



Minutes of Board of Directors Meeting No. 243/2016
Public joint stock Company of power industry and electrification of Kuban
(“Kubanenergo” PJSC)

Date of meeting	16 June 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	16.06.2016, 5 p.m.
Date of drawing up minutes	17 June 2016

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: Gavrilov A.I., 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 approval of the Schedule of activities of Kubanenergo PJSC for reduction of overdue accounts receivable for the service of electric power transmission and settlement of disputes existing as of 01.01.2016.
2. On approval of the Schedule of activities of Kubanenergo PJSC for reduction of overdue accounts receivable for the service of electric power transmission and settlement of disputes existing as of 01.04.2016.
3. On approval of report on the implementation of the consolidated on the principles of RAS business plan of the Group Kubanenergo PJSC for the 4th quarter and 12 months of 2015, a report on the implementation of the consolidated on the principles of IFRS business plan of the Group Kubanenergo PJSC for 2015.
4. On approval of the results of implementation of the target key performance indicators of the General Director of Kubanenergo PJSC for 2015.
5. On payment of additional and special bonuses to the Director General of Kubanenergo PJSC, following the results of 2015.
6. On consideration of the report of the General Director of Kubanenergo PJSC on the Company's credit policy in the 1st quarter 2016.

7. On consideration of the report of the General Director of the Company on the Company's insurance coverage in the 1st quarter 2016.
8. On approval of the service contracts between Kubanenergo PJSC and Energoservis Kuban KSC as transactions of interest.
9. On approval of Agreement for design, survey, construction and installation works between Kubanenergo PJSC and Energoservis Kuban JSC as a transaction of interest.

Item 1

On approval of the Schedule of activities of Kubanenergo PJSC for reduction of overdue accounts receivable for the service of electric power transmission and settlement of disputes existing as of 01.01.2016

The following decision is proposed:

To defer the discussion to a later date due to necessity of follow-up revision of documents.

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 first item was unanimously adopted by the BoD members participating in the meeting.

Item 2

On approval of the Schedule of activities of Kubanenergo PJSC for reduction of overdue accounts receivable for the service of electric power transmission and settlement of disputes existing as of 01.04.2016

The following decision is proposed:

To defer the discussion to a later date due to necessity of follow-up revision of documents..

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 second item was unanimously adopted by the BoD members participating in the meeting.

Item 3

On approval of report on the implementation of the consolidated on the principles of RAS business plan of the Group Kubanenergo PJSC for the 4th quarter and 12 months of 2015, a report on the implementation of the consolidated on the principles of IFRS business plan of the Group Kubanenergo PJSC for 2015

To approve report on the implementation of the consolidated on the principles of RAS business plan of the Group Kubanenergo PJSC for the 4th quarter and 12 months of 2015, a report on the implementation of the consolidated on the principles of IFRS business plan of the Group Kubanenergo PJSC for 2015, 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
Kataev S.M.	-	FOR	Khokholkova K.V.	-	FOR
Kislyakov A.M.	-	FOR	Lavrova M.A.	-	FOR

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

Item 4

On approval of the results of implementation of the target key performance indicators of the General Director of Kubanenergo PJSC for 2015

The following decision is proposed:

To defer the discussion to a later date..

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 fourth item was unanimously adopted by the BoD members participating in the meeting.

Item 5

On payment of additional and special bonuses to the Director General of Kubanenergo PJSC, following the results of 2015

The following decision is proposed:

To defer the discussion to a later date..

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 fifth item was unanimously adopted by the BoD members participating in the meeting.

