



ОТКРЫТОЕ АКЦИОНЕРНОЕ ОБЩЕСТВО
ЭНЕРГЕТИКИ И ЭЛЕКТРИФИКАЦИИ КУБАНИ
О А О « К У Б А Н Ъ Э Н Е Р Г О »
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Minutes of Board of Directors Meeting No. 201/2014
Open joint stock company of
power industry and electrification of Kuban (“Kubanenergo” JSC)

Date of meeting	29 December, 2014
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	29.12.2014, 5 p.m.
Date of drawing up minutes	30 December, 2014

Board of Directors Members: 11

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

Questionnaires were not submitted by: Gavrilov A.I., Kharin A.N.

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 approving the Programme of energy saving and increasing of energy efficiency of “Kubanenergo” JSC in 2015-2016.
2. On approving recruitment and social policy of “Kubanenergo” JSC.
3. On approving adjusted annual target values of key performance indicators of Director General and top managers of “Kubanenergo” JSC in 2014.
4. On preliminary adoption of changes to Labour contract of “Kubanenergo” JSC for 2013-2015.
5. On approving the Programme of insurance coverage of “Kubanenergo” JSC for 2015.
6. On introducing changes into internal document of the Company: Regulation on provision of insurance coverage of the Company for 2013-2015.
7. On approving Scheduled plan of activities of “Kubanenergo” on reducing overdue accounts receivable for service on transferring of electric energy and disputes settlement as of 01.10.2014.
8. On taking into consideration the report of Director General of the Company on results of causes analysis and elimination of violations revealed during inspection carried out by external auditor, Audit commission, Department of internal control and audit of “Rosseti” JSC and Directorate of internal control and risks management of “Kubanenergo” JSC in 2013.
9. On taking into consideration the report on taken during 9 months of 2014 measures on keeping the planned indicator of energy losses on the planned level.
10. On taking into consideration the report of Director General of “Kubanenergo” JSC on implementation of resolutions in the 3rd quarter of 2014 adopted at the meetings of Company’s BoD.

11. On adoption the agreement on use residence without charge between “Kubanenergo” JSC and Kubanenergo employee.
12. On adoption the contractor’s agreement on rectification of the consequences at the facilities of branch of “Kubanenergo” JSC Adygeya electric grids caused by damaged equipment because of natural disasters between “Kubanenergo” JSC and “Moskabelenergoremont” JSC as transaction of interest.
13. On approving contractor’s agreements on rectification of the consequences at the facilities of “Kubanenergo” JSC caused by damaged equipment because of natural disasters between “Kubanenergo” JSC and affiliated company “Rosseti” JSC as transaction of interest.
14. On approving contractor’s agreement on implementation of works on execution of land documentation and urban planning documentation, developing of design and working documentation between “Kubanenergo” JSC and “Energoservice Kubani” JSC as transaction of interest.
15. On approving contractor’s agreement on implementation of design and exploration works on objects of technological connection of “Kubanenergo” JSC branch Labinsk electric grids between “Kubanenergo” JSC and “Energoservice Kubani” JSC as transaction of interest.
16. On adoption additional agreement No. 1 to the contract on implementation of process development No. 407/30-2249 dd. 04.12.2013 between “Kubanenergo” JSC and “Scientific and research centre of IDGC” JSC as transaction of interest.
17. On approving business plan of Kubanenergo JSC, including the investment programme, for 2015 and forecast for 2016-2019.
18. On approving Plan of Purchases of Kubanenergo JSC in 2015.
19. On approving Programme of Kubanenergo on reduction of risks of injuries of Company’s employees and third parties at facilities of grid complex of Kubanenergo in 2015-2017.
20. On approving schedule of activities aimed at removing injury causing equipment for 2015-2017.
21. On approving internal document of the Company: Anti-corruption policy of Rosseti JSC and its affiliates.

Item 1

On approving the Programme of energy saving and increasing of energy efficiency of “Kubanenergo” JSC in 2015-2016.

The following decision is proposed:

To approve the Programme of energy saving and increasing of energy efficiency of “Kubanenergo” JSC in 2015-2016, in accordance with Appendix 1 to the decision of the BoD..

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR

Thus, the BoD members participating in the meeting unanimously adopted the decision on the first item.

Item 2

On approving recruitment and social policy of “Kubanenergo” JSC.

The following decision is proposed:

To approve recruitment and social policy of “Kubanenergo” JSC in accordance with Appendix 2 to present decision of Company’s BoD.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
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Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the BoD members participating in the meeting unanimously adopted the decision on the second item.

