

**Minutes of meeting No.35
of Annual General Meeting of Shareholders of open joint stock company of power
industry and electrification of Kuban region**

Full business name and location of the Company:	Open joint stock company of power industry and electrification of Kuban region 2 Stavropolskaya str., Krasnodar, Russian Federation
Type of general meeting:	Annual
Form of meeting holding:	meeting
Date of making the list of persons entitled to participate in the general meeting	19 th May 2014
Date of the general meeting:	23 th June 2014
Place of the holding the meeting:	Kubanenergo JSC, 2 Stavropolskaya str., Krasnodar
Registration start-time:	09:00 a.m.
Registration end-time:	10:42 a.m.
Starting time of meeting:	10:00 a.m.
Start time of vote counting	11:20 a.m.
End time of vote counting:	11:50 a.m.
Postal addresses for sending filled-in voting ballots:	▪ Kubanenergo JSC, 2 Stavropolskaya str., Krasnodar, Russian Federation 350033; ▪ “Registrar R.O.S.T” JSC (Company’s registrar), POB 9, 18 Stromynka str., Moscow 107996
Deadline of receiving voting ballots:	20 th June 2014
Date of drawing up minutes of meeting:	24 th June 2014

Annual General meeting of Kubanenergo JSC shareholders (hereafter – the Meeting) is held upon the decision of Company’s Board of Directors dated 18.04.2014 (minutes of meeting No.186/2014 dd 21.04.2013), dated 08.05.2014 (minutes No.187/2014 dd 08.05.2014), dated 16.05.2014 (minutes No. 189/2014 dd 19.05.2014).

According to paragraph 1 of article 56 of Federal Law “On Joint Stock Companies” and paragraph 5.1.1 of Regulation on the procedure of preparation and holding General meeting of Kubanenergo JSC shareholders the functions of ballot committee and registration of persons entitled to participate in General meeting of shareholders are fulfilled by Company’s registrar – “Registrar R.O.S.T” JSC.

By May 23, 2014 the announcement on holding the annual General meeting of Kubanenergo shareholders was sent to each person from the list of entitled to participate in annual General meeting of shareholders.

The announcement on holding the annual General meeting of Kubanenergo shareholders was published in “Kubanskiye novosti” newspaper on May 21, 2014, as well as was published at website of the Company on May 21, 2014.

By June 2, 2014 voting ballots were sent to each person from the list of entitled to participate in annual General meeting of shareholders.

Date of making the list of persons entitled to participate in annual General meeting of Company’s shareholders – **April 19, 2014.**

Presidium of the meeting:

Chairperson – Magadeyev Ruslan Raisovich, Chairperson of Kubanenergo Board of Directors (paragraph 10.10 article 10 of Kubanenergo Charter)

Presidium members:

- Konevets Kirill Sergeevich –acting deputy director general in charge of Corporate Governance, Kubanenergo JSC;
- Chepel Vladimir Vyacheslavovich – Chairperson of Committee for issues of Fuel and Energy Complex, Transport and Communication at Legislative Assembly of Krasnodar region;
- Denisov Nikolay Grigoriyevich – Member of Legislative Assembly of Krasnodar region, Chairperson of Committee for Industry, Construction and Household Issues.

Secretary of the meeting – Russu Olga Vladimirovna –corporate secretary of Kubanenergo JSC (performs functions of secretary of the meeting by the decision of Kubanenergo BoD of 16.05.2014, minutes of meeting No.189/2014 dated 19.05.2014)

The Chairperson called upon **Urmanova Ye.L.**, chairperson of ballot committee, representative of “Registrar R.O.S.T” JSC, to announce the presence of quorum.

Chairperson of ballot committee **Urmanova Ye.L.:** The quorum on all agenda items is present and is **99.6133% from the total amount of votes of persons entitled to participate in the Meeting.** The Meeting is quorate to adopt decisions on all items of the agenda.

As of the opening the Meeting registered shareholders and their representatives have in total more than half of distributed voting shares of the Company. According to article 58 of Federal Law “On Joint Stock Companies” and paragraph 11 of Company’s Charter the **quorum necessary for holding the meeting is present.**

The Chairperson declares the meeting open.

Registration of participants will end with the discussion of the last agenda item.

