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**Minutes of Board of Directors Meeting No. 159/2013**

**Open joint stock company of power industry and electrification of Kuban (“Kubanenergo” JSC)**

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| --- | --- |
| Date of meeting | April 16, 2013 |
| Form of holding the meeting | Absentee voting (questionnaire) |
| Place of vote counting | Room 511, 26 Ulanskiy lane, Moscow |
| The meeting started at  The meeting ended at | 15:00  16:40 |
| Date of drawing up minutes | 19 April 2013 |

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

According to requirements of paragraph 7.3 of Regulation on order of conveying and holding meetings of Joint-Stock Company of power industry and electrification of Kuban Board of Directors, Russu Olga Vladimirovna, Corporate secretary of the Company is called upon to announce the presence of quorum.

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

**The following members took part at meeting:** Budargin O.M. (chairperson of Board of Directors), Goncharov V.A., Demidov A.V., Murov A.Y., Prokhorov Ye.V., Sultanov G.A.

**The following members did not take part at meeting:** Dyakov F.A., Yemelin A.S., Likhov Kh.M., Nikonov V.V., Romeiko D.I.

6 members of Company’ Board of Directors are present at the meeting, it amounts at least half of elected members of Company’s BoD.

Quorum is present

**Questionnaires were submitted by:** Diyakov F.A., Yemelin A.S., Romeiko D.I.

**Questionnaires were not submitted by:** Likhov Kh.M., Nikonov V.V.

**Agenda**

1. On approving business-plan of the Company (including the investment programme) for 2013-2017.
2. On approving key annual and quarterly performance indicators of director general and top managers of Kubanenergo for 2013.
3. On approving the Programme on energy saving and increasing energy efficiency of Kubanenergo JSC for 2013-2018.
4. On taking into consideration the report of Director general on complex audit of Kubanenergo activity in the sphere of rendering services on electric energy transmission, energy saving, increasing energy efficiency and reducing level of technological losses of electric energy.
5. On taking into consideration the schedule of activities aimed at non-exceedance of the approved for 2013 level of electricity losses.

**Item 1: On approving business-plan of the Company (including the investment programme) for 2013-2017.**

- Galyaev Aleksandr Nikolaevich, deputy director general on economics and finance of “Kubanenergo” JCS – on parameters of organization of Company’s business-plan for 2013-2017;

- Kruk Gennadiy Mikhailovich, acting deputy director general on capital building - on parameters of organization of investment programme of the Company for 2013-2017;

- Gavrilov Aleksandr Ilich, acting director general of “Kubanenergo” JSC – on failure of achieving lossless Company’s operation from providing services for electric power transmission by the results of 2013, on absence in the investment program of facilities obligations on which expired year ago, on the necessity of business-plan improvement (including investment programme) of “Kubanenergo” JSC for 2013-2017 and submitting it with an allowance for improvements to the next meeting of Board of Directors.

SPEAKERS:

Budargin Oleg Mikhailovich, chairperson of Board of Directors – on the necessity of detailed improvement of business-plan, including investment programme of “Kubanenergo” JSC on submission for approval by Company’s BoD in the end of April of this year.

Decision:

1. To defer the discussion of the item to a later date due to necessity in improving of the business-plan (including the investment programme) for 2013-2017.
2. To instruct acting director general of Kubanenergo Gavrilov A.I. by April 30, 2013 to ensure the improved business-plan (including the investment programme) for 2013-2017 was included into agenda of the BoD meeting.

**Voting results:**

|  |  |  |
| --- | --- | --- |
| FOR | - | Budargin O.M. (chairperson of BoD), Goncharov V.A., Demidov A.V., Dyakov F.A., Yemelin A.S., Murov A.Y., Prokhorov Ye.V., Romeiko D.I., Sultanov G.A. |
| AGAINST | - |  |
| ABSTAINED | - |  |

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

**Item 2: On approving key annual and quarterly performance indicators of director general and top managers of Kubanenergo for 2013.**

- Belik Vyacheslav Aleksandrovich, head of Personnel Management and Organization Design Department of “Kubanenergo” JSC – on reasonability of deferring the issue consideration in accordance with deferring the business-plan consideration, including investment programme of “Kubanenergo” JSC for 2013-2017 to a later date.

SPEAKERS:

Budargin Oleg Mikhailovich, chairperson of Board of Directors – with proposition to defer the issue consideration and submitting to the consideration by Company’s BoD at the end of April of this year.

Decision:

1. To defer the consideration of item to a later date.
2. To instruct acting director general of Kubanenergo Gavrilov A.I. by April 30, 2013 to ensure the agenda item “On approving key annual and quarterly performance indicators of director general and top managers of Kubanenergo for 2013” was included into agenda of the BoD meeting.