Item 6

On consideration of the report of the General Director of Kubanenergo PJSC on the Company's credit policy in the 1st quarter 2016

The following decision is proposed:
To take into consideration the report of the General Director of Kubanenergo PJSC on the Company's credit policy in the 1st quarter 2016, 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
Kataev S.M.	-	FOR	Khokholkova K.V.	-	FOR
Kislyakov A.M.	-	FOR	Lavrova M.A.	-	FOR

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

Item 7

On consideration of the report of the General Director of the Company on the Company's insurance coverage in the 1st quarter 2016

The following decision is proposed:

To take into consideration the report of the General Director of the Company on the Company's insurance coverage in the 1st quarter 2016, 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
Kataev S.M.	-	FOR	Khokholkova K.V.	-	FOR
Kislyakov A.M.	-	FOR	Lavrova M.A.	-	FOR

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

Item 8

On consideration of the report of the General Director of the Company on the Company's insurance coverage in the 1st quarter 2016

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:

1.1. To determine that the price of the contract on study of the actual power consumption data in the branch of Kubanenergo PJSC – Armavir electric networks in the 2nd quarter of 2016 between

Kubanenergo PJSC and Energoservis Kuban JSC, as an interested party transaction, amounts 486 000 (four hundred and eighty six thousand) rubles, including 18% VAT – 74 135.59 (seventy four thousand one hundred thirty five) rubles 59 kopecks.

1.2. To approve the contract on study of the actual power consumption data in the branch of Kubanenergo PJSC – Armavir electric networks in the 2nd quarter of 2016 between Kubanenergo PJSC and Energoservis Kuban JSC (hereinafter – the Contract), as an interested party transaction, on the following conditions:

Parties of the Contract:

Customer - Kubanenergo PJSC

Contractor - Energoservis Kuban JSC

Subject of the Contract

The Contractor, in order to reduce customer's costs in carrying out the main activity, as well as on the customer's behalf, undertakes to carry out study of the actual data of the consumption of electric power in the branch of Kubanenergo PJSC – Armavir electric networks in the 2nd quarter of 2016, the power consumption analysis in the amount of 516 metering points for corporate customers including:

- organize and carry out the removal of the power profiles in the 2nd quarter of 2016 on a selected set of users in the branch of Kubanenergo PJSC – Armavir electric networks “Customer” by 30.07.2016;

- prepare monthly indicators of power consumption for the 2nd quarter of 2016 (based on the sample data) in the context of consumer groups, distribution zones of Kubanenergo in accordance with clause 15.1 of the Rules of non-discriminatory access to electricity transmission;

- on the basis of a combined analysis prepare the indicators of the branch's power consumption by the customers of Kubanenergo PJSC – Armavir electric networks for the 2nd quarter of 2016;

- prepare estimates of actual power consumption data (in accordance with item 15.1 of the Rules of non-discriminatory access to electricity transmission) in 2017 with the issuance of the final conclusions.

Customer undertakes to accept and pay for the services rendered.

The price of the Contract:

The cost of work under the Contract is 486 000 (four hundred and eighty six thousand) rubles, including 18% VAT – 74 135.59 (seventy four thousand one hundred thirty five) rubles 59 kopecks.

Contract time:

The Contract shall enter into force upon the signature and is valid until the Parties fulfill their contractual obligations and mutual payments.

Settlement of disputes:

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

In case of failure to settle the dispute through negotiations, before going to court, the dispute 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 23.12.2015 (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 at the date of filing a claim.

The decisions of the Court of Arbitration are binding, final and are not subject to appeal.

2.1. To determine that the price of the contract on study of the actual power consumption data in the branch of Kubanenergo PJSC – Leningradskiye electric networks in the 2nd quarter of 2016 between Kubanenergo PJSC and Energoservis Kuban JSC, as an interested party transaction, amounts 486 000 (four hundred and eighty six thousand) rubles, including 18% VAT – 74 135.59 (seventy four thousand one hundred thirty five) rubles 59 kopecks.

2.2. To approve the contract on study of the actual power consumption data in the branch of Kubanenergo PJSC – Leningradskiye electric networks in the 2nd quarter of 2016 between Kubanenergo PJSC and Energoservis Kuban JSC (hereinafter – the Contract), as an interested party transaction, on the following conditions:

Parties to the Contract.

Customer - Kubanenergo PJSC.

Contractor - Energoservis Kuban JSC .

Subject of the Contract.

