

Minutes of the Board of Directors Meeting No. 308/2018
Public joint stock Company of power industry and electrification of Kuban
(Kubanenergo PJSC)

Date of the meeting	11 May 2018
Form of the meeting	In person and absentee (including by videoconferencing)
Place of vote counting	A4-069 office, 4 Belovezhskaya street, Moscow
The meeting started at	10:30 a.m.
The meeting ended at	12:45 p.m.
Date of drawing up minutes	14 May 2018

In accordance with the requirements of paragraph 7.1 of the Regulations for the Board of Directors approved by the resolution of the Annual General Meeting of Shareholders of the Company on June 16, 2017 (Minutes No. 39 of June 20, 2017), the meeting of the Board of Directors is opened by the Chairperson of the Board of Directors of Kubanenergo PJSC – **Fadeev Alexander Nikolayevich**.

In accordance with paragraph 7.3 of the Regulations for the Board of Directors, the Corporate Secretary of the Company **Russu Olga Vladimirovna** is called to determine the presence of the quorum for the meeting of the Board of Directors. The quorum for the meeting of the Board of Directors shall be at least half of elected members of the Company's Board of Directors. According to paragraph 16.1 of the Charter of Kubanenergo PJSC, 11 (eleven) people were elected to the Company's Board of Directors.

The meeting was attended by the members of Board of Directors: Fadeev A.N. (Chairperson of the BoD), Varvarin A.V., Gritsenko V.F., Yefimov A.L., Medvedev M.V., Tyurkin K.V., Khokholkova K.V.

The members of Board of Directors that did not attend the meeting: Balayeva S.A., Gavrilov A.I., Osipova Ye.N., Shagina I.A.

At the meeting there are 7 members of the Board of Directors of the Company, which is at least half of the elected members of the Company's Board of Directors.

The required quorum for the meeting of the Board of Directors is **present**.

The members of the Board of Directors that provided questionnaires: Balayeva S.A., Gavrilov A.I., Osipova Ye.N., Shagina I.A.

The members of the Board of Directors that did not provide questionnaires: no

Agenda

1. On discussion of the report on implementation of the Business of Kubanenergo PJSC 2017.
2. On approval of the report on implementation of the Investment Programme of Kubanenergo PJSC for the 4th quarter and 12 months of 2017.

In accordance with decisions of Company's BoD on the item 1, the following reports were considered:

- on key operational risks of Kubanenergo PJSC;
- report on implementation of scenario conditions for formation of the business plan indicators of Kubanenergo PJSC;
- report on the process of implementation of the Energy Saving and Enhancement of Energy Efficiency Programme of Kubanenergo PJSC;

- report on purchasing of facilities the approval of which is not required by Kubanenergo PJSC Board of Directors;
- report on implementation of purchase plan of Kubanenergo PJSC;
- report on implementation of works on registration of property rights to real estate objects, registration / re-registration of rights to use land plots, taking into account the work on the preparation of information on the boundaries of protective zones of electric grid facilities;
- report on implementation of production programmes (maintenance and repairs, technical re-equipment and reconstruction).

During the discussion of the item 2, a report on implementation of priority projects of the investment programme of Kubanenergo PJSC for 2017 was taken into consideration.

The first item of the agenda of Kubanenergo PJSC BoD meeting:

“On discussion of the report on implementation of the Business of Kubanenergo PJSC 2017”

REPORT BY:

- Ocheredko Olga Vyacheslavovna, Deputy General Director for Economics and Finance of Kubanenergo PJSC: on results of implementation of business plan and information on key operational risks and report on implementation of scenario conditions for formation of the business plan indicators of Kubanenergo PJSC;
- Nischuk Oleg Fyodorovich, acting deputy Director General for the Sale of Services: on the process of implementation of the Energy Saving and Enhancement of Energy Efficiency Programme of Kubanenergo PJSC for the 4th quarter of 2017, information on purchasing of facilities the approval of which is not required by Kubanenergo PJSC Board of Directors;
- Golov Andrey Valerievich, deputy General Director for Investment Activities: on submitting the report on implementation of purchasing plan of Kubanenergo PJSC 2017;
- Khazikova Zanda Ivanovna, deputy General Director on corporate management: on implementation of works on registration of property rights for real estate objects, registration / re-registration of rights land plots use taking into consideration works on preparation of information on borders of protected areas of electric grid facilities for 2017;
- Shashigin Igor Nikolaevich, chief engineer, deputy General Director on technical issues: on implementation of production programmes (maintenance and repair, technical re-equipment and reconstruction of the Company).

SPEAKERS:

- Fadeyev Alexander Nikolaevich, chairperson of the Board of Directors: on implementation of indicator “level of electric energy losses” by the results of 2017; on growth of disputable accounts receivable;
- Medvedev Mikhail Vladimirovich, member of the Board of Directors: on growth of net profit of the Company, caused by mainly due to decreasing of interest expenses on received interests and not due to improvement of operational activity of the Company;
- Varvarin Alexandr Viktorovich, member of the Board of Directors: on growth of provision for doubtful debts in the Company.

Also the following members of the Board of Directors took part in the discussion of the agenda item: Konstantin Tyurkin, member of the Board of Directors; Ivan Treputin, deputy head of department of human resources and organizational design.

Based on the results of the discussion of the item 1, the following decision is proposed:

1. Take note of the report on implementation of the Business of Kubanenergo PJSC 2017, as specified in Annex 1 to the represent resolution of the Company’s BoD.
2. Confidential

FOR

Fadeev A.N., 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.

AGAINST none
ABSTAINED none

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

The second item of the agenda of Kubanenergo PJSC BoD meeting:

“On approval of the report on implementation of the Investment Programme of Kubanenergo PJSC for the 4th quarter and 12 months of 2017”.

REPORT BY:

Golov Andrei Valerievich, deputy General Director on investment activity of Kubanenergo PJSC: on results of implementation of investment programme of Kubanenergo PJSC for the 4th quarter and 12 months of 2017 and report on implementation of high-priority objects of investment programme of Kubanenergo PJSC for 2017.

Based on the results of the discussion of the item 2, the following decision is proposed:

1. Approve the report on implementation of the Investment Programme of Kubanenergo PJSC for the 4th quarter and 12 months of 2017, as specified in Annex 3 to the represent resolution of the Company’s BoD.
2. Confidential
3. Instruct CEO of the Company to tighten control and ensure implementation of deadlines of the approved plan and catch up the schedule in the 2nd quarter of 2018.

Voting results:

FOR	Fadeev A.N., 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.
AGAINST	none
ABSTAINED	none

Thus, on the second 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.