

The changes and amendments to Charter of Kubanenergo JSC for their approval at AGM of Kubanenergo in 2014

| # | Text of current Charter subject to changes | The proposed changes and amendments to Charter | Reasons for introducing changes to current Charter of affiliate of Russian Grids JSC (comments with reference to current RF legislation, changes in legislation, ect) |
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| Article 3 of Kubanenergo JSC Charter (The Objective and Types of the Company's Activity) | | | |
| 1 | <p>Paragraph 3.2 of Kubanenergo JSC Charter “The Objective and Types of the Company’s Activity”.</p> <p>In order to earn profit and to meet its own needs the Company is entitled to perform any activities not prohibited by the law, including:</p> <ul style="list-style-type: none"> - creation and mastering of new equipment and technologies which secure efficiency, safety and environmental friendliness of the operations of industrial facilities of the Company, creation of conditions for development of energy sector in general, implementation of industry-specific scientific and engineering and innovation programs, formation of sector-specific research and development funds; | <p>The following changes to passage about R&D works are proposed:</p> <ul style="list-style-type: none"> - activities in the sphere of research, development and engineering works, including design, development, introduction of new and improving existing techniques, technologies and methods to improve the reliability, quality, energy efficiency and environmental consumers, creation of conditions for development of the power system of Russia, the implementation of R&D programs and innovation programs, involvement in formation of R&D industry funds; | <p>The changes are proposed in order to reflect correctly in the Charter Company its innovation activity, in particular the R&D activities, as well as the need to distinguish them from the activities associated with fire, industrial and environmental safety.</p> |
| 2 | <p>Paragraph 3.2 of Kubanenergo JSC Charter “The Objective and Types of the Company’s Activity”.</p> <p>absent</p> | <p>It is proposed to add the following sub-paragraph:</p> <ul style="list-style-type: none"> - activity in the sphere of energy audit and rendering services in the sphere of power industry | <p>In accordance with Federal Law 261—FZ dated 23.10.2009 “On energy saving and increasing energy efficiency and on introduction changes to particular orders of RF” by this time dependent and affiliated companies were formed (IDGC/DGC). Dependent and affiliated companies and their branches are members of self-regulatory organization “Union of energy auditors and energy servicing companies” and they can carry out activities in the sphere of energy audit and energy services. Changes are introduced to charters of affiliated and dependent companies that are part of energy servicing companies.</p> |
| 3 | <p>Paragraph 3.2 of Kubanenergo JSC Charter “The Objective and Types of the Company’s Activity”.</p> <ul style="list-style-type: none"> - Safeguarding activities exclusively for the | <p>The following changes are proposed:</p> <ul style="list-style-type: none"> - implementation of organizational, practical and | <p>Implementation of private detective and security activity is possible only if the corresponding license is obtained and is not included in the principal</p> |

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| | sake of its own safety within the framework of the Security Service formed by the Company which shall be governed in its operations by the RF Law “On Private Detective and Security Activities in the Russian Federation” and laws of the Russian Federation; | preventive measures to provide a comprehensive security (anti-terrorist and anti-criminal protection, economic security, Anti-Corruption and information Security). | activities of subsidiaries and affiliates (item 2 paragraph 4 article 1 of the Federal Law dd 04.05.2011 # 99-FZ “On licensing of certain activities” article 6 of the Law of the Russian Federation from 11.03.1992 # 2487-1 “On Private Detective and Security Activities in the Russian Federation”). Moreover, the proposed wording of paragraph corresponds to name policy of “Russian Grids” in the field of security provision. |
| Article 7 of Kubanenergo JSC Charter (Dividends) | | | |
| 4 | <p>Paragraph 7.1 of Kubanenergo JSC Charter “Dividends”.</p> <p>7.1 The Company is entitled by the results of the first quarter, semi-year, nine months of fiscal year and (or) by the results of fiscal year to make a decision (declare) on payment of dividends on the outstanding shares of the Company. The resolution on payment (declaration) of dividends by the results of the first quarter, semi-year, nine months of fiscal year may be approved within three months after the end of a respective period.</p> <p>The Company is bound to pay out the dividends declared for each category (type) of shares.</p> | <p>The following changes are proposed:</p> <p>7.1 The Company is entitled by the results of the first quarter, semi-year, nine months of fiscal year and (or) by the results of fiscal year to make a decision (declare) on payment of dividends on the outstanding shares of the Company. The resolution on payment (declaration) of dividends by the results of the first quarter, semi-year, nine months of fiscal year may be approved within three months after the end of a respective period.</p> <p>The Company is bound to pay out the dividends declared for each category (type) of shares, except as otherwise provided by Federal Law “On joint stock companies”</p> | <p>Aligning with sub-paragraphs “A” of paragraph 3 article 1 of the Federal Law dd 07.12.2011 # 415-FZ “On Amendments to Certain legislative acts of the Russian Federation in connection with the adoption of the Federal Law “On the Central Depository”, according to which provided for in the second paragraph of Section 1, Art. 42 of the Federal Law “On Joint Stock Companies” first proposal to add the words “except as otherwise provided by Federal Law “On joint stock companies”</p> <p>This item came into force on 01.01.2013</p> |
| 5 | <p>Paragraph 7.3 of Kubanenergo JSC Charter “Dividends”.</p> <p>The resolution on payment (declaration) of dividends, including the resolution on the size of dividends, form of their payment for each category (type) of shares is to be adopted by the General Meeting of the Company’s Shareholders. The amount of dividends shall not exceed the</p> | <p>The following changes are proposed:</p> <p>Decision on payment (declaration) of dividends should be adopted by the General Meeting of Shareholders. The specified decision determines the amount of dividends on shares of each category (type), form of payment, order the payment of dividends, the date for defining the list of persons entitles to receive dividends.</p> <p>Along with it this decision regarding the date for defining the list of persons entitles to receive dividends</p> | <p>Changes can be made on the basis of paragraph 8 of Article 2 of the Federal Law N 282 -FZ according to which to the Article 42 of the Federal Law " On Joint Stock Companies " (The procedure for payment of dividends) amendments and supplements are introduced: a) paragraph 3 shall be changed as follows: "3. Decision on payment (declaration) of dividends is made by the AGM . The specified decision determines the amount of dividends on shares of each category</p> |