The Contractor, in order to reduce customer's costs in carrying out the main activity, as well as on the customer's behalf, undertakes to carry out study of the actual data of the consumption of electric power in the branch of Kubanenergo PJSC – Leningradskiye electric networks in the 2nd quarter of 2016, the power consumption analysis in the amount of 516 metering points for corporate customers including:

- organize and carry out the removal of the power profiles in the 2nd quarter of 2016 on a selected set of users in regional electric networks: Kushchevskiy, Leningradskiy, Starominskiy, Scherbinovskiy and Yeiskiy by 30.07.2016;
- prepare monthly indicators of power consumption for the 2nd quarter of 2016 (based on the sample data) in the context of consumer groups, distribution zones of Kubanenergo in accordance with clause 15.1 of the Rules of non-discriminatory access to electricity transmission;
- on the basis of a combined analysis prepare the indicators of the branch's power consumption by the customers of Kubanenergo PJSC – Leningradskiye electric networks for the 2nd quarter of 2016;
- prepare a forecast of actual power consumption data (in accordance with item 15.1 of the Rules of non-discriminatory access to electricity transmission) in 2017 with the issuance of the final conclusions.

Customer undertakes to accept and pay for the services.

The price of the contract:

Contract price is 411 864.41 (four hundred eleven thousand eight hundred sixty four) rubles, plus VAT: 74 135.59 (seventy four thousand one hundred thirty five) rubles 59 kopecks.

Total price with VAT under the Contract is 486 000 (four hundred eighty six thousand) rubles.

Contract time:

The Contract shall enter into force upon the signature and is valid until the Parties fulfill their contractual obligations and mutual payments.

Settlement of disputes:

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

In case of failure to settle the dispute through negotiations, before going to court, the dispute 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 (RSPF Arbitration Court) (location –Moscow) in accordance with its rules in effect at the date of filing a claim.

The decisions of the Court of Arbitration are binding, final and are not subject to appeal.

3.1. To determine that the price of the contract on study of the actual power consumption data in the branch of Kubanenergo PJSC – Labinskiye electric networks in the 2nd quarter of 2016 between Kubanenergo PJSC and Energoservis Kuban JSC, as an interested party transaction, amounts 486 000 (four hundred and eighty six thousand) rubles, including 18% VAT – 74 135.59 (seventy four thousand one hundred thirty five) rubles 59 kopecks.

3.2. To approve the contract on study of the actual power consumption data in the branch of Kubanenergo PJSC – Labinskiye electric networks in the 2nd quarter of 2016 between Kubanenergo PJSC and Energoservis Kuban JSC (hereinafter – the Contract), as an interested party transaction, on the following conditions:

Parties of the Contract:

Customer – Kubanenergo PJSC

Contractor – Energoservis Kuban JSC

Subject of the Contract:

The Contractor, in order to reduce customer's costs in carrying out the main activity, as well as on the customer's behalf, undertakes to carry out study of the actual data of the consumption of electric power in the branch of Kubanenergo PJSC – Labinskiye electric networks in the 2nd quarter of 2016, the power consumption analysis in the amount of 516 metering points for corporate customers including:

- organize and carry out the removal of the power profiles in the 2nd quarter of 2016 on a selected set of users in Labinskiye regional electric networks, Kurganinskiy regional electric networks and Mostovskoy regional electric networks by 30.07.2016;

prepare monthly indicators of power consumption for the 2nd quarter of 2016 (based on the sample data) in the context of consumer groups, distribution zones of Kubanenergo in accordance with clause 15.1 of the Rules of non-discriminatory access to electricity transmission;

- on the basis of a combined analysis prepare the indicators of the branch's power consumption by the customers of Kubanenergo PJSC – Labinskiye electric networks for the 2nd quarter of 2016;

- prepare a forecast of actual power consumption data (in accordance with item 15.1 of the Rules of non-discriminatory access to electricity transmission) in 2017 with the issuance of the final conclusions

Customer undertakes to accept and pay for the services rendered.

The price of the Contract:

Price of the Contract is 411 867.41 (four hundred eleven thousand eight hundred sixty seven) rubles, plus VAT: 74 135.59 (seventy four thousand one hundred thirty five) rubles 59 kopecks.

