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Minutes of Board of Directors Meeting No. 154/2012
Open joint stock company
of power industry and electrification of Kuban

Date of meeting	March 6, 2013
Form of holding the meeting	Absentee voting (questionnaire)
Place of vote counting	Office 105, 2 Stavropolskaya St., Krasnodar (postal address of “Kubanenergo”, JSC)
Date of vote counting	06.03.2013 17:00
Date of drawing up minutes	March 7, 2013

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 taking into consideration the proposals of shareholders on items of agenda of annual General shareholders meeting and on suggesting candidates to Company’s management and control bodies
2. On fixing the date of the BoD meeting dedicated to discussion of issues related to preparation and holding of annual General meeting of Company’s shareholders
3. On participation of “Kubanenergo” JSC in Non-profit Partnership “Council for Organizing Efficient System of Trading at Wholesale and Retail Electricity and Capacity Market”
4. On approving Company’s internal documents: Kubanenergo code of conduct; Kubanenergo corporate governance code – restated version

Item 1

On taking into consideration the proposals of shareholders on items of agenda of annual General shareholders meeting and on suggesting candidates to Company's management and control bodies

It is proposed to adopt the following decision:

1. To include the following issues to the agenda of General shareholders meeting:

No.	Item of agenda	Draft decision proposed by shareholder	Name of the shareholder	Amount of voting shares possessed by the shareholder(s), in %
1.	On approval of annual report of the Company	is not submitted	RF presented by Federal Agency for State Property Management (Rosimuschestvo)	14.57%
2.	On approval of annual accounting report, as well as reports on profit and loss	is not submitted	RF presented by Federal Agency for State Property Management (Rosimuschestvo)	14.57%
3.	On approval of profit distribution by the results of 2012	is not submitted	RF presented by Federal Agency for State Property Management (Rosimuschestvo)	14.57%
4.	On amount, terms and form of payment of dividends by the results of 2012	is not submitted	RF presented by Federal Agency for State Property Management (Rosimuschestvo)	14.57%
5.	On electing members of Board of Directors (supervisory board)	is not submitted	RF presented by Federal Agency for State Property Management (Rosimuschestvo)	14.57%
6.	On electing members of Auditing Commission	is not submitted	RF presented by Federal Agency for State Property Management (Rosimuschestvo)	14.57%
7.	On approving Company's auditor	is not submitted	RF presented by Federal Agency for State Property Management (Rosimuschestvo)	14.57%

2. To include the following candidates for election of Board of Directors:

No.	Name of candidate proposed by shareholder (s)	Position, place of work of candidate	Name of the shareholder(s) that suggested the candidate	Amount of voting shares possessed by the shareholder(s), in %
	Melnikov Maxim Sergeevich	Chief specialist-expert at management division of	RF presented by Federal Agency for State Property Management	14.57%

		Rosimuschestvo	(Rosimuschestvo)	
	Kolyada Andrey Sergeevich	Head of management division of Rosimuschestvo	RF presented by Federal Agency for State Property Management (Rosimuschestvo)	14.57%
	Yugov Alexandr Sergeevich	Head of administration of Rosimuschestvo	RF presented by Federal Agency for State Property Management (Rosimuschestvo)	14.57%
	Vagapov Suleiman Gelanievich	Authorized representative of Chairperson of Manmagemtn Board of FGC UES JSC in North-Caucasian Federal district	Holding IDGC JSC	63.01%
	Varvarin Alexandr Viktorovich	Managing director in charge of corporate relations and legal support at Russian Union of Industrialists and Entrepreneurs	Holding IDGC JSC	63.01%
	Gaichenya Ivan Alekseevich	First deputy director in charge of security of FGC UES JSC	Holding IDGC JSC	63.01%
	Katina Anna Yurievna	Deputy head of Department for corporate management and interaction with shareholders at Holding IDGC JSC	Holding IDGC JSC	63.01%
	Lavrova Marina Aleksandrovna	First deputy head of Economics department of Holding IDGC JSC	Holding IDGC JSC	63.01%
	Likhov Khasan Mushtafaevich	Leading consultant, advisor, Deputy director of Department for fulfillment of federal targeted investment programme, deputy director of department for economic	Holding IDGC JSC, RF presented by Federal Agency for State Property Management (Rosimuschestvo)	63.01%, 14.57%

		adjustment and property relations in fuel and energy complex		
	Magadeev Ruslan Raisovich	Head of D department for process management at Holding IDGC JSC	Holding IDGC JSC	63.01%
	Neganov Leonid Valerievich	Deputy director of Department for power industry development at RF Ministry of Energy	Holding IDGC JSC, RF presented by Federal Agency for State Property Management (Rosimuschestvo)	63.01%, 14.57%
	Solod Alexander Viktorovich	Deputy chief engineer of FGC UES JSC	Holding IDGC JSC	63.01%
	Sultanov Georgiy Akhmedovich	Director general of Kubanenergo JSC	Holding IDGC JSC	63.01%
	Cherezov Andrey Vladimirovich	Member of Management Board, chief engineer, deputy chairperson of management board of FGC UES JSC	Holding IDGC JSC	63.01%