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| | <p>amount recommended by the Board of Directors of the Company.</p> <p>General Meeting of Shareholders may decide not to pay dividends on common shares.</p> | <p>shall be made by the Board of Directors.</p> <p>The amount of dividends cannot exceed the amount of dividends recommended by the Board of Directors.</p> <p>General Meeting of Shareholders may decide not to pay dividends on common shares.</p> | <p>(type), form of payment, order the payment of dividends, the date for defining the list of persons entitles to receive dividends. Along with it this decision regarding the date for defining the list of persons entitles to receive dividends shall be made by the Board of Directors.;</p> <p>b) paragraph 4 shall read as follows: "4. The amount of dividends cannot exceed the amount of dividends recommended by the Board of Directors;</p> <p>d) add paragraph 7 as follows:</p> <p>7. Dividends are paid to individuals who were holders of shares of the relevant category (type) or persons executing in compliance with federal laws the rights on these shares on the date when in accordance with the decision on payment of dividends the persons entitled to receive them are determined";</p> <p>Thus, the new version of article 42 Federal Law "On Joint Stock Companies" reverses the order and timing of payment of dividends, as well as the procedure for determining the date of compiling the list of persons entitled to receive dividends. These changes came into force on 01.01.2014</p> |
| 6 | <p>Paragraph 7.6 of Kubanenergo JSC Charter "Dividends".</p> <p>7.6. The period and procedure of dividend payment shall be determined by the resolution of the General Meeting of the Company's Shareholders on payment of dividends. The payment day shall not be more than 60 (sixty) days after the date on which the resolution on payment has been approved. If the dividend payment period is not defined by the resolution of the General Meeting of Shareholders it shall be deemed to be 60 (sixty) days from the date of approval of resolution on payment of dividends.</p> | <p>The following changes are proposed:</p> <p>7.6. Payment of dividends to a nominal holder which is a professional securities market participant, which are registered in the register of shareholders shall not exceed 10 working days, and payment to other authorized persons from the register of shareholders shall not exceed 25 working days from the date on which the list of persons entitled to receive the dividends was made.</p> <p>The date of making in accordance with the decision on payment (declaration) of dividends the list of persons entitled to receive the dividends cannot be earlier than 10 days from the date of adopting a decision to pay (declare) the dividends and within 20 days from the date of such</p> | <p>Changes are introduced on the basis of paragraph 2 article 3 of Federal law dd 21.12.2013 No.379-FZ "On Amendments to Certain legislative acts of the Russian Federation", according to which in article 42 of Federal Law "On joint stock companies" the following changes are introduced:</p> <p>a) paragraph 5 should be put in the following version: "The date of making in accordance with the decision on payment (declaration) of dividends the list of persons entitled to receive the dividends cannot be earlier than 10 days from the date of adopting a decision to pay (declare) the dividends and within 20 days from the date of such decision."</p> <p>b) paragraph 6 should be put in the following</p> |

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| | <p>The Company is not entitled to grant advantages as regards the dividend payment period to certain holders of shares of one category (type). The declared dividends on shares of each category (type) shall be paid simultaneously to all holders of the shares of a respective category (type).</p> <p>The list of persons entitled to receive dividends shall be made up as of the record date of persons entitled to attend the General Meeting of Shareholders, at which a resolution on payment of respective dividends is to be approved. For the purposes of the list of persons entitled to dividends a nominee holder of shares shall provide the details of the persons in whose interests he holds the shares.</p> | <p>decision.</p> <p>Dividends are paid to individuals who were holders of shares of the relevant category (type) or persons executing in compliance with federal laws the rights on these shares on the date when in accordance with the decision on payment of dividends the persons entitled to receive them are determined.</p> <p>Dividends in cash are paid by bank transfer by the Company or on behalf of the registrar, which maintains the register of shareholders of the Company, or by the credit organization.</p> <p>The payment of dividends in cash to individuals whose rights on shares are recorded in the registry of shareholders of the Company, should be carried out by postal order or with the appropriate application from the specified persons by transferring money to their bank accounts, and other persons whose rights on shares are in the registry of shareholders, by transferring money to their bank accounts. Obligation of the Company to pay dividends to such persons shall be considered fulfilled from the date when postal service transferred the money or from the date the funds were transferred to account of person entitled to receive such dividends.</p> <p>Persons entitled to receive dividends and which shares are recorded at nominal holder of shares receive dividends in cash in accordance with the legislation of the Russian Federation on securities. Nominal holder that received dividends, but did not transferred them in accordance with legislation of the Russian Federation on securities, for reasons beyond its control, is obliged to return them to the Company within 10 days after the expiration of one month from the date of expiry of dividends payment.</p> | <p>version: "Payment of dividends to a nominal holder which is a professional securities market participant, which are registered in the register of shareholders shall not exceed 10 working days, and payment to other authorized persons from the register of shareholders shall not exceed 25 working days from the date on which the list of persons entitled to receive the dividends was made".</p> <p>Other changes are introduced on the basis of paragraph 8 article 2 of Federal Law 282", according to which in article 42 of Federal Law "On joint stock companies" the following changes are introduced:</p> <p>c) paragraph 6 should be put in the following version::</p> <p>"7. Dividends are paid to individuals who were holders of shares of the relevant category (type) or persons executing in compliance with federal laws the rights on these shares on the date when in accordance with the decision on payment of dividends the persons entitled to receive them are determined."</p> <p>d) paragraph 8 should be put in the following version:</p> <p>"8.Dividends in cash are paid by bank transfer by the Company or on behalf of the registrar, which maintains the register of shareholders of the Company, or by the credit organization.</p> <p>The payment of dividends in cash to individuals whose rights on shares are recorded in the registry of shareholders of the Company, should be carried out by postal order or with the appropriate application from the specified persons by transferring money to their bank accounts, and other persons whose rights on shares are in the registry of shareholders, by transferring money to their bank accounts. Obligation of the Company to pay dividends to such persons shall be considered fulfilled from the date when postal</p> |
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| | | | <p>service transferred the money or from the date the funds were transferred to account of person entitled to receive such dividends.</p> <p>Persons entitled to receive dividends and which shares are recorded at nominal holder of shares receive dividends in cash in accordance with the legislation of the Russian Federation on securities. Nominal holder that received dividends, but did not transferred them in accordance with legislation of the Russian Federation on securities, for reasons beyond its control, is obliged to return them to the Company within 10 days after the expiration of one month from the date of expiry of dividends payment.”</p> <p>Thus, due to amendments and changes introduced to article 42 of Federal Law “On joint stock companies” procedure and terms of paying the dividends, and procedure of fixing up the date of making the list of persons entitled to receive the dividends are changed. These changes come into force on 01.01.2014</p> |
| 7 | <p>Paragraph 7.7 of Kubanenergo JSC Charter “Dividends”.</p> <p>7.7. If within the dividend payment period determined in accordance with Clause 7.5 hereof the declared dividends have not been paid to a person included into the list of persons entitled to dividends, such a person is entitled to apply to the Company claiming the payment of declared dividends to him within three years after expiry of the specified period.</p> <p>The period for claiming the payment of declared dividends shall not be subject to recovery in the event of its missing, except for the case when a person entitled to dividends has not claimed them under duress by menaces.</p> <p>Upon expiry of the period specified herein the</p> | <p>The following changes are proposed:</p> <p>7.7. Person that did not receive the declared dividends due to the fact that the Company or the Registrar lack the exact and necessary address or bank details, or in connection with a delinquent creditor may file a claim for the payment of such dividends (unclaimed dividends) within three years from the date of the decision on their payment was made.</p> <p>The time limit for making a claim for payment of unclaimed dividends when the period for claiming the dividends expired cannot be prolonged, except if the person entitled to receive dividends, did not send this requirement because of the threat or violence.</p> <p>When the period for claiming the dividends expires, the unclaimed dividends are restored in retained earnings of the Company and the obligation to pay them is cancelled.</p> | <p>Changes are introduced on the basis of paragraph 8 article 2 of Federal law No.282-FZ, according to which in article 42 of Federal Law “On joint stock companies” the following changes are introduced:</p> <p>e) paragraph 9 should be put in the following version:</p> <p>“9. Person that did not receive the declared dividends due to the fact that the Company or the Registrar lack the exact and necessary address or bank details, or in connection with a delinquent creditor may file a claim for the payment of such dividends (unclaimed dividends) within three years from the date of the decision on their payment was made.</p> <p>The time limit for making a claim for payment of unclaimed dividends when the period for claiming the dividends expired cannot be prolonged, except if the person entitled to receive dividends, did not send this</p> |

