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Minutes of Board of Directors Meeting No. 150/2012
Open joint stock company
of power industry and electrification of Kuban

Date of meeting	December 27, 2012
Form of holding the meeting	Absentee voting (questionnaire)
Place of vote counting	Office 101, 2 Stavropolskaya St., Krasnodar (postal address of “Kubanenergo”, JSC)
Date of vote counting	27.12.2012 17:00
Date of drawing up minutes	December 29, 2012

Number of Board of Directors Members: 11

Questionnaires were submitted by: Budagrın O.M., Goncharov V.A., Demidov A.V., Diyakov F.A., Murov A.E., Prokhorov Ye.V., Romeiko D.I., Sultanov G.A.,
Questionnaires were not submitted by: Likhov Kh.M., Yemelin A.S., Nikonov V.V.

According to requirements of paragraph 7.3 of Regulation on order of conveying and holding meetings of “Kubanenergo”, JSC Board of Directors approved by decision of annual General meeting of “Kubanenergo”, JSC shareholders dated 22.06.2012, minutes No.31, quorum for holding the meeting should count at least half of elected members of Board of Directors.

Quorum is present

Agenda

1. On approval of the organizational structure of the executive office of “Kubanenergo” JSC.
2. On introducing amendments to the list of posts in the category of top managers of “Kubanenergo” JSC.
3. On introducing amendments to the list of positions of the executive office of “Kubanenergo” JSC approval of which falls within the competence of the Board of Directors.
4. On approval of candidates for certain positions in the executive office of the Company, determined by the Board of Directors.
5. On determining the number of Board members and election of the Company Board.
6. On approval of the Central Tender Committee of “Kubanenergo”.

7. On approval of the adjusted Schedule on implementation of mandatory energy audit of facilities used for industrial and economic needs and transmission facilities of “Kubanenergo”.
8. On preliminary approval of the decision on the Company's transactions involving the alienation of immovable property constituting fixed assets that are not used for the generation, transmission, distribution of electric and thermal energy - train tracks located at: 71 Sovetskaya str., Pavlovskaya village, Pavlovskiy district, Krasnodar region, via the public offer.
9. On approval of the budgets of committees attached to the Board of Directors of “Kubanenergo” for the 2nd half of 2012.
10. On consideration of the report of the director general of “Kubanenergo” on the activities aimed to complete implementation of introduction of the control system for the construction of Olympic facilities in “Kubanenergo”.
11. On consideration of the report on the management of subsidiaries and affiliates of “Kubanenergo” engaged in non-core activities for 9 months of 2012.
12. On approval of the internal document: Appendix 1 and 2 to the Regulations on material motivation of the Director General of "Kubanenergo" in restated version.

Item 1

On approval of the organizational structure of the executive office of “Kubanenergo” JSC

It is proposed to adopt the following decision:

1. To approve the organizational structure of the executive office of “Kubanenergo” JSC in accordance with annex to the decision of the BoD.
2. To consider as invalid the organization structure of the executive office of “Kubanenergo” JSC dated 23.10.2012 (minutes of meeting 145/2012).

Voting results

Budagrın O.M.	-	FOR	Murov A.E.	-	FOR
Goncharov V.A.	-	FOR	Prokhorov Ye.V.	-	FOR
Demidov A.V.	-	FOR	Romeiko D.I.	-	FOR
Diyakov F.A.	-	FOR	Sultanov G.A.	-	FOR

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

Item 2

On introducing amendments to the list of posts in the category of top managers of “Kubanenergo” JSC

It is proposed to adopt the following decision:

To introduce the following changes to the list of positions regarded as top-management of Kubanenergo JSC approved by the BoD on 29.07.2012 (minutes of meeting No.115/2011 dd 01.08.2011):

1. To exclude from the list of positions regarded as top-management the following position: deputy director general – chief of staff;

2.To add to the list of positions regarded as top-management the following positions: deputy director general; deputy director general in charge of communications; deputy director general in charge of operation of Sochi electric grids.

Voting results

Budagrın O.M.	-	FOR	Murov A.E.	-	FOR
Goncharov V.A.	-	FOR	Prokhorov Ye.V.	-	FOR
Demidov A.V.	-	FOR	Romeiko D.I.	-	FOR
Diyakov F.A.	-	FOR	Sultanov G.A.	-	FOR

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

Item 3

On introducing amendments to the list of positions of the executive office of “Kubanenergo” JSC approval of which falls within the competence of the Board of Directors

It is proposed to adopt the following decision:

To introduce the following changes to the list of positions of the executive office of “Kubanenergo” JSC approved by the BoD on 29.07.2012 (minutes of meeting No.115/2011 dd 01.08.2011):

1.To exclude from the list of positions regarded as top-management the following position: deputy director general – chief of staff;

2.To add to the list of positions regarded as top-management the following positions: deputy director general; deputy director general in charge of communications; deputy director general in charge of operation of Sochi electric grids.

