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**Minutes of Board of Directors Meeting No. 184/2014**

**Open joint stock company of**

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

|  |  |
| --- | --- |
| Date of meeting | March 31, 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 | 31.03.2014, 5 p.m. |
| Date of drawing up minutes | April 2, 2014 |

Board of Directors Members: 11

Questionnaires were submitted by: Magadeyev R.R. (chairperson of Board of Directors), Vagapov S.G., Varvarin A.V., Gaichenya I.A., Katina A.Yu., Kolyada A.S., Lavrova M.A., Solod A.V.

Questionnaires were not submitted by: Likhov Kh.M., Neganov L.V., Cherezov A.V.

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 plan of purchases for 2014.

2. On approving internal document of the Company: Anti-Corruption Policy of Kubanenergo JSC.

3. On approving 2014-2017 programme of Kubanenergo JSC aimed at reduction of electrical injuries among employees of Kubanenergo JSC and third parties at facilities of Company’s gird complex.

4. On approving corporate standard for conducting public technological and price audit of investment projects of Kubanenergo JSC.

5. On approving key indicators of cash flow for the 1st quarter of 2014.

6. On approving plan of activities aimed at reducing overdue accounts receivable for services of electric energy transmission and settlement of disputes as of 01.01.2014.

7. On approving additional purchase under the contract #407/30-151 dated 03.03.2010 concluded by Kubanenergo JSC and GK EFES, LLC.

8. On taking into consideration the information presented by director general on level of reliability and quality of rendered services that are due to tariff regulation on the basis of long-term parameters of regulation in 2013.

9. On implementing order of the BoD dated 17.12.2013 (minutes of meeting No.177/2013 dd 20.12.2013) on item 1 “On approving business-plan of Kubanenergo JSC including investment programme for 2014 and plan for 2015-2018”.

10. On expressing company’s opinion on agendas of extraordinary general meetings of shareholders of Company’s affiliates – “Recreation center “Energetik” JSC, “Recreation center “Plamya”, “Energoservis of Kuban” JSC.

11. On taking into consideration the report presented by director general on implementation of activities approved by orders of RF Ministry of Energy #431 dated 13.08.2013 and #415 dated 03.09.2012 (precisely the activities related to Sochi and Southwestern distribution zones of Kuban energy system).

12. On approving reports of Kubanenergo JSC director general on implementation of investment programme, precisely the activities related to contraction of Olympic venues, for 9 months of 2012, 2012, 1st quarter of 2013, 1st half of 2013 and 9 months of 2013.

13.On taking into consideration the report on implementation of Programme of innovation-based development of Kubanenergo JSC in 2013.

**Item 1**

**On approving plan of purchases for 2014**

The following decision is proposed:

1. To approve the plan of purchases for 2014 in accordance with Annex 1 to the decision of the BoD.

2. To instruct Director general of the Company to:

- in accordance with current legislation within 30 days upon the adoption of the 2014-2018 investment programme to submit for discussion to the Board of Directors the amended Plan of purchase for 2014 in form specified in Annex 2 to the decision of the BoD;

- to form the planned initial costs of items upon notification with regard of the reducing costs by 30% in comparison to 2012, in accordance with Annex 3 to the decision of the BoD.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Lavrova M.A. | - | FOR |
| Varvarin A.V. | - | FOR | Katina A.Yu. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |

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

**Item 2**

**On approving internal document of the Company: Anti-Corruption Policy of Kubanenergo JSC**

The following decision is proposed:

To defer the discussion to a later date

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Lavrova M.A. | - | FOR |
| Varvarin A.V. | - | FOR | Katina A.Yu. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |

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

**Item 3**

**On approving 2014-2017 programme of Kubanenergo JSC aimed at reduction of electrical injuries among employees of Kubanenergo JSC and third parties at facilities of Company’s gird complex**

The following decision is proposed:

1. To defer the discussion to a later date

2. To instruct director general to discuss the amended 2014-2017 Programme of Kubanenergo JSC on reduction of personnel injuries and injuries of third-parties at facilities of electric grid complex at the meeting of the Reliability Committee attached to Kubanenergo JSC BoD.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Lavrova M.A. | - | FOR |
| Varvarin A.V. | - | FOR | Katina A.Yu. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |

Thus, the BoD members unanimously adopted the decision on the third item**.**

**Item 4**

**On approving corporate standard for conducting public technological and price audit of investment projects of Kubanenergo JSC**

The following decision is proposed:

To approve the corporate standard for conducting public technological and price audit of investment projects of Kubanenergo JSC, in accordance with Annex 4 to the decision of the BoD.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Lavrova M.A. | - | FOR |
| Varvarin A.V. | - | FOR | Katina A.Yu. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |

