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**Minutes of Board of Directors Meeting No. 168/2013**

**Open joint stock company**

**of power industry and electrification of Kuban**

|  |  |
| --- | --- |
| Date of meeting | August 2, 2013 |
| Form of holding the meeting | Absentee voting (questionnaire) |
| Place of vote counting | Office 105, building 1, 2 Stavropolskaya St., Krasnodar (postal address of “Kubanenergo”, JSC) |
| Date of vote counting | 02.08.2013, 5 p.m. |
| Date of drawing up minutes | August 5, 2013 |

Number of Board of Directors Members: 11

Questionnaires were submitted by: Vagapov S.G., Varvarin A.V., Gaichenya I.A., Katina A.Yu., Kolyada A.S. Lavrova M.A., Likhov Kh.M., Magadeyev R.R., Neganov L.V, Solod A.V., Cherezov A.V.

Questionnaires were not submitted by:

According to requirements of paragraph 7.3 of Regulation on order of conveying and holding meetings of “Kubanenergo”, JSC Board of Directors approved by decision of annual General meeting of “Kubanenergo”, JSC shareholders dated 22.06.2012, minutes No.31, quorum for holding the meeting should count at least half of elected members of Board of Directors.

Quorum is present

**Agenda**

1. On electing the Chairperson of BoD of “Kubanenergo” JSC.

2. On electing deputy Chairperson of BoD of “Kubanenergo” JSC.

3. On electing Corporate secretary of “Kubanenergo” JSC, determining the person authorized to determine terms of agreement and sign agreement with corporate secretary of “Kubanenergo” JSC.

4. On approving internal documents of the Company: On approving the redrafted Regulation on insider information of “Kubanenergo” JSC.

5. On approving control indicators of cash flow of “Kubanenergo” JSC for the 3rd quarter of 2013.

6. On approving credit plan of “Kubanenergo” JSC for the 3rd quarter of 2013.

7. On expressing Company’s opinion on agenda item of BoD meeting of “Kubanenergo” JSC affiliated company – “Energoservice Kubani” JSC “On participating of “Energoservice Kubani” JSC in non-profit organization “Association of energy auditors and energy-service companies”.

8. On expressing Company’s opinion on agenda item of BoD meeting of “Kubanenergo” JSC affiliated company – “Energoservice Kubani” JSC “On participating of “Energoservice Kubani” JSC in non-profit organization “Association of Designers”.

9. On expressing Company’s opinion on agenda item of BoD meeting of “Kubanenergo” JSC affiliated company – “Energoservice Kubani” JSC “On approving of business-plan of “Energoservice Kubani for 2013”.

10. On expressing Company’s opinion on agenda item of BoD meeting of “Kubanenergo” JSC affiliated company – “Energoservice Kubani” JSC “On approving the report on business-plan implementation of “Energoservice Kubani” JSC in the 3rd quarter and for 9 months of 2012”.

11. On expressing Company’s opinion on agenda item of BoD meeting of “Kubanenergo” JSC affiliated company – “Energoservice Kubani” JSC.

12. On determining the amount of service payment of Company’s auditor.

13. On using funds received from Company’s shareholders in 2009-2011 to the Company’s registered capital and reserved in accordance with decision of Company’s BoD dd. 21.05.2012 (Minutes No. 134/2012 dd. 24.05.2012).

14. On determining the source of events financing on facility: “Reconstruction of radio network ОДС 110 kV and ОДС 6-10 kV in Sochi power grids, 1st stage”.

15. On determining the source of events financing on facility: “Telemetry of RP (6-10) kV of “Kubanenergo” JSC branch Sochi power grids, including: RP20, RP21, RP23, RP31, RP37, RP55, RP86, RP97, TRP46, TRP8, TRP-D61, TRP94, TRP96, RP D-61, RP-1, RP-19, RP-40, RP-52n, RP-56, RP-84, RP-98, RP-35N, RP-3n, RP-5, RP H-4, RP H-57, RP 18”.

16. On taking into consideration the report on managing affiliated and associated companies of “Kubanenergo” JSC performing non-core activity for the 1st square of 2013.

17. On taking into consideration the information on documents realization aimed to perfection and development of internal control, audit and risks management of “Kubanenergo” JSC by the results of 2012.

18. On taking into consideration the report of Director General of the Company on implementation of scheduled-plan of events on integration of system of productive assets management of the Company for the 1st square of 2013.

19. On taking into consideration the report of Director General of the Company on implementation of Program of power saving and increasing of energy efficiency of “Kubanenergo” JSC for the 1st square of 2013.

20. On results of implementation of Program of perspective development of electric energy metering systems at retail electricity market for the 4th quarter and 2012, 1st quarter of 2013.

21. On taking into consideration the report of Director General of the Company on implementation of Plan of events of “Kubanenergo” JSC for 2013 on implementation of Strategy of “Kubanenergo” JSC in sphere of information technologies, automation and telecommunication for the period up to 2016 for the 1st half-year of 2013.

