



РОССЕТИ



КУБАНЬЭНЕРГО

ПУБЛИЧНОЕ АКЦИОНЕРНОЕ ОБЩЕСТВО  
ЭНЕРГЕТИКИ И ЭЛЕКТРИФИКАЦИИ КУБАНИ  
(ПАО «КУБАНЬЭНЕРГО»)

## Minutes of Board of Directors Meeting No. 281/2017

### Public joint stock Company of power industry and electrification of Kuban

#### (Kubanenergo PJSC)

Date of meeting	19 July 2017
Form of holding the meeting	absentee voting (questionnaire)
Place of vote counting	office 105, building 1, 2A Stavropolskaya St., Krasnodar (postal address of the Corporate Secretary of “Kubanenergo” PJSC)
Date of drawing up minutes	21 July 2017

#### Board of Directors Members: 11

**Questionnaires were submitted by:** Fadeev A.N. (Chairperson of the BoD), Balayeva S.A., Varvarin A.V., Gavrilov A.I., Gritsenko V.F., Yefimov A.L., Medvedev M.V., Osipova Ye.N., Tyurkin K.V., Khokholkova K.V., Shagina I.A.

**Questionnaires were not submitted by:** none

According to requirements of paragraph 7.3 of the 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 on 20.06.2017, minutes No.39), 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 Standard and Regulations for Business Planning of Kubanenergo PJSC in a new version.
2. On consideration of the report of the General Director of Kubanenergo PJSC on implementation in the 1<sup>st</sup> quarter of 2017 of decisions taken at the meetings of the Board of Directors of the Company.
3. On consideration of the report of the Audit Committee of the Board of Directors of Kubanenergo PJSC on its activity in 2016-2017 corporate year.
4. On approval of contracts for free use of residential premises between Kubanenergo PJSC and employees of Kubanenergo PJSC.
5. On consideration of programme of measures to reduce losses of electric energy in the networks of Kubanenergo PJSC.
6. On consideration of the report of the General Director of Kubanenergo PJSC on the credit policy of the Company in the 1<sup>st</sup> quarter of 2017.
7. On update of the status and the basic grounds for setting target values for the priority areas of the Company’s activities for 2017.
8. On approval of the results of implementation of the target values of key performance indicators of the General Director Kubanenergo PJSC in 2016.
9. On approval of the Innovative Development Programme of Kubanenergo PJSC for the period 2016-2020 with estimates up to 2025.

10. On consideration of the Report on implementation of the Innovative Development Programme of Kubanenergo PJSC in 2016.

11. On committees of the Board of Directors of Kubanenergo PJSC.

12. On introducing amendments to the Regulations on material incentives for the Director General of the Company.

13. On discussion of report submitted by the Director General of the Company on the process of implementation of the registry (plan of sales) on non-core assets in the 2nd quarter of 2017 and update of the registry (programme of sale) of non-core assets of Kubanenergo PJSC.

#### **Item 1**

##### **On approval of Standard and Regulations for Business Planning of Kubanenergo PJSC in a new version**

The following resolution is proposed:

1. To approve the restated Standard and Regulations for Business Planning of Kubanenergo PJSC, in accordance with Annexes 1-2 to this resolution of the BoD.

2. To consider as invalid the Standard and Regulations for Business Planning of Kubanenergo JSC that was approved at the meeting of the Board of Directors on 31.03.2015 (minutes of meeting No.206/2015 dd 03.04.2015).

##### **Voting results**

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Balayeva S.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyurkin K.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Yefimov A.L.	-	FOR			

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

#### **Item 2**

##### **On consideration of the report of the General Director of Kubanenergo PJSC on implementation in the 1<sup>st</sup> quarter of 2017 of decisions taken at the meetings of the Board of Directors of the Company**

The following resolution is proposed:

To postpone the discussion to a later date.

##### **Voting results**

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Balayeva S.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyurkin K.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Yefimov A.L.	-	FOR			

Thus, on the second issue, the proposed decision was unanimously adopted by the members of the Board of Directors participating in the meeting.

### **Item 3**

#### **On consideration of the report of the Audit Committee of the Board of Directors of Kubanenergo PJSC on its activity in 2016-2017 corporate year**

The following resolution is proposed:

To take into consideration the report of the Audit Committee of the Board of Directors of Kubanenergo PJSC on its activity in 2016-2017 corporate year, in accordance with Annex 3 to this resolution of the BoD.

#### **Voting results**

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Balayeva S.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyurkin K.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Yefimov A.L.	-	FOR			

Thus, on the third issue, the proposed decision was unanimously adopted by the members of the Board of Directors participating in the meeting.