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| | declared dividends which have not been called by a shareholder shall be returned to the undistributed profit of the Company. | | <p>requirement because of the threat or violence.</p> <p>When the period for claiming the dividends expires, the unclaimed dividends are restored in retained earnings of the Company and the obligation to pay them is cancelled.”</p> <p>Thus, due to amendments and changes introduced to article 42 of Federal Law “On joint stock companies” procedure and terms of paying the dividends, and procedure of fixing up the date of making the list of persons entitled to receive the dividends are changed.</p> <p>These changes come into force on 01.01.2014</p> |
| Article 10 of Kubanenergo JSC Charter (General Meeting of the Company’s Shareholders) | | | |
| 8 | <p>Sub-paragraph 21 paragraph 10.2 of article 10 “General Meeting of the Company’s Shareholders”</p> <p>21) Making decision on other matters, stipulated by the Federal Law “On Joint Stock Companies”.</p> | <p>It is proposed to add paragraph 22:</p> <p>21) decisions on filing an application on delisting Company’s shares or securities convertible to shares</p> <p>22) Making decision on other matters, stipulated by the Federal Law “On Joint Stock Companies”.</p> | <p>Changes are introduced on the basis of the Federal Law N 282 -FZ according to which to the Article 43 of the Federal Law " On Joint Stock Companies " (The procedure for payment of dividends) amendments and supplements are introduced:</p> <p>“19.2 decisions on filing an application on delisting Company’s shares or securities convertible to shares”</p> <p>These changes came into force on 02.01.2013.</p> |
| 9 | <p>Paragraph 10.5 of article 10 “General Meeting of the Company’s Shareholders”</p> <p>text is absent</p> | <p>It is proposed to add the following passages:</p> <ul style="list-style-type: none"> - adoption decision to make a request on delisting Company’s shares and (or) securities convertible into shares; - other cases stipulated by Federal Law of “Joint stock companies’ | <p>Changes are introduced on the basis of subparagraph "a" paragraph 11 Article 2 of the Federal Law dated 29.12.2012 N 282-FZ "On introducing changes to particular legislative acts of the Russian Federation and the annulment of particular provisions of legislative acts of the Russian Federation", according to which it was decided in paragraph 4 Article 49 Federal Law "On joint stock companies" to substitute the words "referred to in paragraphs 1 - 3, 5 and 17 with "referred to in paragraphs 1 - 3, 5, 17 and 19.2" (in terms of the general meeting of shareholders adopting decisions by a majority of three-quarters of votes of shareholders)</p> |
| 10 | <p>Paragraph 10.6 of article 10 “General Meeting of the Company’s Shareholders”</p> <p>“10.6 The matters to be resolved by the General</p> | <p>To add the following information to the paragraph:</p> <p>10.6. The decisions on issues specified in sub-items</p> | <p>Changes are introduced on the basis of the Federal Law N 282 -FZ according to which to the Article 42 of the Federal Law "On Joint Stock Companies":</p> |

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| | Meeting of the Company's Shareholders specified in sub-items 2, 5, 7, 8, 12–20 of Clause 10.2 of Article 10 hereof, as well as reduction of charter capital of the Company through reduction of nominal value of shares shall be put forward only at the suggestion of the Board of Directors of the Company." | 2, 5, 7, 8, 12–20 of Clause 10.2 of Article 10 hereof, as well as reduction of charter capital of the Company, on fixing up the date of making the list of persons entitled to receive the dividends can be made by AGM only at the suggestion of the Board of Directors of the Company. | a) paragraph 3 should be put in the following version: "3. Decision on payment (declaration) of dividends is made by the AGM. The specified decision shall determine the amount of dividends on shares of each category (type), form of payment, order the payment of dividends, the date of making the list of persons entitled to receive the dividends. The decision on the date of making the list of persons entitled to receive the dividends shall be made only under suggestion of the Board of Directors (Supervisory Board) of the Company" These changes come into force on 01.01.2014 |
| 11 | Paragraph 10.9 of article 10 "General Meeting of the Company's Shareholders" 10.9. The General Meeting of the Company's Shareholders may be held at the place of location of the Company or in Moscow. The specific address for holding of a General Meeting of the Company's Shareholders shall be fixed by the Board of Directors upon resolving the issues related to holding of the General Meeting of Shareholders. | The following changes are proposed: 10.9. The General Meeting of the Company's Shareholders can be held in Moscow. The specific address for holding of a General Meeting of the Company's Shareholders shall be fixed by the Board of Directors upon resolving the issues related to holding of the General Meeting of Shareholders. | It is offered to specify the place of the general meeting of shareholders of affiliated companies. According to paragraph 2.9 of the Regulation on the additional requirements to the procedure of preparation, convening and holding of the General Meeting of Shareholders" (Order of FFMS of Russia dated 02.02.2012 N 12-6/pz-n , with amendments from 30.07.2013) The General Meeting shall be conducted in the settlement (city, town, village) which the head office of the company, unless the venue is not set by the company charter. Thus, it is possible the general meeting of shareholders to be hold at company's location or at another place specified in Company's Charter. There is no possibility of meeting in a different place in accordance with the decision of the Board of Directors of the Company . |
| Article 11 of Kubanenergo JSC Charter (Proceedings of the General Meeting of the Company's Shareholders in the Form of Attendance by Shareholders) | | | |
| 12 | Paragraph 11.4 of article 11 "Proceedings of the General Meeting of the Company's Shareholders in the Form of Attendance by Shareholders" 11.4. The list of persons, entitled to attend the | The following changes are proposed: 11.4. The list of persons, entitled to attend the General Meeting of Shareholders shall be made on the ground of the register of the Company's | Changes are introduced on the basis of the Federal Law N 379 -FZ according to which to the Article 51 of the Federal Law "On Joint Stock Companies" the following changes were introduced: 4) in paragraph 1 article 51: a) the second passage should be reworded in the |

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| | <p>General Meeting of Shareholders shall be made on the ground of the register of the Company's shareholders.</p> <p>The date of making up of the list of persons entitled to attend the General Meeting of the Company's Shareholders shall not be fixed earlier than the date of decision on holding of a General Meeting of the Company's Shareholders and not more than 50 (fifty) days prior to the General Meeting date, except for the case specified in Clause 14.9 hereof.</p> | <p>shareholders.</p> <p>The date of making up of the list of persons entitled to attend the General Meeting of the Company's Shareholders shall not be fixed earlier than 10 (ten) days after adopting a decision on holding of a General Meeting of the Company's Shareholders and not more than 50 (fifty) days prior to the General Meeting date, except for the case specified in Clause 14.9 hereof.</p> | <p>following:</p> <p>"The date of making up of the list of persons entitled to attend the General Meeting of the Company's Shareholders shall not be fixed earlier than 10 (ten) days after adopting a decision on holding of a General Meeting of the Company's Shareholders and not more than 50 (fifty) days, and in case stipulated by paragraph 2 article 53 of the Federal law – more than 80 days before the general meeting of shareholders"</p> |
| 13 | <p>Paragraph 11.5 of article 11 "Proceedings of the General Meeting of the Company's Shareholders in the Form of Attendance by Shareholders"</p> <p>Notice of General Meeting of Shareholders shall be sent (served) to each person stated in the list of persons entitled to attend the General Meeting of Shareholders and also shall be published by the Company in the newspapers "Kubanskiye Novosti" and placed on the web site of Company in the Internet not later than 30 (thirty) days prior to the meeting date.</p> <p>If the person registered in the Company register of shareholders is a nominee holder of shares, the notice of General Meeting of Shareholders shall be sent to the address of nominee holder of shares, if no other address is specified in the list of persons entitled to attend the General Meeting of Shareholders for sending notices of the General Meeting of Shareholders.</p> <p>Ballots for voting on the agenda issues shall be sent by registered letter to the ad-dress specified in</p> | <p>The following changes are proposed:</p> <p>Notice of General Meeting of Shareholders shall be published on the web site of Company www.kubanenergo.ru in the Internet not later than 30 (thirty) days prior to the meeting date.</p> <p>Ballots for voting on the agenda issues shall be sent by registered letter to the ad-dress specified in the list of persons entitled to attend the General Meeting of Shareholders, or shall be delivered against signature to each person specified in the list of persons entitled to at-tend the General Meeting of Shareholders the latest 20 (twenty) days prior to the date of the General Meeting of Shareholders.</p> <p>Each person included into the list shall be provided with one copy of ballot for voting on all is-sues, or with one copy of two and more ballots for voting on different issues.</p> | <p>Changes are introduced on the basis of the Federal Law N 282 -FZ according to which to the Article 52 of the Federal Law "On Joint Stock Companies" (Information on holding general meeting of shareholders) amendments and supplements are introduced:</p> <p>12) in article 52:</p> <p>a) third passage of item 1 should be put in the following version:</p> <p>"The announcement of the AGM shall be sent to each person included in the list of persons entitled to attend the general meeting of shareholders by registered mail in due time, if the charter does not provide for a different method of notification in writing or delivering the message, or if it is provided by the company's charter, published in print media and posted on the website specified by the charter of the company"</p> <p>Thus, the amendments to article 52 oblige companies to publish the announcements on AGM on the Internet at website specified in the Charter of the Company.</p> <p>The changes come into force on 01.01.2014</p> |

