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Minutes of Board of Directors Meeting No. 218/2015

Open joint stock Company of power industry and electrification of Kuban ("Kubanenergo" PSC)

Date of meeting	7 August 2015
Form of holding the meeting	absentee voting (questionnaire)
Place of vote counting	Office 105, building 1, 2A Stavropolskaya St., Krasnodar (postal address of "Kubanenergo", PJSC)
Date of vote counting	07.08.2015, 5 p.m.
Date of drawing up minutes	10 August 2015

Board of Directors Members: 11

Questionnaires were submitted by: Mangarov Yu.N. (chairperson), Bogach Ye.V., Varvarin A.V., Gavrilov A.I., Kataev S.M., Kislyakov A.M., Lavrova M.A., Terebkov F.A., Kharin A.N., Khokholkova K.V.

Questionnaires were not submitted by: Niyazmetov A.K.

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 activity plan of the Board of Directors of "Kubanenergo" PJSC for the 2nd half of 2015 - 1st half of 2016.
2. On approval of the plan of measures aimed to improve the efficiency and the financial and economic condition of "Kubanenergo" PJSC.
3. On consideration of the information about the investment projects involving the construction, reconstruction, modernization of capital construction facilities with estimated cost amounting 1.5 billion rubles or more each (including VAT) at all stages of the implementation of these projects.
4. On preliminary approval of the changes to the Collective Agreement "Kubanenergo" PJSC for 2013-2015.
5. On approval of the Credit Plan of "Kubanenergo" PJSC for the 3rd quarter 2015.
6. On determination of remuneration payable to the auditor of the Company.
7. On expressing the Company's opinion on the agendas of meetings of the Board of Directors of Kubanenergo affiliated and dependent companies.
8. On amendments to the methodology of calculation and evaluation of key performance indicators of the general director of Kubanenergo, approved by the Board of Directors of the Company (Minutes of meeting No2014/2015 dated 06.03.2015)

9. On approval of the report on results of implementation of the business plan (including investment program) of “Kubanenergo” PJSC for the 4th quarter and 12 months of 2014.
10. On approval of the report on results of implementation of the business plan (including investment program) of “Kubanenergo” PJSC for the 1st quarter 2015.
11. O approval of the results of implementation of the target key performance indicators of “Kubanenergo” PJSC for the 4th quarter 2014 and 2014.
12. O approval of the results of implementation of the target key performance indicators of “Kubanenergo” PJSC for the 1st quarter of 2015.

Item 1

On approval of the activity plan of the Board of Directors of “Kubanenergo” PJSC for the 2nd half of 2015 - 1st half of 2016.

The following decision is proposed:

To approve the activity plan of the Board of Directors of “Kubanenergo” PJSC for the 2nd half of 2015 - 1st half of 2016, in accordance with Appendix 1 to this decision of the Board of Directors of the Company.

Voting results

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- FOR
Kislyakov A.M.	- FOR	Khokholkova K.V.	

Thus, the decision on the first item was unanimously adopted by the BoD members participating in the meeting.

Item 2

On approval of the plan of measures aimed to improve the efficiency and the financial and economic condition of “Kubanenergo” PJSC

The following decision is proposed:

1. To approve the plan of measures aimed to improve the efficiency and the financial and economic condition of “Kubanenergo” PJSC”, in accordance with Appendix 1 to this decision of the Board of Directors of the Company.
2. To instruct Director General of the Company to ensure the discussion at the BoD meeting of report on plan of measures aimed to improve the efficiency and the financial and economic condition of the Company and the report on implementation of activities aimed at provision of financial stability of the Company as well as evaluation of management’s efficiency, in accordance with Appendix 2 to this decision of the Board of Directors of the Company.

Deadline: quarterly by the 20th day of the month following the reporting quarter.

Voting results

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- FOR

Kislyakov A.M. - FOR Khokholkova K.V.

Thus, the decision on the second item was unanimously adopted by the BoD members participating in the meeting.

Item 3

On consideration of the information about the investment projects involving the construction, reconstruction, modernization of capital construction facilities with estimated cost amounting 1.5 billion rubles or more each (including VAT) at all stages of the implementation of these projects

The following decision is proposed:

To defer the discussion to later date.

Voting results

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- FOR
Kislyakov A.M.	- FOR	Khokholkova K.V.	

Thus, the decision on the third item was unanimously adopted by the BoD members participating in the meeting.

Item 4

On preliminary approval of the changes to the Collective Agreement “Kubanenergo” PJSC for 2013-2015

The following decision is proposed:

To approve the changes to the Collective Agreement “Kubanenergo” PJSC for 2013-2015, in accordance with Appendix 3 to this decision of the Board of Directors of the Company.

Voting results

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- FOR
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR

Thus, the decision on the fourth item was unanimously adopted by the BoD members participating in the meeting.

Item 5

On approval of the Credit Plan of “Kubanenergo” PJSC for the 3rd quarter 2015

The following decision is proposed:

To approve the Credit Plan of “Kubanenergo” PJSC for the 3rd quarter 2015, in accordance with Appendix 4 to this decision of the Board of Directors of the Company.

