



Minutes of Board of Directors Meeting No. 241/2016

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

Date of meeting	31 May 2016
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	31.05.2016, 5 p.m.
Date of drawing up minutes	1 June 2016

Board of Directors Members: 11

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

Questionnaires were not submitted by: Niyazmetov A.K. Terebkov F.A.

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 consideration of the report of Kubanenergo General Director on the implementation of a range of measures aimed at addressing the deficiencies noted in the act of the Audit Committee of the Company by the results of the audit of financial and economic activity of the Company in 2014, as of 31.12.2015.
2. On consideration of the report of Kubanenergo General Director on the Company's credit policy in the 4th quarter 2015.
3. On consideration of the report on the implementation of innovative development programmes of Kubanenergo PJSC" in 2015.
4. On the nomination of candidates of the auditors for organizations in which Kubanenergo participates.
5. On expressing opinion of Kubanenergo PJSC on the agenda of annual general meetings of shareholders of subsidiaries of the Company "Recreation Centre "Energetik" JSC and "Energoservis Kuban".
6. On expressing opinion of Kubanenergo PJSC on the agenda issues of meetings of the Boards of Directors of subsidiaries and affiliates of Kubanenergo PJSC.

7. On approval of the agreement on debt restructuring agreement dated 03.09.2012 No.54/407/30-1530 between Kubanenergo PJSC and “Recreation Centre “Energetik” JSC is a transaction of interest.

8. On approval of the agreement on termination of the contract dated 30.8.2013 No. 54/2013-02/407/30-1899 between Kubanenergo PJSC and “IT Energy Service” LLC as a transaction of interest.

9. On preliminary approval of the Company's transaction involving the alienation and acquisition of property which constitutes fixed assets that are not used for production, transmission, dispatching, distribution of electric and thermal energy, on contract of exchange that will be concluded with Kubanenergoby JSC.

10. On approval of the contract on rendering services on organization and holding of the Interregional competitions of professional skills of staff for repair and maintenance of substation equipment and cable networks as a transaction of interest.

11. On approval of the Regulations for the procedure of formation and use of sponsorship and charity fund of Kubanenergo PJSC.

12. On approval of budgets for the committees of the Board of Directors of Kubanenergo PJSC.

13. On approval of corporate structure of executive office of “Kubanenergo” PJSC.

Item 1

On consideration of the report of Kubanenergo General Director on the implementation of a range of measures aimed at addressing the deficiencies noted in the act of the Audit Committee of the Company by the results of the audit of financial and economic activity of the Company in 2014, as of 31.12.2015

The following decision is proposed:

To take into consideration the report of Kubanenergo General Director on the implementation of a range of measures aimed at addressing the deficiencies noted in the act of the Audit Committee of the Company by the results of the audit of financial and economic activity of the Company in 2014, in accordance with Annex 1 to the resolution of the BoD.

Voting results

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

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

Item 2

On consideration of the report of Kubanenergo General Director on the Company's credit policy in the 4th quarter 2015

The following decision is proposed:

To take into consideration the report of Kubanenergo General Director on the Company's credit policy in the 4th quarter 2015, in accordance with Annex 2 to the resolution of the BoD.

Voting results

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

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

Item 3

On consideration of the report on the implementation of innovative development programmes of Kubanenergo PJSC in 2015

To take into consideration the report on the implementation of innovative development programmes of Kubanenergo PJSC" in 2015, in accordance with Annex 3 to the resolution of the BoD.

Voting results

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

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

Item 4

On the nomination of candidates of the auditors for organizations in which Kubanenergo participates

The following decision is proposed:

1. To nominate "PrestizhAudit" LLC (404 office, 1/4 Montazhnikov str, Krasnodar) for approval at the AGM as auditor of Recreation Centre "Energetik" JSC.
2. To nominate "PrestizhAudit" LLC (404 office, 1/4 Montazhnikov str, Krasnodar) for approval at the AGM as auditor of "Energoservis Kuban" JSC.