22. On implementation of BoD decision of the Company dd. 28.10.2010 (Minutes No. 98/2010 dd. 01.11.2010): on determination of source of forfeit pay, appeared in result of non-fulfillment of contractual obligations in time to government business enterprise on construction of Olympic facilities and Sochi development as mountain climate resort on Agreements on organization of building (reconstruction) of Olympic facilities of federal significance:

- No. 02-8/1-1676 dd. February 17, 2010 (additional agreement revision No. 3 dd. September 5, 2012);

- No. 02-02/4-1184 dd. July 7, 2009 (revision including additional agreements No. 4 dd. September 5, 2012, No. 5 dd. November 13, 2012).

23. On approving the agreement on cooperation in preventing and recovering from an accidents on electricity generation facilities between “Kubanenergo” JSC and “IDGC of Centre and Volga region” JSC as transaction of interest.

24. On approving agency contracts between “Kubanenergo” JSC and “FGC UES” JSC as transaction of interest.

25. On approving the Agreements on recovering the expenses between “Kubanenergo” JSC and “FGC UES” JSC as transaction of interest.

26. On approving the service contract of online monitoring of supervisory control system working and communication systems of “Kubanenergo” JSC branch Sochi power grids between “Kubanenergo” JSC and “Moscow communication centre of power industry” as transaction of interest.

27. On determining of cases (amounts) of property transactions of “Kubanenergo” JSC, subject to prior approval by the Board of Directors.

**Item 1: “On electing the Chairperson of BoD of “Kubanenergo” JSC”**

It is proposed to adopt the following decision:

To elect Magadeev Ruslan Raisovich, director of Department of development of executive-technical board of “Rosseti” JSC for the position of the Chairperson of BoD of “Kubanenergo” JSC

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | ABSTAINED |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | ABSTAINED |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |

Questionnaire of Cherezov A.V. on this item is considered as invalid and is not accounted because filled in incorrectly specified in paragraph 9.6 “Regulation on procedure of convening and holding the meeting of BoD of Joint-Stock Company of electric energy and electrification of Kuban” (more than one pf the possible variants of voting were left uncrossed).

Thus, the decision on the first item was adopted by majority of the BoD members.

**Item 2: On electing deputy Chairperson of BoD of “Kubanenergo” JSC.**

It is proposed to adopt the following decision:

To elect Katina Anna Yurievna, deputy head of Department of corporate relations – head of office of analyze and control of corporate management of Department of corporate management and relationships with shareholders and investors of “Rosseti” JSC for the position of deputy Chairperson of BoD of “Kubanenergo” JSC.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | ABSTAINED |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on the second item was adopted by majority of the BoD members.

**Item 3: On electing Corporate secretary of “Kubanenergo” JSC, determining the person authorized to determine terms of agreement and sign agreement with corporate secretary of “Kubanenergo” JSC.**

It is proposed to adopt the following decision:

1. To elect Russu Olga Vladimirovna, head specialist of department of corporate management and interaction with shareholders of “Kubanenerno” JSC for the position of Corporate secretary of “Kubanenergo” JSC.

2. To authorize Director General of “Kubanenergo” JSC to define term of agreeement with Russu Olga Vladimirovna, Corporate secretary and to sign agreement on behalf of the Company.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | FOR |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on the third item was unanimously adopted by the BoD members.

**Item 4: On approving internal documents of the Company: On approving the redrafted Regulation on insider information of “Kubanenergo” JSC.**

It is proposed to adopt the following decision:

1. To approve the redrafted Regulation on insider information of “Kubanenergo” JSC in accordance with Appendix 1 to present decision of Company’s BoD.

2. To consider as invalid the Regulation on insider information of “Kubanenergo” JSC approved by decision of “Kubanenergo” JSC BoD 30.12.2011 (Minutes No. 125/2012 dd. 12.01.2012).

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | FOR |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on the fourth item was unanimously adopted by the BoD members.

**Item 5: On approving control indicators of cash flow of “Kubanenergo” JSC for the 3rd quarter of 2013.**

It is proposed to adopt the following decision:

1. To approve the following control indicators of cash flow of the Company for the 3rd quarter of 2013:

|  |  |  |
| --- | --- | --- |
| **Month** | **Services for the operation and development of the distribution grid complex** | **Dividends (excluding tax)** |
| July | 7521 | 0 |
| August | 7521 | 0 |
| September | 7521 | 0 |

1. To instruct sole executive body of the Company:
* Within 5 days from the moment of adopting current decision to provide the preparation of cash flow project and its approving;
* Within 1 day from the moment of approving the cash flow project to send specified document to members of Company’s BoD;

The issue on taking into consideration the report on implementation of key performance indicators of cash flows of the Company in case of implementing approved key performance indicators of cash flows in 2013 should not be included in agenda of Company’s BoD

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | FOR |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | ABSTAINED |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on the fifth item was adopted by majority of the BoD members.