### **Item 4**

#### **On approval of contracts for free use of residential premises between Kubanenergo PJSC and employees of Kubanenergo PJSC**

The following resolution is proposed:

To approve contracts for free use of residential premises between Kubanenergo PJSC and employees of Sochi Electric Networks, branch of Kubanenergo PJSC on conditions disclosed in Annex 4 to this resolution of the BoD.

#### **Voting results**

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Balayeva S.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyurkin K.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Yefimov A.L.	-	FOR			

Thus, on the fourth issue, the proposed decision was unanimously adopted by the members of the Board of Directors participating in the meeting.

### **Item 5**

#### **On consideration of programme of measures to reduce losses of electric energy in the networks of Kubanenergo PJSC**

The following resolution is proposed:

1. To approve programme of measures to reduce losses of electric energy in the networks of Kubanenergo PJSC for 2017-2021 in order to reach the appropriate level of electricity losses, in accordance with Annex 5 to this resolution of the BoD.

2. To consider as invalid the programme of measures to address the problematic issues impeding the reduction of the level of electricity losses, which are in competence of Kubanenergo, in accordance with the programme 2013-2018 approved by the Board of Directors of the Company on August 15, 2013 (Minutes of meeting No.170/2013 of August 16, 2013).

#### **Voting results**

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Balayeva S.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyurkin K.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Yefimov A.L.	-	FOR			

Thus, on the fifth issue, the proposed decision was unanimously adopted by the members of the Board of Directors participating in the meeting.

#### **Item 6**

##### **On consideration of the report of the General Director of Kubanenergo PJSC on the credit policy of the Company in the 1<sup>st</sup> quarter of 2017**

The following resolution is proposed:

To take the agenda item off the table.

#### **Voting results**

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Balayeva S.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyurkin K.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Yefimov A.L.	-	FOR			

Thus, on the sixth issue, the proposed decision was unanimously adopted by the members of the Board of Directors participating in the meeting.

#### **Item 7**

##### **On update of the status and the basic grounds for setting target values for the priority areas of the Company's activities for 2017**

The following resolution is proposed:

1. To approve information on change in status of priority activities of the Company and the basic grounds for setting target values for 2017 in accordance with Annex 6 to the decision of the Management Board of the Company.

2. To consider expedient:

2.1. The following priority areas of the Company's activities shall be recognized as having lost their relevance in connection with implementation and termination of the deadline for implementation of such activities:

- Construction and operation of fiber-optic communication lines (Meetings of the Board of Directors meeting No.133/2012 dd 05.05.2012);
- Consolidation of network assets: Programme of consolidation of electric grid assets for 2011-2015 (minutes of meeting of the Board of Directors No. 121/1/2011 dated 21.11.2011);
- Introduction of a system for managing construction of crucial investment projects (minutes of meeting of the Board of Directors No.121/2011 dated 21.11.2011);
- Implementation of the Company's environmental policy: Environmental policy of the Company for 2008-2015; Programme of implementation of the Company's environmental policy for 2008; Programme of implementation of the Company's environmental policy for 2008-2010 (Minutes of the Board of Directors meeting No.49/2008 dated 18.01.2008);
- The Company's strategy in the field of information technology, automation and telecommunications for the period until 2016 (minutes of meeting of the Board of Directors dated 20.06.2012 No.138/2012).

2.2. After approval by the Board of Directors of the Company's Programme for consolidation of electric grid assets 2017-2019, to ensure that "Consolidation of electric grid assets" is recognized as a priority area of the Company's business.

2.3. Implementation of the priority activity "Measures to reduce losses, using in-source funding sources (including with the use of energy service contracts)" as part of the activities of the complex of work with losses of electricity during its transmission (as estimated by the KPI "Level of Electricity Losses", approved in the Business plan of the Company).

#### **Voting results**

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Balayeva S.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyurkin K.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Yefimov A.L.	-	FOR			

Thus, on the seventh issue, the proposed decision was unanimously adopted by the members of the Board of Directors participating in the meeting.

#### **Item 8**

#### **On approval of the results of implementation of the target values of key performance indicators of the General Director Kubanenergo PJSC in 2016**

The following resolution is proposed:

To approve the results of implementation of the target values of key performance indicators of the General Director Kubanenergo PJSC in 2016, in accordance with Annex 7 to this resolution of the BoD.

#### **Voting results**

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Balayeva S.A.	-	FOR	Osipova Ye.N.	-	FOR

Varvarin A.V.	-	FOR	Tyurkin K.V.	-	FOR
Gavrilov A.I.	-	ABSTAINED	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Yefimov A.L.	-	FOR			

Gavrilov A.I., member of the BoD, expressed special opinion on agenda item 8. (Annex 15 to this resolution of the BoD)

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

### **Item 9**

#### **On approval of the Innovative Development Programme of Kubanenergo PJSC for the period 2016-2020 with estimates up to 2025**

The following resolution is proposed:

To approve the Innovative Development Programme of Kubanenergo PJSC for the period 2016-2020 with estimates up to 2025, in accordance with Annex 8 to this resolution of the BoD.

