

Minutes of the Board of Directors Meeting No. 287/2017
Public joint stock Company of power industry and electrification of Kuban
(Kubanenergo PJSC)

Date of the meeting 3 October 2017
Form of the meeting postal voting (by filling in questionnaires)
Place of vote counting office 105, building 1, 2A Stavropolskaya St.,
Krasnodar (postal address of the Corporate Secretary of
“Kubanenergo” PJSC)
Date of drawing up minutes 6 October 2017

Board of Directors Members: 11

Questionnaires were submitted by: Fadeev A.N. (Chairperson of the BoD), Varvarin A.V., Balayeva S.A., Gavrilov A.I., Gritsenko V.F., Yefimov A.L., Medvedev M.V., Osipova Ye.N., Tyurkin K.V., Khokholkova K.V., Shagina I.A.

Questionnaires were not submitted by:

According to requirements of paragraph 7.3 of the 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 on 20.06.2017, minutes No.39), the quorum for holding the meeting should count at least half of elected members of Board of Directors.

Quorum is present

Agenda

1. Discussion of a report on the results of implementation of the Business plan of Kubanenergo PJSC in the 1st half of 2017.
2. Approval of a report on the results of implementation of the Investment programme of Kubanenergo PJSC in the 2nd quarter and the 1st half of 2017
3. Approval of the Plan of Kubanenergo PJSC on reduction of overdue accounts receivable for electricity transmission services and settlement of disputes that existed as of 01.07.2017

Item 1**Discussion of a report on the results of implementation of the Business plan of Kubanenergo PJSC in the 1st half of 2017**

The following resolution is proposed:

1. To take into consideration the report on the results of implementation of the Business plan of Kubanenergo PJSC in the 1st half of 2017, in accordance with Appendix No.1 to this decision of the Board of Directors of the Company.
2. To pay attention to the evaluation of the key operational risks by the results of the 1st half of 2017 that are specified in Appendix 2 to this decision of the Board of Directors of the Company.
3. To instruct Director General to:
 - 3.1. enhance risk management KOR-10 “Risk of non-fulfillment of the key parameters of the investment programme”
 - 3.2. eliminate the possibility of occurrence of risks with high materiality level in 2017
 - 3.3. ensure that the business plan of Kubanenergo PJSC for 2018-2022 and quarterly reports on its fulfillment contain in full volume expenses on technical maintenance and repair of the Company, including expenses on business trips, fuel products and other expenses.

Voting results

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Balayeva S.A.	-	FOR	Osipova Ye.N.	-	FOR
Gavrilov A.I.	-	FOR	Tyurkin K.V.	-	FOR

Varvarin A.V.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Shagina I.A.	-	FOR
Yefimov A.L.	-	FOR			

Thus, on the first issue, the proposed decision was unanimously adopted by the members of the Board of Directors participating in the meeting.

Item 2

Approval of a report on the results of implementation of the Investment programme of Kubanenergo PJSC in the 2nd quarter and the 1st half of 2017

The following resolution is proposed:

1. To approve the report on the results of implementation of the Investment programme of Kubanenergo PJSC in the 2nd quarter and the 1st half of 2017, in accordance with Appendix No.3 to this decision of the Board of Directors of the Company.

2. To pay attention to the information on the results of implementation of the Investment programme of Kubanenergo PJSC in the 2nd quarter and the 1st half of 2017, in accordance with Appendix No.4 to this decision of the Board of Directors of the Company.

3. To instruct Director General to:

3.1 propose for discussion to the BoD the report on the causes of deviation of the actual parameters on the investment programme of Kubanenergo PJSC for the 1st half of 2017, specified in the Appendix 4 to this decision of the Board of Directors of the Company, from the planned parameters.

Deadline: 30.10.2017

3.2. analyse why the Company did not fulfill to the fullest extent the plan of technical re-equipment and modernization under the Investment programme 2017, specifically the modernization of transformers and substations that contribute to successful autumn-winter season 2017/2018; the analysis shall be included in the explanatory note to the report and then discussed at the meeting of the BoD

Deadline: 30.10.2017

3.3. take measures to implement the Company's Investment programme within the planned volumes.

3.4. take measures to ensure the implementation of the approved consolidated network schedules of the implementation of priority facilities within the established deadline.

Voting results

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Balayeva S.A.	-	FOR	Osipova Ye.N.	-	FOR
Gavrilov A.I.	-	FOR	Tyurkin K.V.	-	FOR
Varvarin A.V.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Shagina I.A.	-	FOR
Yefimov A.L.	-	FOR			

Thus, on the second issue, the proposed decision was unanimously adopted by the members of the Board of Directors participating in the meeting.

Item 3

Approval of the Plan of Kubanenergo PJSC on reduction of overdue accounts receivable for electricity transmission services and settlement of disputes that existed as of 01.07.2017

The following resolution is proposed:

1. To approve the Plan of Kubanenergo PJSC on reduction of overdue accounts receivable for electricity transmission services and settlement of disputes that existed as of 01.07.2017, in accordance with Appendix No.5 to this decision of the Board of Directors of the Company.

2. To take into consideration the report on implementation by Kubanenergo PJSC of the Plan of Kubanenergo PJSC to reduce the overdue accounts receivable for electricity transmission services

and settlement of disputes that existed as of 01.04.2017, in accordance with Appendix No.6 to this decision of the Board of Directors of the Company.

3. To take into consideration the report of Kubanenergo on steps taken in the 2nd quarter of 2017 to deal with the newly occurred overdue accounts receivable for electricity transmission services, in accordance with Appendix No.7 to this decision of the Board of Directors of the Company.

4. To take into consideration the report on implementation of the instruction given by the BoD on 31.03.2017 (minutes No.269/2017), in accordance with Appendix No.8 to this decision of the Board of Directors of the Company.

Voting results

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Balayeva S.A.	-	FOR	Osipova Ye.N.	-	FOR
Gavrilov A.I.	-	FOR	Tyurkin K.V.	-	FOR
Varvarin A.V.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Shagina I.A.	-	FOR
Yefimov A.L.	-	FOR			

Thus, on the third issue, the proposed decision was unanimously adopted by the members of the Board of Directors participating in the meeting.

Chairperson of the BoD

Fadeev A.N.

Corporate secretary

Russu O.V.