**Item 6: On approving credit plan of “Kubanenergo” JSC for the 3rd quarter of 2013.**

It is proposed to adopt the following decision:

To approve credit plan of “Kubanenergo” JSC for the 3rd quarter of 2013 in accordance with Appendix 2 to present decision of Company’s BoD.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | ABSTAINED |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | ABSTAINED | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on the sixth item was adopted by majority of the BoD members.

**Item 7: On expressing Company’s opinion on agenda item of BoD meeting of “Kubanenergo” JSC affiliated company – “Energoservice Kubani” JSC “On participating of “Energoservice Kubani” JSC in non-profit organization “Association of energy auditors and energy-service companies”.**

It is proposed to adopt the following decision:

To instruct the representatives of “Kubanenergo” JSC in “Energoservice Kubani” JSC BoD on agenda item “On participation of “Energoservice Kubani” JSC in Non-profit partnership “Union of energy auditors and energy service companies” to vote FOR the adopting of following decision:

1. To adopt the participation of “Energoservice Kubani” JSC in Non-profit partnership “Union of energy auditors and energy service companies” (hereafter - Partnership) on the following conditions:
* Amount of entry fee – 50 000 (fifty thousand) rubles;
* Amount of quarterly membership fee – 30 000 (thirty thousand) rubles;
* Contribution to the compensation fund – 12 000 (twelve thousand) rubles;
* Form of payment of contributions – monetary funds;

Fee payment procedure:

* entrance fee and contribution to the compensation fund shall be paid in full within 10 (ten) business days after adoption by Partnership's Board the decision on accepting the applicant as a member of Partnership;
* quarterly membership fee is paid by members of the Partnership by the 5 (fifth) day of the month following the last month of the past quarter;

Amount and procedure of fee payment is set by the General Meeting of the Partnership.

1. Director General of “Energoservice Kubani” JSC should within 10 (ten) days after fulfillment of obligations by agreements on implementation of energy test concluded in 2012 and prolonged for 2013 to prepare and send at the name of director of Partnership the declaration of accession to membership of Partnership with attached documents specified by internal documents of Partnership (article 14 of Regulation of Partnership).

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | FOR |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on the seventh item was unanimously adopted by the BoD members.

**Item 8: On expressing Company’s opinion on agenda item of BoD meeting of “Kubanenergo” JSC affiliated company – “Energoservice Kubani” JSC “On participating of “Energoservice Kubani” JSC in non-profit organization “Association of Designers”.**

It is proposed to adopt the following decision:

To instruct the representatives of “Kubanenergo” JSC in “Energoservice Kubani” JSC Board of Directors on agenda item “On participating of “Energoservice Kubani” JSC in non-profit organization “Association of Designers” to vote “FOR” the adoption of following decision:

1. To adopt the participation of “Energoservice Kubani” JSC in non-profit organization “Association of Designers” (hereafter - partnership) on following conditions:
* Amount of entry fee – 20 000 (twenty thousand) rubles;
* Amount of quarterly membership fee – 18 000 (eighteen thousand) rubles;
* Amount of annual membership fee – 4 000 (four thousand) rubles
* Contribution to the compensation fund – 150 000 (one hundred fifty thousand) rubles;
* Form of payment of contributions – monetary funds

Fee payment procedure:

* the entrance fee is paid by members of the Partnership no later than 3 (three) working days from the date of the Partnership’s Board of Directors approving the admission of the applicant to the Partnership and giving out the certificate of admission ;
* payment of the first quarterly fee is perfromed by the members of Partnership from the date of the Partnership’s Board of Directors approving the admission of the applicant to the Partnership and giving out the certificate of admission for the entire month, regardless of the date of its admission;
* the next quarterly fees are paid by members of the Partnership no later than the 20th of the first month of the current quarter;
* payment of the first annual fee is made by members of the Partnership together with an entrance fee ;
* the nest annual membership fees are paid by members of the Partnership prior to January 31st of current year.
* size, type and timing of fees are established by the General meeting of the Partnership.

2. General Director of “Energoservice Kubani” should within 10 (ten) working days upon the decision of the Board of Directors of the Company on the participation in the Non-Profit Partnership "Integrated Association of Designers" prepare and submit to the Director of the Partnership an application for membership in the Partnership with the documents provided by the internal documents of the Partnership, which are published at: <http://www.kop-sro.ru>.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | AGAINST | Likhov Kh.M. | - | FOR |
| Varvarin A.V. | - | AGAINST | Lavrova M.A. | - | AGAINST |
| Gaichenya I.A. | - | AGAINST | Magadeyev R.R. |  | AGAINST |
| Katina A.Yu. | - | AGAINST | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | AGAINST |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on the eighth item was not adopted by majority of the BoD members.