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| | <p>the list of persons entitled to attend the General Meeting of Shareholders, or shall be delivered against signature to each person specified in the list of persons entitled to attend the General Meeting of Shareholders the latest 20 (twenty) days prior to the date of the General Meeting of Shareholders.</p> <p>Each person included into the list shall be provided with one copy of ballot for voting on all issues, or with one copy of two and more ballots for voting on different issues.</p> | | |
| 14 | <p>Paragraph 11.13 of article 11 “Proceedings of the General Meeting of the Company’s Shareholders in the Form of Attendance by Shareholders”</p> <p>11.13. The voting results and resolutions passed at the General Meeting of the Company’s Shareholders may be declared at the General Meeting of the Company’s Shareholders.</p> <p>If the voting results and resolutions passed at the General Meeting of the Company’s Shareholders have not been declared at the General Meeting of the Company’s Shareholders then the latest within 10 (ten) days after making up of the Minutes of the voting results, the resolution passed by the General Meeting of the Company’s Shareholders, and the results of voting shall be communicated in the form of report on the voting results to the persons included into the list of persons entitled to attend the General Meeting of Shareholders in accordance with the procedure stipulated for notice of the General Meeting of Shareholders.</p> | <p>The following changes are proposed:</p> <p>11.13. Decisions adopted by the General Shareholders Meeting and the voting results are announced at the general meeting of shareholders, and should be provided to the persons included in the list of persons entitled to attend the general meeting of shareholders, in the form of Report on voting in the manner prescribed for notifying on the General Meeting of Shareholders no later than four working days after the closing date of the General Meeting of Shareholders.</p> <p>If as of the date of making the list of persons entitled to attend the General Meeting of Shareholders a person registered in the registry of shareholders of the Company was a nominee shareholder, then the report on the results of voting shall be sent in electronic form (in the form of an electronic document signed by electronic signature) to a nominal holder of shares. Nominee shareholder shall inform their participants on the report on the voting results obtained in accordance with this clause of the Charter, in the manner and within the time established by regulations of the Russian Federation or the contract the depositor.</p> | <p>Changes are introduced on the basis of the Federal Law N 379 –FZ dated 21.12.2013 according to which to the Article 63 of the Federal Law "On Joint Stock Companies" the following changes were introduced:</p> <p>6) in paragraph 4 article 63:</p> <p>a) the second passage should be reworded in the following:</p> <p>“Decisions adopted by the General Shareholders Meeting and the voting results are announced at the general meeting of shareholders, and should be provided to the persons included in the list of persons entitled to attend the general meeting of shareholders, in the form of Report on voting in the manner prescribed for notifying on the General Meeting of Shareholders no later than four working days after the closing date of the General Meeting of Shareholders.</p> <p>If as of the date of making the list of persons entitled to attend the General Meeting of Shareholders a person registered in the registry of shareholders of the Company was a nominee shareholder, then the report on the results of voting shall be sent in electronic form (in the form of an electronic document signed by electronic signature) to a nominal holder of shares. Nominee shareholder shall inform their participants on</p> |

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| | | | the report on the voting results obtained in accordance with this clause of the Charter, in the manner and within the time established by regulations of the Russian Federation or the contract the depositor” These changes come into force on 01.06.2014 |
| Article 12 of Kubanenergo JSC Charter (Holding the General Meeting of Shareholders in the Form of Absentee Voting) | | | |
| 15 | <p>Paragraph 12.3 article 12 of the Charter “Holding the General Meeting of Shareholders in the Form of Absentee Voting”</p> <p>12.3 The list of persons entitled to participate in the absentee voting on the agenda issues of a General Meeting of Shareholders is made up on the basis of the register of the Company share-holders.</p> <p>The date of record of the persons entitled to participate in the absentee voting on the agenda issues of a General Meeting of Shareholders shall not be earlier than the date of passing of resolution on holding of a General Meeting of the Company’s Shareholders and more than 50 (fifty) days prior to the closing date of ballots acceptance by the Company.</p> | <p>It is proposed to make the following changes:</p> <p>12.3 The list of persons entitled to participate in the absentee voting on the agenda issues of a General Meeting of Shareholders is made up on the basis of the register of the Company share-holders.</p> <p>The date of record of the persons entitled to participate in the absentee voting on the agenda issues of a General Meeting of Shareholders shall not be earlier than 10 (ten) days after making resolution on holding of a General Meeting of the Company’s Shareholders and more than 50 (fifty) days prior to the closing date of ballots acceptance by the Company.</p> | <p>Changes are introduced on the basis of the Federal Law N 379 –FZ dated 21.12.2013 according to which to the Article 51 of the Federal Law "On Joint Stock Companies" the following changes were introduced:</p> <p>6) in paragraph 1 article 51:</p> <p>a) the second passage should be reworded in the following way:</p> <p>“The date of record of the persons entitled to participate in the absentee voting on the agenda issues of a General Meeting of Shareholders shall not be earlier than 10 (ten) days after making resolution on holding of a General Meeting of the Company’s Shareholders and more than 50 (fifty), and in case provide by paragraph 2 articles 53 of the Federal law – more than 80 days prior to the closing date of ballots acceptance by the Company.”</p> |
| 16 | <p>Paragraph 12.4 article 12 of the Charter “Holding the General Meeting of Shareholders in the Form of Absentee Voting”</p> <p>12.4. Notice of the General Meeting of Shareholders to be held in the form of absentee voting shall be forwarded (or served) to each person stated in the list of persons entitled to attend the General Meeting of Shareholders and also shall be published by the Company in the newspapers “Kubanskiye Novosti” and placed on the web site of Company in the Internet the latest</p> | <p>It is proposed to make the following changes:</p> <p>12.4 Notification on holding the extraordinary General Meeting of Shareholders shall be published on the web site of Company www.kubanenergo.ru in the Internet not later than 30 (thirty) days before the Company stops receiving the voting ballots</p> | <p>Changes are introduced on the basis of the Federal Law N 282 -FZ according to which to the Article 52 of the Federal Law " On Joint Stock Companies " (Information on holding general meeting of shareholders) amendments and supplements are introduced:</p> <p>12) in article 52:</p> <p>a) third passage of item 1 should be put in the following version:</p> <p>“The announcement of the general meeting of shareholders shall be sent to each person included in the list of persons entitled to attend the general meeting</p> |