**Voting results:**

|  |  |  |
| --- | --- | --- |
| FOR | - | Budargin O.M. (chairperson of BoD), Goncharov V.A., Demidov A.V., Dyakov F.A., Yemelin A.S., Murov A.Y., Prokhorov Ye.V., Romeiko D.I., Sultanov G.A. |
| AGAINST | - |  |
| ABSTAINED | - |  |

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

**Item 3: On approving the Programme on energy saving and increasing energy efficiency of Kubanenergo JSC for 2013-2018.**

- Kostetskiy Vyacheslav Yurievich, deputy director general on development and services realization of “Kubanenergo” JCS – on reasonability of deferring the issue consideration, on necessity of improving the Programme on energy saving and increasing of energy efficiency of “Kubanenergo” JSC for 2013-2018 in accordance with deferring the business-plan consideration including investment programme for 2013-2017 to a later date.

SPEAKERS:

- Demidov Aleksei Vladimirovich, member of BoD – on level of energy losses of “Kubanenergo” JSC for 2013;

- Budargin Oleg Mikhailovich, chairperson of BoD – with proposition to defer the issue consideration and submitting to the consideration by Company’s BoD at the end of April of this year.

Decision:

1. To defer the consideration of item to a later date.
2. To instruct acting director general of Kubanenergo Gavrilov A.I. by April 30, 2013 to ensure the agenda item “On approving the Programme on energy saving and increasing energy efficiency of Kubanenergo JSC for 2013-2018”, prepared in accordance with parameters of business-plan (including the investment programme) for 2013-2017, was included into agenda of the BoD meeting.

**Voting results:**

|  |  |  |
| --- | --- | --- |
| FOR | - | Budargin O.M. (chairperson of BoD), Goncharov V.A., Demidov A.V., Dyakov F.A., Yemelin A.S., Murov A.Y., Prokhorov Ye.V., Romeiko D.I., Sultanov G.A. |
| AGAINST | - |  |
| ABSTAINED | - |  |

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

**Item 4: On taking into consideration the report of Director general on complex audit of Kubanenergo activity in the sphere of rendering services on electric energy transmission, energy saving, increasing energy efficiency and reducing level of technological losses of electric energy.**

- Kostetskiy Vyacheslav Yurievich, deputy director general on development and services realization of “Kubanenergo” JSC - on complex audit of Kubanenergo activity in the sphere of rendering services on electric energy transmission, energy saving, increasing energy efficiency and reducing level of technological losses of electric energy.

SPEAKERS:

- Prokhorov Yegor Vyacheslavovich, deputy chairperson of BoD with proposition to defer the issue consideration and submitting to the consideration by Company’s BoD with another wording and the provision of additional materials on issue at the end of April of this year.

Decision:

1. To defer the consideration of item to a later date
2. To instruct acting director general of Kubanenergo Gavrilov A.I.:
   1. by April 30, 2013 to ensure the agenda item “On taking into consideration the report of acting Director general on the process of elimination of faults and drawbacks revealed during the complex audit of Kubanenergo activity in the sphere of rendering services on electric energy transmission, energy saving, increasing energy efficiency and reducing level of technological losses of electric energy” was included into agenda of the BoD meeting;
   2. to submit the schedule of activities aimed at elimination of faults and drawbacks, to add the material proving the results of the work on elimination of faults and drawbacks

**Voting results:**

|  |  |  |
| --- | --- | --- |
| FOR | - | Budargin O.M. (chairperson of BoD), Goncharov V.A., Demidov A.V., Dyakov F.A., Yemelin A.S., Murov A.Y., Prokhorov Ye.V., Romeiko D.I., Sultanov G.A. |
| AGAINST | - |  |
| ABSTAINED | - |  |

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

**Item 5: On taking into consideration the schedule of activities aimed at non-exceedance of the approved for 2013 level of electricity losses.**

- Kostetskiy Vyacheslav Yurievich, deputy director general on development and services realization of “Kubanenergo” JSC – on activities aimed at non-exceedance of the approved for 2013 level of electricity losses (hereafter - Activities);

- Gavrilov Aleksand Ilich, acting director general of “Kubanenergo” JSC – on consideration the possibility of Activities funding through the funds received in the result of additional capital stock issues of the Company.

SPEAKERS:

- Prokhorov Yegor Vyacheslavovich, deputy chairperson of BoD – which Activities require additional funding, which cash flows provide these Actities;

- Demidov Aleksei Vladimirovich, member of BoD – on standard of electric power losses planned by Kubanenergo JSC

Decision:

1. To defer the consideration of item to a later date
2. To instruct acting director general of Kubanenergo Gavrilov A.I. by April 30, 2013 to ensure the agenda item “On taking into consideration the schedule of activities aimed at non-exceedance of the approved for 2013 level of electricity losses” was included into agenda of the BoD meeting.

**Voting results:**

|  |  |  |
| --- | --- | --- |
| FOR | - | Budargin O.M. (chairperson of BoD), Goncharov V.A., Demidov A.V., Dyakov F.A., Yemelin A.S., Murov A.Y., Prokhorov Ye.V., Romeiko D.I., Sultanov G.A. |
| AGAINST | - |  |
| ABSTAINED | - |  |

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

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| --- | --- |
| Chairperson | Budargin O.M. |
| Corporate Secretary | Russu O.V. |