



Minutes of Board of Directors Meeting No. 246/2016
Public joint stock Company of power industry and electrification of Kuban
(“Kubanenergo” PJSC)

Date of meeting	21 July 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	27.07.2016, 5 p.m.
Date of drawing up minutes	22 July 2016

Board of Directors Members: 11

Questionnaires were submitted by: Mangarov Yu.N. (Chairperson of the BoD), Bobkov D.A., Bogashov A.Ye., Varvarin A.V., Gavrilov A.I., Gritsenko V.F., Yefimov A.L., Serov A.Yu., Sofyin V.V., Khokholkova K.V., Shmakov I.V.

Questionnaires were not submitted by: none

According to requirements of paragraph 7.3 of Regulations for 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” PJSC shareholders dated 27.06.2016, minutes No.37), the quorum for holding the meeting should count at least half of elected members of Board of Directors.

Quorum is present

Agenda

1. On election of members of the Audit Committee under the BoD of Kubanenergo PJSC and its Chairperson.
2. On election of members of the Committee of Strategy, Development, Investments and Reform under the BoD of Kubanenergo PJSC and its Chairperson.
3. On election of members of the Personnel and Remuneration Committee under the BoD of Kubanenergo PJSC and its Chairperson.
4. On election of members of the Reliability Committee under the BoD of Kubanenergo PJSC and its Chairperson,
5. On election of members of the Technical Connection Committee under the BoD of Kubanenergo PJSC and its Chairperson.
6. On approval of credit plan of Kubanenergo PJSC for the 3rd quarter of 2016.
7. On discussion of report on implementation of Plan of activities on enhancement of the Company’s efficiency and financial state in the first half of 2016.
8. On approval of results of implementation of key performance indicators of director general of Kubanenergo PJSC in 2015.

9. On approval of restated Regulations for the Central Tender Committee of Kubanenergo PJSC.
10. On approval of composition of the Central Tender Committee of Kubanenergo PJSC.
11. On approval of service contract on arrangement of treasury management between Kubanenergo PJSC and Rosseti PJSC as interested-party transaction.

Item 1

On election of members of the Audit Committee under the BoD of Kubanenergo PJSC and its Chairperson

The following decision is proposed:

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

#	Name	Position
1	Sofyin Vladimir Vladimirovich	Director of the Department for technological development and innovation, Rosseti PJSC
2	Khokholkova Kseniya Valerievna	Deputy Head of Directorate of Share Capital Issues at Department of Corporate Governance and Interaction with Shareholders, Russian Grids JSC
3	Serov Alexey Yurievich	Acting Director of the Department of finances, Head of sector for capital market and strategic investments

3. To appoint Sofyin Vladimir Vladimirovich, Director of the Department for technological development and innovation, Rosseti PJSC, for the position of Chairperson of the Audit Committee

Voting results

Bobkov D.A.	-	FOR	Mangarov Yu.N.	-	FOR
Bogashov A.Ye.	-	FOR	Serov A.Yu.	-	FOR
Varvarin A.V.	-	FOR	Sofyin V.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Shmakov I.V.	-	FOR
Yefimov A.L.	-	FOR			

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

Item 2

On election of members of the Committee of Strategy, Development, Investments and Reform under the BoD of Kubanenergo PJSC and its Chairperson

The following decision is proposed:

1. To decide that the Committee for Strategy, Development, Investments and Reforming of the BoD shall consist of 10 (ten) members.
2. To elect the following candidates to the Committee for Strategy, Development, Investments and Reforming:

#	Name	Position
1	Pavlov Alexey Igorevich	Head of Treasury department, Rosseti PJSC
2	Pankstiyarov Yuriy Borisovich	Head of Tariff policy department, Rosseti PJSC
3	Podlutskiy Sergey Vladimirovich	Head of Sector of consolidated planning and reporting at Investment activity department, Rosseti PJSC
4	Lavrova Marina Alexandrovna	Head of Economics of affiliated companies division at Department of economic planning and allocation of funds,