Voting results

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

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

Item 5

On expressing opinion of Kubanenergo PJSC on the agenda of annual general meetings of shareholders of subsidiaries of the Company “Recreation Centre “Energetik” JSC and “Energoservis Kuban

The following decision is proposed:

1. To instruct representatives of Kubanenergo PJSC at the annual general meeting of shareholders of Recreation centre “Energetik” JSC:

1.1 On agenda item “Election of members to company’s Board of Directors” to vote “FOR” on the following resolution:

#	Name	Position
1	Ocheredko Olga Vyacheslavovna	Deputy General Director for Economics and Finance, Kubanenergo PJSC
2	Didenko Yekaterina Yevgenievna	Head of Corporate Management And Shareholders Relations Department, Kubanenergo PJSC
3	Belik Vyacheslav Alexandrovich	Head of HR department and organization design, Kubanenergo PJSC
4	Rodin Yegor Yegorovich	Deputy head of security department, KubanenergoPJSC
5	Avtonoshkina Maria Alexandrovna	Leading expert of Division for provision of shareholders rights at Department of corporate governance and interaction with shareholders, Rosseti PJSC

1.2 On agenda item “Election of the Audit Committee” to vote “FOR” on the following resolution:

To elect the Audit Committee of the company:

#	Name	Position
1	Khort Alexey Grigorievich	Deputy head of sector for internal audit and risks at department of internal audit and control, Kubanenergo PJSC
2	Gaidar Dmitry Viktorovich	Head of sector for internal audit at department of internal audit and control, Kubanenergo PJSC
3	Udalova Tatiana Alxandrovna	Chief specialist of department of internal audit and control, Kubanenergo PJSC

1.3 On agenda item “Distribution of profit (as well as payment of dividends) and losses by the results of 2015 fiscal year” to vote “FOR” on the following resolution:

1.3.1. Approve the distribution of profit (loss) of the company by the results of 2015 fiscal year:

	(thousand rubles)
Profit of the reporting year	(4 205)
Distribute to: Reserve fund	-

Accumulation fund	-
Dividends	-
Recovery of undistributed deficit of prior years	-

1.3.2. To decide not to pay out dividends on ordinary shares of Recreation centre “Energetik” JSC by the results of 2015.

2. To instruct representatives of Kubanenergo PJSC at the annual general meeting of shareholders of “Energoservis Kuban” JSC:

2.1 On agenda item “Election of members to company’s Board of Directors” to vote “FOR” on the following resolution:

1.	Armaganyan Edgar Garrievich	First deputy director general – head of Sochi electric networks, branch of Kubanenergo PJSC, deputy director general in charge of selling services, Kubanenergo PJSC
2.	Dvorniy Vladimir Viktorovich	Head of department of energy saving and enhancement of energy efficiency, Kubanenergo PJSC
3.	Nischyuk Oleg Fyodorovich	Deputy head of department for selling services and energy accounting, Kubanenergo PJSC
4.	Tsyba Irina Alexandrovna	Head of Economics department, Kubanenergo JSC
5.	Loza Andrey Alexandrovich	Acting director general of “Energoservis Kuban” JSC
6.	Ozhereliev Alexey Alexandrovich	Head of directorate for arrangement of management bodies activity, Rosseti JSC
7.	Nekhaev Sergey Viktorovich	Chief expert of directorate for balance and analysis of losses at Department of balance and metering of electric energy, Rosseti JSC

2.2 On agenda item “Election of the Audit Committee” to vote “FOR” on the following resolution:

To elect the Audit Committee of the company:

#	Name	Position
1	Khort Alexey Grigorievich	Deputy head of sector for internal audit and risks at department of internal audit and control, Kubanenergo PJSC
2	Gaidar Dmitry Viktorovich	Head of sector for internal audit at department of internal audit and control, Kubanenergo PJSC
3	Udalova Tatiana Alexandrovna	Chief specialist of department of internal audit and control, Kubanenergo PJSC

2.3 On agenda item “Distribution of profit (as well as payment of dividends) and losses by the results of 2014 fiscal year” to vote “FOR” on the following resolution:

2.3.1. Approve the distribution of profit (loss) of the company by the results of 2014 fiscal year:

	(thousand rubles)
Profit of the reporting year	(3 870)
Distribute to: Reserve fund	-
Accumulation fund	-
Dividends	-
Recovery of undistributed deficit of prior years	-

Dividends on ordinary shares of “Energoservis Kuban” JSC shall not be paid by the results of 2015.

Voting results

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

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

Item 6

On expressing opinion of Kubanenergo PJSC on the agenda issues of meetings of the Boards of Directors of subsidiaries and affiliates of Kubanenergo PJSC

The following decision is proposed:

1. To instruct representatives of Kubanenergo in the Board of Directors of “Recreation centre “Energetik” JSC on agenda item “Approval of the report on the results of business-plan implementation achieved in the 4th quarter of 2015 and in 2015” to vote “FOR” on the following resolution:

1.1 To approve the report on the results of business-plan implementation achieved in the 4th quarter of 2015 and in 2015.