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| | 30 (thirty) days prior to the closing date of ballots acceptance by the Company. | | <p>of shareholders by registered mail in due time, if the charter does not provide for a different method of notification in writing or delivering the message, or if it is provided by the company's charter, published in print media and posted on the website specified by the charter of the company"</p> <p>Thus, the amendments to article 52 oblige companies to publish the announcements on AGM on the Internet at website specified in the Charter of the Company.</p> <p>The changes come into force on 01.01.2014</p> |
| 17 | <p>Paragraph 12.8 article 12 of the Charter "Holding the General Meeting of Shareholders in the Form of Absentee Voting"</p> <p>12.8. The resolutions passed by the General Meeting of Shareholders and the results of voting shall be communicated in the form of report on the voting results the latest within 10 (ten) days after making up of the Minutes of voting results shall be communicated to the persons included into the list of persons entitled to attend the General Meeting of Shareholders in accordance with the procedure stipulated for notice of the General Meeting of Shareholders.</p> | <p>It is proposed to make the following changes:</p> <p>12.8 Decisions adopted by the General Shareholders Meeting and the voting results are announced at the general meeting of shareholders, and should be provided to the persons included in the list of persons entitled to attend the general meeting of shareholders, in the form of Report on voting in the manner prescribed for notifying on the General Meeting of Shareholders no later than four working days after the closing date of the General Meeting of Shareholders.</p> <p>If as of the date of making the list of persons entitled to attend the General Meeting of Shareholders a person registered in the registry of shareholders of the Company was a nominee shareholder, then the report on the results of voting shall be sent in electronic form (in the form of an electronic document signed by electronic signature) to a nominal holder of shares. Nominee shareholder shall inform their participants on the report on the voting results obtained in accordance with this clause of the Charter, in the manner and within the time established by regulations of the Russian Federation or the contract the depositor.</p> | <p>Changes are introduced on the basis of the Federal Law N 379 –FZ dated 21.12.2013 according to which to the Article 62 of the Federal Law "On Joint Stock Companies" the following changes were introduced:</p> <p>6) in paragraph 4 article 62:</p> <p>a) the second passage should be reworded in the following:</p> <p>"Decisions adopted by the General Shareholders Meeting and the voting results are announced at the general meeting of shareholders, and should be provided to the persons included in the list of persons entitled to attend the general meeting of shareholders, in the form of Report on voting in the manner prescribed for notifying on the General Meeting of Shareholders no later than four working days after the closing date of the General Meeting of Shareholders.</p> <p>If as of the date of making the list of persons entitled to attend the General Meeting of Shareholders a person registered in the registry of shareholders of the Company was a nominee shareholder, then the report on the results of voting shall be sent in electronic form (in the form of an electronic document signed by electronic signature) to a nominal holder of shares. Nominee shareholder shall inform their participants on the report on the voting results obtained in accordance with this clause of the Charter, in the manner and</p> |

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| | | | within the time established by regulations of the Russian Federation or the contract the depositor” These changes come into force on 01.06.2014 |
| Article 14 of Kubanenergo JSC Charter (Convocation of Extraordinary General Meeting of the Company’s Shareholders) | | | |
| 18 | <p>Paragraph 14.3 article 14 of the Charter “Convocation of Extraordinary General Meeting of the Company’s Shareholders”</p> <p>14.3. The extraordinary General Meeting of Shareholders requested by the Auditing Commission of the Company, external Auditor of the Company or shareholders (shareholder) holding at least 10 (ten) percent of voting shares of the Company shall be convened by the Board of Directors of the Company.</p> <p>Such a General Meeting of Shareholders shall be held within 40 (forty) days from filing of a request for holding an extraordinary General Meeting of the Company’s Shareholders, except for the case specified in Clause 14.9 hereof.</p> | <p>It is proposed to make the following changes:</p> <p>14.3. The extraordinary General Meeting of Shareholders requested by the Auditing Commission of the Company, external Auditor of the Company or shareholders (shareholder) holding at least 10 (ten) percent of voting shares of the Company shall be convened by the Board of Directors of the Company. Such a General Meeting of Shareholders shall be held within 50 (fifty) days from filing of a re-request for holding an extraordinary General Meeting of the Company’s Shareholders, except for the case specified in Clause 14.9 hereof.</p> | <p>Changes are introduced on the basis of the Federal Law N 379 –FZ dated 21.12.2013 according to which to the Article 55 of the Federal Law "On Joint Stock Companies" the following changes were introduced:</p> <p>5) in paragraph 2 article 55:</p> <p>a) to replace “within 40 days” with “within 50 days”</p> <p>b) to replace “within 70 days” with “within 95 days”</p> |
| 19 | <p>Paragraph 14.9 article 14 of the Charter “Convocation of Extraordinary General Meeting of the Company’s Shareholders”</p> <p>14.9. If the proposed agenda of the extraordinary General Meeting of Shareholders includes the issue of election of the members of the Company’s Board of Directors:</p> <p>14.9.1. Shareholders (shareholder) of the Company holding on aggregate at least 2 percent of voting shares of the Company shall be entitled to propose nominees to be elected to the Board of Directors, the number whereof shall not exceed the number of members specified for the Board of Directors of the Company.</p> | <p>It is proposed to make the following changes:</p> <p>14.9. If the proposed agenda of the extraordinary General Meeting of Shareholders includes the issue of election of the members of the Company’s Board of Directors:</p> <p>14.9.1. General meeting of shareholders shall be convened within 95 (ninety five) days upon the provision of requirement on convening extraordinary general meeting of shareholders.</p> <p>14.9.2. Shareholders (shareholder) of the Company holding on aggregate at least 2 percent of voting shares of the Company shall be entitled to propose nominees to be elected to the Board of Directors, the number whereof shall not exceed the number of</p> | <p>Changes are introduced on the basis of the Federal Law N 379 –FZ dated 21.12.2013 according to which to the Article 55 of the Federal Law "On Joint Stock Companies" the following changes were introduced:</p> <p>5) in paragraph 2 article 55:</p> <p>a) to replace “within 40 days” with “within 50 days”</p> <p>b) to replace “within 70 days” with “within 95 days”</p> |