		Rosseti PJSC
5	Balaban Fyodor Nikolaevich	Deputy head of Strategic projects divisions, at Department of strategic development, Rosseti PJSC
6	Goncharov Alexey Nikolaevich	Head of Directorate for interaction with wholesale and retail market entities in the sphere of power industry, Rosseti PJSC
7	Ocheredko Olga Vyacheslavovna	Deputy General Director for Economics and Finance, "Kubanenergo" PJSC
8	Shmakov Igor Vladimirovich	Deputy director general in charge of controlling, Kubanenergo PJSC
9	Zobkova Tatiana Valentinovna	Head of sector at Department of corporate governance, pricing environment and control-and-auditing activity in fuel-power complex, RF Ministry of Energy
10	Gritsenko Vladimir Fyodorovich	Director of business development, Yunitel Engineering LLC

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

Voting results

Bobkov D.A.	- FOR	Mangarov Yu.N.	- FOR
Bogashov A.Ye.	- FOR	Serov A.Yu.	- FOR
Varvarin A.V.	- FOR	Sofyin V.V.	- FOR
Gavrilov A.I.	- FOR	Khokholkova K.V.	- FOR
Gritsenko V.F.	- FOR	Shmakov I.V.	- FOR
Yefimov A.L.	- FOR		

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

Item 3

On election of members of the Personnel and Remuneration Committee under the BoD of Kubanenergo PJSC and its Chairperson

The following decision is proposed:

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

#	Name	Position
1	Mangarov Yuriy Nikolaevich	Chief advisor, Rosseti PJSC
2	Chevkin Dmitriy Aleksandrovich	Head of Personnel and organization development department, Rosseti PJSC
3	Erpsher Nataliya Ilinichna	Head of Head of Directorate organization development under Department of HR policy and organization development, Rosseti PJSC
4	Zobkova Tatiana Valentinovna	Head of sector at Department of corporate governance, pricing environment and control-and-auditing activity in fuel-power complex, RF Ministry of Energy
5	Varvarin Aleksandr Viktorovich	Vice-president in charge of corporate relations and legal support, RSPP; member of Kubanenergo BoD

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

Voting results

Bobkov D.A.	-	FOR	Mangarov Yu.N.	-	FOR
Bogashov A.Ye.	-	FOR	Serov A.Yu.	-	FOR
Varvarin A.V.	-	FOR	Sofyin V.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Shmakov I.V.	-	FOR
Yefimov A.L.	-	FOR			

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

Item 4

On election of members of the Reliability Committee under the BoD of Kubanenergo PJSC and its Chairperson

The following decision is proposed:

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

#	Name	Position
1	Leonov Andrey Nikolayevich	Head of Directorate for production activity at Department of process management, Rosseti PJSC
2	Matyushin Alexandr Yuriyevich	Head of maintenance and repair division of Directorate for production activity at Department of process management, Rosseti PJSC
3	Smaga Mikjhail Vladimirovich	Deputy head of Centre of engineering supervision, branch of Rosseti PJSC
4	Ryazantsev Dmitry Yurievich	Deputy Director general in charge of technical issues – chief engineer of Kubanenergo PJSC.
5	Ocheredko Olga Vyacheslavovna	Deputy general director for economics and finance, "Kubanenergo" PJSC
6	Armaganian Edgar Garrievich	Director of Sochi Electric Networks, branch of "Kubanenergo" PJSC, Deputy general director for selling of services, "Kubanenergo" PJSC
7	Shabalyn Sergey Alexandrovich	Leading advisor at division for pricing environment and control over industry infrastructure at Department of development of power industry, RF Ministry of Energy

3. To appoint Leonov Andrey Nikolayevich, Head of Directorate for production activity at Department of process management, Rosseti PJSC, for the position of Chairperson of the Reliability Committee attached to the BoD.