Thus, the BoD members unanimously adopted the decision on the third item**.**

**Item 5**

**On approving key indicators of cash flow for the 1st quarter of 2014**

The following decision is proposed:

1. To approve key indicators of cash flow for the 1st quarter of 2014:

thousand rubles

|  |  |  |
| --- | --- | --- |
| Month | Services on organization of functioning and development of electric grid complex | Dividends (tax excluded) |
| January | 7 521 | 0 |
| February | 7 521 | 0 |
| March | 1. 521
 | 0 |

2. To instruct director general to:

* ensure the preparation and approval of the project on cash flow indicators within 5 (five) business days upon the adoption of the decision
* send the abovementioned document to Company’s BoD within 1 (one) business day upon the adoption of the project

do not submit for discussion of the BoD the issue “On taking into consideration the report on implementation of cash flow indicators” if the Company reaches the planned indicators in 2014.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Lavrova M.A. | - | FOR |
| Varvarin A.V. | - | FOR | Katina A.Yu. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |

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

**Item 6**

**On approving plan of activities aimed at reducing overdue accounts receivable for services of electric energy transmission and settlement of disputes as of 01.01.2014**

The following decision is proposed:

To approve the plan of activities aimed at reducing overdue accounts receivable for services of electric energy transmission and settlement of disputes as of 01.01.2014, in accordance with Annex 5 to the decision of the BoD.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Lavrova M.A. | - | FOR |
| Varvarin A.V. | - | FOR | Katina A.Yu. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |

Thus, the BoD members unanimously adopted the decision on the sixth item**.**

**Item 7**

**On approving additional purchase under the contract #407/30-151 dated 03.03.2010 concluded by Kubanenergo JSC and GK EFES, LLC**

The following decision is proposed:

To approve additional purchase under the contract #407/30-151 dated 03.03.2010 concluded by Kubanenergo JSC and GK EFES, LLC for amount of 17 864 744.60 rubles, VAT(18%)included, the total cost of the project “Cable lines 1110kV from Sochi TPS to Khosta substation (research and design works)” amounts 1 519 864 744.60 rubles, VAT included.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Lavrova M.A. | - | FOR |
| Varvarin A.V. | - | FOR | Katina A.Yu. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |

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

**Item 8**

**On taking into consideration the information presented by director general on level of reliability and quality of rendered services that are due to tariff regulation on the basis of long-term parameters of regulation in 2013**

The following decision is proposed:

To defer the discussion to a later date

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Lavrova M.A. | - | FOR |
| Varvarin A.V. | - | FOR | Katina A.Yu. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |

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

**Item 9**

**On implementing order of the BoD dated 17.12.2013 (minutes of meeting No.177/2013 dd 20.12.2013) on item 1 “On approving business-plan of Kubanenergo JSC including investment programme for 2014 and plan for 2015-2018”**

The following decision is proposed:

1. To take into consideration the information on results of tariffs regulation for 2014 and on absence of any influence of these results on the approved business plan, as well as investment programme, for 2014 and forecasted indicators for 2015-2018.

2. To instruct director general to submit within 30 days for consideration of the BoD the amended business plan, as well as investment programme, for 2014 and forecasted indicators for 2015-2018 if there appears to be deviations from the business plan, in accordance with order of RF Government No.977 dated 01.12.2009.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Lavrova M.A. | - | FOR |
| Varvarin A.V. | - | FOR | Katina A.Yu. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |

Thus, the BoD members unanimously adopted the decision on the ninth item**.**

**Item 10**

**On expressing company’s opinion on agendas of extraordinary general meetings of shareholders of Company’s affiliates – “Recreation center “Energetik” JSC, “Recreation center “Plamya”, “Energoservis of Kuban” JSC”**

The following decision is proposed:

1. To instruct representatives of Kubanenergo JSC at extraordinary general meetings of shareholders of “Recreation center “Energetik” JSC:

On item “Election of members to Audit Committee of “Recreation center “Energetik” JSC” to vote for adoption of the following decision:

* 1. To early terminate term of office of the following members of Audit Committee:

1.Golubova Irma Alexandrovna

1. Sher Irina Alexandrovna
2. Smirnov Vyacheslav Nikolaevich

1.2. To elect the following persons to Audit Committee of “Recreation center “Energetik” JSC:

|  |  |  |
| --- | --- | --- |
| # | Name | Position |
| 1. | Varchenko NataliyaViktorovna | Head of sector for control of insider information at department of internal audit and risks management, Kubanenergo JSC |
| 2. | Kononova Nataliya Vladimirovna | Chief specialist at department of internal audit and risks management, Kubanenergo JSC |
| 3. | Makarova Nataliya Leonidovna | Leading specialist at department of internal audit and risks management, Kubanenergo JSC |

