

**Minutes of the Meeting of the Board of Directors No. 361/2019**

**of the Public Joint Stock Company**

**of Power Industry and Electrification of Kuban (PJSC Kubanenergo)**

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| Date of Meeting | September 30, 2019 |
| Form of Meeting: | Absentee voting (by questionnaire) |
| Location of summing up the voting results: | room 105, building 1, 2А Stavropolskaya Str., Krasnodar (for postage to the Corporate Secretary of PJSC Kubanenergo) |
| Date on which the minutes were drawn up: | October 1, 2019 |
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**Members of the Board of Directors:** 11 persons

**Members of the Board of Directors were submitted the checklists**: Gavrilov A.I. (Chairman of the Board of Directors), Varvarin A.V., Kiryukhin S.V., Larionov D.V., Medvedev M.V., Osipova E.N., Rozhkov V.V., Sergeeva O.A., Khokholkova K.V., Shagina I.A., Yavorskiy V.K.

**Members of the Board of Directors were not submitted the checklists:** none.

In accordance with the Clause 7.3 “Regulations on the Board of Directors of Public Joint Stock Company of Power Industry and Electrification of Kuban” (passed by the decision of the Annual General Meeting of Shareholders of PJSC Kubanenergo, Minutes No. 42 of June 20, 2019) at least half of the number of elected members of the Board of Directors of the Company constitutes a quorum for a meeting of the Board of Directors.

**A quorum is present.**

**Agenda of the meeting of the Board of Directors:**

1. On the approval of the report on the implementation of the Innovative Development Program of PJSC Kubanenergo for 2018.
2. On consideration of the report concerning PJSC Kubanenergo group of companies’ business plans fulfillment consolidated on principles of RAS and IFRS for the first quarter (Q1) of 2019.
3. On consideration of the report of General Director on providing the Insurance Coverage in the Company for the first quarter (Q1) of 2019.
4. On the approval of the insurer of PJSC Kubanenergo.
5. On consideration of the report of General Director of PJSC Kubanenergo on the Company credit policy.
6. On changing the design procedure under the agreement on the recovery of expenses from the Municipal Public Institution (MPI) “Capital construction management” in Sochi (MPI “UKS (Capital construction management) in Sochi”)) with regards to reducing of the amount of the advance payment than those provided for by the Procedure of reconstruction of objects of PJSC Kubanenergo provided by the third parties.
7. On consideration of the report of General Director on the implementation of non-core assets register for the second quarter (Q2) of 2019, on the approval of the updated register of non-core assets of PJSC Kubanenergo.
8. On the approval of the timed action plan of PJSC Kubanenergo for reducing of overdue receivables for electric power transmission services and settlements of disputes as of July 1, 2019.

**Item No.1: On the approval of the report on the implementation of the Innovative Development Program of PJSC Kubanenergo for 2018.**

**The following solution was offered:**

1. *To approve the report on the implementation of the Innovative Development Program of PJSC Kubanenergo for 2018 in accordance with the Appendix No.1 to the present resolution of the Company’s Board of Directors.*
2. *To assign the General Director of the Company to provide the meticulous achievement of performance targets established by the Innovative Development Program of the Company.*

**The results of voting:**

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| --- | --- | --- | --- | --- | --- |
| Gavrilov A.I. | - | **“FOR”** | Sergeeva О.А. | - | **“FOR”** |
| Varvarin А.V. | - | **“FOR”** | Rozhkov V.V. | - | **“FOR”** |
| Kiryukhin S.V. | - | **“FOR”** | Shagina I.А. | - | **“FOR”** |
| Larionov D.V. | - | **“FOR”** | Khokholkova К.V. | - | **“FOR”** |
| Medvedev М.V. | - | **“FOR”** | Yavorskiy V.К. | - | **“FOR”** |
| Osipova Е.N. | - | **“FOR”** |  |  |  |

Thus, regarding the first Agenda Item of the meeting, the resolution **was adopted unanimously** by the Board of Directors participating in the meeting.

**Item No. 2:** **On consideration of the report concerning PJSC Kubanenergo group of companies’ business plans fulfillment consolidated on principles of RAS and IFRS for the first quarter (Q1) of 2019.**

**The following solution was offered:**

*Take into consideration the report concerning PJSC Kubanenergo group of companies’ business plans fulfillment consolidated on principles of RAS and IFRS for the first quarter (Q1) of 2019 in accordance with the Appendices 2-3 to the present resolution of the Company’s Board of Directors.*

**The results of voting:**

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| --- | --- | --- | --- | --- | --- |
| Gavrilov A.I. | - | **“FOR”** | Sergeeva О.А. | - | **“FOR”** |
| Varvarin А.V. | - | **“FOR”** | Rozhkov V.V. | - | **“FOR”** |
| Kiryukhin S.V. | - | **“FOR”** | Shagina I.А. | - | **“FOR”** |
| Larionov D.V. | - | **“FOR”** | Khokholkova К.V. | - | **“FOR”** |
| Medvedev М.V. | - | **“FOR”** | Yavorskiy V.К. | - | **“FOR”** |
| Osipova Е.N. | - | **“FOR”** |  |  |  |

Thus, regarding the first Agenda Item of the meeting, the resolution **was adopted unanimously** by the Board of Directors participating in the meeting.

