



## Minutes of Board of Directors Meeting No. 253/2016

### Public joint stock Company of power industry and electrification of Kuban (“Kubanenergo PJSC)

Date of meeting	15 November 2016
Form of holding the meeting	absentee voting (questionnaire)
Place of vote counting	office 105, building 1, 2A Stavropolskaya St., Krasnodar (postal address of Corporate Secretary of “Kubanenergo” PJSC)
Date of vote counting	15.11.2016, 5 p.m.
Date of drawing up minutes	18 November 2016

#### Board of Directors Members: 11

**Questionnaires were submitted by:** Mangarov Yu.N. (Chairperson of the BoD), Bobkov D.A., Varvarin A.V., Yefimov A.L., Gavrilov A.I., Serov A.Yu.6 Khokholkova K.V., Bogashov A.Ye., Sofyin V.V.Gritsenko V.F., Shmakov I.V.

#### Questionnaires were not submitted by:

According to requirements of paragraph 7.3 of 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 dated 27.06.2016, minutes No.37), the quorum for holding the meeting should count at least half of elected members of Board of Directors.

#### Quorum is present

#### Agenda

1. On approval of the Programme of consolidation of grid facilities of Kubanenergo PJSC for 2017-2018
2. On approval of the Procedure for arrangement of sales of non-core assets of Kubanenergo PJSC
3. On taking into consideration report of Director General on expenditures related to preparation and holding the extraordinary general meeting of shareholders on 19 September 2016
4. On implementation of resolutions of the BoD adopted on 20.09.2016 on item 3 paragraph 3.1.1 (minutes of meeting No.251/2016 dd 23.09.2016)
5. On taking into consideration report of Director General on provision of insurance in the 3<sup>rd</sup> quarter of 2016
6. On introduction of changes to resolutions of the BoD adopted on 27.04.2016 on item 5 paragraph 5 (minutes of meeting No.237/2016 dd 28.04.2016)
7. On approval of budgets for the Committees of Kubanenergo BoD
8. On determination of the Company’s opinion on agenda of the meeting of the BoDs of subsidiary and affiliate of Kubanenergo PJSC –“Energoservis Kuban” JSC

## **Item 1**

### **On approval of the Programme of consolidation of grid facilities of Kubanenergo PJSC for 2017-2018**

The following decision is proposed:

To postpone the discussion to a later date

#### **Voting results**

Bobkov D.A.	-	FOR	Mangarov Yu.N.	-	FOR
Bogashov A.Ye.	-	FOR	Serov A.Yu.	-	FOR
Varvarin A.V.	-	FOR	Sofin V.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Shmakov I.V.	-	FOR
Yefimov A.L.	-	FOR			

Thus, the BoD members participating in the meeting unanimously adopted the proposed decision on the first item.

## **Item 2**

### **On approval of the Procedure for arrangement of sales of non-core assets of Kubanenergo PJSC**

The following decision is proposed:

1. To approve of the Procedure for arrangement of sales of non-core assets of Kubanenergo PJSC, in accordance with Annex 1 to this resolution of the BoD.
2. To consider invalid the Procedure for arrangement of sales of non-core assets of the Company, approved by the Board of Directors of Kubanenergo JSC on 20.11.2008 (Minutes of meeting No.62/2008 dated 24.11.2008).
3. To consider invalid paragraph 2 of resolution of the Board of Directors of Kubanenergo on item 8 from 14.11.2014 (Minutes of meeting No.199/2014 dated 17.11.2014).
4. To decide that the transactions related to the disposal of assets, classified in accordance with the law as real estate, construction in progress, the purpose of which is not production, transmission, distribution of electricity and heat energy shall be taken in accordance with the Procedure for arrangement of sales of non-core assets of Kubanenergo PJSC in the new version, in accordance with Annex 1 to this resolution of the BoD.

#### **Voting results**

Bobkov D.A.	-	FOR	Mangarov Yu.N.	-	FOR
Bogashov A.Ye.	-	FOR	Serov A.Yu.	-	FOR
Varvarin A.V.	-	FOR	Sofin V.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Shmakov I.V.	-	FOR
Yefimov A.L.	-	FOR			

Thus, the BoD members participating in the meeting unanimously adopted the proposed decision on the second item.

## **Item 3**

**On taking into consideration report of Director General on expenditures related to preparation and holding the extraordinary general meeting of shareholders on 19 September 2016**

The following decision is proposed:

To take into consideration the report of Director General on expenditures related to preparation and holding the extraordinary general meeting of shareholders on 19 September 2016, in accordance with Annex 2 to this resolution of the BoD.

**Voting results**

Bobkov D.A.	-	FOR	Mangarov Yu.N.	-	FOR
Bogashov A.Ye.	-	FOR	Serov A.Yu.	-	FOR
Varvarin A.V.	-	FOR	Sofin V.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Shmakov I.V.	-	FOR
Yefimov A.L.	-	FOR			

Thus, the BoD members participating in the meeting unanimously adopted the proposed decision on the third item.

**Item 4**

**On implementation of resolutions of the BoD adopted on 20.09.2016 on item 3 paragraph 3.1.1 (minutes of meeting No.251/2016 dd 23.09.2016)**

The following decision is proposed:

To take into consideration the report on the causes of deviations specified in paragraphs 2.3.1. - 2.3.3 of the resolution of the Board of Directors dated 20.09.2016 on item 3 (Minutes of meeting No.251/2016 dated 23.09.2016), that occurred during implementation of the approved investment programme of the Company in the 2<sup>nd</sup> quarter and 6 months of 2016, in accordance with Annex 3 to this resolution of the BoD.