In accordance with paragraph 4.13 of Order of FCSM RF (Federal Commission for the Securities Market of Russian Federation) No. 12-6/ПЗ-Н dated 02.02.2012 “On approval of regulations on extra requirements to the procedure of preparation, convening and holding general meeting of shareholders” persons registered for participation in the general meeting have right to vote on all agenda items starting from the opening of the meeting and till the beginning of voting counting, as the results of voting and decisions adopted by general meeting will be announced at the meeting.

In accordance with sub paragraph 2 of paragraph 4.13 of Order of FCSM RF (Federal Commission for the Securities Market of Russian Federation) No. 12-6/ПЗ-Н dated 02.02.2012 “On approval of regulations on extra requirements to the procedure of preparation, convening and holding general meeting of shareholders” after the last agenda item is discussed and the voting counting has not commenced the persons that did not vote till that moment will be given time to vote.

Chairperson reports:

By decision of Company’s BoD dated 16.05.2014 (minutes of meeting No.189/2014 dated 19.05.2014) the following agenda of annual General meeting of Kubanenergo shareholders was approved:

1. On approval of Company’s annual report.
2. On approval annual accounting report, including the profit and loss statement.
3. On approval of distribution of profit of the Company by the results of 2013.
4. On the amount, terms and form of paying the dividends by the results of 2013.
5. On election of Company’s Board of Directors members.
6. On election of Company’s Auditing commission members.
7. On approval of Company’s Auditor.
8. On approving Company’s restated Charter.
9. On approving Company’s internal document: restated Regulation on procedure of preparation and convening General meeting of shareholders.
10. On approving Company’s internal document: restated Regulation on Auditing Committee.

The discussion of agenda commenced.

The first item of agenda of annual General meeting of Kubanenergo shareholders: **“On approval of Company’s annual report”.**

Konevets Kirill Sergeyevich, acting deputy director general in charge of Corporate Governance, Kubanenergo JSC, reports on this agenda item.

The second item of agenda of annual General meeting of Kubanenergo shareholders: **“On approval of Company’s annual accounting report, report on profit and losses”.**

Skiba Inna Viktorovna, Chief accountant – head of Department for accounting and tax reporting of

Kubanenergo JSC, reports on this agenda item.

The third item of agenda of annual General meeting of Kubanenergo shareholders: **“On approval of Company’s distribution of profit by the results of 2013”**.

Konevets Kirill Sergeyevich, acting deputy director general in charge of Corporate Governance, Kubanenergo JSC, reports on this agenda item.

The fourth item of agenda of annual General meeting of Kubanenergo shareholders: **“On the amount, terms and form of paying the dividends by the results of 2013”**.

Konevets Kirill Sergeyevich, acting deputy director general in charge of Corporate Governance, Kubanenergo JSC, reports on this agenda item.

The fifth item of agenda of annual General meeting of Kubanenergo shareholders: **“On election of members of Company’s Board of Directors”**.

Konevets Kirill Sergeyevich, acting deputy director general in charge of Corporate Governance, Kubanenergo JSC, reports on this agenda item.

The sixth item of agenda of annual General meeting of Kubanenergo shareholders: **“On election of members of Company’s auditing committee”**.

Konevets Kirill Sergeyevich, acting deputy director general in charge of Corporate Governance, Kubanenergo JSC, reports on this agenda item.

The seventh item of agenda of annual General meeting of Kubanenergo shareholders: **“On approval of Company’s Auditor”**

Konevets Kirill Sergeyevich, acting deputy director general in charge of Corporate Governance, Kubanenergo JSC, reports on this agenda item.

The eighth item of agenda of annual General meeting of Kubanenergo shareholders: **“On approving Company’s restated Charter”**

Konevets Kirill Sergeyevich, acting deputy director general in charge of Corporate Governance, Kubanenergo JSC, reports on this agenda item.

The ninth item of agenda of annual General meeting of Kubanenergo shareholders: **“On approving Company’s internal document: restated Regulation on procedure of preparation and convening General meeting of shareholders”**

Konevets Kirill Sergeyevich, acting deputy director general in charge of Corporate Governance, Kubanenergo JSC, reports on this agenda item.

The tenth item of agenda of annual General meeting of Kubanenergo shareholders: **“On approving Company’s internal document: restated Regulation on Auditing Committee”**

Konevets Kirill Sergeyevich, acting deputy director general in charge of Corporate Governance, Kubanenergo JSC, reports on this agenda item.