Total cost with VAT of works under the Contract is 486 000 (four hundred eighty six thousand) rubles.

Contract period:

The Contract shall enter into force upon the signature and is valid until the Parties fulfill their contractual obligations and mutual payments.

Settlement of disputes:

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

In case of failure to settle the dispute through negotiations, before going to court, the dispute 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 23.12.2015 (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 at the date of filing a claim.

The decisions of the Court of Arbitration are binding, final and are not subject to appeal.

4.1. To determine that the price of the contract on study of the actual power consumption data in the branch of Kubanenergo PJSC – Ust-Labinskiye electric networks in the 2nd quarter of 2016 between Kubanenergo PJSC and Energoservis Kuban JSC, as an interested party transaction, amounts 486 000 (four hundred and eighty six thousand) rubles, including 18% VAT – 74 135.59 (seventy four thousand one hundred thirty five) rubles 59 kopecks.

4.2. To approve the contract on study of the actual power consumption data in the branch of Kubanenergo PJSC – Ust-Labinskiye electric networks in the 2nd quarter of 2016 between Kubanenergo PJSC and Energoservis Kuban JSC (hereinafter – the Contract), as an interested party transaction, on the following conditions:

Parties of the Contract:

Customer – Kubanenergo PJSC

Contractor – Energoservis Kuban JSC

Subject of the Contract:

The Contractor, in order to reduce customer's costs in carrying out the main activity, as well as on the customer's behalf, undertakes to carry out study of the actual data of the consumption of electric power in the branch of Kubanenergo PJSC – Labinskiye electric networks in the 2nd quarter of 2016, the power consumption analysis in the amount of 516 metering points for corporate customers including:

- organize and carry out the removal of the power profiles in the 2nd quarter of 2016 on a selected set of users in Ust-Labinskiye regional electric networks: Ust-Labinskiy distribution zone, Korenovskiy distribution zone, Vyselkovskiy distribution zone, by 30.07.2016;
- prepare monthly indicators of power consumption for the 2nd quarter of 2016 (based on the sample data) in the context of consumer groups, distribution zones of Kubanenergo in accordance with clause 15.1 of the Rules of non-discriminatory access to electricity transmission;
- on the basis of a combined analysis prepare the indicators of the branch's power consumption by the customers of Kubanenergo PJSC – Ust-Labinskiye electric networks for the 2nd quarter of 2016;
- prepare a forecast of actual power consumption data (in accordance with item 15.1 of the Rules of non-discriminatory access to electricity transmission) in 2017 with the issuance of the final conclusions

Customer undertakes to accept and pay for the services rendered.

The price of the Contract:

Price of the Contract is 411 867.41 (four hundred eleven thousand eight hundred sixty seven) rubles, plus VAT: 74 135.59 (seventy four thousand one hundred thirty five) rubles 59 kopecks.

Total cost with VAT of works under the Contract is 486 000 (four hundred eighty six thousand) rubles.

Contract period:

The Contract shall enter into force upon the signature and is valid until the Parties fulfill their contractual obligations and mutual payments.

Settlement of disputes:

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

In case of failure to settle the dispute through negotiations, before going to court, the dispute 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 23.12.2015 (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 at the date of filing a claim.

The decisions of the Court of Arbitration are binding, final and are not subject to appeal.

5.1. To determine that the price of the contract on study of the actual power consumption data in the branch of Kubanenergo PJSC – Slavyanskiye electric networks in the 2nd quarter of 2016 between Kubanenergo PJSC and Energoservis Kuban JSC, as an interested party transaction,

amounts 486 000 (four hundred and eighty six thousand) rubles, including 18% VAT – 74 135.59 (seventy four thousand one hundred thirty five) rubles 59 kopecks.

