



## Minutes of Board of Directors Meeting No. 265/2017

### Public joint stock Company of power industry and electrification of Kuban

#### (Kubanenergo PJSC)

Date of meeting	1 March 2017
Form of holding the meeting	absentee voting (questionnaire)
Place of vote counting	office 105, building 1, 2A Stavropolskaya St., Krasnodar (postal address of Corporate Secretary of "Kubanenergo" PJSC)
Date of drawing up minutes	3 March 2017

#### Board of Directors Members: 11

**Questionnaires were submitted by:** Mangarov Yu.N. (Chairperson of the BoD), Bogashov A.Ye. Bobkov D.A Varvarin A.V., Serov A.Yu., Yefimov A.L., Gavrilov A.I., Khokholkova K.V., Gritsenko V.F., Sofyin V.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 early removal and election of new members to the Reliability Committee under the BoD of Kubanenergo PJSC.
2. On discussion of a report presented by the Company' Director General on provision of insurance of the Company in the 4<sup>th</sup> quarter of 2016.
3. On approval of the Programme of Kubanenergo PJSC on consolidation of electricity supply assets for 2017-2018.
4. On approval of the restated Regulations for preparation of investment programme and report on its implementation, enhancement of investment efficiency and reduction of expenses of Kubanenergo PJSC.
5. On implementation of the resolution adopted by the BoD of Kubanenergo PJSC on 21.12.2016 on item 1 paragraph 3 (minutes of meeting No.258/2016 dd 22.12.2016).
6. On expressing company's opinion on agenda items for the extraordinary general meeting of shareholders of subsidiary company of Kubanenergo – "Energoservis Kuban" JSC.
7. On introduction of changes to the Schedule of the Board of Directors of Kubanenergo PJSC.

#### Item 1

#### On early removal and election of new members to the Reliability Committee under the BoD of Kubanenergo PJSC

The following decision is proposed:

1. To early terminate the powers of attorney of the following members of the Reliability Committee under the BoD of Kubanenergo PJSC:

- Leonov Andrey Nikolaevich;
- Matyushin Alexander Yuriyevich

2. To elect the following persons to the Reliability Committee under the BoD of Kubanenergo PJSC:

- Rozhkov Vasilii Vladimirovich, Head of Production Planning Divisions at Department of Operation and Process Management, Rosseti PJSC;
- Kanyuka Palina Nikolaevna, Deputy Head of Production Planning Divisions at Department of Operation and Process Management, Rosseti PJSC

3. To appoint Rozhkov Vasilii Vladimirovich the Chairperson of the Reliability Committee under the BoD of Kubanenergo PJSC.

### **Voting results**

Bobkov D.A.	-	FOR	Yefimov A.L.	-	FOR
Bogashov A.Ye.	-	FOR	Mangarov Yu.N.	-	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
Serov A.Yu.	-	FOR			

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

### **Item 2**

#### **On discussion of a report presented by the Company' Director General on provision of insurance of the Company in the 4<sup>th</sup> quarter of 2016**

The following decision is proposed:

To take into consideration the report presented by the Company' Director General on provision of insurance of the Company in the 4<sup>th</sup> quarter of 2016, in accordance with Annex 1 to the present resolution of the Company's BoD.

### **Voting results**

Bobkov D.A.	-	FOR	Yefimov A.L.	-	FOR
Bogashov A.Ye.	-	FOR	Mangarov Yu.N.	-	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
Serov A.Yu.	-	FOR			

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

### **Item 3**

#### **On approval of the Programme of Kubanenergo PJSC on consolidation of electricity supply assets for 2017-2018**

The following decision is proposed:

To postpone the discussion to a later date.

#### **Voting results**

Bobkov D.A.	-	FOR	Yefimov A.L.	-	FOR
Bogashov A.Ye.	-	FOR	Mangarov Yu.N.	-	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
Serov A.Yu.	-	FOR			

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

#### **Item 4**

##### **On approval of the restated Regulations for preparation of investment programme and report on its implementation, enhancement of investment efficiency and reduction of expenses of Kubanenergo PJSC**

The following decision is proposed:

1. To approve the restated Regulations for preparation of investment programme and report on its implementation, enhancement of investment efficiency and reduction of expenses of Kubanenergo PJSC, in accordance with Annex 2 to the present resolution of the Company's BoD.

2. To consider invalid the Regulations for preparation and adjustment of investment programme and preparation of reports on implementation of the investment programme, enhancement of investment efficiency and reduction of expenses of Kubanenergo PJSC that was approved by the Company's BoD on 27.04.2016 (minutes of meeting No.237/2016 dd 28.04.2016).

#### **Voting results**

Bobkov D.A.	-	FOR	Yefimov A.L.	-	FOR
Bogashov A.Ye.	-	FOR	Mangarov Yu.N.	-	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
Serov A.Yu.	-	FOR			

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

#### **Item 5**

##### **On implementation of the resolution adopted by the BoD of Kubanenergo PJSC on 21.12.2016 on item 1 paragraph 3 (minutes of meeting No.258/2016 dd 22.12.2016)**

The following decision is proposed:

To postpone the discussion to a later date.

