

APPROVED

By the General Meeting of Shareholders
of PJSC Kubanenergo dated May 29, 2020
Minutes No. 43 of «29» May 2020

Chairman of the Meeting

_____A.I. Gavrilov

R E G U L A T I O N
on the Board of Directors
of Public Joint Stock Company
of Power Industry and Electrification of Kuban
(new version)

Krasnodar
2020

1. General Provisions

1.1. The present Regulation has been developed in accordance with the Civil Code of the Russian Federation, Federal Law "On Joint Stock Companies", other regulatory legal acts of the Russian Federation and the Articles of Association of Public Joint Stock Company of power industry and electrification of Kuban (hereinafter referred to as the Company).

1.2. The present Regulation is an internal document of the Company determining the order of convening and holding the meetings of the Board of Directors of the Company.

1.3. The Board of Directors is the governing body of the Company which exercises overall supervision of Company's activities, controls activities of the Executive Board of the Company as well as execution of decisions of the General Meeting of Shareholders of the Company and serving the legal interests of shareholders of the Company in accordance with the requirements of legislation of the Russian Federation.

1.4. The main objectives and goals of operations of the Company's Board of Directors are:

- determining the development strategy of the Company intended for increasing its market capitalization and investment attractiveness, achievement of maximum profit and increase in Company's assets;

- insuring the implementation and protection of rights and legal interests of shareholders of the Company as well as corporate conflict resolution assistance;

- ensuring completeness, fairness and objectivity of information disclosure about the Company for shareholders and other interested parties;

- creation of effective internal control mechanisms;

- performance assessment of the Executive Board and Management on a regular basis;

To implement the above-mentioned goals and objectives, the Board of Directors shall apply the following principles:

- decision making on the basis of accurate information about the Company's operations;

- exclusion of limitation of rights of the shareholders to participate in Company management, receive dividends and information about the Company;

- getting the balance of interests of different groups of shareholders and making the most objective decisions by the Board of Directors in the interest of all shareholders of the Company.

1.5. The Board of Directors shall operate in compliance with Federal Law "On Joint Stock Companies", other regulatory legal acts of the Russian Federation, the Articles of Association of the Company and the present Regulation.

2. Chairman and Deputy Chairman of the Board of Directors of the Company

2.1. The work of the Board of Directors shall be organized by the Chairman of the Company's Board of Directors.

2.2. The Chairman of the Board of Directors shall be elected by the Company's Board of Directors from among the members thereof by a majority of votes of the total number of votes of the members of the Board of Directors.

The person serves as the Chief Executive Officer of the Company may not simultaneously hold office of the Chairman of the Company's Board of Directors.

2.3. The Board of Directors shall have the right to re-elect its Chairman of the Board of Directors at any time by a majority of votes of the total number of votes of the members of the Company's Board of Directors.

2.4. The Chairman of the Board of Directors shall:

- 1) organize the work of the Board of Directors;

- 2) convene meetings of the Board of Directors;

- 3) determine the meeting format of the Board of Directors taking into consideration the importance of the agenda items, recommendations stipulated in Clause 168 of the Corporate Governance Code, recommended by the Bank of Russia for application by the joint stock companies, the securities of which are admitted to trading as well as the Clause 6.12 of the present Regulation;

- 4) set and approve the agenda items of the meetings of the Board of Directors;

- 5) determine the list of materials (information) on the items of the agenda of the meeting submitted to the members of the Board of Directors;

- 6) use all reasonable efforts to submit information on a timely basis to the Board of Directors necessary for decision-making on the items of the agenda;
- 7) determine the list of persons invited to take part in discussion of separate issues of meeting agendas of the Board of Directors;
- 8) preside at the meetings of the Board of Directors;
- 9) sign the meeting minutes of the Board of Directors, requirement for audit (inspection) of financial and economic activities of the Company and other documents on behalf of the Company's Board of Directors;
- 10) organize working out and supervision of work plan implementation of the Board of Directors passed by the Board of Directors;
- 11) represent the Board of Directors in cooperation with shareholders of the Company in government agencies, social organizations and mass media;
- 12) maintain correspondence between the Board of Directors and shareholders, executive bodies, employees of the Company and other organizations;
- 13) preside at the General Meetings of Shareholders of the Company, announce the agenda item, announce the forthcoming speech and reports as well exercise other functions of the Chairman of the General Meetings of Shareholders of the Company stipulated by the Regulation on the General Meetings of Shareholders of the Company;
- 14) on behalf of the Board of Directors, organize supervision of the execution of decisions passed by the General Meetings of Shareholders and the Board of Directors, monitor officially the execution of decisions of the Board of Directors and decontrol completed decisions of the Board of Directors;
- 15) organize working out the most effective solutions on agenda items, and if required, free discussion of these items as well as create the positive atmosphere at the meetings, ensure compliance with the legislation of the Russian Federation during the meeting of the Board of Directors, the Articles of Association of the Company, other internal documents of the Company and the present Regulation;
- 16) exercise other functions stipulated by the legislation of the Russian Federation, the Articles of Association of the Company and decisions of the Company's Board of Directors.

2.5. In the absence of the Chairman of the Company's Board of Directors, his functions shall be exercised by the person, elected from among the members of the Board of Directors by a majority of votes of the members of the Company's Board of Directors (Deputy Chairman of the Board of Directors).