Item 3

On approving adjusted annual target values of key performance indicators of Director General and top managers of “Kubanenergo” JSC in 2014

The following decision is proposed:

To approve adjusted annual target values of key performance indicators of Director General and top managers of “Kubanenergo” JSC in 2014, in accordance with Appendix 3 to present decision of Company’s BoD.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the BoD members participating in the meeting unanimously adopted the decision on the third item.

Item 4

On preliminary adoption of changes to Labour contract of “Kubanenergo” JSC for 2013-2015

The following decision is proposed:

To approve changes to Labour contract of “Kubanenergo” JSC for 2013-2015, in accordance with Appendix 4 to present decision of Company’s BoD

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

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

Item 5

On approving the Programme of insurance coverage of “Kubanenergo” JSC for 2015

The following decision is proposed:

To approve the Programme of insurance coverage of “Kubanenergo” JSC for 2015, in accordance with Appendix 5 to present decision of Company’s BoD.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the BoD members participating in the meeting unanimously adopted the decision on the fifth item.

Item 6

On introducing changes into internal document of the Company: Regulation on provision of insurance coverage of the Company for 2013-2015

The following decision is proposed:

To approve changes into internal document of the Company: Regulation on provision of insurance coverage of the Company for 2013-2015, in accordance with Appendix 6 to present decision of Company's BoD

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the BoD members participating in the meeting unanimously adopted the decision on the sixth item.

Item 7

On approving Scheduled plan of activities of "Kubanenergo" on reducing overdue accounts receivable for service on transferring of electric energy and disputes settlement as of 01.10.2014

To approve the Scheduled plan of activities of "Kubanenergo" on reducing overdue accounts receivable for service on transferring of electric energy and disputes settlement as of 01.10.2014, in accordance with Appendix 7 to present decision of Company's BoD.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the BoD members participating in the meeting unanimously adopted the decision on the seventh item.

Item 8

On taking into consideration the report of Director General of the Company on results of causes analysis and elimination of violations revealed during inspection carried out by external auditor, Audit commission, Department of internal control and audit of "Rosseti" JSC and Directorate of internal control and risks management of "Kubanenergo" JSC in 2013

The following decision is proposed:

To defer the discussion to a later date

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR

Sergeyev S.V. - FOR

Thus, the BoD members participating in the meeting unanimously adopted the decision on the eighth item.

Item 9

On taking into consideration the report on taken during 9 months of 2014 measures on keeping the planned indicator of energy losses on the planned level

The following decision is proposed:

1. To take into consideration the report on taken during 9 months of 2014 measures on keeping the planned indicator of energy losses on the planned level, in accordance with Appendix 8 to present decision of Company's BoD.
2. To instruct director general to control personally the implementation of activities aimed at reduction of energy losses and reaching the planned indicator of average energy losses by the result of 2014.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the BoD members participating in the meeting unanimously adopted the decision on the ninth item.

Item 10

On taking into consideration the report of Director General of "Kubanenergo" JSC on implementation of resolutions in the 3rd quarter of 2014 adopted at the meetings of Company's BoD

The following decision is proposed:

1. To approve the report of Director General of "Kubanenergo" JSC on implementation of resolutions in the 3rd quarter of 2014 adopted at the meetings of Company's BoD, in accordance with Appendixes 9 and 10 to present decision of Company's BoD.
2. To instruct Director General to include the following information in the quarterly report on implementation of resolutions issued by the BoD:
 - information on inspections of external supervisory and control bodies and measures taken by the managers on elimination of revealed violations and drawbacks;
 - information on claims of participants of purchase procedures, instructions and resolutions of Federal Anti-Monopoly Service and measures taken to eliminate the revealed violations in the sphere of purchasing activity.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the BoD members participating in the meeting unanimously adopted the decision on the tenth item.

Item 11

On adoption the agreement on use residence without charge between "Kubanenergo" JSC and Kubanenergo employee

The following decision is proposed:

To approve the contract of free of charge use of residential premises between Kubanenergo JSC and employee of Kubanenergo JSC Barabanov Yuriy Yurievich (address: appt12, 18 Nevskaya street, Central district, Sochi, Krasnodar region, Russian Federation) on conditions specified in Appendix 12 to present decision of Company's BoD.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the BoD members participating in the meeting unanimously adopted the decision on the tenth item.

Item 12

On adoption the contract on rectification of the consequences of accidents at the facilities of branch of "Kubanenergo" JSC Adygeya electric grids caused by damaged equipment in the result of natural disasters between "Kubanenergo" JSC and "Moskabelenergoremont" JSC as transaction of interest

In accordance with paragraph 3 of article 83 of the Federal Law No.208-FZ dated 26.12.1995 "On Joint Stock Companies" resolution on this item should be taken by majority of votes of independent directors uninterested in the transaction.