Voting results

Bobkov D.A.	-	FOR	Mangarov Yu.N.	-	FOR
Bogashov A.Ye.	-	FOR	Serov A.Yu.	-	FOR
Varvarin A.V.	-	FOR	Sofyin V.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Shmakov I.V.	-	FOR
Yefimov A.L.	-	FOR			

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

Item 5

On election of members of the Technological Connection Committee under the BoD of Kubanenergo PJSC and its Chairperson

The following decision is proposed:

1. To decide that the Technological Connection Committee of the BoD shall consist of 6 (six) members.

2. To elect the following candidates to the Technological Connection Committee:

#	Name	Position
1	Varvarin Aleksandr Viktorovich	Managing director in charge of corporate relations and legal support, RSPP, member of Kubanenergo BoD
2	Kosteskiy Vyacheslav Yurievich	Deputy director general in charge of development and technological connection, Kubanenergo PJSC
3	Soltan Yelena Leonidovna	Head of Department for technological connection, Kubanenergo PJSC
4	Masalyova Irina Borisovna	Head of Department for perspective development for the grid and technological connection, Rosseti PJSC
5	Korneyev Alexandr Yurievich	Head of sector for scheduling the technological connection at Department of perspective development of grids and technological connection, Kubanenergo PJSC
6	Sokolov Denis Yevgenievich	Chief expert at Directorate for regulation of technological connection at Department of perspective development of network and technological connection, Rosseti PJSC

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

Voting results

Bobkov D.A.	- FOR	Mangarov Yu.N.	- FOR
Bogashov A.Ye.	- ABSTAINED	Serov A.Yu.	- FOR
Varvarin A.V.	- FOR	Sofyin V.V.	- FOR
Gavrilov A.I.	- FOR	Khokholkova K.V.	- FOR
Gritsenko V.F.	- FOR	Shmakov I.V.	- FOR
Yefimov A.L.	- FOR		

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

Item 16

On approval of credit plan of Kubanenergo PJSC for the 3rd quarter of 2016

The following decision is proposed:

To approve the credit plan of Kubanenergo PJSC for the 3rd quarter of 2016, in accordance with Annex 1 to the resolution of the BoD.

Voting results

Bobkov D.A.	- FOR	Mangarov Yu.N.	- FOR
Bogashov A.Ye.	- ABSTAINED	Serov A.Yu.	- FOR
Varvarin A.V.	- FOR	Sofyin V.V.	- FOR
Gavrilov A.I.	- FOR	Khokholkova K.V.	- FOR

Gritsenko V.F. - FOR Shmakov I.V. - FOR
Yefimov A.L. - FOR

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

Item 7

On discussion of report on implementation of Plan of activities on enhancement of the Company's efficiency and financial state in the first half of 2016

The following decision is proposed:

1. To take into consideration the report on implementation of Plan of activities on enhancement of the Company's efficiency and financial state in the first half of 2016, in accordance with Annex2 to the resolution of the BoD.

2. To recommend Director General to submit the report on implementation of Plan of activities on enhancement of the Company's efficiency and financial state of the Company, precisely, in the sphere of preparing information on the process of implementation of project on minimization of usage of imported equipment and materials and specify the share of import as of the reporting date.

Voting results

Bobkov D.A.	-	FOR	Mangarov Yu.N.	-	FOR
Bogashov A.Ye.	-	FOR	Serov A.Yu.	-	FOR
Varvarin A.V.	-	FOR	Sofyin V.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Shmakov I.V.	-	FOR
Yefimov A.L.	-	FOR			

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

Item 8

On approval of results of implementation of key performance indicators of director general of Kubanenergo PJSC in 2015

The following decision is proposed:

To approve results of implementation of key performance indicators of director general of Kubanenergo PJSC in 2015, in accordance with Annex3 to the resolution of the BoD.