Chairperson reports: The discussion of agenda items of annual General meeting and registration of persons entitled to participate in meeting are finished.

Dear shareholders, according to the procedure of holding the annual General meeting of Kubanenergo JSC shareholders, you have 30 minutes for voting.

Urmanova Ye.L., chairperson of ballot committee, representative of “Registrar R.O.S.T” JSC, is called to explain the procedure of voting and filling-in the voting ballots.

Urmanova Ye.L., chairperson of ballot committee, representative of “Registrar R.O.S.T” JSC,

explains the procedure of voting and filling-in the voting ballots.

Voting results:

Agenda item No.1: On approval of Company's annual report

Number of votes the persons, included in the list of persons entitled to participate in general meeting, had	282 868 130
Number of votes provide by voting shares determined with regard of paragraph 4.20 of Order of FFMS dated 02.02.2012 No. 12-6/ПЗ-Н	282 868 130
Number of votes participated in the meeting	281 776 433
Quorum on this item (%)	99.6141
Quorum on this item was present. The voting was held by poll #1.	

Voting	Amount of votes	% from participants in the voting
FOR	281 767 737	99.9969
AGAINST	5 641	0.0020
ABSTAINED	200	0.0001
Did not vote		0
Votes that were not accounted as they were considered as invalid (including voting on this item) –		2 855

Resolution adopted on agenda item No.1:

To approve Company's annual report for 2013

Agenda item No.2: On approval of Company's annual accounting report, report on profit and losses.

Number of votes the persons, included in the list of persons entitled to participate in general meeting, had	282 868 130
Number of votes provide by voting shares determined with regard of paragraph 4.20 of Order of FFMS dated 02.02.2012 No. 12-6/ПЗ-Н	282 868 130
Number of votes participated in the meeting	281 776 433
Quorum on this item (%)	99.6141
Quorum on this item was present. The voting was held by poll #1.	

Voting results:

	Amount of votes	% from participants in the voting
FOR	281 767 572	99.9969
AGAINST	5 806	0.0021
ABSTAINED	200	0.0001
Did not vote		0
Votes that were not accounted as they were considered as invalid (including voting on this item) –		2 855

Resolution adopted on agenda item No.2:

To approve the Company's annual accounting report for 2013.

Agenda item No.3: On approval of Company's distribution of losses by the results of 2013

Number of votes the persons, included in the list of persons entitled to participate in general meeting, had	282 868 130
Number of votes provide by voting shares determined with regard of paragraph 4.20 of Order of FFMS dated 02.02.2012 No. 12-6/ПЗ-Н	282 868 130
Number of votes participated in the meeting	281 776 433
Quorum on this item (%)	99,6141
Quorum on this item was present. The voting was held by poll #1.	

Voting results:

	Amount of votes	% from participants in the voting
FOR	281 763 467	99.9954
AGAINST	6 416	0.0023
ABSTAINED	4 460	0.0016
Did not vote	0	
Votes that were not accounted as they were considered as invalid (including voting on this item) –	2 090	

To approve the following distribution of losses (profit) for 2013 financial year:

	(thousand rubles)
Undistributed profit (loss):	(2 480 136)
To distribute for: Reserve fund	-
Profit for development	-
Dividends	-
Discharge of losses of previous years	-

Agenda item No.4: On the amount, terms and form of paying the dividends by the results of 2013

Number of votes the persons, included in the list of persons entitled to participate in general meeting, had	282 868 130
Number of votes provide by voting shares determined with regard of paragraph 4.20 of Order of FFMS dated 02.02.2012 No. 12-6/ПЗ-Н	282 868 130
Number of votes participated in the meeting	281 776 433
Quorum on this item (%)	99.6141
Quorum on this item was present. The voting was held by poll #1.	

Voting results:

	Amount of votes	% from participants in the voting
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FOR	281 763 052	99.9953
AGAINST	9 931	0.0035
ABSTAINED	1 510	0.0005
Did not vote		0
Votes that were not accounted as they were considered as invalid (including voting on this item) –		1 940

Decision adopted on agenda item No.4:

It is decided not to pay dividends from ordinary shares of Company by the results of 2013.

