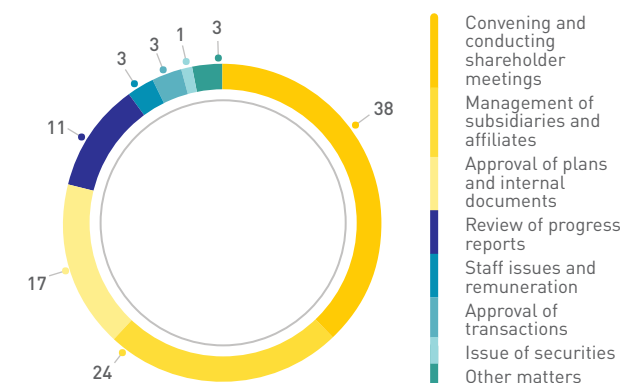


## ACTIVITIES OF THE BOARD OF DIRECTORS

In 2018, there were 34 meetings of the Board of Directors, of which two were held in-person and in absentia (including via video-conferencing), the rest – in the absentee form (by questionnaire).

Structure of issues considered by the Board of Directors of the Company in 2018, %



**At in-person-absentee meetings (including via video-conferencing) in the reporting year, the Board of Directors has considered the following reports:**

- on the execution of the Company's business plan for 2017, as well as for the nine months of 2018;
- on the results of the implementation of the investment program for the fourth quarter and 12 months of 2017, for the third quarter and nine months of 2018

### Major decisions taken by the Board of Directors of Kubanenergo PJSC in the reporting year

#### THERE WERE APPROVED THE LONG-TERM PLANS AND PROGRAMS OF THE COMPANY

- energy loss enhancement program;
- scenario conditions for the formation of the investment program;
- program of modernization (renovation) of power grid facilities;
- plan for decommissioning equipment containing polychlorinated biphenyls;
- the non-core asset transfer program.

#### THERE WERE APPROVED THE FOLLOWING COMPANY PLANS AND PROGRAMS FOR 2018

- business plan;
- the timed action plan to reduce overdue receivables for electricity;
- transmission services;
- procurement plan;
- the program of non-state pension provision for the Company's employees;
- plan for the development of a production asset management system;
- operating plan of the internal audit department;
- target values of key performance indicators of the Company's General Director.

#### THERE WERE APPROVED THE FOLLOWING INTERNAL DOCUMENTS OF KUBANENERGO PJSC

- in quality of the Company's internal documents:
  - The policy of PJSC "Rosseti" in the area of information technology, automation and telecommunications;
  - The Unified Procurement Standard of PJSC Rosseti (Procurement Policy).
- new editions:
  - Dividend Policy;
  - Regulation on Information Policy;
  - Insider Information Regulation;
  - The procedure for organizing the sale of non-core assets;
  - Guidelines for determining the power reserves at the power centers of Kubanenergo PJSC.

- **DRAFT ARTICLES OF ASSOCIATION AND INTERNAL REGULATIONS WERE REVIEWED AND PROPOSED FOR APPROVAL BY THE NEW GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY IN A NEW EDITION.**
- **REPORTS OF THE GENERAL DIRECTOR WERE REVIEWED ON VARIOUS ASPECTS OF THE COMPANY'S FINANCIAL AND BUSINESS ACTIVITIES, AS WELL AS ON EXECUTION OF DECISIONS OF THE BOARD OF DIRECTORS (USUALLY QUARTERLY)**
- **A NOTIFICATION ON THE RESULTS OF AN ADDITIONAL ISSUE OF THE COMPANY'S SECURITIES HAS BEEN APPROVED.**
- **THERE WERE FORMED THE PERSONAL COMPOSITION OF COMMITTEES OF THE BOARD OF DIRECTORS**

### The activity of the Board of Directors in 2016–2018

	2016	2017	2018
Number of meetings held by the Board of Directors	32	35	34
<b>of them arranged in full-time form</b>	2	3	2
Number of issues addressed	234	169	147
<b>including decisions made</b>	234	169	147
The participation of the Board members in the work of this body on average	84.6%	95.0%	98.3%

## Participation of members of the Board of Directors of Kubanenergo PJSC in the meetings of the Board of Directors in 2018