Except Gavrilov other members of the BoD vote on this item and are recognized as independent directors uninterested in the transaction in accordance with paragraph 3 of article 83 of the Federal Law No.208-FZ dated 26.12.1995 "On Joint Stock Companies".

The following decision is proposed:

1. To set the ceiling price of the contract on rectification of consequences of accidents at facilities of Kubanenergo branches caused by damaged equipment in the result of natural disaster, concluded between Kubanenergo JSC and "Moskabelenergoremont" JSC as interested party transaction: 483 923.33 (four hundred eighty three nine hundred twenty three) rubles 33 kopecks, including VAT – 73 818.81 (seventy three thousands eight hundred eighteen) rubles 81 kopecks.

2. To approve the contract on rectification of consequences of accidents at facilities of Kubanenergo branches caused by natural disaster, concluded between Kubanenergo JSC and "Moskabelenergoremont" JSC as interested party transaction on the following conditions:

Contract parties:

Customer – Kubanenergo JSC

Contractor – Moskabelenergoremont JSC

Subject: The Contractor undertakes to perform work to eliminate the consequences of accidents at facilities of Kubanenergo branches caused by damaged equipment in result of natural disaster and to deliver the results of work to the Customer. Types of work, the volume and description are discussed by the Parties in the activity dependent cost estimate (Annex 1 to the Contract).

Contract price: The ceiling price of the work performed by the Contractor amounts to 483 923.33 (four hundred eighty three nine hundred twenty three) rubles 33 kopecks, including VAT – 73 818.81 (seventy three thousands eight hundred eighteen) rubles 81 kopecks, in accordance with planned volume of work specified in the activity dependent cost estimate (Annex 1 to the Contract).

Term of the Contract: The Contract comes into force upon the signature and covers legal relationship between the parties that occurred from 07.02.2014 and are valid until complete fulfillment of all contractual obligations by the Parties.

Term of fulfilling the work: from 7th February 2014 to 12th February 2014.

Settlement of Disputes: Disputes and disagreements that may arise when performing the contract will be solved via negotiation if possible. Parties shall use the complaint procedure. Period of considering the complaint is 30 (thirty) calendar days from the receipt.

In case no agreement is reached via negotiations, Parties shall address the Commercial court of Krasnodar in accordance with legislation in force.

In all other respects not specified by this Contract, the Parties shall be governed by legislation of the RF.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the decision on the twelfth item was adopted by majority of votes of independent directors uninterested in transaction.

Item 13

On approving contractor's agreements on rectification of the consequences at the facilities of "Kubanenergo" JSC caused by damaged equipment in the result of natural disasters between "Kubanenergo" JSC and affiliated company "Rosseti" JSC as transaction of interest

In accordance with paragraph 3 of article 83 of the Federal Law No.208-FZ dated 26.12.1995 "On Joint Stock Companies" resolution on this item should be taken by majority of votes of independent directors uninterested in the transaction.

Except Varvarin and Gavrilov regarding the approval of transaction between Kubanenergo JSC and "IDGC of Volga" JSC other members of the BoD vote on this item and are recognized as independent directors uninterested in the transaction in accordance with paragraph 3 of article 83 of the Federal Law No.208-FZ dated 26.12.1995 "On Joint Stock Companies".

Except Kharin and Gavrilov regarding the approval of transaction between Kubanenergo JSC and "IDGC of Centre and Volga region" JSC other members of the BoD vote on this item and are recognized as independent directors uninterested in the transaction in accordance with paragraph 3 of article 83 of the Federal Law No.208-FZ dated 26.12.1995 "On Joint Stock Companies".

Except Kharin and Gavrilov regarding the approval of transaction between Kubanenergo JSC and "IDGC of the South" JSC other members of the BoD vote on this item and are recognized as independent directors uninterested in the transaction in accordance with paragraph 3 of article 83 of the Federal Law No.208-FZ dated 26.12.1995 "On Joint Stock Companies".

The following decision is proposed:

1.1. To set the preliminary price of the contract on rectification of consequences of accidents at facilities of Kubanenergo branches caused by damaged equipment in the result of natural disaster, concluded between Kubanenergo JSC and "IDGC of Volga" JSC as interested party transaction: 8 289 366.02 (eight million two hundred eighty nine thousand three hundred sixty six) rubles 2 kopecks, including 18% VAT – 1 264 479 rubles 56 kopecks.

To specify that the cost of work under the Contract cannot equal 2 or more % from balance sheet cost of assets owned by Kubanenergo JSC in accordance with the accounts as of the last reporting date.