1.2 To note that the following was not reached:

1.2.1. “Net profit (loss) by the results of 2015 was not reached, deficiency – 4 350 thousand rubles (plan: profit in the amount of 145 thousand rubles; actual indicator: - 4 205 thousand rubles)”.

1.2.2. deadlines for submission for consideration by the Board of Directors of report on implementation of the business plan of “Recreation centre “Energetik” JSC for 2015 according to paragraph 4.4.2 of the Rules of Business Planning of Kubanenergo PJSC (approved by the Board of Directors, Minutes of the meeting No.206/2016 dated 04.03.2015) were not met.

2. On the issue “On the reduction of the authorized capital of “Recreation centre “Energetik” JSC by reducing the nominal value of the shares of the Company” to vote for the following decision:

Propose to the Annual General Meeting of Shareholders of “Recreation centre “Energetik” JSC on agenda item “On the reduction of the authorized capital of “Recreation centre “Energetik” JSC by reducing the nominal value of the shares of the Company” to adopt the following decision:

1. To reduce the authorized capital of “Recreation centre “Energetik” JSC up to 34 665 373 (thirty four million six hundred and sixty five thousand three hundred and seventy three) rubles 59 kopecks by reducing the nominal value of the ordinary shares of the Company up to 87 kopecks per ordinary registered share.

2. The method of placement of shares – conversion of shares into shares of the same category (type) with lower par value.

3. The procedure for determining the date of the conversion – the 10th working day from the date of state registration of the shares issue.

The payment to the shareholders of “Recreation centre “Energetik” JSC cash and/or transfer of securities placed by another legal entity to “Recreation centre “Energetik” JSC is not provided.

3. To instruct representatives of Kubanenergo in the Board of Directors of “Energoservis Kuban” JSC on agenda item “Approval of the report on the results of business-plan implementation achieved in the 4th quarter of 20145 and in 2015” to vote “FOR” on the following resolution:

31 To approve the report on the results of business-plan implementation achieved in the 4th quarter of 2015 and in 2015.

3.2 To note that the following was not reached:

3.2.1. “Net profit (loss) by the results of 2015 was not reached, deficiency – 102 486 thousand rubles or 92.0% (plan: profit in the amount of 11 850.0 thousand rubles; actual indicator: 9 364.0 thousand rubles)”.

3.2.2. deadlines for submission for consideration by the Board of Directors of report on implementation of the business plan of “Energoservis Kuban” JSC for 2015 according to paragraph 4.4.2 of the Rules of Business Planning of Kubanenergo PJSC (approved by the Board of Directors, Minutes of the meeting No.206/2016 dated 04.03.2015) were not met.

Voting results

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

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

Item 7

On approval of the agreement on debt restructuring agreement dated 03.09.2012 No.54/407/30-1530 between Kubanenergo PJSC and “Recreation Centre “Energetik” JSC is a 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. 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 “On Joint Stock Companies”.

The following decision is proposed:

1. To determine price of the debt restructuring agreement No.54/407/30-1530 dated 03.09.2012 between Kubanenergo PJSC and “Recreation Centre “Energetik” JSC, as a transaction of

interest, in the amount of 775 245 (seven hundred seventy five thousand two hundred forty five) rubles 00 kopecks, including 18% VAT.

2. To approve the debt restructuring agreement for the work performed under the contract No.54/407/30-1530 dated 03.09.2012 between Kubanenergo PJSC and “Recreation Centre “Energetik” JSC (hereinafter the Agreement) as a transaction of interest on the following conditions:

Parties of the Agreement:

Kubanenergo PJSC – Creditor

“Recreation Centre “Energetik” JSC – Debtor

Subject of the Agreement: The subject of the Agreement is to determine the procedure of repayment of the debt by the Debtor to the Creditor under the contract of lease of immovable property No.54/407/30-1530 dated 03.09.2012 in the amount of 775 245 (seven hundred seventy five thousand two hundred forty five) rubles 00 kopecks, including 18% VAT – 118 257 (one hundred eighteen thousand two hundred fifty seven) rubles 71 kopecks.

The procedure of payment by installments: The debtor is obliged to repay the debt in the amount of 775 245 (seven hundred and seventy five thousand two hundred and forty five) rubles 00 kopecks, including 18% VAT – 118 257 (one hundred eighteen thousand two hundred fifty seven) rubles 71 kopecks in the following order:

The debtor shall pay to the Lender the amount of the monthly payment of principal debt in the amount and for the period specified Annex 1 of the Agreement.