Agenda item No.5: On election of members of Company's Board of Directors

Number of cumulative votes the persons, included in the list of persons entitled to participate in general meeting, had	3 111 549 430
Number of cumulative votes provide by voting shares determined with regard of paragraph 4.20 of Order of FFMS dated 02.02.2012 No. 12-6/ПЗ-Н	3 111 549 430
Number of cumulative votes participated in the meeting	3 099 540 763
Quorum (%)	99.6141
Quorum on this item was present. The voting was held by poll #2.	

Voting pattern

No.	Candidate	Number of votes for cumulative voting
"FOR" – votes per each candidate		
1	Yegoshin Yuri Vladimirovich	229 116 630
1	Ziborova Tatiana Valntinovna	10 250
2	Ostrenok Inna Aleksandrovna	10 250
3	Nemesh Inna Vitalievna	10 220
4	Kuprin Vitaliy Yurievich	10 495
5	Serdyuk Yelena Yevgenievna	10 250
6	Zavodskikh Yulia Aleksandrovna	10 250
7	Tsukanova Natalia Konstantinovna	10 250
8	Balaev Avla Eldarovich	10 000
9	Krestianik Pavel Nikolaevich	10 000
10	Kramarenko Roman Anatolievich	34 820
11	Sergeev Sergei Vladimirovich	260 921 912
12	Chermenteeva Yulia Petrovna	260 922 162
13	Kharin Andrei Nikolaevich	260 922 112
14	Gavrilov Aleksandr Ilyich	260 979 447
15	Lavrova Marina Aleksandrovna	260 922 632
16	Khokholkova Kseniya Valerievna	260 922 132
17	Varvarin Aleksandr Viktorovich	260 922 412
18	Sukhov Oleg Aleksandrovich	260 921 912
19	Kobelyan Ashot Mikhailovich	260 984 183
20	Shatyukhin Arseniy Grigorievich	260 921 912
21	Mezhevich Valentin Yefimovich	260 922 687
AGAINST all candidates		0

ABSTAINED	15 345
Did not vote	2 000
Votes that were not accounted as they were considered as invalid (including voting on this item) –	16 500

Decision adopted on agenda item No. 5:

To elect the following persons to Board of Directors:

1. Sergeev Sergei Vladimirovich
2. Chermenteeva Yulia Petrovna
3. Kharin Andrei Nikolaevich
4. Gavrilov Aleksandr Ilyich
5. Lavrova Marina Aleksandrlovna
6. Khokholkova Kseniya Valerievna
7. Varvarin Aleksandr Viktorovich
8. Sukhov Oleg Aleksandrovich
9. Kobelyan Ashot Mikhailovich
10. Shatyukhin Arseniy Grigorievich
11. Mezhevich Valentin Yefimovich

Agenda item No.6: On election of members of Company's auditing committee.

Number of votes the persons, included in the list of persons entitled to participate in general meeting, had	282 868 130
Number of votes provide by voting shares determined with regard of paragraph 4.20 of Order of FFMS dated 02.02.2012 No. 12-6/ПЗ-Н	282 868 110
Number of votes participated in the meeting	281 776 413
Quorum on this item (%)	99.6141
Quorum on this item was present. The voting was held by poll #3.	

Voting pattern

#	Candidate	FOR		AGAINST		ABSTAINED		INVALID	
		Votes	%	Votes	%	Votes	%	Votes	%
1	Yudin Andrei Ivanovich	20 843 185	7.3971	210	0.0001	260 922 797	92.59 92	10 221	0.003 6
2	Lominina Anastasia Vladimirovna	13 830	0.0049	20 827 670	7.3916	260 922 797	92.59 92	12 116	0.004 3
3	Kapral Aleksandr Yevgenievich	12 700	0.0045	20 827 885	7.3916	260 922 967	92.59 93	12 861	0.004 6
4	Udod Aleksandr Nikolaevich	260 934 932	92.603 5	20 827 670	7.3916	905	0.000 3	12 906	0.004 6
5	Aleksandrova Yelena Vasilievna	13 690	0.0049	20 827 675	7.3916	260 922 947	92.59 93	12 101	0.004 3
6	Shmakov Igor Vladimirovich	260 922 817	92.599 2	20 828 630	7.3919	1 220	0.000 4	23 746	0.008 4
7	Kuznetsova Yelena Polikarpovna	6 046	0.0022	20 828 755	7.3919	260 922 797	92.59 92	18 815	0.006 7

