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**Minutes of Board of Directors Meeting No.140/2012**

**Open joint stock company**

**of power industry and electrification of Kuban (“Kubanenergo” JSC)**

|  |  |
| --- | --- |
| Date of meeting | 31.07.2012 |
| Form of holding the meeting | Absentee voting (questionnaire) |
| Place of vote counting | Office 101, 2 Stavropolskaya St., Krasnodar (postal address of “Kubanenergo”, JSC) |
| Date of vote counting | 31.07.2012 17:00 |
| Date of drawing up minutes | 03.08.2012 |

**Number of Board of Directors Members:** 11

**Questionnaires were submitted by:**.Demidov A.V., Katina A.Yu., Perepyolkin A.Yu., Pyatigor A.M., Romeiko D.I., Sultanov G.A., Shvets N.N., Yurchyuk S.E.

**Questionnaires were not submitted by:** Bannikova V.V., Gilaev G.G., Pukhalskiy A.A.

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 consideration the report of “Kubanenergo” JSC on intended expenditures of credit funds and funds received from emission of supplement shares of “Kubanenergo” JSC paid by other shareholders.
2. On approving Company’s target values of effectiveness.
3. On using funds received from other shareholders in 2009-2011 in Company’s authorized capital registered in accordance with decision of BoD dd. 21.05.2012 (Minutes dd. 24.05.2012 No. 134/2012), on financing the events aimed on purchasing real property located in the area of ​​construction of power facilities, to ensure the commissioning of Olympic power facilities (paragraphs 145, 146 of Program of building 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. On consideration the report of “Kubanenergo” JSC on intended expenditures of credit funds and funds received from emission of supplement shares of “Kubanenergo” JSC paid by other shareholders.**

**It is proposed to adopt the following decision:**

To take into account the report of “Kubanenergo” JSC on intended expenditures of credit funds and funds received from emission of supplement shares of “Kubanenergo” JSC paid by other shareholders as on 30.06.2012 according to Appendix 1 to present decision of Company’s BoD.

**Voting results**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Demidov A.V. | - | FOR |  | Romeiko D.I. | - | FOR |
| Katina A.Yu. | - | FOR |  | Sultanov G.A. | - | FOR |
| Perepyolkin A.Yu. | - | FOR |  | Shvets N.N. | - | FOR |
| Pyatigor A.M. | - | FOR |  | Yurchyuk S.E. | - | FOR |
|  |  |  |  |  |  |  |

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

**2. On approving Company’s target values of effectiveness.**

**It is proposed to adopt the following decision:**

1. To add KPI list of new system of Company’s KPI (upon its confirmation by Company’s BoD) with annual and quarterly indicators “The accomplishment of milestones of schedule of underrun liquidation on energy facilities Sochi-2014” calculated in accordance with methods approved in item 2 of present decision of Company’s BoD and annual and quarterly indicator “The accomplishment of financial schedules of development and commissioning in fixed assets federal programs”.
2. To approve the method of calculation and evaluation of the annual and quarterly KPI “Implementation of schedules’ milestones of reducing the backlog of energy supply facilities Sochi-2014” in accordance with Annex 2 to present decision of Company’s BoD.
3. Director General should submit for approval for Company’s BoD calculation methodology, target values, bonus parts on KPI “Accomplishment of financial schedules f development and commissioning in fixed assets federal programs taking into account provisions of contracts on assignment of budget investments between “Holding IDGC” JSC, Federal Agency for the Administration of State Property and RF Ministry of Energy”.

**Voting results:**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Demidov A.V. | - | FOR |  | Romeiko D.I. | - | FOR |
| Katina A.Yu. | - | FOR |  | Sultanov G.A. | - | FOR |
| Perepyolkin A.Yu. | - | FOR |  | Shvets N.N. | - | FOR |
| Pyatigor A.M. | - | FOR |  | Yurchyuk S.E. | - | ABSTAINED |
|  |  |  |  |  |  |  |

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

**3. On using funds received from other shareholders in 2009-2011 in Company’s authorized capital registered in accordance with decision of BoD dd. 21.05.2012 (Minutes dd. 24.05.2012 No. 134/2012), on financing the events aimed on purchasing real property located in the area of ​​construction of power facilities, to ensure the commissioning of Olympic power facilities (paragraphs 145, 146 of Program of building Olympic facilities and development of Sochi as a mountain resort, approved by the Government of the Russian Federation dd. 29.12.2007 No. 991).**

**It is proposed to adopt the following decision:**

To defer the consideration of the question to later date.

**Voting results:**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Demidov A.V. | - | FOR |  | Romeiko D.I. | - | FOR |
| Katina A.Yu. | - | FOR |  | Sultanov G.A. | - | FOR |
| Perepyolkin A.Yu. | - | FOR |  | Shvets N.N. | - | FOR |
| Pyatigor A.M. | - | FOR |  | Yurchyuk S.E. | - | FOR |
|  |  |  |  |  |  |  |

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

|  |  |
| --- | --- |
| Chairperson of BoD | Romeiko D.I. |
| Corporate secretary | Russu O.V. |