Price of the Agreement: Agreement price includes the amount owed by the Debtor under the real estate lease agreement No.54/407/30-1530 dated 03.09.2012 in the amount of 775 245 (seven hundred seventy five thousand two hundred forty five) rubles 00 kopecks, including VAT 18 % -118 257 (one hundred eighteen thousand two hundred fifty seven) rubles 71 kopecks;

Term of the Agreement: The Agreement comes into force upon the signature and is valid until full repayment of the Debtor's debt referred to in paragraph 2 of the Agreement.

Voting results

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

Thus, the decision on the seventh item was adopted by majority of votes of the independent directors uninterested in conclusion of transaction the BoD members participating in the meeting.

Item 8

On approval of the agreement on termination of the contract dated 30.8.2013 No. 54/2013-02/407/30-1899 between Kubanenergo PJSC and “IT Energy Service” LLC as a 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 Gavrillov 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 “On Joint Stock Companies”.

The following decision is proposed:

To approve the agreement on termination of the contract dated 30.8.2013 No. 54/2013-02/407/30-1899 between Kubanenergo PJSC and “IT Energy Service” LLC as a transaction of interest, in accordance with Annex 4 to the resolution of the BoD.

Voting results

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

Thus, the decision on the eighth item was adopted by majority of votes of the independent directors uninterested in conclusion of transaction the BoD members participating in the meeting.

Item 9

On preliminary approval of the Company's transaction involving the alienation and acquisition of property which constitutes fixed assets that are not used for production, transmission, dispatching, distribution of electric and thermal energy, on contract of exchange that will be concluded with Kubanenergosbyt JSC

The following decision is proposed:

1. To determine that the price of the property that constitutes fixed assets, the purpose of which is not production, transmission, dispatching, distribution of electric and thermal energy, owned by a Kubanenergo PJSC – non-residential premises No.1-6, 14 of total area 75.7 sq. m., located at: 38 Shevchenko street, Gulkevichi village, Krasnodar region, equals to the market value determined by an independent appraiser “Alternative” LLC (Report No.50/2015) in the amount of 1 628 000 (one million six hundred twenty eight thousand) rubles 00 kopecks, including 18% VAT in the amount of 248 338 (two hundred forty eight thousand three hundred thirty eight) rubles 98 kopecks.

2. Determine that the price of the property that constitutes fixed assets, the purpose of which is not production, transmission, dispatching, distribution of electric and thermal energy, owned by a Kubanenergosbyt JSC – non-residential rooms No.7-11 of total area 77.2 square meters, located at: 95 Sovetskaya street, Novokubansk, Krasnodar region, equals to the market value determined by an independent appraiser “Alternative” LLC (Report No.40-5/2015) in the amount of 1 658 000 (one million six hundred fifty eight thousand) rubles 00 kopecks, including VAT 18% in the amount of 252 915 (two hundred fifty two thousand nine hundred fifteen) rubles 25 kopecks.

3. To approve the Company's transaction involving alienation, purchase of immovable property which constitutes fixed assets, the purpose of which is not production, transmission, dispatching, distribution of electric and thermal energy on a barter agreement to the following terms:

Parties of the Agreement:

Party 1 - Public Joint Stock Company of Power Industry and Electrification of Kuban;

Party 2 - Open Joint Stock Company Kuban Energy Retail Company.

Subject of the Agreement:

Party 1 shall transfer to the Party 2 the property specified in paragraph 1 of the present resolution of the Board of Directors.

Party 2 undertakes to transfer to the Party 1 property specified in paragraph 2 of the present resolution of the Board of Directors.

Price of the Agreement:

The Parties recognize the property belonging to the Party 1, and property belonging to the Party 2 as equivalent.

The order of transfer of the property:

Ownership of the property passes according to the procedure established by the legislation of the Russian Federation.

Voting results

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

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

Item 10

On approval of the contract on rendering services on organization and holding of the Interregional competitions of professional skills of staff for repair and maintenance of substation equipment and cable networks as a 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. 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 "On Joint Stock Companies".

The following decision is proposed:

1. To determine the price of the contract on rendering services on organization and holding of the Interregional competitions of professional skills of staff for repair and maintenance of substation equipment and cable networks as a transaction of interest between Kubanenergo PJSC and Lenenergo PJSC in the amount of 2 320 000.00 (two million three hundred twenty thousand rubles 00 kopecks) 00 kopecks, including VAT 18% – 353 898.31 (three hundred fifty three thousand eight hundred ninety eight rubles) 31 kopecks.