5.2. To approve the contract on study of the actual power consumption data in the branch of Kubanenergo PJSC – Slavyanskiye electric networks in the 1st quarter of 2016 between Kubanenergo PJSC and Energoservis Kuban JSC (hereinafter – the Contract), as an interested party transaction, on the following conditions:

Parties of the Contract:

Customer – Kubanenergo PJSC

Contractor – Energoservis Kuban JSC

Subject of the Contract:

The Contractor, in order to reduce customer's costs in carrying out the main activity, as well as on the customer's behalf, undertakes to carry out study of the actual data of the consumption of electric power in the branch of Kubanenergo PJSC – Slavyanskiye electric networks in the 2nd quarter of 2016, the power consumption analysis in the amount of 516 metering points for corporate customers including:

- organize and carry out the removal of the power profiles in the 2nd quarter of 2016 on a selected set of users in Krasnoarmeikiye regional electric networks, Slavyanskiye distribution zone and Temryukskiy distribution zone, by 30.07.2016;

- prepare monthly indicators of power consumption for the 2nd quarter of 2016 (based on the sample data) in the context of consumer groups, distribution zones of Kubanenergo in accordance with clause 15.1 of the Rules of non-discriminatory access to electricity transmission;

- on the basis of a combined analysis prepare the indicators of the branch's power consumption by the customers of Kubanenergo PJSC – Slavyanskiye electric networks for the 2nd quarter of 2016;

- prepare a forecast of actual power consumption data (in accordance with item 15.1 of the Rules of non-discriminatory access to electricity transmission) in 2017 with the issuance of the final conclusions

Customer undertakes to accept and pay for the services rendered.

The price of the Contract:

Price of the Contract is 411 867.41 (four hundred eleven thousand eight hundred sixty seven) rubles, plus VAT: 74 135.59 (seventy four thousand one hundred thirty five) rubles 59 kopecks.

Total cost with VAT of works under the Contract is 486 000 (four hundred eighty six thousand) rubles.

Contract period:

The Contract shall enter into force upon the signature and is valid until the Parties fulfill their contractual obligations and mutual payments.

Settlement of disputes:

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

In case of failure to settle the dispute through negotiations, before going to court, the dispute 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 23.12.2015 (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 at the date of filing a claim.

The decisions of the Court of Arbitration are binding, final and are not subject to appeal.

6.1. To determine that the price of the contract on study of the actual power consumption data in the branch of Kubanenergo PJSC – Krasnodarskiye electric networks in the 2nd quarter of 2016 between Kubanenergo PJSC and Energoservis Kuban JSC, as an interested party transaction, amounts 486 000 (four hundred and eighty six thousand) rubles, including 18% VAT – 74 135.59 (seventy four thousand one hundred thirty five) rubles 59 kopecks.

6.2. To approve the contract on study of the actual power consumption data in the branch of Kubanenergo PJSC – Krasnodarskiye electric networks in the 1st quarter of 2016 between Kubanenergo PJSC and Energoservis Kuban JSC (hereinafter – the Contract), as an interested party transaction, on the following conditions:

Parties of the Contract:

Customer – Kubanenergo PJSC

Contractor – Energoservis Kuban JSC

Subject of the Contract:

The Contractor, in order to reduce customer's costs in carrying out the main activity, as well as on the customer's behalf, undertakes to carry out study of the actual data of the consumption of electric power in the branch of Kubanenergo PJSC – Krasnodarskiye electric networks in the 2nd quarter of 2016, the power consumption analysis in the amount of 516 metering points for corporate customers including:

- organize and carry out the removal of the power profiles in the 2nd quarter of 2016 on a selected set of users in Goryachiy Klyuch regional electric networks, Krasnodarskiye distribution zone, Dinskoy distribution zone, Takhatamukaiskiy distribution zone and Teuchezhskiy distribution zone;

- prepare monthly indicators of power consumption for the 2nd quarter of 2016 (based on the sample data) in the context of consumer groups, distribution zones of Kubanenergo in accordance with clause 15.1 of the Rules of non-discriminatory access to electricity transmission;

- on the basis of a combined analysis prepare the indicators of the branch's power consumption by the customers of Kubanenergo PJSC – Krasnodarskiye electric networks for the 2nd quarter of 2016;

- prepare a forecast of actual power consumption data (in accordance with item 15.1 of the Rules of non-discriminatory access to electricity transmission) in 2017 with the issuance of the final conclusions

Customer undertakes to accept and pay for the services rendered.