**Item 9: On expressing Company’s opinion on agenda item of BoD meeting of “Kubanenergo” JSC affiliated company – “Energoservice Kubani” JSC “On approving of business-plan of “Energoservice Kubani for 2013”.**

It is proposed to adopt the following decision:

To instruct the representatives of “Kubanenergo” JSC in BoD of “Energoservice Kubani” JSC on agenda item “On approving of business-plan of “Energoservice Kubani for 2013” to vote FOR the adopting following decision:

To approve business-plan of “Energoservice Kubani for 2013

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | AGAINST |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | ABSTAINED | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on the ninth item was adopted by majority of the BoD members.

**Item 10: On expressing Company’s opinion on agenda item of BoD meeting of “Kubanenergo” JSC affiliated company – “Energoservice Kubani” JSC “On approving the report on business-plan implementation of “Energoservice Kubani” JSC in the 3rd quarter and for 9 months of 2012”.**

It is proposed to adopt the following decision:

To instruct the representatives of “Kubanenergo” JSC in BoD of “Energoservice Kubani” JSC on agenda item “On approving the report on business-plan implementation of “Energoservice Kubani” JSC in the 3rd quarter and for 9 months of 2012” to vote FOR the following decision:

To take into consideration the report on implementation of business-plan of “Energoservice Kubani” JSC in the 3rd quarter and for 9 months of 2012.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | AGAINST |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | ABSTAINED | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on the tenth item was adopted by majority of the BoD members.

**Item 11: On expressing Company’s opinion on agenda item of BoD meeting of “Kubanenergo” JSC affiliated company – “Energoservice Kubani” JSC.**

It is proposed to adopt the following decision:

1. To instruct the representatives of “Kubanenergo” JSC at extraordinary general meeting of shareholders of “Energoservice Kubani” JSC on agenda item “On early termination of board members of the Company” to vote FOR the adoption of following decision:

To early terminate the authorities of all members of Company’s BoD.

2. To instruct the representatives of “Kubanenergo” JSC at extraordinary general meeting of shareholders of “Energoservice Kubani” JSC on agenda item “On electing of members of Company’s BoD” to vote FOR the adoption of following decision:

To elect BoD of “Energoservice Kubani” JSC in the following composition:

|  |  |  |
| --- | --- | --- |
|  | **Name** | **Position** |
| 1 | Kostetskiy Vyacheslav Yurievich | Deputy director general in charge of development and services realization of “Kubanenergo” JSC |
| 2 | Zinchenko Pavel Vasilievich | Deputy director general in charge of technical issues – chief engineer“Kubanenergo” JSC |
| 3 | Shashkov Aleksandr Vladimirovich | Head of department of economics“Kubanenergo” JSC |
| 4 | Konevets Kirill Sergeevich | Head of department of enforceability“Kubanenergo” JSC |
| 5 | Ovchenkov Sergei Leonidovich | Director General of “Energoservice Kubani” JSC |
| 6 | Bikmurzin Adel Fyaritovich | Chief expert of standards and methodologies of management of corporate relations division of Department of corporate management and relations with shareholders and investors of “Rosseti” JSC |
| 7 | Bulavintsev Aleksei Sergeevich | Head of division of realization of services on electric energy transmission of Board of power grid services realization of Department of realization of power grid services of “Rosseti” JSC |

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | ABSTAINED |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on the eleventh item was adopted by majority of the BoD members.

**Item 12: On determining the amount of service payment of Company’s auditor.**

It is proposed to adopt the following decision:

To determine the auditor’s services amount of payment of the Company “KPMG” CJSC in 2013:

* For audit of accounting (financial) reports on RAS (Russian accounting standards) in amount of 654 689 (six hundred fifty four thousand six hundred eighty nine) rubles including VAT – 99 867 (ninety nine thousand eight hundred sixty seven) rubles 81 kopecks;

For audit of financial (accounting) reports on IFRS (International financial reporting standards) in amount of 2 953 894 (two million nine hundred fifty three thousand eight hundred ninety four) rubles, including VAT – 450 594 (four hundred fifty thousand five hundred ninety four) rubles.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | FOR |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on the twelfth item was unanimously adopted by the BoD members.

**Item 13: On using funds received from Company’s shareholders in 2009-2011 to the Company’s registered capital and reserved in accordance with decision of Company’s BoD dd. 21.05.2012 (Minutes No. 134/2012 dd. 24.05.2012).**

It is proposed to adopt the following decision:

1. To allow director general of “Kubanenergo” JSC to use funds received from other shareholders of the Company in 2009-2011 and reserved in accordance with BoD decision dd. 21.05.2012 (Minutes No. 134/2012 dd. 24.05.2012) in accordance with positive conclusions of Federal Autonomous Institution “State expertize of Russia” by project documents:

1.1. demolition (dismantling) and liquidation of real property, registration of ownership of land plots, located in the area of ​​construction of Olympic power facility on p.146 Program of Olympic facilities and development of Sochi as a mountain resort, approved by the Government of the Russian Federation dd. 29.12.2007 No. 991;

1.2. demolition (dismantling) and liquidation of real property, registration of ownership of land plots, located in the area of ​​construction of Olympic power facility on p.157 Program of Olympic facilities and development of Sochi as a mountain resort, approved by the Government of the Russian Federation dd. 29.12.2007 No. 991.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | AGAINST |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | ABSTAINED |
| Kolyada A.S. | - | ABSTAINED | Solod A.V. | - | FOR |
| Cherezov A.V. | - | AGAINST |  |  |  |

Thus, the decision on the thirteenth item was adopted by majority of the BoD members.

