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**Minutes of Board of Directors Meeting No. 152/2013**

**Open joint stock company**

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

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| Date of meeting | 18 February 2013 |
| Form of holding the meeting | In presentia and absentee voting |
| Place of vote counting | Office 511, 26 Ulanskiy lane, Moscow |
| Time of starting  Time of ending | 3 p.m.  4 p.m. |
| Date of drawing up minutes | 21 February 2013 |

According to requirements of paragraph 7.1 of Regulation on order of conveying and holding meetings of Open Joint-Stock Company of power industry and electrification of Kuban Board of Directors approved by decision of annual General meeting of “Kubanenergo”, JSC shareholders dated 22.06.2012, minutes No.31 the meeting of Company’s BoD should be opened by **Budargin Oleg Mikhailovich**, Chairperson of “Kubanenergo” JSC Board of Directors.

According to requirements of paragraph 7.3 of Regulation on order of conveying and holding meetings of Open Joint-Stock Company of power industry and electrification of Kuban Board of Directors the presence of quorum for holding meeting should be determined by Russu Olga Vladimirovna, Corporate secretary of the Company.

According to requirements of paragraph 7.3 of Regulation on order of conveying and holding meetings of Open Joint-Stock Company of power industry and electrification of Kuban Board of Directors, quorum for holding the meeting should count at least half of elected members of Board of Directors. In accordance with paragraph 16.1 of Regulation of “Kubanenergo” JSC 11 (eleven) members were elected to Board of Directors.

**Board of Directors Members participated in the meeting**: Budargin O.M. (chairperson of Board of Directors), Goncharov V.A., Dyakov F.A., Prokhorov Ye.V., Romeiko D.I., Sultanov G.A.

**Board of Directors Members not participated in the meeting**:: Demidov A.V., Yemelin A.S., Likhov Kh.M., Murov A.Ye., Nikonov V.V.

6 members of Company’s Board of Directors participated in the meeting, it is at least half of elected members of Company’s BoD.

Quorum is present

**Questionnaires were submitted by:** Demidov A.V., Likhov Kh.M., Murov A.Ye., Nikonov V.V.

**Questionnaires were not submitted by:** Yemelin A.S.

Agenda

1. On approving the business plan (including investment program) of “Kubanenergo” JSC for 2013-2017.
2. On approving key annual indicators and quarterly key performance indicators of Director General and top managers of “Kubanenergo” JSC for 2013.
3. On approving the Program of energy saving and increasing of energy effectiveness of “Kubanenergo” JSC for 2013-2018.

**Item 1**

**On approving the business plan (including investment program) of “Kubanenergo” JSC for 2013-2017.**

- Galyaev Aleksandr Nikolaevich, deputy Director General on economics and finances of “Kubanenergo” JSC reported on parameters of business plan of the Company for 2013-2017;

- Yurchenko Vladimir Yurievich, deputy Director General on capital construction of “Kubanenergo” JSC reported on parameters of financing of investment program of the Company for 2013-2017.

- Budargin Oleg Mikhailovich, chairperson of Board of Directors made a report on loss making activity of the Company, on necessity of decreasing the loss making activity and increasing of yield of the Company;

- Prokhorov Yegor Vyacheslavovich, member of BoD made a report on increasing of accounts receivable of the Company, on connection of investment program of the Company with program of energy saving and increasing of energy efficiency;

- Goncharov Valeriy Anatolievich, member of Company’s BoD made a report on deposit account, on introduction of fixed assets of the Company.

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

1. To approve the business plan (including investment program) of “Kubanenergo” JSC for 2013-2017 with indicators for the first quarter of 2013 in accordance with Appendix 1 and 2 to present decision of Company’s BoD.
2. To instruct Director General of “Kubanenergo”:
   1. To provide no later than 15 March of 2013 the consideration of “Kubanenergo” JSC BoD the following item “On approving business plan (including investment program) of “Kubanenergo” JSC for 2013-2017 created with taking into account break-even activity from providing services on electric power transmission”;
   2. To develop and submit at the meeting of “Kubanenergo” JSC BoD the events plan, providing non-exceedance approved for 2013 normative of energy loss.