1.2. To approve the contract on rectification of consequences of accidents at facilities of Kubanenergo branches caused by natural disaster, concluded between Kubanenergo JSC and "IDGC of Volga" JSC as interested party transaction on the following conditions:

Contract parties:

Customer – Kubanenergo JSC

Contractor – IDGC of Volga JSC

Subject: The Contractor undertakes to perform work to eliminate the consequences of accidents at facilities of Kubanenergo branches caused by damaged equipment in result of natural disaster and to deliver the results of work to the Customer. Types of work, the volume and description are discussed by the Parties in the activity dependent cost estimate (Annex 1 to the Contract).

Contract price: The preliminary price of the work performed by the Contractor amounts to 8 289 366.02 (eight million two hundred eighty nine thousand three hundred sixty six) rubles 2 kopecks, including 18% VAT – 1 264 479 rubles 56 kopecks, in accordance with planned volume of work specified in the activity dependent cost estimate (Annex 1 to the Contract).

Term of the Contract: The Contract comes into force upon the signature and covers legal relationship between the parties that occurred from 21.01.2014 and are valid until complete fulfillment of all contractual obligations by the Parties.

Term of fulfilling the work: from 21st January 2014 to 19th February 2014.

Settlement of Disputes: Disputes and disagreements that may arise when performing the contract will be solved via negotiation if possible. Parties shall use the complaint procedure. Period of considering the complaint is 30 (thirty) calendar days from the receipt.

In case no agreement is reached via negotiations, Parties shall address the Commercial court of Krasnodar in accordance with legislation in force.

In all other respects not specified by this Contract, the Parties shall be governed by legislation of the RF.

Voting results

Kobelyan A.M.	- FOR	Sukhov O.A.	- FOR
Lavrova M.A.	- FOR	Khokholkova K.V.	- FOR
Mezhevich V.E.	- FOR	Chermentieva Yu. P.	- FOR
Kharin A.N.	- FOR	Shatokhin A.G.	- FOR

Thus, the decision on the thirteenth (part 1) item was adopted by majority of votes of independent directors uninterested in transaction.

The following decision is proposed:

2.1. To set the preliminary price of the contract on rectification of consequences of accidents at facilities of Kubanenergo branches caused by damaged equipment in the result of natural disaster, concluded between Kubanenergo JSC and “IDGC of Centre and Volga region” JSC as interested party transaction: 2 251 823.48 (two million two hundred fifty one thousand eight hundred twenty three) rubles 48 kopecks, including 18% VAT – 343 498.50 (three hundred forty three thousand four hundred ninety eight) rubles 50 kopecks.

To specify that the cost of work under the Contract cannot equal 2 or more % from balance sheet cost of assets owned by Kubanenergo JSC in accordance with the accounts as of the last reporting date.

2.2. To approve the contract on rectification of consequences of accidents at facilities of Kubanenergo branches caused by natural disaster, concluded between Kubanenergo JSC and “IDGC of Centre and Volga region” JSC as interested party transaction on the following conditions:

Contract parties:

Customer – Kubanenergo JSC

Contractor – IDGC of Centre and Volga region JSC

Subject: The Contractor undertakes to perform work to eliminate the consequences of accidents at facilities of Kubanenergo branches caused by damaged equipment in result of natural disaster and to deliver the results of work to the Customer. Types of work, the volume and description are discussed by the Parties in the activity dependent cost estimate (Anne 1 to the Contract).

Contract price: The preliminary price of the work performed by the Contractor amounts to 2 251 823.48 (two million two hundred fifty one thousand eight hundred twenty three) rubles 48

kopecks, including 18% VAT – 343 498.50 (three hundred forty three thousand four hundred ninety eight) rubles 50 kopecks, in accordance with planned volume of work specified in the activity dependent cost estimate (Annex 1 to the Contract).

Term of the Contract: The Contract comes into force upon the signature and covers legal relationship between the parties that occurred from 21.01.2014 and are valid until complete fulfillment of all contractual obligations by the Parties.

Term of fulfilling the work: from 21st January 2014 to 27th January 2014.

Settlement of Disputes: Disputes and disagreements that may arise when performing the contract will be solved via negotiation if possible. Parties shall use the complaint procedure. Period of considering the complaint is 30 (thirty) calendar days from the receipt.

In case no agreement is reached via negotiations, Parties shall address the Commercial court of Krasnodar in accordance with legislation in force.

In all other respects not specified by this Contract, the Parties shall be governed by legislation of the RF.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the decision on the thirteenth item (part2) was adopted by majority of votes of independent directors uninterested in transaction.

The following decision is proposed:

3.1. To set the preliminary price of the contract on rectification of consequences of accidents at facilities of Kubanenergo branches caused by damaged equipment in the result of natural disaster, concluded between Kubanenergo JSC and “IDGC of the South” JSC as interested party transaction: 22 497 688.97 (twenty two million four hundred ninety seven thousand six hundred eighty eight) rubles 97 kopecks, including 18% VAT – 3 431 850.86 (three million four hundred thirty one thousand eight hundred fifty) rubles 86 kopecks.