3. To include the following candidates for election of Auditing Commission:

No.	Name of candidate proposed by shareholder (s)	Position, place of work of candidate	Name of the shareholder(s) that suggested the candidate	Amount of voting shares possessed by the shareholder(s), in %
1.	Bogashyov Alexander Evgenievich	Leading specialist-expert at management division of Rosimuschestvo	RF presented by Federal Agency for State Property Management (Rosimuschestvo)	14.57%
2.	Pronina Yekaterina Sergeevna	Chief specialist-expert at management division of Rosimuschestvo	RF presented by Federal Agency for State Property Management (Rosimuschestvo)	14.57%
3.	Koroteeva Anna Anatolievna	Consultant at management division of Rosimuschestvo	RF presented by Federal Agency for State Property Management (Rosimuschestvo)	14.57%
4.	Kravchenko Sergey	Chief specialist-	RF presented by	14.57%

	Alexandrovich	expert at management division of Rosimuschestvo	Federal Agency for State Property Management (Rosimuschestvo)	
5.	Borisovskiy Evgeniy Sergeevich	Consultant at management division of Rosimuschestvo	RF presented by Federal Agency for State Property Management (Rosimuschestvo)	14.57%
6.	Shmakov Igor Vladimirovich	Head of directorate for internal control at FGC UES JSC	Holding IDGC JSC	63.01%
7.	Meshalova Galina Ivanovna	Chief expert of department for audit and expertizes at department for internal audit and risks management of Holding IDGC JSC	Holding IDGC JSC	63.01%
8.	Kirillov Artyom Nikolaevich	Chief expert of department for audit and expertizes at FGC UES JSC	Holding IDGC JSC	63.01%
9.	Adler Yuriy Veniaminovich	Head of sector for standards and methodology at Department of corporate management and interaction with shareholders at Holding IDGC JSC	Holding IDGC JSC	63.01%
10.	Pronin Nikolay Nikolaevich	First deputy head of department of economic security at FGC UES JSC	Holding IDGC JSC	63.01%

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 first item was unanimously adopted by members of BoD.

Item 2

On fixing the date of the BoD meeting dedicated to discussion of issues related to preparation and holding of annual General meeting of Company's shareholders

It is proposed to adopt the following decision:

To fix the date of the BoD meeting dedicated to discussion of issues related to preparation and holding of annual General meeting of Company's shareholders – April 23, 2013

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 participation of "Kubanenergo" JSC in Non-profit Partnership "Council for Organizing Efficient System of Trading at Wholesale and Retail Electricity and Capacity Market"

It is proposed to adopt the following decision:

1. To approve participation of "Kubanenergo" JSC in Non-profit Partnership "Council for Organizing Efficient System of Trading at Wholesale and Retail Electricity and Capacity Market" (hereafter – NP "Market Council") on the following terms:
 - Entry fee – 1 000 000 (one million) rubles;
 - Regular membership fee for the 1st quarter of 2013 – 91 000 (ninety one thousand) rubles per quarter unless otherwise stipulated by Supervisory Board of NP "Market Council"
 - Regular membership fee for the 2nd, 3rd and 4th quarters of 2013 – 182 (one hundred eighty two thousand) rubles per quarter unless otherwise stipulated by Supervisory Board of NP "Market Council"
 - Form of payment – monetary assets;
 - Procedure and terms for payment of entry fee – by the 10th days from the date of receiving the written notification on access to NP "Market Council" unless otherwise stipulated by Supervisory Board of NP "Market Council"
 - Procedure and terms for payment of regular membership fee – quarterly, by the 1st day of the second month of quarter, unless otherwise stipulated by Supervisory Board of NP "Market Council"
 - Amount and procedure of payment of regular membership fee should be later determined by Supervisory Board of NP "Market Council".
2. To cancel the decision of the BoD dated 30.12.2010 on item 16 "On participation of "Kubanenergo" JSC in Non-profit Partnership "Council for

Organizing Efficient System of Trading at Wholesale and Retail Electricity and Capacity Market”” (minutes of meeting No.104/2011 dd 12.01.2011)

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 third item was unanimously adopted by members of BoD.

Item 4

On approving Company’s internal documents: Kubanenergo code of conduct; Kubanenergo corporate governance code – restated version

It is proposed to adopt the following decision:

1. To approve Kubanenergo code of conduct, including anti-corruption policy (annex 1 to the decision of the BoD)
2. To approve restated version of Kubanenergo corporate governance code (annex 2 to the decision of the BoD)
3. To order director general of “Kubanenergo” JSC to ensure the implementation by the Company the internal documents which aim is to increase the efficiency and transparency of Company’s activity, as well as business activity and in the sphere of anti-corruption enforcement

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.

Chairperson

Budagrin O.M.

Corporate Secretary

Russu O.V.