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| | <p>Such proposals shall be presented to the Company the latest 30 (thirty) days prior to the date of the extraordinary General Meeting of Shareholders. The Board of Directors is obliged to consider the received proposals and make a decision on their inclusion into the agenda of the extraordinary General Meeting of Shareholders or on refusal to do the same the latest within 5 (five) days after termination of the period specified in paragraph 2 hereof.</p> <p>14.9.2. The notice of extraordinary General Meeting of Shareholders shall be delivered the latest 70 (seventy) days prior to the meeting date.</p> | <p>members specified for the Board of Directors of the Company.</p> <p>Such proposals shall be presented to the Company the latest 30 (thirty) days prior to the date of the extraordinary General Meeting of Shareholders. The Board of Directors is obliged to consider the received proposals and make a decision on their inclusion into the agenda of the extraordinary General Meeting of Shareholders or on refusal to do the same the latest within 5 (five) days after termination of the period specified in paragraph 2 hereof.</p> <p>14.9.3. The date of making up of the list of persons entitled to attend the General Meeting of the Company's Shareholders shall not be fixed earlier than 10 (ten) days after adopting a decision on holding of a General Meeting of the Company's Shareholders and not more than 50 (fifty) days, and more than 80 days before the general meeting of shareholders</p> <p>14.9.4. The notice of extraordinary General Meeting of Shareholders shall be delivered the latest 70 (seventy) days prior to the meeting date.</p> | <p>Changes are introduced on the basis of the Federal Law N 379 –FZ dated 21.12.2013 according to which to the Article 51 of the Federal Law "On Joint Stock Companies" the following changes were introduced:</p> <p>6) in paragraph 1 article 51:</p> <p>a) the second passage should be reworded in the following way:</p> <p>“The date of record of the persons entitled to participate in the absentee voting on the agenda issues of a General Meeting of Shareholders shall not be earlier than 10 (ten) days after making resolution on holding of a General Meeting of the Company's Shareholders and more than 50 (fifty), and in case provide by paragraph 2 articles 53 of the Federal law – more than 80 days prior to the closing date of ballots acceptance by the Company</p> |
| Article 15 of Kubanenergo JSC Charter (Board of Directors of the Company) | | | |
| 20 | <p>Sub-paragraph 5 paragraph 15.1 article 15 of the Charter “Board of Directors of the Company”</p> <p>5) Determination of the date of record of the list of persons entitled to attend the General Meeting of the Company's Shareholders making decisions on other issues, related to preparation and holding of the General Meeting of the</p> | <p>It is proposed to make the following changes:</p> <p>5) Determination of the date of record of the list of persons entitled to attend the General Meeting of the Company's Shareholders, fixing up the date of making the list of persons entitled to receive dividends, approving of costs estimated on holding</p> | <p>Changes can be made on the basis of paragraph 8 of Article 2 of the Federal Law N 282 -FZ according to which to the Article 42 of the Federal Law " On Joint Stock Companies " (The procedure for payment of dividends) amendments and supplements are introduced: a) paragraph 3 shall be changed as follows:</p> <p>"3. Decision on payment (declaration) of dividends is</p> |

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| | Company's Shareholders; | general meeting and making decisions on other issues related to preparation and holding of the General Meeting of the Company's Shareholders; | made by the AGM . The specified decision determines the amount of dividends on shares of each category (type), form of payment, order the payment of dividends, the date for defining the list of persons entitles to receive dividends. Along with it this decision regarding the date for defining the list of persons entitles to receive dividends shall be made by the Board of Directors. The changes come into force on 01.01.2014 |
| 21 | Sub-paragraph 6 paragraph 15.1 article 15 of the Charter "Board of Directors of the Company" 6) Proposal of issues specified in Items 2, 5, 7, 8, 12–20 of Clause 10.2 of Article 10 hereof and issue of reduction of the charter capital of the Company through reduction of nominal value of shares for approval by the General Meeting of Shareholders; | To add the following information to the paragraph: 10.6. The decisions on issues specified in sub-items 2, 5, 7, 8, 12–20 of Clause 10.2 of Article 10 hereof, as well as reduction of charter capital of the Company, on fixing up the date of making the list of persons entitled to receive the dividends can be made by AGM only at the suggestion of the Board of Directors of the Company. | Changes are introduced on the basis of the Federal Law N 282 -FZ according to which to the Article 42 of the Federal Law "On Joint Stock Companies": a) paragraph 3 should be put in the following version: "3. Decision on payment (declaration) of dividends is made by the AGM. The specified decision shall determine the amount of dividends on shares of each category (type), form of payment, order the payment of dividends, the date of making the list of persons entitled to receive the dividends. The decision on the date of making the list of persons entitled to receive the dividends shall be made only under suggestion of the Board of Directors (Supervisory Board) of the Company" These changes come into force on 01.01.2014 |
| 22 | Sub-paragraph 7 paragraph 15.1 article 15 of the Charter "Board of Directors of the Company" 7) Placement of bonds or other issued securities by the Company with exception of the cases stipulated by the law of the Russian Federation and this Charter; | It is proposed to make the following changes: 7) placement of additional shares, into which preferred shares placed by the Company of a certain type are converted, convertible into common shares or preferred shares of other types, if such a placement is not associated with an increase in the authorized capital of the Company, as well as placement of bonds or other equity securities other than shares; Eurobond issue and determining policy in the sphere of the issue of securities (except for shares) and Eurobonds; | Changes are introduced on the basis of subparagraph "a" paragraph 11 Article 2 of the Federal Law dated 29.12.2012 N 282-FZ "On introducing changes to particular legislative acts of the Russian Federation and the annulment of particular provisions of legislative acts of the Russian Federation", according to which it was decided in sub-paragraph 6 paragraph 1 Article 65 Federal Law "On joint stock companies": 6) placement of additional shares, into which preferred shares placed by the Company of a certain type are converted, convertible into common shares or |

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| | | | preferred shares of other types, if such a placement is not associated with an increase in the authorized capital of the Company, as well as placement of bonds or other equity securities other than shares; Eurobond issue and determining policy in the sphere of the issue of securities (except for shares) and Eurobonds; These changes came into force on 02.01.2013 |
| 23 | <p>Sub-paragraph 8 paragraph 15.1 article 15 of the Charter “Board of Directors of the Company”</p> <p>8) Approval of resolution on issue (additional issue) of securities, securities issue prospect, and report on the results of the securities issue (additional issue), reports on the results of acquisition of shares from the Company shareholders, reports on share redemption results, reports on the claims of the Company shareholders for repurchase of shares held by them;</p> | <p>It is proposed to make the following changes:</p> <p>8) Approval of resolution on issue (additional issue) of securities, securities issue prospect, and report on the results of the securities issue (additional issue), and notification on results of issue (additional issue) of securities, approval of reports on the results of acquisition of shares from the Company shareholders, reports on share redemption results, reports on the claims of the Company shareholders for repurchase of shares held by them;</p> | <p>These changes in the charters of affiliated companies are offered to enhance the competence of affiliate Board of Directors in accordance with paragraph 6 of Article 25, paragraph 1 of the Federal Law "On the Securities Market" notification on the issue (additional issue) of securities (and report on issue) should be approved by authorized body of the issuer. This notice on the issue of securities submitted to the Bank of Russia for registration shall contain the reference on the issuer's management body that made the decision to approve the notice of the issue of securities. According to paragraphs 2.8.7 and 2.8 of Standards securities issuance and registration of securities prospectuses (approved by Order of FFMS of Russia of 04.07.2013 # 13-55/pz-n) report (notification) on the issue (additional issue) of securities of a business entity should be approved by the sole executive body of the business entity, if the charter does not stipulate adoption of decision of a decision on this the collegial executive body or board of directors.</p> |
| 24 | <p>Sub-paragraph 9 paragraph 15.1 article 15 of the Charter “Board of Directors of the Company”</p> <p>9) Determination of the property price (pecuniary valuation), price of placement and redemption of issued securities in the cases stipulated by the Federal Law “On Joint Stock Companies” and upon making decisions on the issues specified in Items 11, 21, 38 of Clause 15.1 hereof;</p> | <p>It is proposed to make the following changes:</p> <p>9) Determination of the property price (pecuniary valuation), price of placement or procedure of fixing the price and redemption of issued securities in the cases stipulated by the Federal Law “On Joint Stock Companies” and upon making decisions on the issues specified in Items 11, 21, 38 of Clause 15.1 hereof;</p> | <p>Changes are introduced on the basis of subparagraph "b" paragraph 14 Article 2 of the Federal Law dated 29.12.2012 N 282-FZ "On introducing changes to particular legislative acts of the Russian Federation and the annulment of particular provisions of legislative acts of the Russian Federation", according to which it was decided in sub-paragraph 7 paragraph 1 Article 65 Federal Law "On joint stock companies": to replace “price of placement and redemption of issued”</p> |