Voting results

Budagrın O.M.	-	FOR	Murov A.E.	-	FOR
Goncharov V.A.	-	FOR	Prokhorov Ye.V.	-	FOR
Demidov A.V.	-	FOR	Romeiko D.I.	-	FOR
Diyakov F.A.	-	FOR	Sultanov G.A.	-	FOR

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

Item 4

On approval of candidates for certain positions in the executive office of the Company, determined by the Board of Directors

It is proposed to adopt the following decision:

To appoint candidates:

- Lebedev Aleksey Gennadievich for the position of first deputy director general of Kubanenergo JSC;

- Golova Andrey Valerievich for the position of deputy director general in charge of logistics and inventory at Kubanenergo JSC;

-Bobkov Dmitriy Alekseevich for the position of deputy director general in charge of communications

-Astapov Aleksey Viktorovich for the position of director of the branch of Kubanenergo – Ust-labinsk electric grids;

- Pedchenko Aleksey Evgenievich for the position of head of public relations directorate of Kubanenergo JSC.

Voting results

Budagrin O.M.	-	FOR	Murov A.E.	-	FOR
Goncharov V.A.	-	FOR	Prokhorov Ye.V.	-	FOR
Demidov A.V.	-	FOR	Romeiko D.I.	-	FOR
Diyakov F.A.	-	FOR	Sultanov G.A.	-	FOR

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

Item 5

On determining the number of Board members and election of the Company Board

It is proposed to adopt the following decision:

1. To fix the quantitative composition of the Management Board: 12(twelve) persons.

2. To elect Shvetsov Aleksandr Anatolievich – deputy director general in charge of security to Management Board.

Voting results

Budagrin O.M.	-	FOR	Murov A.E.	-	FOR
Goncharov V.A.	-	FOR	Prokhorov Ye.V.	-	FOR
Demidov A.V.	-	FOR	Romeiko D.I.	-	FOR
Diyakov F.A.	-	FOR	Sultanov G.A.	-	FOR

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

Item 6

On approval of the Central Tender Committee of “Kubanenergo”

It is proposed to adopt the following decision:

1. To exclude from the Central purchasing committee approved by the BoD (minutes of meeting No.107/2011 d 25.03.2011, minutes of meeting No.117/2011 dd 16.09.2011, minutes of meeting No. 123/2011 d 16.12.2011, minutes of meeting No.145/2012 dd 26.10.2012) the following members:

Shuvalov V.V. - deputy director general in charge of logistics and inventory at Kubanenergo JSC;

Seleznyov V.Yu. - first deputy director general of Kubanenergo JSC.

2. To include to the Central purchasing committee the following members:

Golova A.V. - deputy director general in charge of логистике и МТО
ОАО «Кубаньэнерго»;
Romeiko D.I. - deputy executive director in charge of special projects at
Holding IDGC JSC ».

3. To appoint second deputy chairperson of the Central purchasing committee the member of the committee

Shvetsov Aleksandr deputy director general in charge of security of
Anatolievich Kubanenergo JSC

Voting results

Budagrin O.M.	-	FOR	Murov A.E.	-	FOR
Goncharov V.A.	-	FOR	Prokhorov Ye.V.	-	FOR
Demidov A.V.	-	FOR	Romeiko D.I.	-	FOR
Diyakov F.A.	-	FOR	Sultanov G.A.	-	FOR

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

Item 7

On approval of the adjusted Schedule on implementation of mandatory energy audit of facilities used for industrial and economic needs and transmission facilities of “Kubanenergo”

It is proposed to adopt the following decision:

To approve the adjusted Schedule on implementation of mandatory energy audit of facilities used for industrial and economic needs and transmission facilities of “Kubanenergo”, in accordance with annex to the decision of the BoD.

Voting results

Budagrin O.M.	-	FOR	Murov A.E.	-	FOR
Goncharov V.A.	-	FOR	Prokhorov Ye.V.	-	FOR
Demidov A.V.	-	FOR	Romeiko D.I.	-	FOR
Diyakov F.A.	-	FOR	Sultanov G.A.	-	FOR

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

Item 8

On preliminary approval of the decision on the Company's transactions involving the alienation of immovable property constituting fixed assets that are not used for the generation, transmission, distribution of electric and thermal energy - train tracks located at: 71 Sovetskaya str., Pavlovskaya village, Pavlovskiy district, Krasnodar region, via the public offer

It is proposed to adopt the following decision:

1. To approve the decision on the Company's transactions involving the alienation of immovable property constituting fixed assets that are not used for the generation, transmission, distribution of electric and thermal energy - train tracks located at: 71 Sovetskaya str., Pavlovskaya village, Pavlovskiy district, Krasnodar region, via the public offer on the following terms:

- Property for selling: train tracks located at: 71 Sovetskaya str., Pavlovskaya village, Pavlovskiy district, Krasnodar region;
- balance cost of the property as of 01.04.2012 amounts to 1 070 940 (one million seventy thousand nine hundred forty) rubles 00 kopeks.
- way of selling- via public offer;
- price of initial cost equals to the price of the property at the auction that was announced invalid –1 073 781 (one million seventy three thousand seven hundred eighty one) rubles including VAT;
- the minimal price of the offer is 50 (fifty) % from initial price and is 536 890 (five hundred thirty six thousands eight hundred ninety) rubles 50 kopecks (including VAT).
- if the property is not sold via the public offer due to the absence of buyer, then the it should be sold as non-core facility without setting the start price.