The member of the Board of Directors who simultaneously serves as the Chief Executive Officer or the member of the collegial executive body of the Company cannot be elected as the Deputy Chairman of the Board of Directors.

3. Rights, Functions and Responsibilities of the Members of the Board of Directors.

3.1. The Board of Directors' terms of reference cover:

- 1) obtaining information regarding the Company's operations including information constituting the trade secret of the Company, acquaintance with all constitutive documents, normative documents, records, accounts, contractual document and other documents of the Company in accordance with the legislation of the Russian Federation and internal documents of the Company;
- 2) making written suggestions regarding formation of work plan of the Board of Directors;
- 3) put items on the agenda of the meetings of the Board of Directors in prescribed manner;
- 4) convocation of meeting of the Board of Directors of the Company;
- 5) execution of other rights stipulated by the legislation of the Russian Federation, the Articles of Association of the Company, other internal documents of the Company and the present Regulation.

3.2. The Member of the Board of Directors shall have the right to make request in written form for documents and information necessary for decision-making regarding the competence of the Board of Directors, both directly from the Chief Executive Officer of the Company (other person serves as Chief Executive Officer of the Company) and through the Corporate Secretary.

Documents and information of the Company should be submitted to the member of the Board of Directors within 2 working days from the date of receiving the request.

3.3. Directors to be elected for the first time to the membership of the Board of Directors, are provided with opportunity to become familiar with the Company's strategy as well as the corporate governance of the Company, risk management system and internal control system, assignment of

responsibilities between the executive bodies of the Company and other substantial information on production and financial and economic activities of the Company.

3.4. Members of the Board of Directors may be remunerated and (or) compensated for expenses related to the execution of their functions as members of the Board of Directors in accordance with the procedure established by the Provisions of benefits and compensation payment to the members of the Board of Directors passed by the General Meeting of Shareholders of the Company.

3.5. In exercising their rights and executing their functions, the members of the Board of Directors shall act reasonably and in good faith in the interest of the Company and shall not disclose any confidential information of the Company that comes to their knowledge and that constitutes a trade secret.

3.6. The members of the Board of Directors shall bear responsibility to the Company for losses caused to the Company due to their misconduct (inaction) in accordance with the current legislation of the Russian Federation.

The members of the Board of Directors who have voted against a decision that incurred losses for the Company, or who have not participated in such voting, shall be released from responsibility.

3.7. The members of the Board of Directors shall refrain from actions that will lead or may lead to a conflict of interest and Company's interest.

If the member of the Board of Directors has a potential conflict of interest and if there is an interest in making the deal by the Company, the member of the Board of Directors undertakes in this case immediately to inform the Company's Board of Directors and in any case put the Company's interests over their own interests. Such notification should be made in any case before the discussion of the issue at the meeting of the Board of Directors, whereby the conflict of interest occurs faced by the member of the Board of Directors.

3.8. The members of the Board of Directors are to notify the Company within two months from the date they are aware or are to have been aware of the circumstances whereby they may be recognized as interested in making transactions by the Company:

- legal entities controlled by them, their spouses, parents, children, siblings and half-siblings, adoptive parents and adopted children and(or) their affiliated companies, or legal entities to which they, their spouses, parents, children, siblings and half-siblings, adoptive parents and adopted children and(or) their affiliated companies are authorized to give compulsory instructions;
- legal entities where they, their spouses, parents, children, siblings and half-siblings, adoptive parents and adopted children and(or) their affiliated companies hold positions in the management bodies;
- any transactions known to them whether being concluded or proposed, where they may be recognized as interested parties.

In case of change of above-mentioned information, the members of the Board of Directors are to notify the Company of such changes within fourteen (14) calendar days from the date they are aware or are to have been aware of such changes.

3.9. The Board of Directors of the Company may be comprised of Independent Directors which demonstrate a high level of professionalism, skills and independence in order to form their own position as well as provide objective and faithful judgements that are independent of influence of the Company's executive bodies, separate groups of shareholders and other interested parties.

3.10. The Independent Director shall refrain from actions that may cause a loss of independence. The member of the Board of Directors is to notify the Company's Board of Directors of the circumstances which lead to a loss of the Independent Director's independence within five (5) working days from the date such circumstances are incurred.

3.11. The member of the Board of Directors may be recognized as independent in exceptional cases by the Company's Board of Directors regardless of the availability of formal dependence criteria (connectedness with the Company, substantial shareholder of the Company, substantial contractor or Company's competitor, the State and/or municipal entity), and if such connectedness will not have an impact on the ability of the qualified member of the Board of Directors to provide independent, objective and faithful judgements.

When the Company recognizes the member of the Board of Directors as Independent Director as well as measures the conformance of candidates for membership of the Board of Directors or evaluates the compliance of the members of the Board of Directors with the independence criteria,

the Company follows requirements of the Listing Rules of Public Joint-Stock Company "Moscow Exchange MICEX-RTS".

3.12. In case the Chairman of the Company's Board of Directors does not serve as an Independent Director, the members of the Board of Directors shall have the right to elect the Senior Independent Director from among the elected independent directors, and the Senior Independent Director shall:

- coordinate the cooperation between the independent directors as well as convene meetings of the independent directors as required and preside at the meetings;
- facilitate the effective organization of work of the Board of Directors and communication between the members of the Board of Directors and the Company's shareholders, in cooperation with the Chairman of the Board of Directors;
- be obliged to make efforts to settle a conflict by means of cooperation with the conflict participants, in case of a conflict or substantial differences between the members of the Board of Directors;
- play a key role in the course of evaluation of performance of the Chairman of the Company's Board of Directors carried out by the Independent Directors.