**Вопрос 3:** **On consideration of the report of General Director on providing the Insurance Coverage in the Company for the first quarter (Q1) of 2019.**

**The following solution was offered:**

1. *Take into consideration the report of General Director on providing the Insurance Coverage in the Company for the first quarter (Q1) of 2019 in accordance with the Appendix No. 4 to the present resolution of the Company’s Board of Directors.*
2. *To assign the General Director of the Company to exclude the cases of violation of the Regulation requirements on providing the Insurance Coverage passed by the Company’s Board of Directors.*

**The results of voting:**

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| --- | --- | --- | --- | --- | --- |
| Gavrilov A.I. | - | **“FOR”** | Sergeeva О.А. | - | **“FOR”** |
| Varvarin А.V. | - | **“FOR”** | Rozhkov V.V. | - | **“FOR”** |
| Kiryukhin S.V. | - | **“FOR”** | Shagina I.А. | - | **“FOR”** |
| Larionov D.V. | - | **“FOR”** | Khokholkova К.V. | - | **“FOR”** |
| Medvedev М.V. | - | **“FOR”** | Yavorskiy V.К. | - | **“FOR”** |
| Osipova Е.N. | - | **“FOR”** |  |  |  |

Thus, regarding the first Agenda Item of the meeting, the resolution **was adopted unanimously** by the Board of Directors participating in the meeting.

**Вопрос 4:** **On the approval of the insurer of PJSC Kubanenergo.**

**The following solution was offered:**

*To approve the following* *candidacy acting as the insurer:*

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| --- | --- | --- |
| Type of insurance | Insurance company | Duration of insurance |
| Damage liability insurance as a result of defective works in construction, building, remodeling and refurbishment, front end engineering design and engineering investigations that make an impact on the construction projects security. | АО SOGAZ | 12 months with the date of entering the Union “Self-regulatory organization (SRO) “Trans-regional alliance of the constructors” |

**The results of voting:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Gavrilov A.I. | - | **“FOR”** | Sergeeva О.А. | - | **“FOR”** |
| Varvarin А.V. | - | **“FOR”** | Rozhkov V.V. | - | **“FOR”** |
| Kiryukhin S.V. | - | **“FOR”** | Shagina I.А. | - | **“FOR”** |
| Larionov D.V. | - | **“FOR”** | Khokholkova К.V. | - | **“FOR”** |
| Medvedev М.V. | - | **“FOR”** | Yavorskiy V.К. | - | **“FOR”** |
| Osipova Е.N. | - | **“FOR”** |  |  |  |

Thus, regarding the first Agenda Item of the meeting, the resolution **was adopted unanimously** by the Board of Directors participating in the meeting.

**Вопрос 5:** **On consideration of the report of General Director of PJSC Kubanenergo on the Company credit policy.**

**The following solution was offered:**

1. *Take into consideration the report of General Director of PJSC Kubanenergo on the Company credit policy for 2018 and the first quarter (Q1) of 2019 in accordance with the Appendix No. 5 to the present resolution of the Company’s Board of Directors.*

*2.* *Confidential.*

*3. Confidential.*

*4. Confidential.*

**The results of voting:**

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| --- | --- | --- | --- | --- | --- |
| Gavrilov A.I. | - | **“FOR”** | Sergeeva О.А. | - | **“FOR”** |
| Varvarin А.V. | - | **“FOR”** | Rozhkov V.V. | - | **“FOR”** |
| Kiryukhin S.V. | - | **“FOR”** | Shagina I.А. | - | **“FOR”** |
| Larionov D.V. | - | **“FOR”** | Khokholkova К.V. | - | **“FOR”** |
| Medvedev М.V. | - | **“FOR”** | Yavorskiy V.К. | - | **“FOR”** |
| Osipova Е.N. | - | **“FOR”** |  |  |  |

Thus, regarding the first Agenda Item of the meeting, the resolution **was adopted unanimously** by the Board of Directors participating in the meeting.