**Item 14: On determining the source of events financing on facility: “Reconstruction of radio network ОДС 110 kV and ОДС 6-10 kV in Sochi power grids, 1st stage”.**

It is proposed to adopt the following decision:

To defer the consideration of the item to a later date.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | FOR |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |
| Cherezov A.V. | - | AGAINST |  |  |  |

Thus, the decision on the fourteenth item was adopted by majority of the BoD members.

**Item 15: On determining the source of events financing on facility: “Telemetry of RP (6-10) kV of “Kubanenergo” JSC branch Sochi power grids, including: RP20, RP21, RP23, RP31, RP37, RP55, RP86, RP97, TRP46, TRP8, TRP-D61, TRP94, TRP96, RP D-61, RP-1, RP-19, RP-40, RP-52n, RP-56, RP-84, RP-98, RP-35N, RP-3n, RP-5, RP H-4, RP H-57, RP 18”.**

It is proposed to adopt the following decision:

To defer the consideration of the item to a later date.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | FOR |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |
| Cherezov A.V. | - | AGAINST |  |  |  |

Thus, the decision on the fifteenth item was adopted by majority of the BoD members.

**Item 16: On taking into consideration the report on managing affiliated and associated companies of “Kubanenergo” JSC performing non-core activity for the 1st square of 2013.**

It is proposed to adopt the following decision:

1. To take into consideration the report on managing affiliated and associated companies of “Kubanenergo” JSC performing non-core activity for the 1st square of 2013 in accordance with Appendix 3 to present decision of Company’s BoD.

2. To instruct Director General to quarterly submit information on this issue including it in the issue of expressing the opinion on the report of Director General on implementation of business-plan (including the investment programme) of affiliated companies.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | ABSTAINED |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on the sixteenth item was adopted by majority of the BoD members.

**Item 17: On taking into consideration the information on documents realization aimed to perfection and development of internal control, audit and risks management of “Kubanenergo” JSC by the results of 2012.**

It is proposed to adopt the following decision:

1. To take into consideration the report on documents realization aimed to perfection and development of internal control, audit and risks management of “Kubanenergo” JSC by the results of 2012 in accordance with Appendix 4 to present decision;
2. To take into consideration the report on key risks of “Kubanenergo” JSC for 2012 in accordance with Appendix 5 to present decision;
3. To consider as invalid paragraph 2.4. of decision of “Kubanenergo” JSC BoD dd. 28.05.2010 on item 3 (Minutes No. 90/2010 dd. 31.05.2010);
4. To instruct Director General of the Company:
	1. To submit report on key risks of the Company twice a year for consideration:
* By the results of 1st half-year – at meeting of Committee on audit of “Kubanenergo” JSC BoD;
* By the results of the year – at meeting of “Kubanenergo” JSC Board of Directors with preliminary consideration at meeting of Committee on audit of “Kubananergo” JSC BoD;

To provide annual consideration at meeting of “Kubanenergo” JSC Board of Directors with preliminary consideration at meeting of Committee on audit of “Kubananergo” JSC BoD the report of subdivision of internal audit on systems effectiveness evaluation of internal control and risks management.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | ABSTAINED |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on the seventeenth item was adopted by majority of Board of Directors members.

**Item 18: On taking into consideration the report of Director General of the Company on implementation of scheduled-plan of events on integration of system of productive assets management of the Company for the 1st square of 2013.**

It is proposed to adopt the following decision:

1. To take into consideration the report of the General Director of the Company on implementation of the schedule of activities to introduce the system of production assets management in the Company for the 1st quarter of 2013, in accordance with Annex 6 to the decision of the Board of Directors.

2. To instruct sole executive body of the Company to provide information on the issues of consideration of the report on implementation of the schedule of activities to introduce the system of production assets management in the Company in the report on implementation of the BoD decisions.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | ABSTAINED |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on the eighteenth item was adopted by majority of Board of Directors members.

**Item 19: On taking into consideration the report of Director General of the Company on implementation of Program of power saving and increasing of energy efficiency of “Kubanenergo” JSC for the 1st square of 2013.**

It is proposed to adopt the following decision:

To defer the consideration of the item to a later date.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | FOR |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | ANSTAINED | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on the nineteenth item was adopted by majority of Board of Directors members.