4. Corporate Secretary of the Company

4.1. In accordance with the Articles of Association of the Company, the present Regulation, Regulation on the Corporate Secretary of the Company, other internal documents of the Company and assignments of the Chairman of the Board of Directors, the Corporate Secretary of the Company provides technical (information, documentary, protocol and secretarial) support to the current operations of the Board of Directors.

4.2. The Status of the Corporate Secretary, their functions, requirements for their candidacy, the order of assignment and termination of authorities of the Corporate Secretary, their subordination and the order of coordination with the governing bodies and business units of the Company as well as other issues of operations of the Company's Corporate Secretary are determined in accordance with the Regulation on the Corporate Secretary of the Company passed by the Company's Board of Directors.

5. Work Organization of the Board of Directors

5.1. The meetings of the Board of Directors shall be held in accordance with the approved Work Plan of the Board of Directors and whenever required, but at least once every six weeks unless otherwise provided by the present Regulation.

5.2. The Chairman of the Board of Directors may make a decision on holding the extraordinary meeting of the Board of Directors, changing the date of the meeting of the Board of Directors and inclusion of additional items on the agenda of the meeting of the Board of Directors as well as the decision on submitting adjusted materials on agenda items of the meeting of the Board of Directors if necessary.

5.3. The work plan of the Board of Directors.

5.3.1. The work plan of the Board of Directors can be created in the following key areas:

- strategic development of the Company;
- medium-term and short-term planning of the Company's operations;
- work organization of the Board of Directors;
- control for decision implementation of the Board of Directors and the General Meeting of Shareholders;

5.3.2. The work plan of the Board of Directors shall include the following:

1) issues subject to consideration at the meetings of the Company's Board of Directors in the current year (on a quarterly basis);

2) list of persons (management bodies of the Company) who are responsible for preparation of the issues that are subject to consideration at the meetings of the Board of Directors (members of the Board of Directors, the CEO and other persons);

3) meeting format (absentee voting, meeting in the form of joint attendance - in-person voting).

5.3.3. The work plan of the Board of Directors is created on the basis of the motions of the Chairman and Board members as well as the motions of the Auditing Committee of the Company, the CEO of the Company, the member of the Management Board, the Company's Auditor in accordance with the requirements set out in paragraphs 1 and 2 of Clause 6.4 of the present Regulation.

The above-mentioned motions are to be sent in written form to the Chairman of the Board of Directors concurrently with the copy of the motions to the Corporate Secretary.

5.4. The meetings of the Board of Directors may be held with the usage of the specialized automated IT system for holding meeting of the Company's Board of Directors as well as for sending of notices, materials (information) on the agenda items, voting of the Board members of the Company and summing up (hereinafter referred to as the automated information system).

5.5. The Board of Directors shall have the right to conduct an annual Board performance evaluation (self-evaluation) without assistance or with the involvement of the independent external organization (consultant) having the necessary qualification for conducting such evaluation.

6. Convening of the Board of Directors Meeting

6.1. The first meeting of newly elected Board of Directors shall be convened by one of the Company's Board members by giving notice of convening of the Board Meeting to all the other members of the Board of Directors as well as the Company in favor of the CEO.

The CEO is obliged to render assistance and provide information necessary for arranging the first meeting of newly elected Board of Directors

The following issues are to be considered at the first meeting of the Board of Directors:

- election of the Chairman of the Board of Directors;
- election of the Deputy Chairman of the Board of Directors;

6.2. The subsequent meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors (except in cases provided by Clause 2.5 of the present Regulation):

- in accordance with the Board schedule approved by the Work Plan of the Board of Directors;
- on the Chairman's of the Company' Board of Directors own initiative.
- at the discretion of the Chairman of the Company's Board of Directors;
- at the written request of the member of the Board of Directors, the Auditing Committee of the Company, Chief of the Internal Audit of the Company (Business Unit Supervisor of the Company who is responsible for the organization and implementation of the Internal Audit or the director of the external independent organization responsible for conducting the Internal Audit), the CEO of the Company, the member of the Management Board, the Company's Auditor.

6.3. The request for convening of the Board of Directors meeting shall include the following:

- 1) name of the person who has requested to convene the meeting;
- 2) formulation of items on the agenda;
- 3) grounds for raising the agenda items;
- 4) information (materials) required for items on the agenda;
- 5) draft conclusions on agenda items.

6.4. The request for convening of the Board of Directors meeting is to be executed in written form and signed by the person who has requested to convene the meeting.

The request of the Auditing Committee of the Company for convening of the Board of Directors meeting is to be signed by the Chairman of the Auditing Committee.

The request for convening of the Board of Directors meeting accompanied by all necessary materials (information) should be sent out to the Chairman of the Board of Directors concurrently with the copy of the motions to the Corporate Secretary. For this purpose, the motions of the members of the Management Board of the Company are to be sent out to the Chairman of the Board of Directors under the signature of the Chairman of Management Board of the Company and if the Chairman of the Management Board of the Company does not send the appropriate request letter to the Chairman of the Board of Directors within seven (7) working days, the above-mentioned request for convening of the Board of Directors meeting will be sent without the copy of the motions.