The price of the Contract:

Price of the Contract is 411 867.41 (four hundred eleven thousand eight hundred sixty seven) rubles, plus VAT: 74 135.59 (seventy four thousand one hundred thirty five) rubles 59 kopecks.

Total cost with VAT of works under the Contract is 486 000 (four hundred eighty six thousand) rubles.

Contract period:

The Contract shall enter into force upon the signature and is valid until the Parties fulfill their contractual obligations and mutual payments.

Settlement of disputes:

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

In case of failure to settle the dispute through negotiations, before going to court, the dispute 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 23.12.2015 (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 at the date of filing a claim.

The decisions of the Court of Arbitration are binding, final and are not subject to appeal.

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 eighth item was adopted by majority of votes of the independent directors uninterested in conclusion of transaction.

Item 9

On approval of Agreement for design, survey, construction and installation works between Kubanenergo PJSC and Energoservis Kuban JSC 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:

1. To determine that the maximum price of the contract design, survey, construction and installation works between Kubanenergo PJSC and Energoservis Kuban JSC, as a transaction of interest, amounts 44 719 052 (forty four million seven hundred nineteen thousand fifty two)

rubles 76 kopecks, including 18% VAT: 6 821 550 (six million eight hundred twenty one thousand five hundred fifty) rubles 42 kopecks.

2. To approve the contract design, survey, construction and installation works between Kubanenergo PJSC and Energoservis Kuban JSC, as a transaction of interest on the following conditions:

Parties of the Contract:

Customer: Kubanenergo PJSC

Contractor: Energoservis Kuban JSC

Subject of the Contract:

Under the Contract the Contractor undertakes to carry out, in accordance with the Customer's task, design, survey and construction works on a turnkey basis for the branch of Kubanenergo PJSC – Slavyanskiye electric networks: “The commissioning of automated power metering system at the problem feeders of voltage level 0.4 (0,2)kV”, as well as perform other activities, the necessity of which occurred in connection with the introduction of automatic system for commercial measurement of power consumption on problem feeders and deliver the result of the work to the Customer, and the Customer undertakes to accept the result of work and pay for it in the manner provided herein.

The content and scope of the project and working documentation, technical, economic and other requirements for the work and the results are defined in the Terms of Reference (Annex 1 to the Contract), which is an integral part of the Contract.

Price of the Contract:

Contract price is formed on the basis of consolidated calculations made on the basis of preliminary estimates (Appendix 2 to the Contract) and amounts to: 44 719 052 (forty four million seven hundred nineteen thousand fifty two) rubles 76 kopecks, including 18% VAT 68 215 50 (six million eight hundred twenty one thousand five hundred fifty) rubles 42 kopecks.

Final price will be determined after the preparation of design and estimate documentation and examination of design and estimate documentation (internal, public) with registration of an additional agreement by the Parties hereto.

Contract period:

The contract is valid from the date of signature until the Parties fulfill their obligations.

Performance time: The starting date of works under the Contract: since the signing of the contract - in accordance with the timetable of works and services. Completion of the work – within 160 (one hundred sixty) days from the date of signing the Contract.

Settlement of disputes:

In case no agreement is reached between the parties under a pre-action protocol (by means of a claim), all disputes, disagreements and claims arising from the Contract or in connection with it, including those related to its conclusion, change, implementation, infringement, cancellation, termination and validity shall be settled by the Arbitration court at the noncommercial partnership “Association of organizations engaged in construction, reconstruction and repair of power plants, networks and substations “ENERGOSTROY” in accordance with its rules in effect at the date of filing a claim. Decisions of the arbitral tribunal shall be binding, final and are not subject to appeal.

Voting results

Bogach Ye.V. - **FOR**

Mangarov Yu.N. - **FOR**

Varvarin A.V.	-	ABSTAINED	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 ninth item was adopted by majority of votes of the independent directors uninterested in conclusion of transaction.

Chairperson

Mangarov Yu.N..

Corporate secretary

Russu O.V.