

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

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., Bobkov D.A., Gavrilov A.I., 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

Agenda

1. On recommendations concerning the distribution of profits and losses of the Company by results of 2016.
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.
3. On consideration of the candidacy of the Company’s auditor.
4. On the review of the draft Charter of the Company in new edition.
5. On consideration of the draft internal document of the Company: Regulations for the General Meeting of Shareholders of the Company in new edition.
6. On consideration of the draft internal document of the Company: Regulations for the Board of Directors of the Company in new edition.
7. On consideration of the draft internal document of the Company: Regulations for the Audit Commission of the Company in new edition.
8. On approval of the form and text of voting ballots for the annual general meeting of shareholders of the Company, as well as wording of decisions on the issues of the agenda of the annual General Meeting of Shareholders of the Company.

9. On approval of the estimate of costs associated with preparation and conduct of the annual General Meeting of Shareholders of the Company.

10. On approval of the terms of the contract with the Company's registrar.

11. On the proposal to the annual General Meeting of Shareholders concerning the issue: "On termination of participation of Kubanenergo PJSC in the UNION "ENERGOSTROY"

Item 1

2.2.1. The following resolution is proposed:

To instruct the annual general meeting of shareholders of the Company to approve the following allocation of profits (losses) of the Company for 2016 reporting year

	(thousand rubles)
Undistributed profit (losses) of the reporting period:	2 140 500
To distribute for: Reserve fund	107 025
Profit for development	1 498 350
Dividends	535 125
Repayment of undistributed deficit of prior years	0

Voting results

Bobkov D.A.	- FOR	Yefimov A.L.	- FOR
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

Bogashov A.E., a member of the Board of Directors, expressed a dissenting opinion on this issue when the voting in the questionnaire (Appendix No. 10 to the minutes of meeting).

Thus, on the first issue, the proposed decision was adopted by a majority vote of the members of the Board of Directors participating in the meeting.

Item 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 resolution is proposed:

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 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 dividends – 27 June 2017.

Voting results

Bobkov D.A.	-	FOR	Yefimov A.L.	-	FOR
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

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

Item 3

On consideration of the candidacy of the Company's auditor

The following resolution is proposed:

To offer the annual General Meeting of Shareholders of the Company to approve "RSM RUS" LLC (INN (TIN)/KPP (tax registration reason code) 7722020834/772901001, 4 Pudovkina str., Moscow, Russia, 119285) as the Company's auditor.

Voting results

Bobkov D.A.	-	FOR	Yefimov A.L.	-	FOR
Bogashov A.Ye.	-	FOR	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

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

Item 4

On review of the draft Charter of the Company in new edition

The following resolution is proposed:

To offer the annual General Meeting of Shareholders of the Company to approve the Charter of the Company in a new edition, in accordance with Appendix No.1 to this decision of the Board of Directors of the Company.

Voting results

Bobkov D.A.	-	FOR	Yefimov A.L.	-	FOR
Bogashov A.Ye.	-	FOR	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

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

Item 5

On consideration of the draft internal document of the Company: Regulations for the General Meeting of Shareholders of the Company in new edition

On consideration of the candidacy of the Company's auditor

The following resolution is proposed:

To offer the annual General Meeting of Shareholders of the Company to approve the Regulations for the General Meeting of Shareholders of the Company in new edition, in accordance with Appendix No.2 to this decision of the Board of Directors of the Company.

Voting results

Bobkov D.A.	-	FOR	Yefimov A.L.	-	FOR
Bogashov A.Ye.	-	FOR	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

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

Item 6

On consideration of the draft internal document of the Company: Regulations for the Board of Directors of the Company in new edition

The following resolution is proposed:

To offer the annual General Meeting of Shareholders of the Company to approve the Regulations for the Board of Directors of the Company in new edition, in accordance with Appendix No.3 to this decision of the Board of Directors of the Company.

Voting results

Bobkov D.A.	-	FOR	Yefimov A.L.	-	FOR
Bogashov A.Ye.	-	FOR	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

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

Item 7

On consideration of the draft internal document of the Company: Regulations for the Audit Commission of the Company in new edition

The following resolution is proposed:

To offer the annual General Meeting of Shareholders of the Company to approve the Regulations for the Audit Commission of the Company in new edition, in accordance with Appendix No.3 to this decision of the Board of Directors of the Company.

Voting results

Bobkov D.A.	-	FOR	Yefimov A.L.	-	FOR
Bogashov A.Ye.	-	FOR	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

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

Item 8

On approval of the form and text of voting ballots for the annual general meeting of shareholders of the Company, as well as wording of decisions on the issues of the agenda of the annual General Meeting of Shareholders of the Company

The following resolution is proposed:

1. To approve the form and text of the voting ballots for the annual General Meeting of Shareholders of the Company (Appendices No. 5-7 to this decision of the Board of Directors of the Company).
2. To use the wording of decisions specified in the voting ballots for sending in electronic form (in the form of electronic documents) to nominal holders of shares registered in the shareholder register.

Voting results

Bobkov D.A.	-	FOR	Yefimov A.L.	-	FOR
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

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

Item 9

On approval of the estimate of costs associated with preparation and conduct of the annual General Meeting of Shareholders of the Company

The following resolution is proposed:

1. To approve the costs estimates related to the preparation and conduct of the annual General Meeting of Shareholders of the Company, in accordance with Appendix No.8 to this decision of the Board of Directors of the Company.
2. The Director General of the Company shall, not later than two months after the annual General Meeting of Shareholders of the Company, submit to the Board of Directors a report on the expenditure of the funds allocated for preparation and conduct of the annual General Meeting of Shareholders.

Voting results

Bobkov D.A.	-	FOR	Yefimov A.L.	-	FOR
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Bogashov A.Ye.	-	FOR	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

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

Item 10

On approval of the terms of the contract with the Company's registrar

The following resolution is proposed:

1. To approve the terms and conditions of the agreement with the Company's registrar for provision of services for organization, convocation and holding of the annual General Meeting of Shareholders, including performance of the functions of a counting commission pursuant to Appendix No.9 to this decision of the Board of Directors of the Company.
2. To instruct the General Director of the Company to sign a contract with the Company's registrar for provision of services for organization, convening and holding of the annual General Meeting of Shareholders, including the performance of the functions of a counting commission on terms and conditions in accordance with Appendix No.9 to this decision of the Board of Directors of the Company.

Voting results

Bobkov D.A.	-	FOR	Yefimov A.L.	-	FOR
Bogashov A.Ye.	-	FOR	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

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

Item 11

On the proposal to the annual General Meeting of Shareholders concerning the issue: "On termination of participation of Kubanenergo PJSC in the UNION "ENERGOSTROY"

The following resolution is proposed:

Offer the annual General Meeting of Shareholders of Kubanenergo PJSC to approve the termination of the participation of Kubanenergo PJSC in the UNION "ENERGOSTROY".

Voting results

Bobkov D.A.	-	FOR	Yefimov A.L.	-	FOR
Bogashov A.Ye.	-	FOR	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

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

Chairperson of the Board of Directors

Mangarov Yu.N..

Corporate secretary

Russu O.V.