To specify that the cost of work under the Contract cannot equal 2 or more % from balance sheet cost of assets owned by Kubanenergo JSC in accordance with the accounts as of the last reporting date.

3.2. To approve the contract on rectification of consequences of accidents at facilities of Kubanenergo branches caused by natural disaster, concluded between Kubanenergo JSC and “IDGC of the South” JSC as interested party transaction on the following conditions:

Contract parties:

Customer – Kubanenergo JSC

Contractor – IDGC of the South JSC

Subject: The Contractor undertakes to perform work to eliminate the consequences of accidents at facilities of Kubanenergo branches caused by damaged equipment in result of natural disaster and to deliver the results of work to the Customer. Types of work, the volume and description are discussed by the Parties in the activity dependent cost estimate (Anne 1 to the Contract).

Contract price: The preliminary price of the work performed by the Contractor amounts to 22 497 688.97 (twenty two million four hundred ninety seven thousand six hundred eighty eight) rubles 97 kopecks, including 18% VAT – 3 431 850.86 (three million four hundred thirty one thousand eight hundred fifty) rubles 86 kopecks, in accordance with planned volume of work specified in the activity dependent cost estimate (Annex 1 to the Contract).

Term of the Contract: The Contract comes into force upon the signature and covers legal relationship between the parties that occurred from 21.01.2014 and are valid until complete fulfillment of all contractual obligations by the Parties.

Term of fulfilling the work: from 21st January 2014 to 19th February 2014.

Settlement of Disputes: Disputes and disagreements that may arise when performing the contract will be solved via negotiation if possible. Parties shall use the complaint procedure. Period of considering the complaint is 30 (thirty) calendar days from the receipt.

In case no agreement is reached via negotiations, Parties shall address the Commercial court of Krasnodar in accordance with legislation in force.

In all other respects not specified by this Contract, the Parties shall be governed by legislation of the RF.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the decision on the thirteenth item (part 3) was adopted by majority of votes of independent directors uninterested in transaction.

Item 14

On approving contract on implementation of works on execution of land documentation and urban planning documentation, developing of design and working documentation between “Kubanenergo” JSC and “Energoservis Kubani” JSC as transaction of interest

In accordance with paragraph 3 of article 83 of the Federal Law No.208-FZ dated 26.12.1995 “On Joint Stock Companies” resolution on this item should be taken by majority of votes of independent directors uninterested in the transaction.

Except Gavrilov other members of the BoD vote on this item and are recognized as independent directors uninterested in the transaction in accordance with paragraph 3 of article 83 of the Federal Law No.208-FZ dated 26.12.1995 “On Joint Stock Companies”.

The following decision is proposed:

1.1. To determine the price of contract between “Kubanenergo” JSC and “Energoservis Kubani” JSC on implementation of works on execution of land documentation and urban planning documentation, developing of design and working documentation for facilities of Krasnodar electrical networks “Installation of two power lines of 100kV from distribution device of 220/110/10kV Afipskaya substation to 110/6 substation of an applicant” to connect power receivers of “Afipskiy oil refinery” LCC: 3 376 330.76 rubles, including 18% VAT – 515 033.51 rubles.

1.2. To approve the contract between “Kubanenergo” JSC and “Energoservis Kubani” JSC on implementation of works on execution of land documentation and urban planning documentation, developing of design and working documentation for facilities of Krasnodar electrical networks “Installation of two power lines of 100kV from distribution device of 220/110/10kV Afipskaya substation to 110/6 substation of an applicant” to connect power receivers of “Afipskiy oil refinery” LCC on the following conditions:

Parties:

Customer – Kubanenergo JSC

Contractor – Energoservis Kubani JSC

Subject: The Contractor undertakes, in accordance with to the Customer’s task, on their own and/or by using the subcontractor to perform work on the design of land documentation and urban planning documentation, developing of design and working documentation for facilities of Krasnodar electrical networks “Installation of two power lines of 100kV from distribution device of

220/110/10kV Afipskaya substation to 110/6 substation of an applicant” to connect power receivers of “Afipskiy oil refinery” LCC, according to the contract from 17.06.2013 No.31200- 13-00120178-4 to ensure consistency in the prescribed manner of technical/design and estimate documentation, which is the result of the Contract, with the relevant state bodies and local authorities, including obtaining a positive expert opinion on the project documentation, as well as on behalf of the Customer, exercise supervision over the construction of the facility. The Customer undertakes to accept the result of work and pay for work performed in the manner and to the extent required by the Contract.

Contract price: The Contract price is determined by the costs estimates (Annex 3 to the Contract) and amounts to 3 376 330.76 rubles, including 18% VAT – 515 033.51 rubles.