6.5. The Chairman of the Board of Directors is obliged to consider the received request for

convocation of the extraordinary meeting of the Company's Board of Directors and make a decision to convene such meeting, refuse to convene the meeting or include the issues contained in such request on the agenda of the scheduled meeting of the Board of Directors (in accordance with the approved work plan of the Board of Directors). The reasoned decision of the Chairman of the Board of Directors to refuse to convene the extraordinary meeting of the Board of Directors shall be sent to the person requesting such meeting.

Failure to comply with the requirements set out in paragraphs 6.3 and 6.4 of the present Regulation may be grounds to refuse to meet the requirements for convening of the Board of Directors meeting.

6.6. Notification of the meeting of the Board of Directors shall be prepared by the Corporate Secretary and signed by the Chairman or Deputy Chairman of the Board of Directors (in cases stipulated in the present Regulation).

The Corporate Secretary should hand notification of the meeting of the Board of Directors personally to the members of the Board of Directors or send it out by fax, e-mail or automated information system.

6.6.1. Notification of the meeting of the Board of Directors should be sent out by the Corporate Secretary to each member of the Board of Directors no later than 5 calendar days prior to the date of the meeting of the Board of Directors (deadline for acceptance of the voting ballots), unless otherwise stipulated in the present Regulations.

6.6.2. In case of putting items on the board meeting agenda which are to be considered in advance by the relevant Committee of the Board of Directors (in case of the establishment of the Committee) in accordance with the Regulations on Committees of the Board of Directors, the meeting of the Committee of the Board of Directors shall be held within the deadlines set out in the corresponding Regulation on Committees of the Board of Directors.

6.7. Materials (information) on items on the meeting agenda should be sent out to the Board members concurrently with the notification of the meeting of the Board of Directors.

Materials (information) on items on the meeting agenda include the following:

- draft conclusions of the Board of Directors on items included on the board meeting agenda;
- explanatory notes to the draft conclusions of the Board of Directors on items included on the board meeting agenda;
- draft documents submitted for confirmation, agreement or approval by the Board of Directors.
- meeting minutes and meeting minutes of the management bodies, decisions (recommendations) of the Committees of the Board of Directors and other specially established bodies and commissions of the Company regarding the preliminary consideration of the issues (if any);
- materials confirming the information set forth in the draft conclusions and explanatory notes;
- other information materials on items included on the board meeting agenda.

6.8. The Corporate Secretary should hand materials (information) on items on the meeting agenda personally to the members of the Board of Directors or send it out by fax, e-mail and/or automated information system.

6.9. Decisions (recommendations) of the Committee of the Board of Directors should be sent out by the Corporate Secretary to all members of the Board of Directors if these decisions (recommendations) are received by the Board of Directors no later than one calendar day prior to the date of the meeting of the Board of Directors, unless otherwise stipulated in Clause 10.17 of the present Regulation. If these decisions (recommendations) of the relevant Committee are not submitted (or submitted with violation of time limits), the Board of Directors shall have the right to make a decision on the item without taking into consideration such decisions (recommendations).

6.10. The Chairman of the Board of Directors, in coordination with the person who has submitted the item for consideration by the Board of Directors, which is to be considered in advance by the relevant Committee of the Board of Directors in accordance with the Regulations on Committees of the Board of Directors, shall have the right to postpone the consideration of the specified item once if the Committee has not submitted the necessary decisions (recommendations) and the Chairman of the Committee has sent the letter with a reasoned request for such postponement.

6.11. According to the decision of the Chairman of the Board of Directors, the period for sending to the members of the Board of Directors notification of the meeting of the Board of Directors and submission of materials may be reduced.

6.12. The Chairman of the Company's Board of Directors shall determine the meeting format of the Board of Directors taking into consideration the importance of the agenda items. The key questions are to be settled at the meetings conducted in person. The most important items shall include the following:

6.12.1. determining the most important areas of business of the Company including the approval of the corporate strategy, Innovative Development Programs of the Company and reports on their performance;

6.12.2. approval of the business plan (tweak plan) and consideration of the quarterly report concerning bottom-line performance business plan (for the first quarter, including the first half of the year, nine months and the reporting year);

6.12.3. approval of investment program including introducing amendments to this program and quarterly report concerning the results of investment program performance (for the first quarter, including the first half of the year, nine months and the reporting year);

6.12.4. convening of the annual and extraordinary General Meetings of Shareholders of the Company, consideration of requirements on convening of the extraordinary General Meeting of Shareholders of the Company as well as making another decisions which are necessary for convening and holding the General Meetings of Shareholders of the Company;

6.12.5. preliminary approval of the annual report of the Company;

6.12.6. election of the Chairman of the Company's Board of Directors and early termination of their authorities;

6.12.7. election of the CEO of the Company and early termination of their authorities including decision-making on early termination of CEO Employment Agreement;

6.12.8. determination of the number of members of the Management Board of the Company, election of the members of the Management Board of the Company, determination of benefits and compensation payable to them and early termination of their authorities;

6.12.9. decision-making on suspension of Managing Director;

6.12.10. decision-making on assignment to a position of the Acting Deputy CEO of the Company in cases determined by the separate decisions of the Company's Board of Directors as well as disciplinary action against the Acting Deputy CEO of the Company;

