

Minutes of the Board of Directors Meeting No. 319/2018
Public joint stock Company of power industry and electrification of Kuban
(Kubanenergo PJSC)

Date of the meeting 21 September 2018
Form of the meeting Absentee (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 24 September 2018

Board of Directors Members: 11

Questionnaires were submitted by: Sergeeva O.A. (Chairperson of the BoD), Varvarin A.V., Gavrilov A.I., Gritsenko V.F., Medvedev M.V., Osipova Ye.N., Selivanova L.V., Tyukanko A.S., 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. Consideration of a report submitted by the Director General on the Company’s insurance coverage in the 2nd quarter of 2018
2. Determining the amount of payment for the services of the Company’s auditor
3. Consideration of a report submitted by the Director General of Kubanenergo PJSC on the Company’s credit policy in the 2nd quarter of 2018
4. Consideration of the Programme of Modernization (Renovation) of Grid Facilities of Kubanenergo PJSC for 2018-2016 (updated)
5. Approval the Plan of Kubanenergo on reduction of overdue accounts receivable for electricity transmission services and settlement of disputes existing as of 01.07.2018
6. Approval of a report on implementation of key performance indicators of the Company’s Director General in 2017
7. On establishment of a Grid Connection Committee under the Board of Directors

Item 1

Consideration of a report submitted by the Director General on the Company’s insurance coverage in the 2nd quarter of 2018

The following resolution is proposed:

To take into consideration the report submitted by the Director General on the Company’s insurance coverage in the 2nd quarter of 2018, as per Annex 1 to the resolution of the Company’s Board of Directors.

Voting results

Sergeeva O.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyukanko A.S.	-	FOR
Gavrilov A.I.	-	FOR	Tyurkin K.V.	-	FOR

Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Medvedev M.V.	-	FOR	Shagina I.A.	-	FOR
Selivanova L.V.	-	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

Determining the amount of payment for the services of the Company's auditor

The following resolution is proposed:

To determine the price of services of the Company's auditor Ernst&Young LLC for audit of accounting (financial) statements 2018, prepared in accordance with RAS (Russian Accounting Standards), and for audit of consolidated financial statements prepared in accordance with IFRS (International Financial Reporting Standards) in the amount of 5 284 594 (five million two hundred eighty four thousand five hundred ninety four) rubles 54 kopeks, including 18% VAT: 806 124 (eight hundred six thousand one hundred twenty four) rubles 59 kopeks.

Voting results

Sergeeva O.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyukanko A.S.	-	FOR
Gavrilov A.I.	-	FOR	Tyurkin K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Medvedev M.V.	-	FOR	Shagina I.A.	-	FOR
Selivanova L.V.	-	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

Consideration of a report submitted by the Director General of Kubanenergo PJSC on the Company's credit policy in the 2nd quarter of 2018

The following resolution is proposed:

1. To take into consideration the report submitted by the Director General of Kubanenergo PJSC on the Company's credit policy in the 2nd quarter of 2018, as per Annex 2 to the resolution of the Company's Board of Directors.
2. To note the exceeding of the limit for debt coverage and debt service coverage limit as of 30.06.2018.
3. To agree upon a temporary excess of the limit for debt coverage and debt service coverage limit as of 30.06.2018.
4. To instruct the General Director of the Company to ensure compliance with the requirements of the Regulations on Credit Policy approved by the Board of Directors of the Company.

Voting results

Sergeeva O.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyukanko A.S.	-	FOR
Gavrilov A.I.	-	FOR	Tyurkin K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Medvedev M.V.	-	FOR	Shagina I.A.	-	FOR
Selivanova L.V.	-	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

Consideration of the Programme of Modernization (Renovation) of Grid Facilities of Kubanenergo PJSC for 2018-2016 (updated)

The following resolution is proposed:

To approve the Programme of Modernization (Renovation) of Grid Facilities of Kubanenergo PJSC for 2018-2016 (updated), as per Annex 3 to the resolution of the Company's Board of Directors.

Voting results

Sergeeva O.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyukanko A.S.	-	FOR
Gavrilov A.I.	-	FOR	Tyurkin K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Medvedev M.V.	-	FOR	Shagina I.A.	-	FOR
Selivanova L.V.	-	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 the Plan of Kubanenergo on reduction of overdue accounts receivable for electricity transmission services and settlement of disputes existing as of 01.07.2018

The following resolution is proposed:

1. To approve Plan of Kubanenergo on reduction of overdue accounts receivable for electricity transmission services and settlement of disputes existing as of 01.07.2018, as specified in Annex 4 to this resolution of the Company's Board of Directors.
2. To take note of the Report on implementation of the Plan of Kubanenergo PJSC for reduction of overdue receivables for electricity transmission services and settlement of disputes existing as of 01.04.2018, as specified in Annex 5 to this resolution of the Company's Board of Directors.
3. To take note of the Report of Kubanenergo PJSC on measures taken in respect of receivables existing as of the 2nd quarter of 2018, as well as newly accrued receivables, as specified in Annex 6 to this resolution of the Company's Board of Directors.
4. To take note of the Report on implementation of the instructions issued the Board of Directors on 30.03.2018 (minutes No.305/2018) pertaining collection of 2 766 million rubles of overdue receivables from the sum of receivables existing as of 01.01.2018 in 2018, as specified in Annex 7 to this resolution of the Company's Board of Directors.

Voting results

Sergeeva O.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyukanko A.S.	-	FOR
Gavrilov A.I.	-	FOR	Tyurkin K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Medvedev M.V.	-	FOR	Shagina I.A.	-	FOR
Selivanova L.V.	-	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 a report on implementation of key performance indicators of the Company's Director General in 2017

The following resolution is proposed:

To approve the report on implementation of key performance indicators of the Company's Director General in 2017, as specified in Annex 8 to this resolution of the Company's Board of Directors.

Voting results

Sergeeva O.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyukanko A.S.	-	FOR
Gavrilov A.I.	-	FOR	Tyurkin K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Medvedev M.V.	-	FOR	Shagina I.A.	-	FOR
Selivanova L.V.	-	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

On establishment of a Grid Connection Committee under the Board of Directors

The following resolution is proposed:

1. To decide that the Grid Connection Committee of the Company's Board of Directors shall consist of 4 (four) persons.
2. To elect the following persons to the Grid Connection Committee of the Company's Board of Directors:

#	Name of the candidate	Employment
1	Pyatigor Alexander Mikhailovich	Acting Deputy Director General for Devolvement and Selling of Services, Rosseti PJSC
2	Korneyev Alexandr Yurievich	Head of Department of Perspective Development of Grids and Grid Connection, Rosseti PJSC
3	Varvarin Aleksander Viktorovich	Vice-president – Managing Director in charge of Corporate Relations and Legal Support, Russian Union of Industrialists and Entrepreneurs, member of the Board of Directors of Kubanenergo PJSC
4	Kostetsky Vyacheslav Yurievich	Deputy Director General for Devolvement and Grid Connection, Kubanenergo PJSC

Voting results

Sergeeva O.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyukanko A.S.	-	FOR
Gavrilov A.I.	-	FOR	Tyurkin K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Medvedev M.V.	-	FOR	Shagina I.A.	-	FOR
Selivanova L.V.	-	FOR			

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

Chairperson of the BoD

Sergeeva O.A.

Corporate secretary

Russu O.V.