

Minutes of the Board of Directors Meeting No. 290/2017
Public joint stock Company of power industry and electrification of Kuban
(Kubanenergo PJSC)

Date of the meeting	30 November 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	1 December 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: none

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. Approval of the restated Guidelines for implementation of the Unified Communication Policy of Kubanenergo PJSC.
2. Approval of the Programme of upgrade (renovation) of grid facilities of the Company in 2017-2026.
3. Approval of an interested party transaction: a contract on conduct of energy survey of facilities of Kubanenergo PJSC between Energoservis Kuban JSC and Kubanenergo PJSC.
4. Discussion of a report of the Company’s director general on the process of selling (plan of implementation) non-core assets in the 3rd quarter of 2017 and update of the registry (plan of implementation) of non-core assets of Kubanenergo PJSC.
5. Approval of the Programme on Energy Saving and Enhancing Energy Efficiency of Kubanenergo PJSC in 2017-2022.

Item 1

Approval of the restated Guidelines for implementation of the Unified Communication Policy of Kubanenergo PJSC

The following resolution is proposed:

1. To approve the restated Guidelines for implementation of the Unified Communication Policy of Kubanenergo PJSC, in accordance with Appendix 1 to this resolution of the Company’s Board of Directors.
2. To consider as no longer valid the Guidelines for implementation of the Unified Communication Policy of Kubanenergo PJSC that were approved by the Board of Directors on 25.04.2017 (minutes No.271/2017 dd 28.04.2017).

Voting results

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Favrilov A.I.	-	FOR	Osipova Ye.N.	-	FOR
Balayeva S.A.	-	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 the Programme of upgrade (renovation) of grid facilities of the Company in 2017-2026

The following resolution is proposed:

1. To approve the Programme of upgrade (renovation) of grid facilities of the Company in 2017-2026 (hereinafter “the Programme”), in accordance with Appendix 2 to this resolution of the Company’s Board of Directors.

2. To instruct the Sole Executive Body of Kubanenergo PJSC to:

2.1. ensure regular update of the Programme:

2.1.1. After approval of the industry laws and regulations establishing or changing the frequency, methods, volumes and technical means of control, a system of technical condition indicators and their permissible and limit values that can reliably determine the actual technical condition of the main equipment and its change during operation until the next check.

Implementation: upon issuing of corresponding industry laws and regulations

2.1.2. Annually upon adjusting the investment programme of Kubanenergo PJSC with taking into account the changes in the technical condition of the equipment and other factors that affect safe operation of equipment, as well as necessity need to include facilities under the instructions from supervisory authorities.

Implementation: by the 1st December of the year preceding the adjustment of the investment programme.

2.2. When preparing the investment programme of Kubanenergo PJSC, to include in the investment programme of Kubanenergo PJSC the projects from this Programme in accordance with the adjusted sources of financing, target indicators for the implementation of the Programme’s projects and scenario conditions for the preparation of the investment programme.

Implementation: constant

Voting results:

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Favrilov A.I.	-	FOR	Osipova Ye.N.	-	FOR
Balayeva S.A.	-	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 an interested party transaction: a contract on conduct of energy survey of facilities of Kubanenergo PJSC between Energoservis Kuban JSC and Kubanenergo PJSC

The following resolution is proposed:

1. To determine the limit price of services purchased by the Company under a service contract on compulsory energy inspection of the facilities of Kubanenergo PJSC, which is an interested-party transaction: 78 579 741 (seventy-eight million five hundred seventy-nine thousand seven hundred forty-one) ruble 13 kopecks.

2. To approve for the conclusion of an interested-party transaction: the service contract on compulsory energy inspection of the facilities of Kubanenergo PJSC between Kubanenergo PJSC and Energoservice Kuban JSC, on the following essential terms:

Parties to the Contract:

Customer: Kubanenergo PJSC;

Contractor: Energoservice Kuban JSC.

Subject of the Contract:

The Contractor undertakes, on behalf of the Customer, to conduct an energy inspection comprising instrumental measurements, analysis of energy consumption of the equipment of the distribution network, administrative and industrial buildings and facilities; draw up a list of recommendations for energy saving and enhancement of energy efficiency, and issue the Energy Performance Certificate of Kubanenergo PJSC and register it at the Self-Regulatory Organization and the Ministry of Energy of the Russian Federation in accordance with the Terms of Reference.

Price of the Contract:

The limit price of the Contract is 78 579 741 (seventy-eight million five hundred seventy-nine thousand seven hundred forty-one) rubles 13 kopecks.

Other essential terms of the Contract:

Contract time:

This Contract shall become effective upon the date this Contract is signed by both Parties and is valid until 31.12.2017.

Parties interested in the transaction, and their affiliation:

1. The Company's controlling entity: Rosseti PJSC, which is the controlling entity of Energoservice Kuban JSC, which is a party to the transaction.

2. Member of the Management Board of the Company: Armaganyan E.G., occupying position in the management bodies (member of the Board of Directors) of Energoservice Kuban JSC, which is a party to the transaction.

Voting results

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Favrilov A.I.	-	FOR	Osipova Ye.N.	-	FOR
Balayeva S.A.	-	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 having the right to vote in accordance with the Federal Law "On Joint Stock Companies".

Item 4

Discussion of a report of the Company's director general on the process of selling (plan of implementation) non-core assets in the 3rd quarter of 2017 and update of the registry (plan of implementation) of non-core assets of Kubanenergo PJSC

The following resolution is proposed:

1. To take into consideration the report of the Company's director general on the process of selling (plan of implementation) non-core assets in the 3rd quarter of 2017, in accordance with Appendix 3 to this resolution of the Company's Board of Directors.

2. To and update of the registry (plan of implementation) of non-core assets as of 30.09.2017, in accordance with Appendix 4 to this resolution of the Company's Board of Directors.

Voting results

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Favrilov A.I.	-	FOR	Osipova Ye.N.	-	FOR
Balayeva S.A.	-	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 fourth issue, the proposed decision was unanimously adopted by the members of the Board of Directors participating in the meeting.

Item 5

Approval of the Programme on Energy Saving and Enhancing Energy Efficiency of Kubanenergo PJSC in 2017-2022

The following resolution is proposed:

1. To approve the Programme on Energy Saving and Enhancing Energy Efficiency of Kubanenergo PJSC in 2017-2022, in accordance with Appendix 5 to this resolution of the Company's Board of Directors.
2. To discuss on a quarterly basis a report on the implementation of the Programme on Energy Saving and Enhancing Energy Efficiency of Kubanenergo PJSC as a part of the Report on Implementation of the Business Plan.

Voting results

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Favrilov A.I.	-	FOR	Osipova Ye.N.	-	FOR
Balayeva S.A.	-	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 fifth 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.