**Item 20: On results of implementation of Program of perspective development of electric energy metering systems at retail electricity market for the 4th quarter and 2012, 1st quarter of 2013.**

It is proposed to adopt the following decision:

1. To take into consideration the report on Program of perspective development of electric energy metering systems at retail electricity market for the 4th quarter and 2012, 1st quarter of 2013in accordance with Annex 7 and 8 to the decision of the Board of Directors.

2. To instruct Director General to submit information on this issue as a part of report of Director General on implementation of business-plan (including investment program) of the Company.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | ABSTAINED |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on the twentieth item was adopted by majority of Board of Directors members.

**Item 21: On taking into consideration the report of Director General of the Company on implementation of Plan of events of “Kubanenergo” JSC for 2013 on implementation of Strategy of “Kubanenergo” JSC in sphere of information technologies, automation and telecommunication for the period up to 2016 for the 1st half-year of 2013.**

It is proposed to adopt the following decision:

To defer the consideration of the item to a later date.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | FOR |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | ABSTAINED | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on twenty first item was adopted by majority of Board of Directors members.

**Item 22: On implementation of BoD decision of the Company dd. 28.10.2010 (Minutes No. 98/2010 dd. 01.11.2010): on determination of source of forfeit pay, appeared in result of non-fulfillment of contractual obligations in time to government business enterprise on construction of Olympic facilities and Sochi development as mountain climate resort on Agreements on organization of building (reconstruction) of Olympic facilities of federal significance:**

**- No. 02-8/1-1676 dd. February 17, 2010 (additional agreement revision No. 3 dd. September 5, 2012);**

**- No. 02-02/4-1184 dd. July 7, 2009 (revision including additional agreements No. 4 dd. September 5, 2012, No. 5 dd. November 13, 2012).**

It is proposed to adopt the following decision:

1. To take into consideration the information of Gavrilov A.I., director general of the Company on signing the additional agreements No. 4 dd. 11.06.2013 and No.6 dd. 11.06.2013 to the agreements No. 02-8/1-1676 dd. 17.02.2010 and No. 02-02/4-1184 dd. 07.07.2009 in accordance with Annex 9 to present decision of BoD.

To instruct Gavrilov A.I., director general of the Company to provide the implementation of necessary procedures on adoption of additional agreements No. 4 dd. 11.06.2013 and No. 6 dd. 11.06.2013 to agreements No. 02-8/1-1676 dd. 17.02.2010 and No. 02-02/4-1184 dd. 07.07.2009 with following determination of source of financing of expenses specified by additional agreements.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | AGAINST |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | AGAINST |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |
| Cherezov A.V. | - | AGAINST |  |  |  |

Thus, the decision on twenty second item was adopted by majority of Board of Directors members.

**Item 23: On approving the agreement on cooperation in preventing and recovering from an accidents on electricity generation facilities between “Kubanenergo” JSC and “IDGC of Centre and Volga region” JSC as transaction of interest.**

It is proposed to adopt the following decision:

To approve the agreement on cooperation for the prevention and elimination of accidents at energy facilities between “Kubanenergo” JSC and JSC “IDGC of Centre and Volga Region” JSC (hereafter – the Agreement, Annex 10 to present decision of Company’s BoD) as transaction of interest on the following terms:

**Parties of the Agreement:**

“Kubanenergo”

“IDGC of Center and Volga Region” JSC

**Subject** of the Agreement: relations between the Parties for the prevention and elimination of accidents at electric energy facilities caused by damage to equipment (including natural disasters), and the need to disconnect the supply of electricity to eliminate the threat to life, health and other causes in the responsibility area of the Parties.

The concept (definition) of the accident is understood in the sense in which it is treated by the Rules of investigation of the causes of accidents in power industry, approved by the Decree of the Government of the Russian Federation dated October 28, 2009 No. 846.

The agreement is concluded for the joint promptly organized action to restore transmission facilities that are necessary for the normalization of electricity supply to consumers and to prevent possible damage to consumers.

Parties in their activities are guided by the laws and other normative legal acts of the Russian Federation governing the organization and functioning of the wholesale and retail electricity markets, and by the Agreement.

**Responsibility of parties:** For any failure to perform its obligations under the Agreement the Parties shall be liable in accordance with the laws of the Russian Federation.

**Term of Agreement:** The Agreement shall enter into force upon the signature and is valid till 31.12.2013. If none of the parties claims to terminate the Agreement 30 (thirty) days prior to its expiration, the Agreement shall be extended for a year.

**Performance time:** Terms of work fulfillment at a facility are determined directly when organizing the work, the actual time of work and the number of employed in the work of the personnel and material resources will be defined in separate agreements with the registration of all necessary documents (certificates, invoices, etc.). The agreement is concluded by the parties on a standard form (Appendix 1 to the Agreement).

**Settlement of Disputes:** All disputes related to the implementation of the Agreement the Parties shall endeavor to resolve by negotiation. Unsolved disputes shall be settled in accordance with the legislation of the Russian Federation.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | FOR |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on twenty third item was unanimously adopted by the Board of Directors members.