#### **Voting results**

Bobkov D.A.	-	FOR	Yefimov A.L.	-	FOR
Bogashov A.Ye.	-	FOR	Mangarov Yu.N.	-	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
Serov A.Yu.	-	FOR			

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

## Item 6

### **On expressing company’s opinion on agenda items for the extraordinary general meeting of shareholders of a subsidiary of Kubanenergo – “Energoservis Kuban” JSC**

The following decision is proposed:

To instruct representatives of Kubanenergo at the extraordinary general meeting of shareholders of “Energoservis Kuban” JSC:

To vote “FOR” the approval of the following resolution on agenda item “On election of the Company’s Board of Directors”:

1.1.To early terminate the powers of attorney of all members of the Board of Directors of “Energoservis Kuban” JSC.

1.2.To elect the following candidates to the Board of Directors of “Energoservis Kuban” JSC:

	Name	Position
1	Armaganyan Edgar Garrievich	First Deputy Director General – Director of Sochi electric grids, branch of Kubanenergo PJSC, Deputy Director General in charge of Sales Services
2	Dvornyi	Head of Energy Saving and Efficiency Department, Kubanenergo PJSC
3	Nischyuk Oleg Fyodorovich	Deputy Head of Sales Services and Electric Energy Accounting Department, Kubanenergo PJSC
4	Tsyba Irina Alexandrovna	Head of Department of Economics, Kubanenergo PJSC
5	Lebedev Vladimir Alexandrovich	Director General, “Energoservis Kuban” JSC
6	Ozhereliev Alexey Alexandrovich	Head of Division for Arrangement of the Management Board and the Board of Directors activity, Interaction with Shareholders and Investors, Department of Corporate Governance and Interaction with Shareholders and Investors, Rosseti PJSC
7	Buklanov Maxim Vladimirovich	Chief Expert at Division for Development of Electric Energy Accounting and Services, Department of Electric Energy Accounting and Interaction with Energy Market Participants, Rosseti PJSC

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

To vote “FOR” the approval of the following resolution on agenda item “On approval of an interested-party transaction that is large transaction as well”:

To grant an approval on conclusion of an interested-party transaction that is large transaction as well – Service Contract, on the following conditions:

Parties:

Customer: Public joint-stock company of Power Industry and Electrification of Kuban

Service company – “Energoservis Kuban” Joint-stock company

Subject of the Contract:

Within the framework of the Contract, the ESC performs services aimed at energy saving and enhancement of energy efficiency in using energy resources (including reduction of technological consumption (losses) of electricity during its transmission via networks) by identifying and reducing losses in electric networks of the Customer, and the Customer pays for the services of the Service company at the expense of savings from payment for the consumption of energy resources costs (including compensation for losses of electricity costs) as a result of these actions (further - saving energy).

The subject of the Contract is the provision of services – implementation of actions aimed at energy conservation and efficient use of energy resources (reduction of energy losses during transmission via networks and the growth of the volume of services rendered) in the branch of Kubanenergo PJSC – Krasnodar Electric Networks, implementation of energy-saving technologies and at the expense of the Service company at the network facilities of the Customer.

Price of the contract: Contract Price is defined in accordance with the Contract price negotiation protocol specified in Annex 2 to the Contract, and is 45 350 000 (forty five million three hundred fifty thousand) (VAT included).

Other terms of the transaction/procedure for their definition:

Contract duration: the contract duration is determined by the period of time during which the planned size of the economy in real terms will be achieved and the total amount of payments by the Customer to the Service company will be equal to the price of the contract, but not more than 8 (eight) years.

Persons interested in the transaction, and the grounds for such interest:

- Kubanenergo PJSC – an entity that controls the Service company;
- Armaganyan E.G. – a member of the Board of Directors of the Service company and at the same time a member of the Board of Directors of Kubanenergo PJSC, which is a party in the transaction.

### **Voting results**

Bobkov D.A.	-	FOR	Yefimov A.L.	-	FOR
Bogashov A.Ye.	-	FOR	Mangarov Yu.N.	-	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
Serov A.Yu.	-	FOR			

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

### **Item 7**

#### **On introduction of changes to the Schedule of the Board of Directors of Kubanenergo PJSC**

The following decision is proposed:

To introduce changes to the Schedule of the Board of Directors of Kubanenergo PJSC that was approved by the BoD on 12.08.2016 (minutes of meeting No.248/2016 dd 15.08.2016) , in accordance with Annex 3 to the present resolution of the Company's BoD.

### **Voting results**

Bobkov D.A.	-	FOR	Yefimov A.L.	-	FOR
Bogashov A.Ye.	-	FOR	Mangarov Yu.N.	-	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
Serov A.Yu.	-	FOR			

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

Chairperson

Mangarov Yu.N..

Corporate secretary

Russu O.V.