Voting results

Bobkov D.A.	-	FOR	Mangarov Yu.N.	-	FOR
Bogashov A.Ye.	-	FOR	Serov A.Yu.	-	FOR
Varvarin A.V.	-	FOR	Sofyin V.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Shmakov I.V.	-	FOR
Yefimov A.L.	-	FOR			

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

Item 9

On approval of restated Regulations for the Central Tender Committee of Kubanenergo PJSC

The following decision is proposed:

To approve the restated Regulations for the Central Tender Committee of Kubanenergo PJSC, in accordance with Annex1 to the resolution of the BoD.

Voting results

Bobkov D.A.	-	FOR	Mangarov Yu.N.	-	FOR
Bogashov A.Ye.	-	FOR	Serov A.Yu.	-	FOR
Varvarin A.V.	-	FOR	Sofyin V.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Shmakov I.V.	-	FOR
Yefimov A.L.	-	FOR			

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

Item 10

On approval of composition of the Central Tender Committee of Kubanenergo PJSC

The following decision is proposed:

To exclude from the Central Tender Committee approved by the BoD on 28.08.2014 (minutes of meeting No. 195/2014 dd 29.08.2014):

- Konevets K.A., Deputy Director General in charge of Corporate Management, member of the Committee;
- Kobelyan A.M., Head of Directorate of Planning, Statutory Regulation and Arrangement of Procurement Activity, Rosseti JSC, member of the Committee

To elect the following persons to the Central Tender Committee:

1	Ocheredko O.V.	Deputy General Director for Economics and Finance, Kubanenergo PJSC, chairperson of the Committee
2	Ryazancev D.Yu.	Deputy General Director for Technical Issues - Chief Engineer, Kubanenergo PJSC, member of the Committee
3	Statuyev V.A.	Deputy Director General in charge of Security, Kubanenergo PJSC, deputy chairperson of the Committee
4	Golov A.V.	Deputy General Director in charge of Investment Activity, member of the Committee
5	Ivanova I.V.	Deputy Director General in charge of Corporate Governance, member of the Committee
6	Grebenyuk V.I.	Leading Expert of the Department of Planning, Control and Procurement Methodology at Directorate of Consolidated Planning, Regulation and Organization of Procurement at Procurement Department, member of the Committee
7	Zerova D.L.	Head of Directorate for Organization of Tender Procedures, Kubanenergo PJSC, executive secretary of the Committee

Voting results

Bobkov D.A.	-	FOR	Mangarov Yu.N.	-	FOR
Bogashov A.Ye.	-	FOR	Serov A.Yu.	-	FOR
Varvarin A.V.	-	FOR	Sofyin V.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Shmakov I.V.	-	FOR
Yefimov A.L.	-	FOR			

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

Item 11

On approval of service contract on arrangement of treasury management between Kubanenergo PJSC and Rosseti PJSC as interested-party transaction

The following decision is proposed:

1. To determine the cost of services of Rosseti PJSC in the service contract on arrangement of treasury management, concluded between Rosseti PJSC and Kubanenergo PJSC (hereinafter – the Contracts) in the amount in accordance with Annex 5 to this decision.
2. To approve the service contract on arrangement of treasury management between Rosseti PJSC and Kubanenergo PJSC, as a transaction of interest in the conditions in accordance with Annex 6 to this decision.
3. The Director General of Kubanenergo PJSC shall ensure the conclusion of the contract on arrangement of treasury management between Rosseti PJSC and Kubanenergo PJSC by 28.07.2016.

Voting results

Bobkov D.A.	-	FOR	Mangarov Yu.N.	-	FOR
Bogashov A.Ye.	-	FOR	Serov A.Yu.	-	FOR
Varvarin A.V.	-	FOR	Sofyin V.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Shmakov I.V.	-	FOR
Yefimov A.L.	-	FOR			

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

Chairperson

Mangarov Yu.N..

Corporate secretary

Russu O.V.