



РОССЕТИ КУБАНЬЭНЕРГО

ПУБЛИЧНОЕ АКЦИОНЕРНОЕ ОБЩЕСТВО
ЭНЕРГЕТИКИ И ЭЛЕКТРИФИКАЦИИ КУБАНИ
(ПАО «КУБАНЬЭНЕРГО»)

Minutes of the Board of Directors Meeting No. 293/2017
Public joint stock Company of power industry and electrification of Kuban
(Kubanenergo PJSC)

Date of the meeting 26 December 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 28 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. Discussion of a report on the process and pricing audit of a project form the Investment Programme of Kubanenergo PJSC and reports on implementation of the approved Investment Programme of Kubanenergo PJSC in the 1st and 2nd quarters of 2017
2. Approval of the list of investment projects that are subject to process and pricing audit in 2018
3. Discussion of a report of the Director General of Kubanenergo PJSC on implementation of the resolutions adopted by the Company’s Board of Directors
4. Approval of insurers of Kubanenergo PJSC
5. Discussion of a report of the Director General of Kubanenergo PJSC on the Credit Policy of the Company in the 3rd quarter of 2017
6. Approval of scenario analysis of preparation of the business of Kubanenergo PJSC for 2018 and estimates for 2019-2022
7. Preliminary approval of the decision to conclude a transaction related to acquisition of real estate constituting the Company’s fixed assets, the purpose of which is production, transmission, dispatching, distribution of electric and thermal energy: transformer substation-105 and 3.6 km of 6 kV cable lines
8. Analysis of the Company’s activities related to provision of electricity transmission services, calculation of technological losses and reduction of commercial losses in 2016 and 6 months of 2017

Item 1

Discussion of a report on the process and pricing audit of a project form the Investment Programme of Kubanenergo PJSC and reports on implementation of the approved Investment Programme of Kubanenergo PJSC in the 1st and 2nd quarters of 2017

The following resolution is proposed:

To take into consideration the report on the process and pricing audit of a project form the Investment Programme of Kubanenergo PJSC and reports on implementation of the approved Investment Programme of Kubanenergo PJSC in the 1st and 2nd quarters of 2017, as specified in Annex 1 to the present resolution of the Company's Board of Directors.

Voting results

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Gavrilov 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 list of investment projects that are subject to process and pricing audit in 2018

The following resolution is proposed:

To approve the list of investment projects that are subject to process and pricing audit in 2018, as specified in Annex 2 to the present resolution of the Company's Board of Directors.

Voting results:

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Gavrilov 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

Discussion of a report of the Director General of Kubanenergo PJSC on implementation of the resolutions adopted by the Company's Board of Directors

The following resolution is proposed:

To take into consideration the report of the Director General of Kubanenergo PJSC on implementation of the resolutions adopted by the Company's Board of Directors, as specified in Annexes 3-4 to the present resolution of the Company's Board of Directors.

Voting results

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Gavrilov 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 participating in the meeting.

Item 4

Approval of insurers of Kubanenergo PJSC

The following resolution is proposed:

To appoint the following company as the Company's Insurer:

Type of insurance	Insurance company	Service period
Corporate property insurance against all risks	SPAO (Insurance public joint-stock company) Ingosstrakh	01.01.2018 – 31.12.2020

Voting results

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Gavrilov 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

Discussion of a report of the Director General of Kubanenergo PJSC on the Credit Policy of the Company in the 3rd quarter of 2017

The following resolution is proposed:

1. To take into consideration the report of the Director General of Kubanenergo PJSC on the Credit Policy of the Company in the 3rd quarter of 2017, as specified in Annex 5 to the present resolution of the Company's Board of Directors.
2. Confidential
3. Confidential
4. To instruct the Company's Director General to ensure implementation of the requirements of the Regulations for Credit Policy approved by the Company's Board of Directors.

Voting results

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Gavrilov 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.

Item 6

Approval of scenario analysis of preparation of the business of Kubanenergo PJSC for 2018 and estimates for 2019-2022

The following resolution is proposed:

1. To approve the scenario analysis of preparation of the business of Kubanenergo PJSC for 2018 and estimates for 2019-2022, as specified in Annexes 6-8 to the present resolution of the Company's Board of Directors.

2. To consider as no longer valid the resolution adopted by the BoD on 30.08.2017 on item 1 (minutes No.286/2017 dd 31.08.2017).

Voting results

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Gavrilov 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 sixth issue, the proposed decision was unanimously adopted by the members of the Board of Directors participating in the meeting.

Item 7

Preliminary approval of the decision to conclude a transaction related to acquisition of real estate constituting the Company's fixed assets, the purpose of which is production, transmission, dispatching, distribution of electric and thermal energy: transformer substation-105 and 3.6 km of 6 kV cable lines

The following resolution is proposed:

To approve a transaction related to acquisition of real estate constituting the Company's fixed assets, the purpose of which is production, transmission, dispatching, distribution of electric and thermal energy: transformer substation-105 and 3.6 km of 6 kV cable lines on the following conditions:

Property assets:

Equipment of transformer substation-105 and transformer substation-105 located at: Vorovskogo street, Sochi, Krasnodar region, as specified in Annex 7 to the present resolution of the Company's Board of Directors.

Seller:

Limited Liability Company Rosstroyproekt

Buyer:

Public joint stock company of power industry and electrification of Kuban.

Purchase price:

The price is determined based on the market value appraisal report No.16/1-0 carried out by the independent appraiser Center for Professional Appraisal, LLC and amounts to 41 738 856 (forty one million seven hundred thirty eight thousand eight hundred fifty six) rubles 00 kopecks, excluding VAT, and 18% VAT of 7 512 994 (seven millions five hundred twelve thousand nine hundred ninety four) rubles 08 kopecks. The total amount of the contract is 49 251 850 (forty nine million two hundred fifty one thousand eight hundred fifty) rubles 08 kopecks, including VAT.

Method of purchase:

Conclusion of property purchase/sale agreement.

The order of transfer of property:

The ownership of property passes in the manner established by the procedure of the Russian Federation.

Voting results

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Gavrilov 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 seventh issue, the proposed decision was unanimously adopted by the members of the Board of Directors participating in the meeting.

Item 8

Analysis of the Company's activities related to provision of electricity transmission services, calculation of technological losses and reduction of commercial losses in 2016 and 6 months of 2017

The following resolution is proposed:

1. To take into consideration the report of the Company's Director General on analysis of the Company's activities related to provision of electricity transmission services, calculation of technological losses and reduction of commercial losses in 2016 and 6 months of 2017, as specified in Annex 1 to the present resolution of the Company's Board of Directors.
2. Due to the amendment of calculation of technological losses of electrical energy for 2016, to instruct the Director General of the Company to submit by 30.12.2017 to the RF Ministry of Energy the amended data on calculation of technological losses of electricity for 2016 according to reporting forms, in accordance with the order of the RF Ministry of Energy No.340 dd. July 23, 2012.

Voting results

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Gavrilov 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 eighth 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.