

REMUNERATION AND PAYMENT OF COMPENSATION TO THE MEMBERS OF THE AUDITING COMMISSION

In accordance with the current Regulation for the payment of remuneration and compensation¹ to the members of the Auditing Commission of Kubanenergo PJSC, approved by the Annual General Meeting of Shareholders (minutes No. 40, 28.05.2018, the remuneration to a member of the Audit Commission is paid based on the results of the corporate year and depends on its participation in the work of the Company's regulatory authority.

The remuneration of members of the Auditing Commission is calculated with the account for:

- the size of the basic amount of remuneration, which is set on the basis of the Company's revenue, calculated under RAS for the financial year;
- the personal commitment rate of a member of the Auditing Commission, which reflects member participation in meetings and verification activities of the Auditing Commission, as well as member additional duties as Chairman or secretary of the Auditing Commission.

Remuneration is not paid to a member of the Auditing Commission who participated in less than half of the meetings held during membership in the Auditing Commission.

Reimbursement of expenses to members of the Auditing Commission related to their participation in the events of the Auditing Commission is determined in the sum of actual costs based on the standards established by this Regulation.

The total amount of remuneration paid to the members of the Auditing Commission for participation in its work in 2018 amounted to 797 thousand rubles.

The expenses of the members of the Auditing Commission in the reporting year were not reimbursed by the Company.

The Company has no debts to pay remuneration and compensation to members of the Auditing Commission.

INFORMATION ON TRANSACTIONS COMPLETED BY KUBANENERGO PJSC IN 2018

Major transactions (including several interrelated transactions) related to the acquisition, alienation or possibility of alienation of the property by the Company directly or indirectly, which value is 25% or more than the book value of the Company's assets, determined according to its financial statements, were not performed by Kubanenergo PJSC in 2018.

In the reporting year, the Company entered into four transactions, which presents an interest (Chapter XI of the Federal Law dated December 26, 1995, No. 208-ФЗ "On Joint-Stock Companies"). For a report on interested-party transactions entered into by Kubanenergo PJSC in 2018, see Appendix No. 2.

1. Regulation for payment of remuneration and compensation to members of the Auditing Commission of Kubanenergo PJSC is published on the website www.kubanenergo.ru – section 'About Us/ Constituent and internal documents'.