**Voting results**

Bobkov D.A.	-	FOR	Mangarov Yu.N.	-	FOR
Bogashov A.Ye.	-	FOR	Serov A.Yu.	-	ABSTAINED
Varvarin A.V.	-	FOR	Sofin V.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Shmakov I.V.	-	FOR
Yefimov A.L.	-	FOR			

Thus, the majority of BoD members participating in the meeting adopted the proposed decision on the fourth item.

**Item 5**

**On taking into consideration report of Director General on provision of insurance in the 3<sup>rd</sup> quarter of 2016**

The following decision is proposed:

To take into consideration the report of Director General on provision of insurance in the 3<sup>rd</sup> quarter of 2016, in accordance with Annex 4 to this resolution of the BoD.

**Voting results**

Bobkov D.A.	-	FOR	Mangarov Yu.N.	-	FOR
Bogashov A.Ye.	-	FOR	Serov A.Yu.	-	FOR
Varvarin A.V.	-	FOR	Sofin V.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Shmakov I.V.	-	FOR
Yefimov A.L.	-	FOR			

Thus, the BoD members participating in the meeting unanimously adopted the proposed decision on the fifth item.

### **Item 6**

#### **On introduction of changes to resolutions of the BoD adopted on 27.04.2016 on item 5 paragraph 5 (minutes of meeting No.237/2016 dd 28.04.2016)**

The following decision is proposed:

To amend the decision of the Board of Directors of Kubanenergo PJSC on paragraph 5 of item 5 (Minutes of meeting No. 237/2016) 28.04.2016 as follows:

“To recommend submitting information on management of risks that occurred in 2015, on a quarterly basis at the meetings of the Management Board as part of report on implementation of the business plan for the first 9 months of 2016 and for 2016”.

#### **Voting results**

Bobkov D.A.	-	FOR	Mangarov Yu.N.	-	FOR
Bogashov A.Ye.	-	FOR	Serov A.Yu.	-	FOR
Varvarin A.V.	-	FOR	Sofin V.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Shmakov I.V.	-	FOR
Yefimov A.L.	-	FOR			

Thus, the BoD members participating in the meeting unanimously adopted the proposed decision on the sixth item.

### **Item 7**

#### **On approval of budgets for the Committees of Kubanenergo BoD**

The following decision is proposed:

1. To approve budget for the Audit Committee under the BoD of Kubanenergo PJSC for the second quarter of 2016, in accordance with Annex 5 to this resolution of the BoD
2. To approve budget for the Committee for Strategy, Development, Investment and Reforming under the BoD of Kubanenergo PJSC for the second quarter of 2016, in accordance with Annex 6 to this resolution of the BoD
3. To approve budget for the Reliability Committee under the BoD of Kubanenergo PJSC for the second quarter of 2016, in accordance with Annex 7 to this resolution of the BoD
4. To approve budget for the Personnel and Remuneration Committee under the BoD of Kubanenergo PJSC for the second quarter of 2016, in accordance with Annex 8 to this resolution of the BoD

5. To approve budget for the Committee for Technological Connection under the BoD of Kubanenergo PJSC for the second quarter of 2016, in accordance with Annex 9 to this resolution of the BoD

**Voting results**

Bobkov D.A.	- FOR	Mangarov Yu.N.	- FOR
Bogashov A.Ye.	- ABSTAINED	Serov A.Yu.	- FOR
Varvarin A.V.	- FOR	Sofin V.V.	- FOR
Gavrilov A.I.	- FOR	Khokholkova K.V.	- FOR
Gritsenko V.F.	- FOR	Shmakov I.V.	- FOR
Yefimov A.L.	- FOR		

Thus, the majority of BoD members participating in the meeting adopted the proposed decision on the seventh item.

**Item 8**

**On determination of the Company's opinion on agenda of the meeting of the BoDs of subsidiary and affiliate of Kubanenergo PJSC –“Energoservis Kuban” JSC**

The following decision is proposed:

To instruct representatives of Kubanenergo PJSC in the Board of Directors of “Energoservis Kuban” JSC on the agenda “On early termination of powers of the Acting General Director of the Company and election of the Director General of the Company” to vote "FOR" the following decision:

1. To terminate the powers of the Acting Director General of the Company – Loza Andrei Alexandrovich and the employment contract with him on 30.11.2016.
2. To elect the Director General of the Company of Lebedev Vladimir Alexandrovich from 01.12.2016 to 07.03.2019 inclusive.

**Voting results**

Bobkov D.A.	- FOR	Mangarov Yu.N.	- FOR
Bogashov A.Ye.	- FOR	Serov A.Yu.	- FOR
Varvarin A.V.	- FOR	Sofin V.V.	- FOR
Gavrilov A.I.	- FOR	Khokholkova K.V.	- FOR
Gritsenko V.F.	- FOR	Shmakov I.V.	- FOR
Yefimov A.L.	- FOR		

Thus, the BoD members participating in the meeting unanimously adopted the proposed decision on the eighth item.

Chairperson

Mangarov Yu.N..

Corporate secretary

Russu O.V.