



Minutes of Board of Directors Meeting No. 250/2016

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

Date of meeting	5 September 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	05.09.2016, 5 p.m.
Date of drawing up minutes	8 September 2016

Board of Directors Members: 11

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

Questionnaires were not submitted by:

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 approval of the schedule of activities aimed to reduce overdue receivables for the electricity transmission and settlement of disputes existing as of 01.01.2016, 04.01.2016 and 01.07.2016
2. On consideration of the report of the Director General of Kubanenergo PJSC on the implementation of decisions taken at the Board of Directors meetings the 2nd quarter of 2016
3. On approval of services contracts between Kubanenergo PJSC and Energoservis Kuban JSC as transactions of interest
4. On approval of the contract for implementation of works on elimination of consequences of accidents at grid facilities of IDGC of the South PJSC, caused by damage resulting from natural disasters between Kubanenergo PJSC and IDGC of the South PJSC, as transactions of interest
5. On approval of the contract for implementation of works on elimination of consequences of accidents at grid facilities of IDGC of the South PJSC, caused by damage resulting from natural disasters between Kubanenergo PJSC and IDGC of the South PJSC, as transactions of interest

Item 1

On approval of the schedule of activities aimed to reduce overdue receivables for the electricity transmission and settlement of disputes existing as of 01.01.2016, 04.01.2016 and 01.07.2016

The following decision is proposed:

1. To approve the schedule of activities aimed to reduce overdue receivables for the electricity transmission power and settlement of disputes existing as of 01.01.2016, 04.01.2016 and 01.07.2016, in accordance with Annexes 1-3 to the resolution of the Company's BoD.
2. To take into consideration Reports on implementation of Schedules of activities aimed to reduce overdue receivables for the electricity transmission and settlement of disputes existing as of 01.01.2016, 04.01.2016 and 01.07.2016, in accordance with Annexes 4-6 to the resolution of the Company's BoD.
3. To take into consideration Reports on the works carried out in regard of overdue accounts receivable electricity transmission services in the 4th quarter of 2015, in the 2nd and 3rd quarter of 2016, in accordance with Annexes 7-9 to the resolution of the Company's BoD.
4. To take into consideration information on the process of implementation of order of the Company's BoD dated 16.06.2016 (minutes of meeting No. 242/2016) on ensuring of discharging pf overdue receivable in amount of 2 215 million rubles in 2016 that has formed as of 01.01.2016, as well in the first half of 2016 – in amount of 1 374 million rubles.

Voting results

Bobkov D.A.	-	FOR	Mangarov Yu.N.	-	FOR
Bogashov A.Ye.	-	FOR	Serov A.Yu.	-	FOR
Varvarin A.V.	-	FOR	Sofin 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 BoD members participating in the meeting unanimously adopted the decision on the first item.

Item 2

On consideration of the report of the Director General of Kubanenergo PJSC on the implementation of decisions taken at the Board of Directors meetings the 2nd quarter of 2016

The following decision is proposed:

1. To take into consideration of the report of the Director General of Kubanenergo PJSC on the implementation of decisions taken at the Board of Directors meetings the 2nd quarter of 2016, in accordance with Annex 10 to the resolution of the Company's BoD.
2. Confidential
3. Confidential

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

Gavrilov and Shmakov expressed special opinion on this agenda item (annexes 11 and 12 to this resolution of the BoD)

Thus, the majority of the BoD members participating in the meeting adopted the decision on the second item.

Item 3

On approval of services contracts between Kubanenergo PJSC and Energoservis Kuban JSC as transactions 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:

To defer the discussion to a later date

Voting results

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

Thus, the majority of independent directors uninterested in conclusion of this transaction adopted the decision on the third item.

Item 4

On approval of the contract for implementation of works on elimination of consequences of accidents at grid facilities of IDGC of the South PJSC, caused by damage resulting from natural disasters between Kubanenergo PJSC and IDGC of the South PJSC, as transactions of interest

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

Except Gavrilov A.I. and Bogashov A.Ye. 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 set the preliminary price of the contract for implementation of works on liquidation of consequences of accidents at energy facilities of “IDGC of the South” PJSC, caused by damage resulting from natural disasters between “Kubanenergo” PJSC and “IDGC of the South” PJSC, as an interested-party transaction: 3 103 073.62 rubles (three million one hundred three thousand seventy three rubles 62 kopecks), including 18% VAT – 473 350.21 rubles (four hundred seventy three thousand three hundred and fifty rubles 21 kopecks).

To specify that the cost of work under the Contract cannot equal 2 or more % from balance sheet cost of assets owned by Kubanenergo PJSC in accordance with the accounts as of the last reporting date.

1.2. To approve the contract for implementation of works on liquidation of consequences of accidents at energy facilities of “IDGC of the South” PJSC, caused by damage resulting from natural disasters between “Kubanenergo” PJSC and “IDGC of the South” PJSC, as an interested-party transaction on the following conditions:

Contract parties:

Customer – IDGC of the South PJSC

Contractor – Kubanenergo PJSC

Subject of the contract: The Contractor undertakes to perform work to eliminate the consequences of accidents at facilities of Kubanenergo branches caused by damaged equipment in result of natural disaster and to deliver the results of work to the Customer. Types of work, the volume and description are discussed by the Parties in the activity dependent cost estimate (Annexes 1, 1.1-1.7 to the Contract).