2. To approve the contract on rendering services on organization and holding of the Interregional competitions of professional skills of staff for repair and maintenance of substation equipment and cable networks as a transaction of interest between Kubanenergo PJSC and Lenenergo PJSC (hereinafter – the Contract), on the following conditions:

Parties of the Contract:

Customer – Kubanenergo PJSC

Contractor – Lenenergo PJSC

Subject of the Contract:

The Contractor undertakes to provide services for the organization and holding of the Interregional competitions of professional skills of staff for repair and maintenance of substation equipment and cable networks at the training ground of Lenenergo PJSC in the settlement Tervolovo of the Gatchina municipal district in the Leningrad region from 25 to 29 July 2016, in accordance with the Regulations for Holding the Interregional competitions of professional skills of staff for repair and maintenance of substation equipment and cable network, the Customer shall pay for the services in accordance with the terms of the Contract.

Price of the Contract:

The amount of services under the contract is 2 320 000 00 (two million three hundred twenty thousand rubles 00 kopecks), including VAT 18% - 353 898.31 (three hundred fifty three thousand eight hundred ninety eight rubles 31 kopecks).

Term of the Contract:

The Contract shall come into force upon the signature and be valid until the Parties fulfill their obligations.

All disputes, disagreements and claims arising from the contract (agreement) or in connection with it, including those related to its conclusion, efficacy, change, implementation, infringement, cancellation, termination and validity are to be settled through negotiations.

In case of failure to settle the dispute through negotiations, before applying to court, he shall be settled through the use of alternative dispute resolution procedures (mediation), on the terms and in the manner prescribed by law and the Rules of consideration and settlement of disputes and conflicts of interest within the Group Rosseti PJSC approved by the Board of Directors of Kubanenergo PJSC on 12.23.2015 (minutes of meeting No.227/2015 dated 25.12.2015).

If the parties fail to reach an agreement on the settlement of the dispute through mediation, it shall be settled by the Arbitration Court of the Russian Union of Industrialists and Entrepreneurs (RSPP Arbitration Court) (location - Moscow) in accordance with its rules in effect as of the date of filing a claim.

Decisions of the Court of Arbitration at the RSPP are binding, final and not subject to appeal.

Voting results

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

Thus, the decision on the tenth item was adopted by majority of votes of the independent directors uninterested in conclusion of transaction the BoD members participating in the meeting.

Item 11

On approval of the Regulations for the procedure of formation and use of sponsorship and charity fund of Kubanenergo PJSC

The following decision is proposed:

To approve the Regulations for the procedure of formation and use of sponsorship and charity fund of Kubanenergo PJSC, in accordance with Annex 5 to the resolution of the BoD.

Voting results

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

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

Item 12

On approval of budgets for the committees of the Board of Directors of Kubanenergo PJSC

The following decision is proposed:

1. To approve the budget of the Audit Committee of the BoD for the 1st half of 2016, in accordance with Annex 6 to this resolution of the BoD.
2. To approve the budget of the Committee of Strategy, Investment, Reforms and Development of the BoD for the 1st half of 2016, in accordance with Appendix 7 to this resolution of the BoD.
3. To approve the budget of the Reliability Committee of the BoD for the 1st half of 2016, in accordance with Annex 8 to this resolution of the BoD.
4. To approve the budget of the Personnel and Remuneration Committee of the BoD for the 1st half of 2016, in accordance with Annex 9 to this resolution of the BoD.

Voting results

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

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

Item 13

On approval of corporate structure of executive office of “Kubanenergo” PJSC

The following decision is proposed:

1. To approve the corporate structure of Kubanenergo PJSC executive body in accordance with Annex 10 to the decision of the BoD and put it into operation in accordance with terms specified by Russian Federation legislation while changing and termination of labor agreements with employees.
2. Upon the date of introducing the corporate structure of executive, the previous corporate structure approved by the decision of “Kubanenergo” PJSC Board of Directors dd. 24.02.2015 (Minutes No. 2030/2015 dd. 25.02.2015) is to be considered as invalid.

Voting results

Bogach Ye.V.	-	FOR	Mangarov Yu.N.	-	FOR
Varvarin A.V.	-	FOR	Kharin A.N.	-	FOR

Gavrilov A.I. - **FOR**

Khokholkova K.V. - **FOR**

Kataev S.M. - **FOR**

Lavrova M.A. - **FOR**

Kislyakov A.M. - **FOR**

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

Chairperson

Mangarov Yu.N..

Corporate secretary

Russu O.V.