**Voting results**

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| --- | --- |
| **FOR** | Budargin O.M. (Chairperson of Company’s BoD), Goncharov V.A., Demidov A.V., Dyakov F.A., Murov A.Ye., Nikonov V.V., Prokhorov Ye.V., Romeiko D.I., Sultanov G.A. |
| **AGAINST** | **-** |
| **ABSTAINED** | Likhov Kh.M. |

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

**Item 2**

**On approving key annual indicators and quarterly key performance indicators of Director General and top managers of “Kubanenergo” JSC for 2013.**

Belik Vyacheslav Aleksandrovich, head of department on personnel management and organization design of “Kubanenergo” JSC reported on key annual indicators and quarterly key performance indicators of Director General and top managers of “Kubanenergo” JSC for 2013.

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

1. To approvequarterlykey performance indicators of Director General of “Kubanenergo” JSC for the 1st quarter of 2013 in accordance with Appendix 3 to present decision of Company’s BoD.

2. To take into consideration the information on quarterlykey performance indicators of top managers of “Kubanenergo” JSC for the 1st quarter of 2013 in accordance with Appendix 4 to present decision of Company’s BoD.

3. To instruct Director General of “Kubanenergo” JSC to provide no later than 15 March of 2013 the consideration of “Kubanenergo” JSC BoD the following item “On approving annual key indicators and quarterly key performance indicators of Director General and top managers of “Kubanenergo” JSC for 2013”.

**Voting results**

|  |  |
| --- | --- |
| **FOR** | Budargin O.M. (Chairperson of Company’s BoD), Goncharov V.A., Demidov A.V., Dyakov F.A., Murov A.Ye., Nikonov V.V., Prokhorov Ye.V., Romeiko D.I., Sultanov G.A. |
| **AGAINST** | **-** |
| **ABSTAINED** | Likhov Kh.M. |

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

**Item 3**

**On approving the Program of energy saving and increasing of energy effectiveness of “Kubanenergo” JSC for 2013-2018.**

- Lyashko Andrei Vladimirovich, deputy Director General on development and selling of services of “Kubanenergo” JSC reported on parameters and aims of Program of energy saving and increasing of energy effectiveness of “Kubanenergo” JSC for 2013-2018 (hereafter - Program).

- Budargin Oleg Mikhailovich, chairperson of Company’s BoD made a report on energy metering system, on conclusion of energy service contracts;

- Prokhorov Yegor Vyacheslavovich, member of Company’s BoD made a report on total internal yield on Program, on installation of energy metering systems in apartment houses;

Romeiko Dmitriy Igorevich, member of Company’s BoD made a report on overall audit of Company’s activity in sphere of services rendering on electric energy transferring, power supply, increasing of energy efficiency and decreasing of level of technological consumption (losses) of electric energy.

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

1. To take into consideration the Program of energy saving and increasing of energy effectiveness of “Kubanenergo” JSC for the 1st quarter of 2013 in accordance with Appendix 5 to present decision of Company’s BoD;

2. To instruct Director General of “Kubanenergo” JSC no later than 15 March of 2013:

2.1 To submit for the consideration of “Kubanenergo” JSC BoD the report on overall audit of Company’s activity in sphere of services rendering on electric energy transferring, power supply, increasing of energy efficiency and decreasing of level of technological consumption (losses) of electric energy;

2.2 To provide the submit for the consideration of “Kubanenergo” JSC BoD the following item “On approving the Program of energy saving and increasing of energy effectiveness of “Kubanenergo” JSC for 2013-2018”, created in accordance with parameters of business plan (including investment program) and including conclusions on results of overall audit.

**Voting results**

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| --- | --- |
| **FOR** | Budargin O.M. (Chairperson of Company’s BoD), Goncharov V.A., Demidov A.V., Dyakov F.A., Murov A.Ye., Nikonov V.V., Prokhorov Ye.V., Romeiko D.I., Sultanov G.A. |
| **AGAINST** | **-** |
| **ABSTAINED** | Likhov Kh.M. |

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

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| Chairperson | Budargin O.M. |
| Corporate secretary | Russu O.V. |