6.12.11. submit the subject for discussion at the General Meeting of Shareholders of the Company concerning reorganization of the Company or delegation of authority of the Chief Executive Officer of the Company to the Managing Director;

6.12.12. decision-making on the consent to make major transactions or approve these transactions later in cases stipulated by Chapter X of the Federal Law "On Joint Stock Companies";

6.12.13. decision-making on the consent to make the transactions or approve these transactions later in cases stipulated by Chapter XI of the Federal Law "On Joint Stock Companies»;

6.12.14. approval of the company's registrar, the terms and conditions of the registrar contract and termination of the registrar agreement;

6.12.15. determination of position of the Company (representatives of the Company) including instructions that give a choice to vote or abstain from voting on agenda items, to vote "for," "against," or "abstain" on draft conclusions and the following agenda items of the General Meeting of Shareholders (participants) of subsidiaries and affiliates business entities (hereinafter referred to as the subsidiaries and affiliates) and meetings of the Board of Directors of subsidiaries and affiliates:

- on reorganization and liquidation of subsidiaries and affiliates;

- on the consent to make major transactions or approve these transactions later, made by subsidiaries and affiliates;

6.12.16. acceptance of recommendations in respect of voluntary and obligatory motion submitted to the Company;

6.12.16. application for listing of Company's shares and (or) securities of the Company converted into stock of the Company;

6.12.17. consideration of results of the Company's Board performance evaluation;

6.12.18. approval of the design procedure and KPI evaluation of the CEO of the Company, KPI targets, adjusted values and reports on their performance;

6.12.19. approval of the Company policy in the sphere of risk management;

6.12.20. approval of the Company dividend policy.

7. Procedure for Conducting the Meeting of the Board of Directors

7.1. The Chairman of the Board of Directors should declare that the meeting of the Board of Directors is officially underway. The Chairman of the Board of Directors shall have the right to make a decision on conducting the meeting of the Board of Directors in-person (the form of joint attendance) via video conferencing.

7.2. Members of the Company's Board of Directors and persons invited to the meeting for each agenda items in accordance with the list approved by the Chairman of the Board of Directors shall participate in the meetings of the Board of Directors.

7.3. The Corporate Secretary shall determine the presence of a quorum for conducting the meeting of the Board of Directors.

The quorum for conducting the meeting of the Board of Directors should consist of at least half of the number of elected members of the Board of Directors of the Company if the other quorum is not established by the legislation of the Russian Federation and (or) the Articles of Association of the Company.

7.4. The Chairman of the Board of Directors informs attendees whether a quorum is present for conducting the meeting of the Board of Directors and announces the agenda item of the meeting of the Board of Directors.

7.5. In the event that no quorum is present, it is announced that the meeting is not legally qualified. At that point, the Chairman of the Board of Directors shall make one of the following decisions:

- 1) determine the time to reschedule the start of the meeting by consulting with the attendees;
- 2) determine the date, time, format and agenda item of the new meeting conducted instead of failed meeting;

7.6. The meeting of the Board of Directors shall be conducted in the following order:

- 1) presentation of the report of the Board member or attendees on agenda item;
- 2) discussion of the agenda item;
- 3) suggestions on formulation of the decision on agenda item;
- 4) voting on agenda item;
- 5) vote tabulation and the results of voting;
- 6) announcement of voting results and decisions made on agenda items.

7.7. Information of the Corporate Secretary on implementation of decisions previously made by the Board of Directors shall be heard at the meeting of the Board of Directors conducted by means of joint attendance of its members.

7.8. Decisions at the meeting of the Company's Board of Directors should be made by majority vote of the Company's Board members participating in the meeting of the Board of Directors, unless otherwise stipulated by the legislation of the Russian Federation and the Articles of Association of the Company.

7.9. Each member of the Board of Directors should be entitled to one vote in the process of solution to the issues at the meeting of the Board of Directors.

If the votes of the Board members are equal, the Chairman of the Board of Directors shall have the casting vote.

It is not permitted to transfer a vote from one member of the Company's Board of Directors to another member of the Company's Board of Directors, including the other person.

7.10. If a member of the Board has a conflict of interest, he/she may abstain from voting on the issue that has caused a conflict of interest.

8. Procedure for Absentee Voting

8.1. According to the decision of the Chairman of the Board of Directors, the meeting of the Board of Directors may be held in absentia (via video conferencing). Notification of the absentee voting shall contain information about the meeting.

8.2. In case of attendance at least half of the number of members of the Board of Directors at the meeting, written opinions of absentees at the meeting of the Board of Directors shall be taken into

account in the process of determination of voting results on agenda items in accordance with the procedure established by the present Regulation.

8.3. The Corporate Secretary shall draw up the voting ballot (Appendix 1) based on the results of voting at the meeting signed by the Chairman of the Board of Directors, which is sent out to the absentees by fax, e-mail or automated IT system on the day of the meeting of the Board of Directors.

8.4. When filling in the voting ballot, the member of the Board of Directors shall leave uncrossed only one of the voting options ("for", "against", "abstain") on each draft decision on agenda item. The filled-out ballot shall be signed by the member of the Board of Directors with a statement of his/her surname and initials.

Members of the Company's Board of Directors may also vote on proposed draft decisions by means of automated IT system.

