

Minutes of the Board of Directors Meeting No. 326/2018
Public joint stock Company of power industry and electrification of Kuban
(Kubanenergo PJSC)

Date of the meeting	26 December 2018
Form of the meeting	Absentee and in presentia (as well by videoconference)
Place of vote counting	A7-065 office , 4 Belovezhskaya str., Moscow
Date of drawing up minutes	27 December 2018

In accordance with the requirements of clause 7.1 of the Regulations on the Board of Directors of Public joint stock Company of power industry and electrification of Kuban approved by the decision of the Annual General Meeting of Shareholders of the Company on 25.05.2018 (Minutes No.40 of 28.05.2018), the meeting of the Board of Directors is opened by the Chairperson of the Board of Directors of Kubanenergo PJSC – **Sergeeva Olga Andreevna**.

In accordance with paragraph 7.3 of the Regulations on the Board of Directors of Public joint stock Company of power industry and electrification of Kuban, to determine the presence of a quorum for the meeting of the Board of Directors, the floor is given to the Corporate Secretary of the Company – **Rusu Olga Vladimirovna**; the quorum for holding a meeting of the Board of Directors is not less than half of the number of the elected members of the Board of Directors of the Company. According to paragraph 16.1 of the Charter of Kubanenergo PJSC, 11 (eleven) people were elected to the Company's Board of Directors.

Members of the board of directors that are present at the meeting: Sergeeva O.A. (Chairperson of the BoD), Gavrillov A.I., Gritsenko V.F., Medvedev M.V., Osipova Ye.N., Selivanova L.V., Tyukanko A.S., Tyurkin K.V., Khokholkova K.V., Shagina I.A.

Absent members: Varvarin A.V.

Of the 11 elected members of the Board of Directors of the Company, 10 attended the meeting, which is not less than half of the number of elected members of the Board of Directors of the Company.

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

The members of the Board of Directors that submitted questionnaires: Varvarin A.V.

The members of the Board of Directors that did not submit questionnaires: none

The agenda of the meeting of the Board of Directors of Kubanenergo PJSC includes the following items:

1. Discussion of a report on the results of implementation of the Business Plan of Kubanenergo PJSC within 9 months of 2018
2. Approval of a report on the results of implementation of the Investment Programme of Kubanenergo PJSC for the 3rd quarter and 9 months of 2018
3. Discussion of information on participation in central purchasing of core electrical equipment

According to the Plan of Work of the Board of Directors for the 2nd half of 2018 – the 1st half of 2019, the materials for item 1 include:

- information on the key operational risks of Kubanenergo PJSC

- report on implementation of scenario conditions for setting the indicators of the Business Plan of Kuban ergo PJSC
- report on implementation of the Programme of Energy Conservation and Enhancing Energy Efficiency of Kubanenergo PJSC

Materials for the second item of agenda include the report on implementation of the Company’s investment projects from the list of priority projects and the report on purchase of grid facilities that do not require approval of the Board of Directors.

The first item of the agenda of the meeting of the BoD of Kubanenergo PJSC: **“Discussion of a report on the results of implementation of the Business Plan of Kubanenergo PJSC within 9 months of 2018”**

The following person was heard:

- Ocheredko Olga Vyacheslavovna, Deputy Director General for Economic and Financial Affairs, Kubanenergo PJSC

The following persons reported:

- Osipova Yelena Nikolayevna, member of the Board of Directors: On payment discipline in the Company; On provision for doubtful debt; On grid losses
- Medvedev Mikhail Vladimirovich, member of the Board of Directors: On implementation of service contract by the Company
- Nischyuk Oleg Fyodorovich, Deputy Director General for Selling of Services: On grid losses; On implementation of service contracts

It was resolved as follows:

1. Take note of the report on the results of implementation of the Business Plan of Kubanenergo PJSC within 9 months of 2018, in accordance with Appendix 1 hereto.
2. Instruct the sole executive body to:
 - 2.1. take the necessary steps to reach the planned financial result in 2018.