DATE OF MEETING OF THE BOARD OF DIRECTORS/ BOARD MEMBERS	NUMBER OF ITEMS ON THE AGENDA	FADEEV A.N. (THE CHAIRMAN)	BALAEVA S.A.	EFIMOV A.L.	VARVARIN A.V.	GAVRILOV A.I.	GRITSENKO V.F.	MEDVEDEV M.V.	OSIPOVA E.N.	TYURKIN K.V.	KHOKHOLKOVA K.V.	SHAGINA I.A.	SERGEEVA O.A. (THE CHAIRMAN)	SELIVANOVA L.V.	TYUKANKO A.S.	THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS WHO TOOK PART IN THE MEETING	
23.01.2018	1	+	+	+	+	+	+	+	+	+	+	+	The persons, first elected at the Annual General Meeting of Shareholders of the Company on 25.05.2018 to the Board of Directors			11	
31.01.2018	1	+	+	+	+	+	+	+	+	+	+	+					11
07.02.2018	6	+	+	+	+	+	+	+	+	+	+	+					11
09.02.2018	1	+	+	+	+	+	+	+	+	+	+	+					11
22.02.2018	4	+	+	+	+	+	+	+	+	+	+	+					11
22.02.2018	1	+	+	+	+	+	+	+	+	+	+	+					11
22.02.2018	1	+	+	+	+	+	+	+	+	+	+	+					11
26.02.2018	4	+	+	+	+	+	+	+	+	+	+	+					11
06.03.2018	2	+	+	+	+	+	+	+	+	+	+	+					11
30.03.2018	4	+	+	+	+	+	+	+	+	+	+	+					11
19.04.2018	23	+		+	+	+	+	+	+	+	+	+					10
20.04.2018	1	+	+	+	+	+	+	+	+	+	+	+					11
11.05.2018	2	+	+	+	+	+	+	+	+	+	+	+					11
14.05.2018	2	+	+	+	+	+	+	+	+	+	+	+					11
18.05.2018	11	+	+	+	+	+	+	+	+	+	+	+					11
21.05.2018	3	+	+	+	+	+	+	+	+	+	+	+					11
24.05.2018	6	+	+	+	+	+	+	+	+	+	+	+					11
15.06.2018	2	The persons, which did not become members of the Board of Directors at the Annual General Meeting of Shareholders of the Company on 25.05.2018			+	+	+	+	+	+	+	+	+	+	+	11	
28.06.2018	5					+	+	+	+	+	+	+	+	+	+	10	
30.07.2018	5					+	+	+	+	+	+	+	+	+	+	11	
30.07.2018	3					+	+	+	+	+	+	+	+	+	+	11	
15.08.2018	2					+	+	+	+	+	+	+	+	+	+	11	
21.08.2018	10					+	+	+	+	+	+	+	+	+	+	11	
21.09.2018	7					+	+	+	+	+	+	+	+	+	+	11	
25.10.2018	5					+	+	+	+	+	+	+	+	+	+	11	
02.11.2018	3					+	+	+	+	+	+	+	+	+	+	11	
07.12.2018	2					+	+	+	+	+	+	+	+	+	+	11	
18.12.2018	11					+	+	+	+	+	+	+	+	+	+	11	
20.12.2018	2					+	+	+	+	+	+	+	+	+	+	11	
25.12.2018	4					+	+	+	+	+	+	+	+	+	+	11	
26.12.2018	3					+	+	+	+	+	+	+	+	+	+	11	
27.12.2018	3					+	+	+	+	+	+	+	+	+	+	11	
28.12.2018	6					+	+	+	+	+	+	+	+	+	+	11	
29.12.2018	1					+	+	+	+	+	+	+	+	+	+	11	
Number of meetings attended by a member of the Board of Directors		17 of 17	16 of 17	17 of 17	34 of 34	34 of 34	34 of 34	34 of 34	34 of 34	34 of 34	34 of 34	34 of 34	17 of 17	16 of 17	17 of 17		

+/□ participation/ non-participation of a member of the Board of Directors in a meeting

■/□ in-person-absentee<sup>1</sup>/ in absentia form of the meeting of the Board of Directors

1. Including through video conferencing.

All members of the Board of Directors of the Company, who were simultaneously members of committees of the Board of Directors in 2018, took part in all meetings of committees, with the exception of I.A. Shagina, who did not participate in the meetings of the Audit Committee of the Board of Directors on May 21, 2018, September 26, 2018 and December 19, 2018

As a rule, the Chairman of the Board of Directors is elected at the first meeting of the Board of Directors in a new composition.

At one of the first meetings, the Board of Directors approves the action plan for the corporate year, which is formed on proposals from the Chairman and members of the Board of Directors, the Auditing Commission, General Director, members of the Management Board, and auditor in the following aspects:

- strategic development of the Company,
- medium-term and current planning of the Company's activities,
- administration of the Board of Directors,
- control over the implementation of decisions of the Board of Directors and the General Meeting of Shareholders.

**The action plan of the Board of Directors includes:**

- issues to be considered at meetings of the Board of Directors (quarterly),
- schedule of meetings,
- the list of persons (management bodies of the Company) responsible for the preparation of issues for meetings of the Board of Directors.

**Minutes of meetings of the Kubanenergo PJSC Board of Directors are published on the website [www.kubanenergo.ru](http://www.kubanenergo.ru) – section " About Us/Management bodies/ Board of Directors."**