#### **Voting results**

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Balayeva S.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyurkin K.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Yefimov A.L.	-	FOR			

Thus, on the ninth issue, the proposed decision was unanimously adopted by the members of the Board of Directors participating in the meeting.

### **Item 10**

#### **On consideration of the Report on implementation of the Innovative Development Programme of Kubanenergo PJSC in 2016**

The following resolution is proposed:

To approve the Report on implementation of the Innovative Development Programme of Kubanenergo PJSC in 2016, in accordance with Annex 9 to this resolution of the BoD.

#### **Voting results**

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Balayeva S.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyurkin K.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Yefimov A.L.	-	FOR			

Thus, on the tenth issue, the proposed decision was unanimously adopted by the members of the Board of Directors participating in the meeting.

## Item 11

### On committees of the Board of Directors of Kubanenergo PJSC

The following resolution is proposed:

1.1. To decide that the Audit Committee of the Company's BoD shall consist of 3 (three) persons.

1.2. To elect the following persons to the Audit Committee of the Company's BoD:

#	Candidate	Employment
1	Khokholkova Kseniya Valerievna	Deputy Head of Directorate of Share Capital Issues and Information Disclosure, Department of Corporate Governance and Interaction with Shareholders, Rosseti PJSC
2	Shagina Irina Alexandrovna	Head of Tariff Policy Sector of Tariff Policy Department, Rosseti PJSC
3	Osipova Yelena Nikolayevna	Head of Financial Analysis and Liquidity Management Sector of the Treasury Department, Rosseti PJSC

1.3. To appoint Khokholkova Kseniya Valerievna as Chairperson of the Audit Committee of the Company's BoD.

2.1. To decide that the Personnel and Remuneration Committee of the Company's BoD shall consist of 3 (three) persons.

2.2. To elect the following persons to the Personnel and Remuneration Committee of the Company's BoD:

#	Candidate	Employment
1	Varlamov Nikolay Nikolevich	Deputy Director General – Chief of Staff, Rosseti PJSC
2	Chevkin Dmitriy Aleksandrovich	Head of Personnel and Organization Development Department, Rosseti PJSC
3	Erpsher Nataliya Ilinichna	Head of Head of Directorate Organization Development under Department of HR Policy and Organization Development, Rosseti PJSC

2.3. To appoint Varlamov Nikolay Nikolaevich as Chairperson the Personnel and Remuneration Committee of the Company's BoD.

3.1. To decide that the Committee for Strategy, Development, Investment and Reforming under the Company's BoD shall consist of 10 (ten) persons.

3.2. To elect the following persons to Committee for Strategy, Development, Investment and Reforming:

#	Candidate	Employment
1	Pavlov Alexey Igorevich	Head of Treasury Department, Rosseti PJSC
2	Rafalskaya Inna Sergeyevna	Deputy Head of Division for Settlement of Disputes in the field of Tariff Formation of the Tariff Policy Department, Rosseti PJSC
3	Mikryukov Dmitriy Vasilievich	Chief Expert of Division for Consolidated Planning and Reporting at Investments Activity Department, Rosseti PJSC
4	Lavrova Marina Alexandrovna	Head of Economics of Affiliated Companies Division at Department of Economic Planning and Allocation of Funds, Rosseti PJSC
5	Balaban Fyodor Nikolaevich	Deputy Head of Strategic Projects Division at Department of Strategic Development, Rosseti PJSC
6	Ivanova Olga Sergeyevna	Assistant to Director General in charge of Investments Planning, Rosseti PJSC

7	Ocheredko Olga Vyacheslavovna	Deputy General Director for Economics and Finance, Kubanenergo PJSC
8	Seleznyov Viktor Yurievich	Head of Department of Scientific and Technical Development and Control over implementation of R&D under the Department of Technological Development of Innovations, Rosseti PJSC
9	Gritsenko Vladimir Fyodorovich	Director of Business Development, Yunitel Engineering LLC
10	Guselnikov Konstantin Sergeyevich	Director General, FinInvest Consulting LLC

3.3. To appoint Pavlov Alexey Igorevich as Chairperson of the Committee for Strategy, Development, Investment and Reforming under the Company's BoD.

4.1. To approve the new edition of the Regulations on the Reliability Committee under the Board of Directors of Kubanenergo PJSC, in accordance with Annex 10 to this decision of the Board of Directors.