8.5. The member of the Board of Directors shall send the original copy of filled out and signed ballot as well as the original copy of a special opinion of the Board member on each agenda item (if applicable) to the Corporate Secretary no later than the next day after the meeting by fax or e-mail accompanied by sending a hard copy of the above-mentioned documents at the notified address.

8.6. A voting ballot completed in violation of the requirements specified in Clause 8.4 of the present Regulation, shall be deemed invalid (in case of violation of the requirements for filling of voting variants, the voting ballot is declared invalid in relation to the relevant item) and shall not be recognized during tabulation of votes.

The voting ballot received by the Company shall not be taken into account during tabulation of votes and the results of voting on the expiry of the date set forth in this ballot.

8.7. Based on the voting results at the meeting which have been received from the members of the Board of Directors as well as the voting ballots and information recorded in the automated IT system, the Corporate Secretary sums up the voting results on agenda items and draws up the minutes of the Board of Directors in accordance with the procedure established by the present Regulation.

8.8. Completed ballots of absentees at the Board meeting should be attached to the meeting minutes of the Board of Directors.

9. Procedure for Decision Making by Absentee Voting

9.1. According to the decision of the Chairman of the Board of Directors, decisions of the Company's Board of Directors on agenda items may be made by absentee voting (by questionnaire).

9.2. For decision-making by the Board of Directors by means of absentee voting (by questionnaire), notification of absentee voting on agenda items, draft conclusions on the above-mentioned items and materials (information) on items included on the board meeting agenda shall be sent out to each member of the Board of Directors within the deadlines set out in Clauses 6.6.-6.11 and in accordance with the procedure established by the present Regulation.

9.3. Notification of absentee voting shall include the following:

- full corporate name of the Company and its registered office;
- formulation of items on the agenda;
- reference to the absentee voting by filling in the voting ballot;
- date and end time of accepting the absentee ballots;
- list of materials (information) submitted to the members of the Board of Directors.

9.4. The Corporate Secretary in coordination with the Chairman of the Board of Directors shall draw up the absentee ballot on agenda items (in accordance with the form specified in Appendix 2).

9.5. The absentee ballot shall be sent out to the members of the Board of Directors no later than the last day of accepting the voting ballots specified in notification of absentee voting.

Decisions (recommendations) of the relevant Committees including the voting ballots shall be sent out to the members of the Board of Directors (if the Corporate Secretary of the Company has already received these documents).

9.6. When filling in the voting ballot, the member of the Board of Directors shall leave uncrossed only one of the voting options ("for", "against", "abstain") on each draft decision on agenda item. The filled-out ballot shall be signed by the member of the Board of Directors with a statement of his/her surname and initials.

Members of the Company's Board of Directors may also vote on proposed draft decisions by means of automated IT system.

9.7. A voting ballot completed in violation of the requirements specified in Clause 9.6 of the present Regulation, shall be deemed invalid (in case of violation of the requirements for filling of voting variants, the voting ballot is declared invalid in relation to the relevant item) and shall not be participated in determining the presence of a quorum for decision-making by absentee voting as well as recognizing during tabulation of votes.

9.8. The member of the Board of Directors shall send the original copy of filled out and signed ballot as well as the original copy of a special opinion of the Board member on each agenda item (if applicable) to the Corporate Secretary no later than the next day after the meeting by fax or e-mail accompanied by sending a hard copy of the above-mentioned documents at the notified address..

Members of the Board of Directors, whose original voting ballots are received by the Corporate Secretary by fax or e-mail no later than the end date of accepting the voting ballots defined on the notification as well as members of the Board of Directors who has voted on proposed draft decisions by means of automated IT system are considered to have taken part in the absentee voting.

The voting ballot received by the Company shall not be taken into account during tabulation of votes and the results of voting on the expiry of the date set forth in this ballot.

9.9. The voting results on agenda items of the meeting conducted in absentia, are summed up based on the filled out and signed ballots by the members of the Board of Directors which shall be received by the Company within the time limit prescribed by notification of absentee voting and in accordance with the voting of the members of the Board of Directors by means of automated IT system.

9.10. Based on the received voting ballots and information recorded in the automated IT system, the Corporate Secretary draws up the minutes of the Board of Directors in accordance with the procedure established by the present Regulation.

9.11. Each member of the Board of Directors shall have the right to offer the alternative formulations of the draft conclusions on agenda items as well as sending these formulations together with the covering letter in written form to the Corporate Secretary by fax or e-mail no later than two (2) calendar days prior to the date of the meeting of the Board of Directors and in case of reviewing within a shorter time frame – no later than one calendar day prior to the date of the meeting of the Board of Directors.

9.12. Proposed formulations of draft conclusions are subject to inclusion in the corresponding agenda items of voting ballots which are to be sent to the members of the Board of Directors where the necessity of voting on both draft conclusions is indicated. If there are alternative formulations of draft conclusions, the conclusion shall be deemed accepted with such formulation for which more votes were cast "FOR".

10. Convening and Conducting the Meeting of the Board of Directors associated with the Formation of the Executive Bodies of the Company

10.1. Convening and conducting the meeting of the Board of Directors associated with the formation of the executive bodies of the Company (election, termination, suspension of their authorities) shall be carried out in accordance with the general rules set out in the present Regulation taking into account special provisions of the present section.

10.2. Procedure specified in the section shall be applied in the following cases:

- termination of authorities of the CEO and election of a new CEO (or Acting CEO);
- election of the CEO (if the Board of Directors had made a decision on CEO termination and election of the Acting CEO and the new CEO was not elected);
- suspension of Managing Director and assignment of Acting CEO.

