

2 Stavropolskaya street, Krasnodar 350033
 phone: (861) 268-59-13, fax (861) 268-24-93
 teletype: 221292 KAHBA, telet@kuben.elektra.ru

Minutes of Board of Directors Meeting No. 207/2015
Open joint stock company of
power industry and electrification of Kuban (“Kubanenergo” JSC)

Date of meeting	16 April 2015
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	16.04.2015, 5 p.m.
Date of drawing up minutes	17 April, 2015

Board of Directors Members: 11

Questionnaires were submitted by: Sergeyev S.V. (chairperson of BoD), Varvarin A.V., Gavrilov A.I., Kobelyan A.M., Lavrova M.A., Mezhevich V.E., Sukhov O.A., Kharin A.N., Khokholkova K.V., Chermenteeva Yu. P., Shatokhin A.G.

Questionnaires were not submitted by: No.

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 approval of Regulations on Audit Committee attached to the BoD of Kubanenergo JSC
2. On consideration report of sole executive body of the Company on key operational risk management in 2014
3. On consideration of report on efficiency of Company’s internal control system in 2014
4. On consideration of report on efficiency of Company’s internal control system in 2014
5. On consideration of information provided by Director general on reliability and quality level of rendered services subject to tariff regulation on the base of long-term parameters of activity’s regulation in 2014
6. On approval of key indicators of cash flow in Kubanenergo JSC for the 2nd quarter of 2015
7. On approval of additions to Company’s internal document: 2015-2017 Programme of Kubanenergo JSC on reduction of risks of personnel and third parties injuries near electricity facilities of the Company
8. On consideration of report on the process of implementation of Innovation development programme of Kubanenergo JSC in 2014
9. On consideration of report on process and results of implementation of activities included in amended List of energy service projects
10. On consideration of report on implementation of approved by the BoD Plan of activities on reduction of overdue accounts receivable for rendered services on electricity transmission and settlement of disputes present as of 01.10.2014
11. On approval of contract of free of charge use of residential premises between Kubanenergo JSC and employee of Kubanenergo JSC
12. On introduction of changes and additions to Regulations on purchase of goods, services and works for needs of Kubanenergo JSC
13. On consideration of report prepared by director general of Kubanenergo JSC on implementation of Plan of centralization and automation of treasury function

Item 1**On approval of Regulations on Audit Committee attached to the BoD of Kubanenergo JSC.**

The following decision is proposed:

1. To approve the Regulations on Audit Committee attached to the BoD of Kubanenergo JSC, in accordance with Appendix 1 to the decision of the BoD.
2. To consider as invalid the Regulations on Audit Committee attached to the BoD of Kubanenergo JSC approved by the BoD on 23.08.2012 (minutes of meeting No.142/2012).

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Gavrilov A.I.	- FOR	Kharin A.N.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermenteeva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

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

Item 2**On consideration report of sole executive body of the Company on key operational risk management in 2014.**

The following decision is proposed:

To take into consideration report of sole executive body of the Company on key operational risk management in 2014, in accordance with Appendix 2 to the decision of Company's BoD.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Gavrilov A.I.	- FOR	Kharin A.N.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermenteeva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

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

Item 3**On consideration of report on efficiency of Company's internal control system in 2014.**

The following decision is proposed:

1. To approve the report on efficiency of Company's internal control system in 2014, in accordance with Appendix 3 to the decision of Company's BoD.
2. To instruct sole executive body of the company to carry out range of activities aimed at development and sophistication of internal control system and risks management, specified in the Report on efficiency of Company's internal control system in 2014, in order to increase maturity level of internal control system.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Gavrilov A.I.	- FOR	Kharin A.N.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermenteeva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- ABSTAINED

Sergeyev S.V. - FOR

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

Item 4

On approval of restated Regulations on financial incentives and employee benefits of top managers of Kubanenergo JSC.

The following decision is proposed:

To approve the restated Regulations on financial incentives and employee benefits of top managers of Kubanenergo JSC, in accordance with Appendix 4 to the decision of Company's BoD..

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Gavrilov A.I.	- FOR	Kharin A.N.	- AGAINST
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermenteeva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

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

Item 5

On consideration of information provided by Director general on reliability and quality level of rendered services subject to tariff regulation on the base of long-term parameters of activity's regulation in 2014.