8	Guseva Yelena Yurievna	260 927 998	92.601 1	20 828 590	7.3919	1 035	0.000 4	18 790	0.006 7
9	Malyshev Sergeu Vladimirovich	260 922 797	92.599 2	20 828 545	7.3919	905	0.000 3	24 166	0.008 6
1	Bunyaeva Maria Viktorovna	260 922 722	92.599 2	20 828 585	7.3919	1 220	0.000 4	23 886	0.008 5
Did not vote:		0							

Decision adopted on agenda item No. 6:

To elected the following persons to Company's Auditing committee:

- Udod Aleksandr Nikolaevich
 - Shmakov Igor Vladimirovich
 - Guseva Yelena Yurievna
 - Malyshev Sergeu Vladimirovich
- Bunyaeva Maria Viktorovna

Agenda item No.7: On approval of Company's Auditor.

Number of votes the persons, included in the list of persons entitled to participate in general meeting, had	282 868 130
Number of votes provide by voting shares determined with regard of paragraph 4.20 of Order of FFMS dated 02.02.2012 No. 12-6/ПЗ-Н	282 868 130
Number of votes participated in the meeting	281 776 433
Quorum (%)	99.6141
Quorum on this item was present. The voting was held by poll #1.	

Voting results

	Amount of votes	% from participants in the voting
FOR	281 764 702	99.9958
AGAINST	5 966	0.0021
ABSTAINED	3 825	0.0014
Did not vote	0	
Votes considered as invalid –	1 940	

Decision adopted on agenda item No. 7:

To appoint Ernst and Young, LLC as Company's auditor.

Agenda item No.8: On approving Company's restated Charter.

Number of votes the persons, included in the list of persons entitled to participate in general meeting, had	282 868 130
Number of votes provide by voting shares determined with regard of paragraph 4.20 of Order of FFMS dated 02.02.2012 No. 12-6/ПЗ-Н	282 868 130
Number of votes participated in the meeting	281 776 433

Quorum (%)	99.6141
Quorum on this item was present. The voting was held by poll #1.	

Voting results

	Amount of votes	% from participants in the voting
FOR	260 939 047	92.6050
AGAINST	20 833 476	7.3936
ABSTAINED	1 970	0.0007
Did not vote		0
Votes considered as invalid –		1 940

Decision adopted on agenda item No.8:

To approve Company's restated Charter

Agenda item No.9: On approving Company's internal document: restated Regulation on procedure of preparation and convening General meeting of shareholders.

Number of votes the persons, included in the list of persons entitled to participate in general meeting, had	282 868 130
Number of votes provide by voting shares determined with regard of paragraph 4.20 of Order of FFMS dated 02.02.2012 No. 12-6/ПЗ-Н	282 868 130
Number of votes participated in the meeting	281 776 433
Quorum (%)	99.6141
Quorum on this item was present. The voting was held by poll #1.	

Voting results

	Amount of votes	% from participants in the voting
FOR	260 939 047	92.6050
AGAINST	20 833 476	7.3936
ABSTAINED	1 970	0.0007
Did not vote		0
Votes considered as invalid –		1 940

Decision adopted on agenda item No.9:

To approve restated Regulation on procedure of preparation and convening General meeting of shareholders

Agenda item No.10: On approving Company's internal document: restated Regulation on Auditing Committee.

Number of votes the persons, included in the list of persons entitled to participate in general meeting, had	282 868 130
Number of votes provide by voting shares determined with regard of paragraph 4.20 of Order of FFMS dated 02.02.2012 No. 12-6/ПЗ-Н	282 868 130

Number of votes participated in the meeting	281 776 433
Quorum (%)	99.6141
Quorum on this item was present. The voting was held by poll #3.	

Voting results

	Amount of votes	% from participants in the voting
FOR	281 767 532	99.9968
AGAINST	5 851	0.0021
ABSTAINED	1 085	0.0004
Did not vote		0
Votes considered as invalid –		1 965

Decision adopted on agenda item No.10:

To approve restated Regulation on Auditing Committee

Annex:

- minutes of meeting of ballot committee on the results of voting at annual general meeting of shareholders of open joint stock company of power industry and electrification of Kuban region dated 23.06.2014 on 6 pages;
- Restated Charter of Kubanenergo JSC
- Restated Regulation on procedure of preparation and convening General meeting of shareholders
- Restated Regulation on Auditing Committee.

Chairperson of annual General meeting

Magadeyev R.R.

Secretary of annual General meeting

Russu O.V.