Term of the Contract: The Contract is considered as valid upon the signature until complete performance of Parties’ obligations.

Duration of work: The work under the Contract starts in accordance with the Schedule (Annex 2 to the Contract) – upon the signature.

The work duration – 60 (sixty) days from the moment of signing the Contract.

Dispute resolution: In case no agreement is reached between the parties under a pre-action protocol (by means of a claim), all disputes, controversies and claims arising out of or in connection with it, including those related to its conclusion, alteration, execution, breach, termination and validity are to be settled in the Arbitration court at the Nonprofit Partnership “Association of organizations engaged in the construction, reconstruction and repair of power plants, substations and networks “ENERGOSTROY” in accordance with its rules in effect at the date of filing a claim. Decisions of the arbitral tribunal shall be binding, final and not subject to appeal.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the decision on the fourteenth item was adopted by majority of votes of independent directors uninterested in transaction.

Item 15

On approving contract on implementation of design and exploration works on objects of technological connection of “Kubanenergo” JSC branch Labinsk electric grids between “Kubanenergo” JSC and “Energoservice Kubani” JSC as transaction of interest

In accordance with paragraph 3 of article 83 of the Federal Law No.208-FZ dated 26.12.1995 “On Joint Stock Companies” resolution on this item should be taken by majority of votes of independent directors uninterested in the transaction.

Except Gavrillov other members of the BoD vote on this item and are recognized as independent directors uninterested in the transaction in accordance with paragraph 3 of article 83 of the Federal Law No.208-FZ dated 26.12.1995 “On Joint Stock Companies”.

The following decision is proposed:

1.1. To set the price of the contract on implementation of design and exploration works on objects of technological connection of “Kubanenergo” JSC branch Labinsk electric grids between “Kubanenergo” JSC and “Energoservice Kubani” JSC as transaction of interest: 459 063.04 (four hundred fifty nine thousand sixsty three) rubles 04 kopecks, including 18% VAT - 70 026.58 (seventy thousand twenty six) rubles 58 kopecks.

1.2. To approve the contract on implementation of design and exploration works on objects of technological connection of “Kubanenergo” JSC branch Labinsk electric grids between

“Kubanenergo” JSC and “Energoservice Kubani” JSC as transaction of interest, on the following conditions:

Contract parties:

Customer – Kubanenergo JSC

Contractor – Energoservis Kubani JSC

Subject: The Customer undertakes, in accordance with the task of the Customer, to perform design and exploration works on objects of technological connection:

- Modernization of power line 0.4kV “A-5-587 JI-1” in village Ahmetovskaya (190 Sovetskaya street, Labinskiy district), applicant Pershina N.M., technical specifications No.04-01/0051-14, contract No.11004-14-00168968-1 dated 05.05.2014.);

- Installation of insulated power line-0,4kV in village Gubskaya (2 Mira street, Mostovskoy district), applicant Koshel A.K., technical specifications No.04-03/0066-14, contract No.11005-14-00166184-1 dd 05.05.2014);

- Installation of sector of insulated power line-0,4kV from 0.4kV power line “Kc-3-671 JI-1” in village Kostromskaya (146, 163 Lenin street, Mostovskoy district), applicants Boiko A.Yu., technical specifications No. 04-03/0091-14, contract No.11005-14-00169626-1 dd 06.05.2014, Martynov I.Yu., technical specifications No.04-03/0090-14, contract No.11005-14-00169606-1 dd 06.05.2014);

- Reconstruction of insulated power line-0,4kV in village Rodnikovskaya (37 Svobody street, Kurganinskiy district), applicant Perevalov M.N., technical specifications No.04-02/0048-14, contract No.11003-14-00174088-1 dd 22.05.2014)

- Reconstruction of power line-0,4kV “M-14-50 JI-3” in village Mostovskoy (56-A Krasnaya street, Mostovskoy district), applicant Melnichenko N.N., technical specifications No.04-03/0120-14, contract No.11005-14-00179296-1 dd 02.06.2014)

- Reconstruction of power line-0,4kV “Cc-1-1-1234 JI-2” in Labinsk, applicant Baidin M.V., technical specifications No.04-01/0078-14, contract No.11004-14-00179292-1 dd 02.06.2014),

to provide the approval in the prescribed manner of technical/design and estimate documentation, which is the result of the Contract, with the relevant state bodies and local self-government, including the positive opinion on intra-examination of the project documentation. The Customer undertakes to accept the result of work and pay for work performed in the manner and to the extent required by the Contract.

Contract price: Contract price is formed on the basis of the calculation of the cost of design work (Annex 2 to the Contract), and is 459 063.04 (four hundred fifty nine thousand sixty three) rubles 04 kopecks, including 18% VAT - 70 026.58 (seventy thousand twenty six) rubles 58 kopecks.