2. To ensure the selling of non-core assets in a way and method defined by Regulations on organization of selling of non-core assets of Kubanenergo JSC, approved by the BoD on November 20, 2008 (minutes of meeting No.62/2008)

Voting results

Budagrין O.M.	-	FOR	Murov A.E.	-	FOR
Goncharov V.A.	-	FOR	Prokhorov Ye.V.	-	FOR
Demidov A.V.	-	FOR	Romeiko D.I.	-	FOR
Diyakov F.A.	-	FOR	Sultanov G.A.	-	FOR

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

Item 9

On approval of the budgets of committees attached to the Board of Directors of “Kubanenergo” for the 2nd half of 2012

It is proposed to adopt the following decision:

1. To approve the budget of the Committee for strategy, development, investments and reform attached to the Board of Directors of “Kubanenergo” for the 2nd half of 2012 in accordance with annex to the decision of the BoD.
2. To approve the budget of Personnel and remuneration Committee attached to the Board of Directors of “Kubanenergo” for the 2nd half of 2012 in accordance with annex to the decision of the BoD.
3. To approve the budget of Audit Committee attached to the Board of Directors of “Kubanenergo” for the 2nd half of 2012 in accordance with annex to the decision of the BoD.

4. To approve the budget of Reliability Committee attached to the Board of Directors of “Kubanenergo” for the 2nd half of 2012 in accordance with annex to the decision of the BoD.

Voting results

Budagrın O.M.	-	FOR	Murov A.E.	-	FOR
Goncharov V.A.	-	FOR	Prokhorov Ye.V.	-	FOR
Demidov A.V.	-	FOR	Romeiko D.I.	-	FOR
Diyakov F.A.	-	FOR	Sultanov G.A.	-	FOR

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

Item 10

On consideration of the report of the director general of “Kubanenergo” on the activities aimed to complete implementation of introduction of the control system for the construction of Olympic facilities in “Kubanenergo”

It is proposed to adopt the following decision:

To take in to consideration the report of the director general of “Kubanenergo” on the activities aimed to complete implementation of introduction of the control system for the construction of Olympic facilities in “Kubanenergo”, in accordance with annex to the decision of the BoD.

Voting results

Budagrın O.M.	-	FOR	Murov A.E.	-	FOR
Goncharov V.A.	-	FOR	Prokhorov Ye.V.	-	FOR
Demidov A.V.	-	FOR	Romeiko D.I.	-	FOR
Diyakov F.A.	-	FOR	Sultanov G.A.	-	FOR

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

Item 11

On consideration of the report on the management of subsidiaries and affiliates of “Kubanenergo” engaged in non-core activities for 9 months of 2012

It is proposed to adopt the following decision:

To take into consideration of the report on the management of subsidiaries and affiliates of “Kubanenergo” engaged in non-core activities for 9 months of 2012, in accordance with annex to the decision of the BoD.

Voting results

Budagrın O.M.	-	FOR	Murov A.E.	-	FOR
Goncharov V.A.	-	FOR	Prokhorov Ye.V.	-	FOR
Demidov A.V.	-	FOR	Romeiko D.I.	-	FOR

Diyakov F.A. - FOR Sultanov G.A. - FOR

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

Item 12

On approval of the internal document: Appendix 1 and 2 to the Regulations on material motivation of the Director General of "Kubanenergo" in restated version

It is proposed to adopt the following decision:

1. To approve and introduce from 01.01.2013 the internal document: Appendix 1 and 2 to the Regulations on material motivation of the Director General of "Kubanenergo" in restated version, in accordance with annex to the decision of the BoD.
2. To consider as invalid Appendix 1 and 2 to the Regulations on material motivation of the Director General of "Kubanenergo" approve by the BoD on 0.07.2011 (minutes of meeting dated 22.07.2012 No.114/2011) and with changes dated 11.04.2012 (minutes of meeting dated 13.04.2012 No.131/2012).

Voting results

Budagrın O.M.	-	FOR	Murov A.E.	-	FOR
Goncharov V.A.	-	FOR	Prokhorov Ye.V.	-	FOR
Demidov A.V.	-	FOR	Romeiko D.I.	-	FOR
Diyakov F.A.	-	FOR	Sultanov G.A.	-	FOR

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

Chairperson

Budagrın O.M.

Corporate Secretary

Russu O.V.