**Item 24: On approving agency contracts between “Kubanenergo” JSC and “FGC UES” JSC as transaction of interest.**

In accordance with paragraph 1 article 81 of Federal Law “On Joint-Stock Companies” the transaction between “Kubanenergo” JSC and “FGC UES” JSC is considered as transaction of interest:

1. Shareholder of “Rosseti” JSC holding more than 20% of voting shares which are the parties of transaction, and affiliated persons are:
* Budargin O.M., Murov A.E., Sergeev S.V. hold positions in management bodies of “FGC UES” JSC which is party of transaction.
* “FGC UES” JSC is party of transaction.
1. Member of Company’s BoD Cherezov A.V., who hold position in management bodies (member of Board) of “FGC UES” JSC which is party of transaction.

In accordance with paragraph 3 article 83 of Federal Law “On joint-stock companies” the decision on this item adopts by the majority of votes of independent directors who are not interested in transaction settlement.

Except Cherezov A.V. all other members of “Kubanenergo” JSC Board of Directors participate in voting on this item and are considered uninterested in transaction by independent directors in accordance paragraph 3 Article 83 of Federal Law “On joint-stock companies”.

It is proposed to adopt the following decision:

To defer the consideration of the item to a later date.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | FOR |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |

Thus, the decision on twenty fourth item was unanimously adopted by the Board of Directors members.

**Item 25: On approving the Agreements on recovering the expenses between “Kubanenergo” JSC and “FGC UES” JSC as transaction of interest.**

In accordance with paragraph 1 article 81 of Federal Law “On Joint-Stock Companies” the transaction between “Kubanenergo” JSC and “FGC UES” JSC is considered as transaction of interest:

1. Shareholder of “Rosseti” JSC holding more than 20% of voting shares which are the parties of transaction, and affiliated persons are:
* Budargin O.M., Murov A.E., Sergeev S.V. hold positions in management bodies of “FGC UES” JSC which is party of transaction.
* “FGC UES” JSC is party of transaction.
1. Member of Company’s BoD Cherezov A.V., who hold position in management bodies (member of Board) of “FGC UES” JSC which is party of transaction.

In accordance with paragraph 3 article 83 of Federal Law “On joint-stock companies” the decision on this item adopts by the majority of votes of independent directors who are not interested in transaction settlement.

Except Cherezov A.V. all other members of “Kubanenergo” JSC Board of Directors participate in voting on this item and are considered uninterested in transaction by independent directors in accordance paragraph 3 Article 83 of Federal Law “On joint-stock companies”.

It is proposed to adopt the following decision:

To defer the consideration of the item to a later date.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | FOR |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |

Thus, the decision on twenty fifth item was unanimously adopted by the Board of Directors members.

**Item 26: On approving the service contract of online monitoring of supervisory control system working and communication systems of “Kubanenergo” JSC branch Sochi power grids between “Kubanenergo” JSC and “Moscow communication centre of power industry” as transaction of interest.**

In accordance with paragraph 1 article 81 of Federal Law “On Joint-Stock Companies” the transaction between “Kubanenergo” JSC and “Moscow Telecommunications Center of Energy Systems” JSC is considered as transaction of interest of shareholder of “Rosseti” JSC holding more than 20% of voting shares which are the parties of transaction, and affiliated persons are:

* “FGC UES” JSC owns more than 20% of voting shares of “Moscow Telecommunications Center of Energy Systems” – parties of transaction;
* “Moscow Telecommunications Center of Energy Systems” is party of transaction;
* Terentiev S.N. is member of management bodies (Director General) of “Moscow Telecommunications Center of Energy Systems” which is party of transaction.

In accordance with paragraph 3 article 83 of Federal Law “On joint-stock companies” the decision on this item adopts by the majority of votes of independent directors who are not interested in transaction settlement.

All members of “Kubanenergo” JSC Board of Directors participate in voting on this item and are considered uninterested in transaction by independent directors in accordance paragraph 3 Article 83 of Federal Law “On joint-stock companies”.

It is proposed to adopt the following decision:

1. To set the price of Agreement on services implementation of operating control of works of SCS and communications systems of “Kubanenergo” JSC branch Sochi power grids between “Kubanenergo” JSC and “Moscow Telecommunications Center of Energy Systems” as transaction of interest, in amount of 4 999 182.1 (four million nine hundred ninety nine thousand one hundred eighty two rubles) 10 kopecks including VAT 18% 762 587.1 (seven hundred sixty two thousand five hundred eighty seven hundred rubles) 10 kopecks.