Term of the Contract: The Contract is considered as valid upon the signature until complete performance of Parties' obligations.

Duration of work: The work under the Contract starts in accordance with the Schedule (Annex 2 to the Contract) – upon the signature.

The work duration – 20 days from the moment of signing the Contract.

Dispute resolution: In case no agreement is reached between the parties under a pre-action protocol (by means of a claim), all disputes, controversies and claims arising out of or in connection with it, including those related to its conclusion, alteration, execution, breach, termination and validity are to be settled in the Arbitration court at the Nonprofit Partnership “Association of organizations engaged in the construction, reconstruction and repair of power plants, substations and networks “ENERGOSTROY” in accordance with its rules in effect at the date of filing a claim. Decisions of the arbitral tribunal shall be binding, final and not subject to appeal.

Voting results

Varvarin A.V. - FOR

Sukhov O.A. - FOR

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

Thus, the decision on the fifteenth item (part 1) was adopted by majority of votes of independent directors uninterested in transaction.

The following decision is proposed:

2.1. To set the price of the contract on implementation of design and exploration works on objects of technological connection of “Kubanenergo” JSC branch Labinsk electric grids between “Kubanenergo” JSC and “Energoservice Kubani” JSC as transaction of interest: 473 267.26 (four hundred seventy three thousand two hundred sixty seven) rubles 26 kopecks, including 18% VAT- 72 193.32 (seventy two thousand one hundred ninety three) rubles 32 kopecks.

2.2. To approve the contract on implementation of design and exploration works on objects of technological connection of “Kubanenergo” JSC branch Labinsk electric grids between “Kubanenergo” JSC and “Energoservice Kubani” JSC as transaction of interest, on the following conditions:

Contract parties:

Customer – Kubanenergo JSC

Contractor – Energoservis Kubani JSC

Subject: The Customer undertakes, in accordance with the task of the Customer, to perform design and exploration works on objects of technological connection:

- Modernization of insulated power line 0,4kV “B-5-301 Л-3” and modernization of package transformer substation “B-5-301” in village Yereminskaya, applicant Bebikh A.A., technical specifications No.04-01/0084-14, contract No.11004-14-00179274-1 dd 05.05.2014);

- Modernization of insulated power line 0,4kV “A-5-578 Л-1” and modernization of package transformer substation “B-5-578” in village Akhmetovskaya (35 Pervomaiskaya street, Labinskiy district), applicant Grigorenko L.N., technical specifications No.04-01/0082-14, contract No.11004-14-00179264-1 dd 29.05.2014)

- Modernization of power line 0,4kV “Л3 Я-6-520” in village Yaroslavskaya (6-B Pervomaiskaya street, Mostovskoy district), applicant Ovsesyans G.O., technical specifications No.04-03/0123-14, contract No.41005-14-00179294-1 dd 29.05.2014), to provide the approval in the prescribed manner of technical/design and estimate documentation, which is the result of the Contract, with the relevant state bodies and local self-government, including the positive opinion on intra-examination of the project documentation. The Customer undertakes to accept the result of work and pay for work performed in the manner and to the extent required by the Contract.

Contract price: Contract price is formed on the basis of the calculation of the cost of design work (Annex 2 to the Contract), and is : 473 267.26 (four hundred seventy three thousand two hundred sixty seven) rubles 26 kopecks, including 18% VAT- 72 193.32 (seventy two thousand one hundred ninety three) rubles 32 kopecks.

Term of the Contract: The Contract is considered as valid upon the signature until complete performance of Parties’ obligations.

Duration of work: The work under the Contract starts in accordance with the Schedule (Annex 2 to the Contract) – upon the signature.

The work duration – 20 days from the moment of signing the Contract.

Dispute resolution: In case no agreement is reached between the parties under a pre-action protocol (by means of a claim), all disputes, controversies and claims arising out of or in connection with it, including those related to its conclusion, alteration, execution, breach, termination and validity are to be settled in the Arbitration court at the Nonprofit Partnership “Association of organizations engaged in the construction, reconstruction and repair of power plants, substations and networks

“ENERGOSTROY” in accordance with its rules in effect at the date of filing a claim. Decisions of the arbitral tribunal shall be binding, final and not subject to appeal.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the decision on the fifteenth item (part 2) was adopted by majority of votes of independent directors uninterested in transaction.

Item 16

On adoption additional agreement No. 1 to the contract on implementation of process development No. 407/30-2249 dd. 04.12.2013 between “Kubanenergo” JSC and “Scientific and research centre of IDGC” JSC as transaction of interest

In accordance with paragraph 3 of article 83 of the Federal Law No.208-FZ dated 26.12.1995 “On Joint Stock Companies” resolution on this item should be taken by majority of votes of independent directors uninterested in the transaction.