2. To instruct representatives of Kubanenergo JSC at extraordinary general meetings of shareholders of “Recreation center “Plamya” JSC:

On item “Election of members to Audit Committee of “Recreation center “Plamya” JSC” to vote for adoption of the following decision:

* 1. To early terminate term of office of the following members of Audit Committee:

1.Shamanina Svetlana Vladimirovna

1. Sher Irina Alexandrovna
2. Smirnov Vyacheslav Nikolaevich

2.2. To elect the following persons to Audit Committee of “Recreation center “Plamya” JSC:

|  |  |  |
| --- | --- | --- |
| # | Name | Position |
| 1. | Varchenko NataliyaViktorovna | Head of sector for control of insider information at department of internal audit and risks management, Kubanenergo JSC |
| 2. | Kononova Nataliya Vladimirovna | Chief specialist at department of internal audit and risks management, Kubanenergo JSC |
| 3. | Makarova Nataliya Leonidovna | Leading specialist at department of internal audit and risks management, Kubanenergo JSC |

3. To instruct representatives of Kubanenergo JSC at extraordinary general meetings of shareholders of “Energoservis of Kuban” JSC:

On item “Election of members to Audit Committee of “Energoservis of Kuban” JSC” to vote for adoption of the following decision:

* 1. To early terminate term of office of the following members of Audit Committee:

1.Golubova Irma Alexandrovna

1. Shamanina Svetlana Vladimirovna
2. Smirnov Vyacheslav Nikolaevich

1.2. To elect the following persons to Audit Committee of “Energoservis of Kuban” JSC:

|  |  |  |
| --- | --- | --- |
| # | Name | Position |
| 1. | Varchenko NataliyaViktorovna | Head of sector for control of insider information at department of internal audit and risks management, Kubanenergo JSC |
| 2. | Kononova Nataliya Vladimirovna | Chief specialist at department of internal audit and risks management, Kubanenergo JSC |
| 3. | Makarova Nataliya Leonidovna | Leading specialist at department of internal audit and risks management, Kubanenergo JSC |

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Lavrova M.A. | - | FOR |
| Varvarin A.V. | - | FOR | Katina A.Yu. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |

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

**Item 11**

**On taking into consideration the report presented by director general on implementation of activities approved by orders of RF Ministry of Energy #431 dated 13.08.2013 and #415 dated 03.09.2012 (precisely the activities related to Sochi and Southwestern distribution zones of Kuban energy system)**

The following decision is proposed:

To take into consideration the report presented by director general on implementation of activities approved by orders of RF Ministry of Energy #431 dated 13.08.2013 and #415 dated 03.09.2012 (precisely the activities related to Sochi and Southwestern distribution zones of Kuban energy system), in accordance with Annex 6 to the decision of the BoD.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Lavrova M.A. | - | FOR |
| Varvarin A.V. | - | FOR | Katina A.Yu. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |

Thus, the BoD members unanimously adopted the decision on the eleventh item**.**

**Item 12**

**On approving reports of Kubanenergo JSC director general on implementation of investment programme, precisely the activities related to contraction of Olympic venues, for 9 months of 2012, 2012, 1st quarter of 2013, 1st half of 2013 and 9 months of 2013**

The following decision is proposed:

To approve reports of Kubanenergo JSC director general on implementation of investment programme, precisely the activities related to contraction of Olympic venues, for 9 months of 2012, 2012, 1st quarter of 2013, 1st half of 2013 and 9 months of 2013, in accordance with Annexes 7-11to the decision of the BoD.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Lavrova M.A. | - | FOR |
| Varvarin A.V. | - | FOR | Katina A.Yu. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |

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

**Item 13**

**On taking into consideration the report on implementation of Programme of innovation-based development of Kubanenergo JSC in 2013**

The following decision is proposed:

To take into consideration the report on implementation of Programme of innovation-based development of Kubanenergo JSC in 2013, in accordance with Annex 12 to the decision of the BoD.

**Voting results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Vagapov S.G. | - | FOR | Lavrova M.A. | - | FOR |
| Varvarin A.V. | - | FOR | Katina A.Yu. | - | FOR |
| Gaichenya I.A. | - | FOR | Magadeyev R.R. |  | FOR |
| Kolyada A.S. | - | FOR | Solod A.V. | - | FOR |

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

|  |  |
| --- | --- |
| Chairperson  | Magadeyev R.R. |
| Corporate secretary | Russu O.V. |