2. To approve the agreement on services implementation of operating control of works of SCS and communications systems between “Kubanenergo” JSC and “Moscow Telecommunications Center of Energy Systems” as transaction of interest on the following terms:

**Parties of the Agreement:**

Customer - “Kubanenergo” JSC

Contractor - “Moscow Telecommunications Center of Energy Systems” JSC

**Subject** **of the Agreement**: The Contractor shall provide complex of services of operational control of the of dispatching and control system (hereinafter - the supervisory control system) and communications systems of branch of "Kubanenergo" Sochi power grids (hereinafter - services), according to paragraph 3 of Annex 1 to the Contract, and the Customer shall accept the results of work and pay for the services. List of supervisory control systems and communication systems of the Customer, which are subject to services are specified in item 9 of Annex 1 to the Contract.

**Contract price**: The cost of services under the Contract amounts 499 918.21 (four hundred ninety nine thousand nine hundred eighteen rubles) 21 kopecks including VAT 18% 76 258.71 (seventy six thousand two hundred fifty eight rubles) 71 kopecks.

Cost of Services under the Contract for entire duration of the contract amounts 4 999 182.1 (four million nine hundred ninety nine thousand one hundred eighty two rubles) 10 kopecks including VAT 18% 762 587.1 (seven hundred sixty two thousand five hundred eighty seven hundred rubles) 10 kopecks.

**Term of Agreement:** The agreement shall enter into force on the date of its signing and shall cover the relations between the Parties since 01.07.2013 and is valid until 30.04.2014.

**Services commencement date:**

services commencement date – 01.07.2013

**Settlement of Disputes:** All disputes related to the implementation of the Agreement the Parties shall endeavor to resolve by negotiation. In case of failure to settle the dispute through negotiations, all disputes, controversies and claims arising from the Contract or in connection with it, including those connected with its conclusion, change, performance, breach, termination, shall be settled by arbitration of the Krasnodar Territory.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | FOR |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | ABSTAINED | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on the twenty sixth item was adopted by majority of the Board of Directors members.

**Item 27: On determining of cases (amounts) of property transactions of “Kubanenergo” JSC, subject to prior approval by the Board of Directors.**

It is proposed to adopt the following decision:

1. To decide that, in accordance with paragraph 38 of article 15 of the Company’s Charter decisions on the Company's transactions (including several interconnected transactions) related to the potential alienation shall be subject to prior approval by the Board of Directors:

1.1. fixed assets classified in accordance with the law as real estate, facilities of construction in progress, which are used for the production, transmission, dispatching, distribution of electric and thermal energy, regardless of their net value or market value;

1.2. fixed assets classified in accordance with the law as real estate, construction in progress, that are not used for the generation, transmission, dispatching, distribution of electric and thermal energy, the balance or the market value of which exceeds 30 million rubles, with the exception of alienation at no charge state or municipal ownership of housing and public utilities and public engineering infrastructure, regardless the net or market value;

1.3. fixed assets, except those classified in accordance with the law as real estate, regardless of their use (purpose), the balance or the market value of which exceeds 30 million rubles;

1.4. intangible assets, regardless of their use (purpose) and their net or market value.

2. To decide that the transactions related to the disposal of fixed assets and classified in accordance with the law as real estate, construction in progress, that are not used for the generation, transmission, distribution of electric and thermal energy, are to be concluded in accordance with the Regulation on the organization of the sale of non-core assets of “Kubanenergo” JSC, approved by the Board of Directors on 20.11.2008 (Minutes of meeting No. 62/2008), and in the case if their net or market value is 5 million or more, after the receipt of the recommendation of the Audit Committee of the Company to approve the use of an assessment of their market value.

3. To instruct the General Director of “Kubanenergo” JSC:

3.1. to submit in the first quarter of the year following the reporting quarter to the consideration of the Board of Directors the report on transactions related to disposal of fixed assets, classified in accordance with the law as real estate, construction in progress, that are not used for the generation, transmission, distribution of electricity and heat energy, as well as the shares (stakes) of subsidiaries and affiliated companies that are not engaged in the production, transmission, dispatching, distribution and sale of electricity and thermal energy;

3.2. to bring for the consideration at the next meeting of the Board of Directors the issue of updating the registry (programme of selling) of non-core assets of “Kubanenergo” JSC in order to generate additional revenue for deficit financing of the investment program of the Company, including the establishment of the term of the sale of non-core assets.

4. To consider as invalid the decision of the Board of Directors “Kubanenergo” JSC dated 16 December 2008 (Minutes of meeting No. 63/2008 dd. 18.12.2008) in part of the determining the cases (amounts) of transactions with “Kubanenergo” JSC property, subject to prior approval by the Company’s Board of Directors.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Likhov Kh.M. | - | AGAINST |
| Varvarin A.V. | - | FOR | Lavrova M.A. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Katina A.Yu. | - | FOR | Neganov L.V. | - | FOR |
| Kolyada A.S. | - | ABSTAINED | Solod A.V. | - | FOR |
| Cherezov A.V. | - | FOR |  |  |  |

Thus, the decision on the twenty-seventh item was adopted by majority of the Board of Directors members.

Chairperson of Board of Directors R.R. Magadeyev

Corporate secretary O.V. Russu