The concept (definition) of the accident is understood in the sense in which it is treated by the Rules of investigation of the causes of accidents in the power industry, approved by RF Government Decree No.846 dated 28 October 2009.

Contract price: The preliminary price of the work performed by the Contractor amounts to 3 103 073.62 rubles (three million one hundred three thousand seventy three rubles 62 kopecks), including 18% VAT – 473 350.21 rubles (four hundred seventy three thousand three hundred and fifty rubles 21 kopecks), in accordance with planned volume of work specified in the activity dependent cost estimate (Annexes 1, 1.1-1.7 to the Contract).

Term of the Contract: The Contract comes into force upon the signature and covers legal relationship between the parties that occurred from 20 December 2014 and is valid until complete fulfillment of all contractual obligations by the Parties.

Term of fulfilling the work: 20 December 2014 to 2014 December 2014.

Settlement of Disputes: Disputes and disagreements that may arise when performing the contract will be solved via negotiation possible.

If it is impossible to resolve the dispute by negotiation before going to court, it shall be settled through the use of alternative dispute resolution procedures 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 “Rossetti” PJSC (approved by the Board of Directors of “Kubanenergo” PJSC on 23.12.2015 (minutes of meeting No.227/2015 dd. 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 Commercial Court of the Russian Union of Industrialists and Entrepreneurs (Commercial Court) (location - Moscow) in accordance with its rules in effect as of the date of filing a claim.

Decisions of the Commercial Court at the RSPF are binding, final and are not subject to appeal.

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

Thus, the majority of independent directors uninterested in conclusion of this transaction adopted the decision on the fourth item.

Item 5

On approval of the contract for the implementation of works on elimination of consequences of accidents at grid facilities of the branch of Kubanenergo PJSC Sochi electric networks, caused by damage resulting from natural disasters between Kubanenergo PJSC and IDGC of the South PJSC as transactions of interest

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

Except Gavrilov A.I. and Bogashov A.Ye. 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”.

1.1. To set the preliminary price of the contract for implementation of works on liquidation of consequences of accidents at energy facilities of “IDGC of the South” PJSC, caused by damage resulting from natural disasters between “Kubanenergo” PJSC and “IDGC of the South” PJSC, as an interested-party transaction: 922 524.87 rubles (nine hundred twenty two thousand five hundred twenty four rubles 87 kopecks), including 18% VAT – 140 724.13 rubles (one hundred forty thousand seven hundred twenty four rubles 13 kopecks).

To specify that the cost of work under the Contract cannot equal 2 or more % from balance sheet cost of assets owned by Kubanenergo PJSC in accordance with the accounts as of the last reporting date.

1.2. To approve the contract for implementation of works on liquidation of consequences of accidents at energy facilities of “IDGC of the South” PJSC, caused by damage resulting from natural disasters between “Kubanenergo” PJSC and “IDGC of the South” PJSC, as an interested-party transaction on the following conditions:

Contract parties:

Customer – Kubanenergo PJSC

Contractor – IDGC of the South PJSC

Subject of the contract: The Contractor undertakes to perform work to eliminate the consequences of accidents at facilities of Kubanenergo branches caused by damaged equipment in result of natural disaster and to deliver the results of work to the Customer. Types of work, the volume and description are discussed by the Parties in the activity dependent cost estimate (Annexes 1, 1.1-1.5 to the Contract).

The concept (definition) of the accident is understood in the sense in which it is treated by the Rules of investigation of the causes of accidents in the power industry, approved by RF Government Decree No.846 dated 28 October 2009.

Contract price: The preliminary price of the work performed by the Contractor amounts to 3 103 922 524.87 rubles (nine hundred twenty two thousand five hundred twenty four rubles 87 kopecks), including 18% VAT – 140 724.13 rubles (one hundred forty thousand seven hundred twenty four rubles 13 kopecks), in accordance with planned volume of work specified in the activity dependent cost estimate (Annexes 1, 1.1-1.5 to the Contract).

Term of the Contract: The Contract comes into force upon the signature and covers legal relationship between the parties that occurred from 26 June 2015 and is valid until complete fulfillment of all contractual obligations by the Parties.

Term of fulfilling the work: 26 June 2015 to 29 June 2015

Settlement of Disputes: Disputes and disagreements that may arise when performing the contract will be solved via negotiation possible.

If it is impossible to resolve the dispute by negotiation before going to court, it shall be settled through the use of alternative dispute resolution procedures 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 “Rossetti” PJSC (approved by the Board of Directors of “Kubanenergo” PJSC on 23.12.2015 (minutes of meeting No.227/2015 dd. 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 Commercial Court of the Russian Union of Industrialists and Entrepreneurs (Commercial Court) (location - Moscow) in accordance with its rules in effect as of the date of filing a claim.

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

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

Thus, the majority of independent directors uninterested in conclusion of this transaction adopted the decision on the fifth item.

Chairperson

Mangarov Yu.N..

Corporate secretary

Russu O.V.