Voting results

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
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Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- AGAINST
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR

Thus, the decision on the fifth item was adopted by majority of the BoD members participating in the meeting.

Item 6

On determination of remuneration payable to the auditor of the Company

The following decision is proposed:

On determination of remuneration payable to the auditor of the Company

Voting results

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- FOR
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR

Thus, the decision on the sixth item was unanimously adopted by the BoD members participating in the meeting.

Item 7

On expressing the Company's opinion on the agendas of meetings of the Board of Directors of Kubanenergo affiliated and dependent companies

The following decision is proposed:

I. To instruct representatives of Kubanenergo in the Board of Directors of “Recreation centre “Energetik” JSC on agenda item “Approval of the report on the results of business-plan implementation achieved in the 1st quarter of 2015” to vote “FOR” on the following resolution:

1. To take into consideration the on the results of business-plan implementation achieved in the 1st quarter of 2015, in accordance with appendix to the resolution of the BoD.
2. To note that the company did not meet the deadline for submission of the report.

II. To instruct representatives of Kubanenergo in the Board of Directors of “Energoservis Kuban” JSC on agenda item “Approval of the report on the results of business-plan implementation achieved in the 1st quarter of 2015” to vote “FOR” on the following resolution:

1. To take into consideration the on the results of business-plan implementation achieved in the 1st quarter of 2015, in accordance with appendix to the resolution of the BoD.
2. To note:
 - 2.1 that the following indicator was not reached: “Undeceived profit amounted 22 802 thousand rubles or 97% (the planned profit – 23 450 thousand rubles, actual profit – 648 thousand rubles); Net profit by the results of 2015 (planned - profit in the amount of 133 thousand rubles thousand rubles; actual indicator – loss in the amount of 1 640 thousand rubles)”;
 - 2.2. that the company did not meet the deadline for submission of the report.

3. To instruct Director General of “Energoservis Kuban” JSC to ensure implementation of the determined indicators of the business plan: profit shall amount 111 850 thousand rubles; Net profit – 1 700 thousand rubles.

Voting results

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- FOR
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR

Thus, the decision on the seventh item was unanimously adopted by the BoD members participating in the meeting.

Item 8

On amendments to the methodology of calculation and evaluation of key performance indicators of the general director of Kubanenergo, approved by the Board of Directors of the Company (Minutes of meeting No2014/2015 dated 06.03.2015)

The following decision is proposed:

To introduce the amendments to the methodology of calculation and evaluation of key performance indicators of the general director of Kubanenergo, approved by the Board of Directors of the Company (Minutes of meeting No2014/2015 dated 06.03.2015), in accordance with Appendix 5 to this decision of the Board of Directors of the Company.

Voting results

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- FOR
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR

Thus, the decision on the eighth item was unanimously adopted by the BoD members participating in the meeting.

Item 9

On approval of the report on results of implementation of the business plan (including investment program) of “Kubanenergo” PJSC for the 4th quarter and 12 months of 2014

The following decision is proposed:

Trade secret

Voting results

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- FOR
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR

Thus, the decision on the ninth item was unanimously adopted by the BoD members participating in the meeting.

Item 10

On approval of the report on results of implementation of the business plan (including investment program) of “Kubanenergo” PJSC for the 1st quarter 2015

The following decision is proposed:

Trade secret

Voting results

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- FOR
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR

Thus, the decision on the tenth item was unanimously adopted by the BoD members participating in the meeting.

Item 11

O approval of the results of implementation of the target key performance indicators of “Kubanenergo” PJSC for the 4th quarter 2014 and 2014

The following decision is proposed:

To approve the results of implementation of the target key performance indicators of “Kubanenergo” PJSC for the 4th quarter 2014 and 2014, in accordance with Appendix 5 to this decision of the Board of Directors of the Company.

Voting results

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR
Gavrilov A.I.	- FOR	Terebkov F.A.	- FOR
Kataev S.M.	- FOR	Kharin A.N.	- FOR
Kislyakov A.M.	- FOR	Khokholkova K.V.	- FOR

Thus, the decision on the eleventh item was unanimously adopted by the BoD members participating in the meeting.

Item 12

O approval of the results of implementation of the target key performance indicators of “Kubanenergo” PJSC for the 1st quarter of 2015

The following decision is proposed:

To approve the results of implementation of the target key performance indicators of “Kubanenergo” PJSC for the 1st quarter of 2015, in accordance with Appendix 5 to this decision of the Board of Directors of the Company.

Voting results

Bogach Ye.V.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Mangarov Yu.N.	- FOR

Gavrilov A.I. - FOR

Terebkov F.A. - FOR

Kataev S.M. - FOR

Kharin A.N. - FOR

Kislyakov A.M. - FOR

Khokholkova K.V. - FOR

Thus, the decision on the twelfth item was unanimously adopted by the BoD members participating in the meeting.

Chairperson

Mangarov Yu.N..

Corporate secretary

Russu O.V.