 17 On taking into consideration the report on implementation of liabilities under contracts on technological connection by the results of 9 months of 2015**

The following decision is proposed:

To defer the discussion to a later date.

**Voting results**

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

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

**Item 18 On introduction of changes to the resolution of the BoD dated 24.02.2015 (minutes of meeting No.2003/2015 dated 25.02.2015)**

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., 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. The resolution of the BoD dated 24.02.2015 (minutes of meeting NO.2015/2015 dated 25.02.2015) on agenda item 14 "On approval of the contract of commercial representation of Owner of power facilities for the purposes of the conclusion and implementation of contracts on installation of fiber-optic communication lines in the electric grid facilities of territorial distribution network between Kubanenergo PJSC and VOLS-VL Directorate JSC (Fiber-Optic Communication Line – power lines) as a transaction of interest" shall be amended as follows:

"1. To determine that the price of the contract of commercial representation of Owner of power facilities for the purposes of the conclusion and execution of contracts on installation of fiber-optic communication lines in the electric grid facilities between "Kubanenergo" JSC and "Management VOLS-VL", as transaction of interest, cannot be equal to or exceed 2% of the balance cost of the assets of "Kubanenergo" JSC according to its accounting report for the last reporting date. The amount of remuneration of Commercial representation is defined in Appendix No. 8, No. 10, No. 12 to the Contract.

2. To approve contract of commercial representation of Owner of power facilities for the purposes of the conclusion and execution of contracts on installation of fiber-optic communication lines in the electric grid facilities between "Kubanenergo" JSC and "Management VOLS-VL" (hereafter- Contract, Appendix No. 15 to present decision of Board of Directors), as transaction of interest at the following conditions:

Parties of the Contract:

Grantor – "Kubanenergo" PJSC

Commercial representative – "Management VOLS-VL" JSC

Subject of the Contract:

As part of the execution of the Contract the Principal instructs and Commercial Representative undertakes to perform on behalf of and at the expense of the Principal the following legal and practical actions:

- To find and attract potential Customers of electricity generation facilities.

-To deliver to Customers of electricity generation facilities the following technic specifications; to sign acts, minutes of meetings, certificates and other documents to execute specified technic specifications: technic specifications of installation of fiber-optic communication lines in the



electric grid facilities (standard form of technical specifications is described in Appendix 6 to the Contract);

-To conclude with Customers of electricity generation facilities and execute the following Contracts (Agreements); make changes and additions to Contracts, to terminate them in cases and in accordance with procedure specified in Contracts (Agreements); to sign acts, minutes, certificates and other documents to execute specified Contracts (Agreements):

- contracts providing an access to grid facilities for FOCL construction and operation (form of a contract is specified in Annex 7 to the contract);
- contracts on temporal limited use of overhead power lines operation (form of a contract is specified in Annex 9 to the contract);
- contracts on installation of FOCL on aerial power lines and other grid facilities (form of a contract is specified in Annex 11 to the contract);

- To settle accounts with users of grid facilities according to the prices (tariffs) approved by the Grantor.

- To represent the interests of the Grantor in technical inventory authority on issues of technical inventory of grid facilities in order to install fiber-optic communication lines with the right to submit application and documents, as well as the right to receive technical passports and other documents.

- To represent the interests of the Grantor in the state registration of rights on immovable property and transactions on the issues of the registration of transactions and subsequent registration of rights and deals with grid facilities (including lease agreement, easement agreements), that are objects of immovable property as well as the land plots with installed facilities (including leases, contracts on easement of land plots); with the right to sign and submit applications, obtaining certificates; with the right to obtain state registrations certificates, extracts from Unified State Register and other documents; as well as other actions related to the state registration of the rights and transactions.

Annex 2 to the Contract contains the list of grid facilities of territorial distribution network to which the contract is applied.

Order of interaction between the Grantor and the commercial representative when concluding and performing the contracts, prices (tariffs) on contracts, remuneration of the Commercial Representative under the contracts stipulated in Clause 3.1.3 of the Contract are specified in Annex 8, 10, 12 to the Contract.

Validity: The Contract shall enter into force upon the signature and shall last for an indefinite period.”

1. To instruct Director general to conclude contract on the specified conditions.

#### **Voting results**

Bogach Ye.V.	-	<b>FOR</b>	Mangarov Yu.N.	-	<b>FOR</b>
Varvarin A.V.	-	<b>FOR</b>	Terebkov F.A.	-	<b>FOR</b>
Kataev S.M.	-	<b>FOR</b>	Kharin A.N.	-	<b>FOR</b>
Lavrova M.A.	-	<b>FOR</b>	Khokholkova K.V.	-	<b>FOR</b>

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

#### **Item 19 On approval of the Company’s internal document: Regulations on consideration and settlement of disputes and conflict of interest within the Group of Companies Rosseti.**

The following decision is proposed:

1. To approve “Regulation of consideration and settlement of disputes and conflicts of interests in “Rosseti” group” as internal document of the Company in accordance with Appendix 16 to present decision of BoD.

2. To instruct sole executive body of the Company:

- 2.1. To provide the implementation of the Regulation and maintenance of order of settlement of disputes and conflicts of interests with other Companies of “Rosseti” PJSC group provided by the Regulation.

2.2. To provide the inclusion in Contracts concluding with other companies of “Rosseti” PJSC group:

- mediative stipulation in accordance with Appendix 1 to the Regulation;
- arbitration clause on referral of disputes to Arbitration Court affiliated with Russian Union of manufacturers in accordance with Appendix 1 to the Regulation;

2.3. To provide the conclusion with other companies of “Rosseti” PJSC group in case of absence of mediative stipulation in Contract on which dispute occurred, the agreements on implementation of procedures of out-of-court settlement (mediation) in accordance with Appendix 2 to the Regulation.

2.4. To provide bringing in correspondence of internal documents and local normative acts of the Company with the Regulation.

2.5. To provide (by methods of corporate control) the introduction of extrajudicial procedure of disputes settlement and conflicts of interests occurring in “Rosseti” PJSC group in subsidiaries and affiliates in relation to the Company according to the procedure established by the Regulation.

Deadline: no later than 30 days from the moment of adoption of this decision.

**Voting results**

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

Thus, the decision on the nineteenth item was unanimously adopted by the BoD members participating in the meeting.

**Item 20 On approval of the Plan of Procurement of Kubanenergo PKSC for 2016”**

The following decision is proposed:

To defer the discussion to a later date

**Voting results**

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

Thus, the decision on the twentieth item was unanimously adopted by the BoD members participating in the meeting.

Chairperson

Mangarov Yu.N..

Corporate secretary

Russu O.V.