10.3. Preparation and conducting the meeting of the Board of Directors, where the agenda includes the items specified in Clause 10.2 of the Present Regulation, as follows:

- notification of convening of the meeting to the Board of Directors including the right to nominate the candidacies for the position of the CEO (or Acting CEO) in case of statement of a question on suspension of Managing Director or the candidacy of Managing Director in cases stipulated in the present section.

- nomination of the candidacies by the Board members for the position of the CEO (Acting CEO, Managing Director);

- decision-making on CEO termination or suspension of Managing Director;
- decision-making on election of the CEO (Acting CEO in case of statement of a question on suspension of Managing Director);
- decision-making on election of the Acting CEO if the decision on CEO termination has already been made but as a result of a voting, decision on election of the new CEO has not been made yet;
- formation of the motion of the Board of Directors on the candidacy (candidacies) of the Managing Director for voting at the General Meeting of Shareholders of the Company on the item on delegation of authority of the Chief Executive Officer of the Company to the Managing Director.

10.4. In case of decision-making on suspension of Managing Director and assignment of Acting CEO, the Board of Directors is obliged to make a decision on conducting the extraordinary General Meeting of Shareholders of the Company for decision-making on early termination of Managing Director.

10.5. In the event stipulated in Clause 10.4 of the present Section, the Board of Directors is obliged to consider the item on the candidacy (candidacies) of the Managing Director being asked to delegate the authorities of the CEO of the Company at the meeting, where the decision on suspension of Managing Director and assignment of the Acting CEO is made. Besides, the Board of Directors is obliged to make other decisions associated with suspension of Managing Director and performance by the Acting CEO of their functions prior to the General Meeting of Shareholders of the Company.

10.6. Notification of the meeting of the Board of Directors, the meeting agenda of which contains the items stipulated in Clause 10.2 of the present Regulation, shall be sent out to the Board of Directors no later than three (3) calendar days prior to the meeting of the Board of Directors.

10.7. Each member of the Board of Directors shall have the right to nominate no more than one candidacy for the position of the CEO (Acting CEO) unless otherwise is established by the decision of the Board of Directors. The member of the Board of Directors shall have the right to nominate the candidacy for the position of the Acting CEO in case that the decision on CEO termination will be made and the decision on the election of the new CEO will not be made as a result of voting. For this purpose the member of the Board shall have the right to nominate the same person for the position of the CEO as well as for the position of the Acting CEO.

10.8. In case of putting the item on the board meeting agenda of the Company concerning the suspension of Managing Director, the member of the Company's Board of Directors shall have the right to nominate the candidacy for the position of the Managing Director in order to form the motion of the Board of Directors to the General Meeting of Shareholders of the Company on delegation of authority of the Chief Executive Officer of the Company to the Managing Director.

10.9. The motion on nomination of the candidacy (as specified in Clause 10.7 and Clause 10.8 of the present Regulation) shall be recorded in the written form and signed by the member of the Company's Board of Directors that nominated the candidacy.

10.10. The motion on nomination of the candidacy for the position of the CEO (Acting CEO) shall contain the following information:

- full name of the proposed candidate;
- date and place of birth;
- educational background, profession and qualification;
- information on academic degree (if any);
- employment history over the last 5 years;
- quantity and classes (types) of shares owned by the candidate of the Company.

10.11. The motion on nomination of the candidacy for the position of the Managing Director shall contain the following information:

- full corporate name of the organization;
- information on the date and place of the state registration of the organization;
- information on the founders of the organization;
- information on the shareholders (participants) of the organization;
- information on affiliates of the organization.

10.12. The motion on nomination of the candidacy for the position of the Managing Director shall contain information stipulated in Clause 10.10 of the present Regulation as well as information on certificate of the official registration that the candidate has in the capacity of the sole proprietor.

10.13. The motions on nomination of the candidacies for the position of the CEO (Acting CEO,

Managing Director) shall be received by the Company in the original by fax (with subsequent submission of the original copy at the meeting) or by e-mail no later than two (2) calendar days prior to the meeting of the Board of Directors.

10.14. Submitted motions of the members of the Board of Directors on nomination of the candidacies shall be entered in the list of voting.

10.15. According the voting results on agenda item on election of the CEO, the Board of Directors shall have the right to nominate the Acting CEO if none of the candidacies polled the required amount of votes. In that case, voting is carried out with respect to those candidacies for the position of the Acting CEO that were nominated by the members of the Board of Directors in accordance with Clause 10.7 of the present section. If none of the members of the Board of Directors has nominated the candidacy for the position of the Acting CEO in accordance with Clause 10.7 of the present Section, the voting is carried out with respect to those candidacies that the Board of Directors is entitled to nominate during the meeting of the Board of Directors.

10.16. The members of the Board of Directors shall have the right to inquire of the Board member about additional information on the candidate that is nominated by this Board member.

10.17. The motions on nomination of the candidacies for the position of the CEO (Acting CEO) or the Managing Director of the Company and information about them from the members of the Board of Directors, shall be sent out by the Corporate Secretary of the Company to the relevant Committee of the Board of Directors immediately upon receipt in accordance with the procedure that ensures immediately receipt of these motions by the Committee (by fax, e-mail, etc.).