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| | | | with “price of placement or procedure of fixing the price and redemption of issued” These changes come into force on 021.01.2013 |
| 25 | Sub-paragraph 36a) paragraph 15.1 article 15 of the Charter “Board of Directors of the Company” a) On determination of agenda of a general meeting of shareholders (participants) of affiliated and subsidiary companies; | It is proposed to make the following changes: a) On determination of agenda of a general meeting of shareholders (participants) of affiliated and subsidiary companies (except those where the Company owns 100% of authorized capital); | Bringing to correspondence p.3 Article 47 of the Federal Law "On Joint Stock Companies" according to which, in a company, all voting shares are held by one shareholder, the decisions on matters within the competence of the general meeting of shareholders shall be taken by such shareholder individually and in written form. The provisions of the Federal Law "On Joint Stock Companies", the procedure and terms of preparation, convening and holding of the general meeting of shareholders shall not be applied, except for the provisions relating to the timing of the annual general meeting of shareholders. |
| 26 | Sub-paragraph 36 paragraph 15.1 article 15 of the Charter “Board of Directors of the Company” The text is absent | It is proposed to add the following passage: v) on reduction of the authorized capital of subsidiaries and affiliates by reducing the nominal value of shares through the acquisition of subsidiaries and affiliates' shares in order to reduce their total number, as well as by redemption of repurchased shares of subsidiaries and affiliates; | In order to make possible the BoD of affiliated and subsidiary companies to control the activity of the companies, it is proposed to increase the list of issues, on which the approval of BoD is necessary. According to Charters of affiliated and subsidiary companies the BoD expresses its opinion on a number of issues related to the competence of general meetings of shareholders. As the BoD of affiliated and subsidiary companies does not select the agenda of general meetings of shareholders, such issue should be discussed only by Management Body of affiliated and subsidiary companies. |
| 27 | Sub-paragraph 38 paragraph 15.1 article 15 of the Charter “Board of Directors of the Company” 38) Preliminary approval of resolutions on the Company's entering into: b) Transactions (including several interrelated transactions) connected with acquisition, alienation or possible alienation of the property | To add information to the sub-paragraphs b) Transactions (including several interrelated transactions) connected with acquisition, alienation or possible alienation of the property comprising the fixed assets, intangible assets, facilities under construction, the purpose of use whereof is generation, transmission, dispatching, distribution of | This phrase should exclude the ambiguity of sub-paragraphs c) and d) of paragraph 40.15.1 of Charter of affiliated and subsidiary company in part of necessity to submit for approval of the BoD the transactions, if the BoD does not define particular cases (amounts) of transactions. |

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| | <p>comprising the fixed assets, intangible assets, facilities un-der construction, the purpose of use whereof is generation, transmission, dispatching, distribution of electric and thermal energy in the cases (within the scopes) determined by specific resolutions of the Board of Directors of the Company;</p> <p>c) Transactions (including several interrelated transactions) connected with acquisition, alienation or possible alienation of the property comprising the fixed assets, intangible assets, facilities under construction, the purpose of use whereof is not generation, transmission, dispatching, distribution of electric and thermal energy in the cases (within the scopes) determined by specific resolutions of the Board of Directors of the Company;</p> | <p>electric and thermal energy in the cases (within the scopes) determined by specific resolutions of the Board of Directors of the Company, or if the specified cases (amounts) were not determined by the BoD;</p> <p>c) Transactions (including several interrelated transactions) connected with acquisition, alienation or possible alienation of the property comprising the fixed assets, intangible assets, facilities under construction, the purpose of use whereof is not generation, transmission, dispatching, distribution of electric and thermal energy in the cases (within the scopes) determined by specific resolutions of the Board of Directors of the Company, or if the specified cases were not determined by the BoD;</p> | |
| 28 | <p>Sub-paragraph 38 paragraph 15.1 article 15 of the Charter “Board of Directors of the Company”</p> | <p>To add sub-paragraph:</p> <p>d) transactions for receiving or transferring of fixed assets for temporary possession and use or for temporary use for a period of more than 5 years, in cases (amounts) determined by separate decisions of the Board of Directors.</p> | <p>In the Chapters of the SDCs of JSC " Rosseti " there is a requirement on prior approval of transactions involving the alienation of immovable property. However, in order to meet the interests of shareholders, it is appropriate also to monitor transactions involving the transfer of such property to rent to third parties.</p> |
| 29 | <p>Sub-paragraph 41 paragraph 15.1 article 15 of the Charter “Board of Directors of the Company”</p> <p>41) Determination of the ways of securing of insurance coverage of the Company, including approval of the Company’s Insurer;</p> | <p>The following changes are proposed (it is also proposed to include this paragraph to Charters of affiliated companies):</p> <p>41) definition of the Company's policy in the field of insurance, control of insurance coverage for the Company, including the approval of the Company's nominees Insurers.</p> | <p>Such changes are meant to enhance control of the BoD of affiliated and subsidiary companies, as well as to implementation of the unified policy of Russian Grids in the sphere of insurance.</p> |
| 30 | <p>Sub-paragraph 45 paragraph 15.1 article 15 of the Charter “Board of Directors of the Company”</p> <p>45) Preliminary approval of transactions which</p> | <p>The following changes are proposed:</p> <p>45) Preliminary approval of transactions which may entail origination of currency liabilities (or</p> | <p>Changes are proposed for the purpose of strengthening the Board of Directors competence. In addition, amendments to the Charter of the Company are related</p> |

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| | may entail origination of currency liabilities (or liabilities the amount whereof is linked with foreign currency) in the cases and in the amounts to be determined by specific resolutions of the Board of Directors of the Company, and when such cases (amounts) have not been determined by the Board of Directors of the Company; | liabilities the amount whereof is linked with foreign currency), transactions with derivative financial instruments , in the cases and in the amounts to be determined by specific resolutions of the Board of Directors of the Company, and when such cases (amounts) have not been determined by the Board of Directors of the Company; determination of Company's policy in the sphere of conclusion of transactions with derivative financial instruments | to the necessity of reducing the currency risk, risk of loss of investment attractiveness and solvency within the group of " Rosseti." |
| 31 | Sub-paragraph 46 paragraph 15.1 article 15 of the Charter "Board of Directors of the Company" 46) Determination of procurement policy of the Company, including approval of Regulations on the procedure of regulated purchase of goods, works, services , approval of the head of Central procurement body of the Company and its members, and approval of annual comprehensive procurement program , and passing of other resolutions in accordance with the approved documents of the Company regulating the procurement activity of the Company; | The following changes are proposed: 46) Determination of procurement policy of the Company, including approval of Regulations on purchase of goods, works, services , approval of the head of Central procurement body of the Company and its members, and approval of procurement plan , and passing of other resolutions in accordance with the approved documents of the Company regulating the procurement activity of the Company; | Changes are proposed with the aim of aligning the Charter "Kubanenergo" with the provisions of article 2 of the Federal Law dd 18.07.2011 # 223 -FZ "On procurement of goods, works and services by certain types of legal entities" which provides that the Regulations on procurement is the document that governs the procurement activities of the customer and must contain the requirements for procurement, including order preparation and conduct of procurement procedures (including procurement methods) and the conditions for their application, the procedure of conclusion and execution of contracts, as well as other related procurement provisions. In addition, article 4 of FZ "On procurement of goods, works and services by certain types of legal entities" provided that the customer places on the official site the plan of procurement of goods, works and services for a period not less than one year. In view of the above the changes are proposed to clarify the name of the Regulations and procurement plan. |
| 32 | Paragraph 15.1 article 15 of the Charter "Board of Directors of the Company" 54) Other issues, referred to the competence of the Board of Directors by the Federal Law "On Joint Stock Companies" and this Charter. | It is proposed to add sub-paragraph 56 (numeration of sub-paragraphs also changes) 54) filing an application for listing of Company's shares and (or) securities of the Company convertible into shares. | Changes are made on the basis of the Federal Law N 282-FZ according to which the competency of the Board of Directors (Section 1, article 48 of the Federal Law "On Joint Stock Companies") is extended and described in paragraphs. 17.2 as follows: "17.2) filing an application for listing of Company's shares and (or) |