4.2. To consider the Regulations on the Reliability Committee of the Board of Directors of Kubanenergo approved by the decision of the Board of Directors of the Company on 04.09.2015 (Minutes of meeting No.219/2015 dd 07.09.2015) as no longer valid.

4.3. To decide that the Reliability Committee under the Board of Directors shall consist of 5 (five) persons.

4.4. To elect the following persons to the Reliability Committee under the Board of Directors:

#	Candidate	Employment
1	Shishigin Igr Nikolaevich	Deputy Director General in charge of Technical Issues – Chief Engineer, Kubanenergo PJSC
2	Ocheredko Olga Vyacheslavovna	Deputy General Director for Economics and Finance, Kubanenergo PJSC
3	Ukolov Vladimir Anatolievich	Deputy Director of Situation and Analytical Centre, Rosseti PJSC
4	Bogomolov Eduard Valerievich	First Deputy Director of Engineering Supervision Centre, branch of Rosseti PJSC
5	Medvedev Mikhail Vladimirovich	Deputy Director General, Holding "Intra Tool" LLC

4.5. To appoint Ukolov Vladimir Anatolievich as Chairperson of the Reliability Committee under the Board of Directors.

5.1. To approve the new edition of the Regulations on the Technological Connection Committee under the Board of Directors of Kubanenergo PJSC, in accordance with Annex 11 to this decision of the Board of Directors.

5.2. To consider the Regulations on the Technological Connection Committee under the Board of Directors of Kubanenergo approved by the decision of the Board of Directors of the Company on 04.09.2015 (Minutes of meeting No.219/2015 dd 07.09.2015) as no longer valid.

5.3. To decide that the Technological Connection Committee under the Board of Directors shall consist of 3 (three) persons.

5.4. To elect the following persons to the Technological Connection Committee under the Board of Directors:

#	Candidate	Employment
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1	Varvarin Aleksandr Viktorovich	Vice-president - Managing Director in charge of Corporate Relations and Legal Support, Russian Union of Industrialists and Entrepreneurs
2	Korneyev Alexandr Yurievich	Head of Department of Perspective Development of Grids and Technological Connection, Rosseti PJSC
3	Denezhnaya Natalia Vladimirovna	Chief Expert of the Department for Regulation of Technological Connection under the Department of Perspective Development of Grids and Technological Connection, Rosseti PJSC

5.5. To appoint Varvarin Aleksandr Viktorovich as Chairperson of the Technological Connection Committee under the Board of Directors.

#### **Voting results**

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Balayeva S.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyurkin K.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Yefimov A.L.	-	FOR			

Thus, on the eleventh issue, the proposed decision was unanimously adopted by the members of the Board of Directors participating in the meeting.

#### **Item 12**

#### **On introducing amendments to the Regulations on material incentives for the Director General of the Company**

The following resolution is proposed:

1. To introduce amendments to the Regulations on material incentives for the Director General of the Company, in accordance with Annex 12 to this decision of the Board of Directors.
2. The date of entry into force of amendments to the Regulations specified in clause 1 of this resolution of the Board of Directors of the Company: 01.01.2017

#### **Voting results**

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Balayeva S.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyurkin K.V.	-	FOR
Gavrilov A.I.	-	ABSTAINED	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Yefimov A.L.	-	FOR			

Gavrilov A.I., member of the BoD, expressed special opinion on agenda item 12 (Annex 16 to this resolution of the BoD)

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

#### **Item 13**

**On discussion of report submitted by the Director General of the Company on the process of implementation of the registry (plan of sales) on non-core assets in the 2nd quarter of 2017 and update of the registry (programme of sale) of non-core assets of Kubanenergo PJSC**

The following resolution is proposed:

1. To take into consideration the report on the process of implementation of the registry (plan of sales) on non-core assets in the 2nd quarter of 2017, in accordance with Annex 13 to this decision of the Board of Directors.
2. To update of the registry (programme of sale) of the Company's non-core assets, in accordance with Annex 14 to this decision of the Board of Directors.

**Voting results**

Fadeev A.N.	-	FOR	Medvedev M.V.	-	FOR
Balayeva S.A.	-	FOR	Osipova Ye.N.	-	FOR
Varvarin A.V.	-	FOR	Tyurkin K.V.	-	FOR
Gavrilov A.I.	-	FOR	Khokholkova K.V.	-	FOR
Gritsenko V.F.	-	FOR	Khokholkova K.V.	-	FOR
Yefimov A.L.	-	FOR			

Thus, on the thirteenth issue, the proposed decision was unanimously adopted by the members of the Board of Directors participating in the meeting.

**Chairperson of the BoD**

**Fadeev A.N.**

**Corporate secretary**

**Russu O.V.**