If decisions (recommendations) of the Committees of the Board of Directors have been delivered to the Board of Directors prior to the date of the meeting of the Board of Directors, the Corporate Secretary shall send these decisions (recommendations) immediately to the Company's Board of Directors and shall submit them to the members of the Board of Directors immediately at the meeting of the Board of Directors conducted in person or in person and in absentia.

In case the decisions (recommendations) of the relevant Committee have not been submitted to the Board of Directors, the Board of Directors shall have the right to make a decision on the item without taking into consideration these decisions (recommendations).

10.18. In case the election of the CEO is carried out by the General Meeting of Shareholders in accordance with the Articles of Association of the Company, the regulations of the present section shall be applicable in the part that is not at variance with the Articles of Association of the Company and legislation of the Russian Federation.

10.19. In case the collegial executive body is formed in the Company, the procedure for election and termination of authorities of its members shall be established by the internal document of the Company regulating the operations of this body.

11. Meeting Minutes of the Board of Directors of the Company

11.1. The Corporate Secretary shall take minutes at a Board meeting.

11.2. Meeting Minutes of the Board of Directors shall be drawn up no later than three calendar days after the date of the meeting (summing up the results of absentee voting and in person and in absentia voting).

11.3. The minutes shall include the following information:

- full corporate name of the Company;
- form of the meeting;
- location and time of the meeting (the results of voting);
- names of the Board members attending the meeting (participating in absentee voting and in person and in absentia voting) as well as list of invitees;
- whether a quorum is present;
- meeting agenda;
- issues put to the vote, voter list and outcome of the vote;
- summary of the reports and speech summary of the persons attending the meeting;
- motions taken.

Meeting Minutes of the Company's Board of Directors shall be signed by the Chairman of the meeting and the Corporate Secretary that are responsible for the accuracy of the meeting minutes.

Special opinions of the Board members, which constitute an integral part of the minutes, should be included in the meeting minutes. The Corporate Secretary shall sign all appendices to the meeting minutes of the Company's Board of Directors (The Chairman shall sign all appendices to the meeting minutes of the Company's Board of Directors in the event that it is provided by the document format).

11.4. The Corporate Secretary shall inform the Board members of decisions made by the Board of Directors by sending out the copy of the Board meeting minutes by e-mail, fax or automated IT system no later than three calendar days from the date of signing of the minutes of the Board of Directors.

11.5. The Company is obliged to have custody of the meeting minutes of the Board of Directors at the location of the executive body of the Company.

11.6. In accordance with the requirements of Federal Law "On Joint-Stock Companies", the meeting minutes of the Company's Board of Directors are to be available for familiarization by any member of the Board of Directors, member of the Auditing Committee, the Company's Auditor, the CEO of the Company and authorized representatives of the federal regulatory agencies as well as the shareholder (shareholders) of the Company at the location of the executive body of the Company.

12. Final Provisions

12.1. For the purposes of performance improvement, the Board of Directors is obliged to conduct a board evaluation on a regular basis.

Regularity, evaluation criteria and other issues associated with the work efficiency evaluation of the Company's Board of Directors are determined by separate decisions of the Company's Board of Directors.

BOARD OF DIRECTORS
of Public Joint Stock Company of
Power Industry and Electrification of Kuban

V O T I N G B A L L O T
for voting on agenda items of the meeting
of the Board of Directors of PJSC Kubanenergo
conducted in person and in absentia " _____ " _____ 200__

Item:

1. _____

Decision (made at the meeting):

1. _____

FOR

AGAINST

ABSTAIN

(Please leave your voting option not crossed out)

Item:

2. _____

Decision (made at the meeting):

2. _____

FOR

AGAINST

ABSTAIN

(Please leave your voting option not crossed out)

Completed and signed voting ballot shall be sent by fax _____, e-mail or in the original no later than _____.

/date, time/

Voting ballot submitted to the Company on the expiry of the above-mentioned term shall not be taken into account during tabulation of votes and the results of voting in person and in absentia.

The original voting ballot shall be sent at: _____

**Member of the Board of Directors
of PJSC Kubanenergo**

_____/_____
(signature) (full name)

Chairman of the Board of Directors

_____/_____
(signature) (full name)

THE VOTING BALLOT IS INVALID WITHOUT A SIGNATURE OF THE CHAIRMAN AND THE MEMBER OF THE BOARD OF DIRECTORS

BOARD OF DIRECTORS
of Public Joint Stock Company of
Power Industry and Electrification of Kuban

V O T I N G B A L L O T
for absentee voting on agenda items of the meeting
of the Board of Directors of PJSC Kubanenergo

Item 1:

Decision:

FOR

AGAINST

ABSTAIN

(Please leave your voting option not crossed out)

Item 2:

Decision:

FOR

AGAINST

ABSTAIN

(Please leave your voting option not crossed out)

Completed and signed voting ballot shall be sent by fax _____, e-mail or in the original no later than _____
/date, time/

Voting ballot submitted to the Company on the expiry of the above-mentioned term shall not be taken into account during tabulation of votes and the results of voting in absentia.

The original voting ballot shall be sent at: _____

**Member of the Board of Directors
of PJSC Kubanenergo**

_____ / _____
(signature) (full name)

THE VOTING BALLOT IS INVALID WITHOUT A SIGNATURE OF THE MEMBER OF THE BOARD OF DIRECTORS