Except Gavrillov other members of the BoD vote on this item and are recognized as independent directors uninterested in the transaction in accordance with paragraph 3 of article 83 of the Federal Law No.208-FZ dated 26.12.1995 “On Joint Stock Companies”.

The following decision is proposed:

1. To define the cost of services under the additional agreement No. 1 to the contract on implementation of process development No. 407/30-2249 dd. 04.12.2013 between “Kubanenergo” JSC and “Scientific and research centre of IDGC” JSC as transaction of interest: 1 834 000 (one million eight hundred thirty four thousand) rubles 00 kopecks, including VAT – 279 762 (two hundred seventy nine thousand seven hundred sixty two) rubles 71 kopecks.
2. To approve additional agreement No. 1 to the contract on implementation of process development No. 407/30-2249 dd. 04.12.2013 between “Kubanenergo” JSC and “Scientific and research centre of IDGC” JSC as transaction of interest, in accordance with Appendix 11 to present decision of Company’s BoD.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the decision on the sixteenth item was adopted by majority of votes of independent directors uninterested in transaction.

Item 17

On approving business plan of Kubanenergo JSC, including the investment programme, for 2015 and forecast for 2016-2019

The following decision is proposed:

1. To approve Company’s business plan including the investment programme for 2015 and prognosis for 2016-2019, in accordance with Appendix 14 to present decision of Company’s BoD.
2. To instruct director general:
 - 2.1. by 31.03.2015 to ensure the adjusted business plan for 2015 is submitted to the Board of Directors and the targets for 2016-2019 are reviewed with regard of priority measures to ensure

financial stability in the current macroeconomic environment, the risks of increase in the cost of capital in excess of the target parameters provided in Business plan of the Company, and the inability to attract in 2015 financial resources to the extent necessary for the purposes of servicing the current liabilities of the Company, as well as the adopted tariff decisions for 2015, implementation of orders of the President of the Russian Federation No.IIP-2821 of 12.05.2014 and stable financial and economic indicators, approved in the business plan for 2015-2019.

2.2. by 15.03.2015 to provide the results of procurement procedures for 2015-2019 on the basis of approval by the Board of Directors revised business plan for 2015 and review of the targets for 2016-2019, in addition to procurement procedures to ensure reliability and performance of contracts to provide services for technological connection.

2.3. by 15.03.2015 to prepare a draft of the investment programme for 2015 and subsequent periods, according to the investment parameters and sources of funding to be included in the adjusted business plan, carried out in accordance with paragraph 2.1 of this decision and submit for consideration by the Board of Directors of the Company.

2.4 to ensure the quarterly dynamics of debt on loan during 2015 are observed and covenants on credit contracts are implemented.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the BoD members participating in the meeting unanimously adopted the decision on the seventeenth item.

Item 18

On approving Plan of Purchases of Kubanenergo JSC in 2015

The following decision is proposed:

To approve the Plan of Purchases of Kubanenergo JSC in 2015, in accordance with Appendix 4 to present decision of Company's BoD.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the BoD members participating in the meeting unanimously adopted the decision on the eighteenth item.

Item 19

On approving Programme of Kubanenergo on reduction of risks of injuries of Company's employees and third parties at facilities of grid complex of Kubanenergo in 2015-2017

The following decision is proposed:

To approve the Programme of Kubanenergo on reduction of risks of injuries of Company's employees and third parties at facilities of grid complex of Kubanenergo in 2015-2017, in accordance with Appendix 15 to present decision of Company's BoD.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
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Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the BoD members participating in the meeting unanimously adopted the decision on the nineteenth item.

Item 20

On approving schedule of activities aimed at removing injury causing equipment for 2015-2017

The following decision is proposed:

To approve the schedule of activities aimed at removing injury causing equipment for 2015-2017, in accordance with Appendix 16 to present decision of Company's BoD.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the BoD members participating in the meeting unanimously adopted the decision on the twentieth item.

Item 21

On approving internal document of the Company: Anti-corruption policy of Rosseti JSC and its affiliates

The following decision is proposed:

1. To approve the Anti-corruption policy of Rosseti JSC and its affiliates as internal document of the Company, in accordance with Appendix 17 to present decision of Company's BoD.

2. To instruct sole executive body of the Company to ensure the implementation of Anti-corruption policy of Rosseti JSC and its affiliates in the Company.

Voting results

Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- FOR
Sergeyev S.V.	- FOR		

Thus, the BoD members participating in the meeting unanimously adopted the decision on the twenty-first item.

Chairperson

Sergeyev S.V.

Corporate secretary

Russu O.V.