**Вопрос 6:** **On changing the design procedure under the agreement on the recovery of expenses from the Municipal Public Institution (MPI) “Capital construction management” in Sochi (MPI “UKS (Capital construction management) in Sochi”)) with regards to reducing of the amount of the advance payment than those provided for by the Procedure of reconstruction of objects of PJSC Kubanenergo provided by the third parties.**

**The following solution was offered:**

*To change the design procedure under the agreement on the recovery of expenses from the Municipal Public Institution (MPI) “Capital construction management” in Sochi with regards to reducing of the amount of the advance payment up to 30%.*

**The results of voting:**

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| --- | --- | --- | --- | --- | --- |
| Gavrilov A.I. | - | **“FOR”** | Sergeeva О.А. | - | **“FOR”** |
| Varvarin А.V. | - | **“FOR”** | Rozhkov V.V. | - | **“FOR”** |
| Kiryukhin S.V. | - | **“FOR”** | Shagina I.А. | - | **“FOR”** |
| Larionov D.V. | - | **“FOR”** | Khokholkova К.V. | - | **“FOR”** |
| Medvedev М.V. | - | **“FOR”** | Yavorskiy V.К. | - | **“FOR”** |
| Osipova Е.N. | - | **“FOR”** |  |  |  |

Thus, regarding the first Agenda Item of the meeting, the resolution **was adopted unanimously** by the Board of Directors participating in the meeting.

**Вопрос 7:** **On consideration of the report of General Director on the implementation of non-core assets register for the second quarter (Q2) of 2019, on the approval of the updated register of non-core assets of PJSC Kubanenergo.**

**The following solution was offered:**

*1. Take into consideration the report on**the implementation of non-core assets register for the second quarter (Q2) of 2019* *in accordance with the Appendix No. 6 to the present resolution of the Company’s Board of Directors.*

*2. To approve the**updated register of non-core assets as amended and in accordance with the Appendix No. 7 to the present resolution of the Company’s Board of Directors.*

**The results of voting:**

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| --- | --- | --- | --- | --- | --- |
| Gavrilov A.I. | - | **“FOR”** | Sergeeva О.А. | - | **“FOR”** |
| Varvarin А.V. | - | **“FOR”** | Rozhkov V.V. | - | **“FOR”** |
| Kiryukhin S.V. | - | **“FOR”** | Shagina I.А. | - | **“FOR”** |
| Larionov D.V. | - | **“FOR”** | Khokholkova К.V. | - | **“FOR”** |
| Medvedev М.V. | - | **“FOR”** | Yavorskiy V.К. | - | **“FOR”** |
| Osipova Е.N. | - | **“FOR”** |  |  |  |

Thus, regarding the first Agenda Item of the meeting, the resolution **was adopted unanimously** by the Board of Directors participating in the meeting.

**Вопрос 8:** **On the approval of the timed action plan of PJSC Kubanenergo for reducing of overdue receivables for electric power transmission services and settlements of disputes as of July 1, 2019.**

**The following solution was offered:**

*1. To approve the**timed action plan of PJSC Kubanenergo for reducing of overdue receivables for electric power transmission services and settlements of disputes as of July 1, 2019 in accordance with the Appendix No. 8 to the present resolution of the Company’s Board of Directors.*

1. *Take into consideration the Progress Report previously passed by the Company’s Board of Directors on the**timed action plan of PJSC Kubanenergo for reducing of overdue receivables for electric power transmission services and settlements of disputes as of April 1, 2019 in accordance with the Appendix No.9 to the present resolution of the Company’s Board of Directors.*
2. *Take into consideration the Report of PJSC Kubanenergo concerning the performed work in relation to the receivables as of beginning of the second quarter (Q2) of 2019 as well as in relation to the newly formed overdue receivables in accordance with the Appendix No. 10 to the present resolution of the Company’s Board of Directors.*
3. *Take into consideration the progress report on the Board assignments of March 29, 2019 (Minutes No.334/2019 of April 1, 2019) with regards to ensuring of overdue receivables repayment in 2019 in the amount of 2,942,000 rubles (two million nine hundred and forty two thousand rubles) from the value of receivables as of January 1, 2019 in accordance with the Appendix No. 11 to the present resolution of the Company’s Board of Directors.*

**The results of voting:**

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| Gavrilov A.I. | - | **“FOR”** | Sergeeva О.А. | - | **“FOR”** |
| Varvarin А.V. | - | **“FOR”** | Rozhkov V.V. | - | **“FOR”** |
| Kiryukhin S.V. | - | **“FOR”** | Shagina I.А. | - | **“FOR”** |
| Larionov D.V. | - | **“FOR”** | Khokholkova К.V. | - | **“FOR”** |
| Medvedev М.V. | - | **“FOR”** | Yavorskiy V.К. | - | **“FOR”** |
| Osipova Е.N. | - | **“FOR”** |  |  |  |

Thus, regarding the first Agenda Item of the meeting, the resolution **was adopted unanimously** by the Board of Directors participating in the meeting.

**Chairman of the Board of Directors А.I. Gavrilov**

**Corporate Secretary O.V. Russu**