

**Excerpt from the Minutes of Board of Directors Meeting No. 274/2017
Public joint stock Company of power industry and electrification of Kuban
(Kubanenergo PJSC)**

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| Date of meeting | 23 May 2017 |
| 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 drawing up minutes | 23 May 2017 |

Board of Directors Members: 11

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

Questionnaires were not submitted by: Serov A.Yu.

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

Item No.2: On recommendations concerning the size of the dividends on shares, the procedure for its payment by results of 2016, and determining the date for which the persons entitled to receive dividends are determined

The following decision is proposed:

To recommend the Annual General Meeting of Shareholders to adopt the following decision:

1. To pay dividends on ordinary shares following the results of 2016 in the amount of 535 125 thousand rubles in monetary form. The amount of dividend paid per share is defined as the ratio of the sum of the dividend amount (535 125 thousand rubles) to the total number of ordinary shares of the Company included in the list of persons entitled to receive dividends.

The period of payment of the dividends to a nominal holder and a trustee, who is a professional participant of the securities market, is no more than 10 working days, other shareholders included in the register – 25 working days from the date of drawing up the list of persons entitled to receive the dividends.

2. To determine the date of drawing up the list of persons entitled to receive the dividends – 27 June 2017.

Voting results

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

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

Corporate secretary

Russu O.V.