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**Minutes of the Meeting of the Board of Directors No. 369/2019**

**of the Public Joint Stock Company**

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

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| Date of Meeting | December 25, 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: | December 25, 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 introducing amendments to IAD work plan of the Company for 2019.
2. On the approval of the tweak plan for development of business assets’ control system ofPJSC Kubanenergo.
3. On consideration of internal audit report of the Company concerning the assessment of corporate management efficiency.
4. On consideration of the report of General Director of PJSC Kubanenergo concerning the Company credit policy per the second and the third quarters of 2019.
5. On consideration of the report concerning Kubanenergo group of companies’ business plans fulfillment consolidated on principles of RAS and IFRS for the first half of 2019
6. On consideration of results of the external independent evaluation of internal control system and on approval of the plan of measures for efficiency maintaining and internal control system development.
7. On the approval of the internal audit policy as amended.

8. On the approval of the internal document of the Company: terms and conditions of PJSC Rosseti concerning ‘The uniform technological policy in the integrated power grid’.

9. On the approval of KPI progress report “Innovation performance” of General Director (CEO) of the Company for 2018.

**Item No.1: On introducing amendments to IAD work plan of the Company for 2019.**

**The following solution was offered:**

*To approve work plan revision of Internal Audit Department (IAD) of PJSC Kubanenergo for 2019 in accordance with the Appendix No.1 to the present resolution of the Company’s Board of Directors.*

**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.

**Item No. 2:** **On the approval of the tweak plan for development of business assets’ control system of PJSC Kubanenergo.**

**The following solution was offered:**

*1. To approve the**tweak plan for development of business assets’ control system of PJSC Kubanenergo in accordance with the Appendix No. 2 to the present resolution of the Company’s Board of Directors.*

*2. The plan for development of business assets’ control system of PJSC Kubanenergo until 2019 passed by the Company’s Board of Directors of August 21, 2018 (Minutes of August 22, 2018 No. 318/2018) is considered to be no longer in force.*

**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.

**Item No. 3:** **On consideration of internal audit report of the Company concerning the assessment of corporate management efficiency.**

**The following solution was offered:**

*Take into consideration the internal audit report of the Company concerning the assessment of corporate management efficiency for 2018-2019**in accordance with the Appendix No. 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.

**Item No. 4:** **On consideration of the report of General Director of PJSC Kubanenergo concerning the Company credit policy per the second and the third quarters of 2019.**

**The following solution was offered:**

1. *Take into consideration**the report of General Director of PJSC Kubanenergo concerning the Company credit policy per the second and the third quarters of 2019 in accordance with the Appendix No. 4 to the present resolution of the Company’s Board of Directors.*

*2. It is necessary to notice the above-limit value of target limit on debt settlement as of June 30, 2019 and September 30, 2019.*

*3. To agree on the temporary exceedance of target limit on debt settlement as of June 30, 2019 and September 30, 2019.*

*4. To assign the General Director of the Company to* *ensure the fulfilment of the requirements for Regulations on requirements to credit policy 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.

**Item No. 5:** **On consideration of the report concerning Kubanenergo group of companies’ business plans fulfillment consolidated on principles of RAS and IFRS for the first half of 2019.**

**The following solution was offered:**

*Take into consideration the report concerning Kubanenergo group of companies’ business plans fulfillment consolidated on principles of RAS and IFRS for the first half of 2019 in accordance with the Appendix No. 5 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.

**Item No. 6:** **On consideration of results of the external independent evaluation of internal control system and on approval of the plan of measures for efficiency maintaining and internal control system development.**

**The following solution was offered:**

*1. Take into consideration the report of OOO RSM RUS and recognition of the effective internal control system of the Company by the independent expert in accordance with the Appendix No. 6 to the present resolution of the Company’s Board of Directors.*

*2. To approve plan of measures for efficiency maintaining and internal control system development of PJSC Kubanenergo for 2019-2020 (hereinafter referred to as the Plan) in accordance with the Appendix No. 7 to the present resolution of the Company’s Board of Directors.*

*3. To assign the chief executive officer (CEO) of PJSC Kubanenergo to provide the annual informing of the Board of Directors of the Company on the progress of implementation of the Plan in the report of the Chief Executive Officer (CEO) of the Company on organization and performance of the internal control system (hereinafter referred to as the Report) for the relevant year as of the Report for 2019.*

*4. To submit for consideration by the Board of Directors of PJSC Kubanenergo after preliminary examination by the Strategy Committee of the Company’s Board of Directors the results of the external independent evaluation of the effectiveness of risk management system and plan of measures for development of risk management system.*

**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. 7:** **On the approval of the internal audit policy as amended.**

**The following solution was offered:**

 *1. To approve the internal audit policy of PJSC Kubanenergo as amended in accordance with the Appendix No. 8 to the present resolution.*

*2. The internal audit policy of PJSC Kubanenergo passed by the Company’s Board of Directors of March 18, 2016 (Minutes of March 18, 2016 No. 233/2016), with amendments of March 28, 2017(Minutes of March 31, 2017 No. 267/2017) is considered to be no longer in force as of the adoption of the present resolution.*

**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. 8:** **On the approval of the internal document of the Company: terms and conditions of PJSC Rosseti concerning ‘The uniform technological policy in the integrated power grid’.**

**The following solution was offered:**

*1. To approve the terms and conditions of PJSC Rosseti concerning ‘The uniform technological policy in the integrated power grid’ as the internal document of the Company in accordance with the Appendix No. 9 to the present resolution of the Company’s Board of Directors.*

*2. The terms and conditions of PJSC Rosseti concerning ‘The uniform technological policy in the integrated power grid’ passed by the Company’s Board of Directors (Minutes of March 31, 2017 No. 267/2017) is considered to be no longer in force.*

**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. 9:** On the approval of KPI progress report “Innovation performance” of General Director (CEO) of PJSC Kubanenergo for 2018.

**The following solution was offered:**

*To approve the* *KPI progress report “Innovation performance” of General Director (CEO) of PJSC Kubanenergo for 2018 in accordance with the Appendix No. 10 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**