The following decision is proposed:

To take into consideration the information provided by Director general on reliability and quality level of rendered services subject to tariff regulation on the base of long-term parameters of activity's regulation in 2014, in accordance with Appendix 5 to the decision of Company's BoD..

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Gavrilov A.I.	- FOR	Kharin A.N.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermenteeva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

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

Item 6

On approval of key indicators of cash flow in Kubanenergo JSC for the 2nd quarter of 2015.

1. To approve key indicators of cash flow for the 2nd quarter of 2015

Month	Services on organization of functioning and development of distribution grid complex	Dividends (tax excluded)
April	7 521	0
May	7 521	0
June	7 521	0

2. To instruct director general of the Company:

- within 5 (five) business days after the adoption of this resolution to prepare the draft of key indicators of cash flow and ensure its approval;
- within 1 (one) working day after the approval of key indicators of cash flow to send the document to members of Company's BoD.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Gavrilov A.I.	- FOR	Kharin A.N.	- ABSTAINED
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermenteeva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

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

Item 7

On approval of additions to Company's internal document: 2015-2017 Programme of Kubanenergo JSC on reduction of risks of personnel and third parties injuries near electricity facilities of the Company.

The following decision is proposed:

To approve additions to Company's internal document: 2015-2017 Programme of Kubanenergo JSC on reduction of risks of personnel and third parties injuries near electricity facilities of the Company, in accordance with Appendix 6 to the decision of Company's BoD..

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Gavrilov A.I.	- FOR	Kharin A.N.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermenteeva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

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

Item 8

On consideration of report on the process of implementation of Innovation development programme of Kubanenergo JSC in 2014.

The following decision is proposed:

To take into consideration the report on the process of implementation of Innovation development programme of Kubanenergo JSC in 2014, in accordance with Appendix 7 to the decision of Company's BoD.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Gavrilov A.I.	- FOR	Kharin A.N.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermenteeva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

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

Item 9**On consideration of report on process and results of implementation of activities included in amended List of energy service projects.**

The following decision is proposed:

1. To take into consideration the report on process and results of implementation of activities included in amended List of energy service projects, in accordance with Appendix 8 to the decision of Company's BoD.
2. To instruct Director general to regularly submit to the BoD meetings report on process of implementation of activities included in amended List of energy service projects by including it to the report on implementation of resolutions taken by the Company's BoD in the 1st and 3rd quarters.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Gavrilov A.I.	- FOR	Kharin A.N.	- ABSTAINED
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermenteeva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

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

Item 10**On consideration of report on implementation of approved by the BoD Plan of activities on reduction of overdue accounts receivable for rendered services on electricity transmission and settlement of disputes present as of 01.10.2014.**

The following decision is proposed:

To take into consideration the report on implementation of approved by the BoD Plan of activities on reduction of overdue accounts receivable for rendered services on electricity transmission and settlement of disputes present as of 01.10.2014, in accordance with Appendix 9 to the decision of Company's BoD.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Gavrilov A.I.	- FOR	Kharin A.N.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermenteeva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

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

Item 11**On approval of contract of free of charge use of residential premises between Kubanenergo JSC and employee of Kubanenergo JSC.**

The following decision is proposed:

To approve contract of free of charge use of residential premises between Kubanenergo JSC and Kirichenko Nikolay (premises located at: 12 apartment, 18 Nevskaya str., Sochi, Krasnodar region, RF) on conditions specified in Appendix 10 to the decision of Company's BoD..
confidential.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Gavrilov A.I.	- FOR	Kharin A.N.	- FOR

Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermenteeva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- ABSTAINED
Sergeyev S.V.	- FOR		

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

Item 12

On introduction of changes and additions to Regulations on purchase of goods, services and works for needs of Kubanenergo JSC

The following decision is proposed:

To introduce changes and additions to Regulations on purchase of goods, services and works for needs of Kubanenergo JSC, in accordance with Appendix 11 to the decision of Company's BoD.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Gavrilov A.I.	- FOR	Kharin A.N.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermenteeva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

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

Item 13

On consideration of report prepared by director general of Kubanenergo JSC on implementation of Plan of centralization and automation of treasury function

The following decision is proposed:

To defer discussion to a later date

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Gavrilov A.I.	- FOR	Kharin A.N.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermenteeva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

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

Chairperson

Sergeyev S.V.

Corporate secretary

Russu O.V.