Voting results:

- | | |
|------------------|--|
| FOR | - Sergeeva O.A. (Chairperson of the BoD), Varvarin A.V., Gavrilov A.I., Gritsenko V.F., Medvedev M.V., Osipova Ye.N., Selivanova L.V., Tyukanko A.S., Tyurkin K.V., Khokholkova K.V., Shagina I.A. |
| AGAINST | - none |
| ABSTAINED | - none |

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

The second item of the agenda of the meeting of the BoD of Kubanenergo PJSC: **“Approval of a report on the results of implementation of the Investment Programme of Kubanenergo PJSC for the 3rd quarter and 9 months of 2018”**

The following person was heard:

- Golov Andrey Valerievich, Deputy Director General for Investment Activity, Kubanenergo PJSC

The following persons reported:

- Gavrilov Alexander Ilyich, member of the Board of Directors, General Director: On the reasons of deviation of the actual parameters of implementation of the Investment Programme of the Company from the planned ones.

Also, during the discussion of the agenda item, Elena Nikolaevna Osipova, a member of the Board of Directors, made a report.

It was resolved as follows:

1. Take note of the report on the results of implementation of the Investment Programme of Kubanenergo PJSC for the 3rd quarter and 9 months of 2018, as specified in Annex 2 to this resolution of the Company's Board of Directors.
2. Mark deviation of the actual parameters of implementation of the Investment Programme of Kubanenergo PJSC for the 3rd quarter and 9 months of 2018 from the planned ones, as specified in Annex 3 to this resolution of the Company's Board of Directors.
3. Take into consideration the report on purchase of electric power facilities, that does not require approval from the BoD of Kubanenergo PJSC, for the 3rd quarter of 2018, as specified in Annex 4 to this resolution of the Company's Board of Directors.
4. Instruct the Sole Executive Body of Kubanenergo PJSC to submit for discussion to the Board of Directors the report on the reasons of deviation of the actual parameters of implementation of the Investment Programme of Kubanenergo PJSC for the 3rd quarter and 9 months of 2018 from the planned ones.

Voting results:

- | | | |
|------------------|---|--|
| FOR | - | Sergeeva O.A. (Chairperson of the BoD), Varvarin A.V., Gavrilov A.I., Gritsenko V.F., Medvedev M.V., Osipova Ye.N., Selivanova L.V., Tyukanko A.S., Tyurkin K.V., Khokholkova K.V., Shagina I.A. |
| AGAINST | - | none |
| ABSTAINED | - | none |

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

The third item of the agenda of the meeting of the BoD of Kubanenergo PJSC: **“Discussion of information on participation in central purchasing of core electrical equipment”**

The following persons reported:

- Gavrilov Alexander Ilyich, member of the Board of Directors, General Director: On impracticability of concluding a contract with “Technical Customer Center” JSC
- Sergeeva Olga Andreevna, Chairperson of the Board of Directors of Kubanenergo PJSC: On necessity of implementing the decision of the Management Board of Rosseti PJSC.

Also, during the discussion of the agenda item, Gritsenko Vladimir Fyodorovich, member of the Board of Directors, and Golov Andrey Valerievich, Deputy Director General for Investment Activity, Kubanenergo PJSC, made reports.

It was resolved as follows:

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Voting results:

- | | | |
|------------------|---|---|
| FOR | - | Sergeeva O.A. (Chairperson of the BoD), Varvarin A.V., Medvedev M.V., Osipova Ye.N., Selivanova L.V., Tyukanko A.S., Tyurkin K.V., Khokholkova K.V., Shagina I.A. |
| AGAINST | - | Gavrilov A.I., Gritsenko V.F., |
| ABSTAINED | - | none |

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

Chairperson of the BoD

Sergeeva O.A.

Corporate secretary

Russu O.V.