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| | | | securities of the Company convertible into shares.; Paragraph comes into force from 30.09.2013 |
| 33 | <p>Paragraph 15.1 article 15 of the Charter “Board of Directors of the Company”</p> <p>Absent in current version</p> | <p>It is proposed to add sub-paragraph 57 (numeration of sub-paragraphs also changes)</p> <p>55) decision on joining the Company to industry and inter-industry standards, regulations and other documents in the electricity sector in various areas of the Company’s activities, including the technical regulation.</p> <p>56) other issues, referred to the competence of the Board of Directors by the Federal Law “On Joint Stock Companies” and this Charter.</p> | <p>In accordance with the Decree of the Government of the Russian Federation of 03.04.2013 N 511- p "On approval of the Strategy of development of grid complex of the Russian Federation" JSC", Rosseti" is intended to coordinate all network companies in Russia (including territorial grid companies that not part of the group of companies " Rosseti ") in the sphere of tariffs, technical policy and investment planning, to ensure transparency of financial and economic activities , as well as in the field of anti-corruption policy. One of the tools for implementing a unified technical policy is the adoption (approval) of common standards in the field of technical regulation. Currently it is planned to make amendments to the Charter of "Rosseti" regarding allegations of industry standards and regulations. In this regard, it is proposed to supplement the competence of the Board of Directors of subsidiaries and affiliates of "Rosseti" with paragraph on accession to the respective subsidiaries and affiliates of industry documents.</p> |
| Article 18 of Kubanenergo JSC Charter (Meetings of the Board of Directors of the Company) | | | |
| 34 | <p>Paragraph 18.10 article 18 of the Charter “Meetings of the Board of Directors of the Company”</p> <p>18.10. Resolutions of the Board of Directors on issues specified in Items 21, 22, 35–38 of Clause 15.1 of Article 15 hereof shall be approved by the majority of two thirds of votes of the Board of Directors, present at the meeting.</p> | <p>It is proposed to make the following changes:</p> <p>18.10. Resolutions of the Board of Directors on issues specified in Items 21, 35–38 of Clause 15.1 of Article 15 hereof shall be approved by the majority of two thirds of votes of the Board of Directors, present at the meeting.</p> | <p>The proposed changes are aimed at optimizing the decision-making procedures for the approval of loans, aimed at reducing the quorum for adoption by the Board of Directors of the subsidiaries and affiliates of relevant decisions from two-thirds to a simple majority of participating in the meeting.</p> <p>Item 22) of the Charter provides for subsidiaries and affiliates</p> <p>22) determination of the credit policy as regards granting of loans , making credit and loan agreements , issuance of guarantees, commitments under the bill (issuing bills of exchange), pledging property and making decisions on transactions in cases where the</p> |

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| | | | decision was not outlined by the Company credit policy, as well as taking in the manner prescribed by the Company credit policy on bringing the debt position of the Company in accordance with the limits established by the Company's credit policy . Due to the fact that the decision on the approval of the Charter of the subsidiaries and affiliates in the new edition (to amend the Charter of the subsidiaries and affiliates of changes and additions) should be adopted by the General Meeting of shareholders of subsidiaries and affiliates by three-fourths majority vote of the shareholders - holders of voting shares participating in the General Meeting of Shareholders of affiliates, in other subsidiaries and affiliates these changes may be made if there is availability of positive agreements with minority shareholders. |
| Article 23 of Kubanenergo JSC Charter (General Director of the Company) | | | |
| 35 | Sub-paragraph paragraph 23.3 article 23 of the Charter “Meetings of the Board of Directors of the Company” absent | It is proposed to add the following passage: - ensures the implementation of decisions of the Board of JSC "Rosseti" as the main Company, which has the right to give binding orders upon the Company, on matters related to the liquidation of consequences of emergency and/or emergency situations, the implementation of decisions of the President and or the Government of the Russian Federation, providing reliable uninterrupted electricity consumers; | These changes are introduced in order to enhance efficiency of management from the part of “Rosseti” JSC (as a shareholder) |
| Article 24 of Kubanenergo JSC Charter (Auditing Commission and External Auditor of the Company) | | | |
| 36 | Paragraph 24.7 article 24 of the Charter “Auditing Commission and External Auditor of the Company” 24.7. The audit (revision) of the financial and business activities of the Company may be conducted at any time at the initiative of the Auditing Commission of the Company, by | It is proposed to make the following changes: 24.7. The audit (revision) of the financial and business activities of the Company may be conducted by results of Company’s activity during the year , by resolution of the General Meeting of Shareholders, Board of Directors, or on demand of a | Changes are of clarifying nature in order to bring the provisions of the Charters of affiliates into correspondence with article 85 of the Federal Law "On Joint Stock Companies" (auditing commission (auditor) of the Company), in accordance with which the audit (revision) of the financial and business activities of the Company may be conducted by results of Company’s activity during the year, by |

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| | resolution of the General Meeting of Shareholders, Board of Directors, or on demand of a shareholder (shareholders) of the Company holding on aggregate at least 10 percent of voting shares of the Company. | shareholder (shareholders) of the Company holding on aggregate at least 10 percent of voting shares of the Company. | resolution of the General Meeting of Shareholders, Board of Directors, or on demand of a shareholder (shareholders) of the Company holding on aggregate at least 10 percent of voting shares of the Company |
| Article 26 of Kubanenergo JSC Charter (Custody of Documents by the Company. Provision of Information by the Company) | | | |
| 37 | <p>Paragraph 26.2 article 26 of the Charter “Custody of Documents by the Company. Provision of Information by the Company”</p> <p>The Company shall keep custody of the documents specified in Clause 26.1 hereof at the place of location of the executive body of the Company in accordance with the procedure and within periods established by the federal executive authority in charge of securities market.</p> | <p>It is proposed to make the following changes:</p> <p>26.2. The Company shall keep custody of the documents specified in Clause 26.1 hereof at the place of location of the executive body of the Company in accordance with the procedure and within periods established by the Bank of Russia.</p> | <p>The changes are made on the basis of Article 12 paragraph 3 of the Federal Law dated 23.07.2013 # 251-FZ "On Amendments to Certain Legislative Acts of the Russian Federation in connection with the transfer to the Central Bank of the Russian Federation the authority to regulate, control and supervise the financial markets", which introduced changes in paragraph 2 Article 89 of the Federal Law "On Joint Stock Companies" (document storage) and the words "federal executive body for the securities market" were replaced with the words "Bank of Russia";</p> |