



ОТКРЫТОЕ АКЦИОНЕРНОЕ ОБЩЕСТВО
ЭНЕРГЕТИКИ И ЭЛЕКТРИФИКАЦИИ КУБАНИ
О А О « К У Б А Н Ъ Э Н Е Р Г О »
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Minutes of Board of Directors Meeting No. 206/2015
Open joint stock company of
power industry and electrification of Kuban (“Kubanenergo” JSC)

| | |
|-----------------------------|---|
| Date of meeting | 31 March, 2015 |
| Form of holding the meeting | absentee voting (questionnaire) |
| Place of vote counting | Office 105, building 1, 2 Stavropolskaya St., Krasnodar (postal address of “Kubanenergo”, JSC) |
| Date of vote counting | 31.03.2015, 5 p.m. |
| Date of drawing up minutes | 03 April, 2015 |

Board of Directors Members: 11

Questionnaires were submitted by: Sergeyev S.V. (chairperson of BoD), Varvarin A.V., Gavrilov A.I., Kobelyan A.M., Lavrova M.A., Mezhevich V.E., Sukhov O.A., Kharin A.N., Khokholkova K.V., Chermenteva Yu. P., Shatokhin A.G.

Questionnaires were not submitted by: No.

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 approving Credit plan of Kubanenergo JSC for the 1st quarter of 2015.
2. On discussing report of Director general on results of Company’s preparedness to autumn-winter period of 2014-2025.
3. On approving Plan of activities of Kubanenergo JSC aimed at reduction of overdue accounts payable for services on transmission of electric energy and settlement of disputes present as of 01.01.2015.
4. On discussing report of Director general on implementation in the 4th quarter of 2014 resolutions taken by the BoD of the Company.
5. On discussing report of Director general on insurance of the Company in the 4th quarter and 2014.
6. On approving contract on storage between Kubanenergo JSC and Federal Grid Company UES JSC as interested party transaction.
7. Approval of amended business-plan of Kubanenergo JSC, including the investment programme, for 2015 and estimated indicators for 2016-2019.
8. Approval of restated Standard and Regulations on business planning of Kubanenergo JSC.
9. Assessment of financial state of Kubanenergo JSC and on discussion of list of top-priority activities aimed at provision of financial stability of Kubanenergo carried out in 2014 and planned for 2015-2019.
10. Approval of candidates to particular posts at executive bossy of Kubanenergo JSC determined by the BoD.
11. Approval of interested party transaction (confidential).

Item 1**On approving Credit plan of Kubanenergo JSC for the 1st quarter of 2015.**

The following decision is proposed:

To approve the Credit plan of Kubanenergo JSC for the 1st quarter of 2015 in accordance with Appendix 1 to the decision of the BoD.

Voting results

| | | | |
|----------------|-------|---------------------|-------------|
| Varvarin A.V. | - FOR | Sukhov O.A. | - FOR |
| Gavrilov A.I. | - FOR | Kharin A.N. | - ABSTAINED |
| Kobelyan A.M. | - FOR | Khokholkova K.V. | - FOR |
| Lavrova M.A. | - FOR | Chermenteeva Yu. P. | - FOR |
| Mezhevich V.E. | - FOR | Shatokhin A.G. | - FOR |
| Sergeyev S.V. | - FOR | | |

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

Item 2**On discussing report of Director general on results of Company's preparedness to autumn-winter period of 2014-2025.**

The following decision is proposed:

To take into consideration the report of Director general on results of Company's preparedness to autumn-winter period of 2014-2025, in accordance with Appendix 2 to present decision of Company's BoD.

Voting results

| | | | |
|----------------|-------|---------------------|-------|
| Varvarin A.V. | - FOR | Sukhov O.A. | - FOR |
| Gavrilov A.I. | - FOR | Kharin A.N. | - FOR |
| Kobelyan A.M. | - FOR | Khokholkova K.V. | - FOR |
| Lavrova M.A. | - FOR | Chermenteeva Yu. P. | - FOR |
| Mezhevich V.E. | - FOR | Shatokhin A.G. | - FOR |
| Sergeyev S.V. | - FOR | | |

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

Item 3**On approving Plan of activities of Kubanenergo JSC aimed at reduction of overdue accounts payable for services on transmission of electric energy and settlement of disputes present as of 01.01.2015.**

The following decision is proposed:

To approve the Plan of activities of Kubanenergo JSC aimed at reduction of overdue accounts payable for services on transmission of electric energy and settlement of disputes present as of 01.01.2015, in accordance with Appendix 3 to present decision of Company's BoD.

Voting results

| | | | |
|----------------|-------|---------------------|-------|
| Varvarin A.V. | - FOR | Sukhov O.A. | - FOR |
| Gavrilov A.I. | - FOR | Kharin A.N. | - FOR |
| Kobelyan A.M. | - FOR | Khokholkova K.V. | - FOR |
| Lavrova M.A. | - FOR | Chermenteeva Yu. P. | - FOR |
| Mezhevich V.E. | - FOR | Shatokhin A.G. | - FOR |
| Sergeyev S.V. | - FOR | | |

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

Item 4

On discussing report of Director general on implementation in the 4th quarter of 2014 resolutions taken by the BoD of the Company.

The following decision is proposed:

1. To take into consideration the report of Director general on implementation in the 4th quarter of 2014 resolutions taken by the BoD of the Company, in accordance with Appendix 4 to present decision of Company's BoD.
2. To instruct director general to exclude from quarterly report on implementation in the 4th quarter of 2014 resolutions taken by the BoD of the Company chapter dedicated to selling of non-core assets and for the next meeting of the BoD to submit the report on the process of selling the non-core assets as separate issue in agenda.
3. To regard as invalid paragraph 3 of resolution taken by the BoD on 20.06.2014 on item 1 "On introducing changes to strategy of the Company in the sphere of IT, automation and telecommunications up to 2016 in part of updating the road map" (Minutes of meeting No. 192/2014 dd 23.06.2014).

Voting results

| | | | |
|----------------|-------|---------------------|-------|
| Varvarin A.V. | - FOR | Sukhov O.A. | - FOR |
| Gavrilov A.I. | - FOR | Kharin A.N. | - FOR |
| Kobelyan A.M. | - FOR | Khokholkova K.V. | - FOR |
| Lavrova M.A. | - FOR | Chermenteeva Yu. P. | - FOR |
| Mezhevich V.E. | - FOR | Shatokhin A.G. | - FOR |
| Sergeyev S.V. | - FOR | | |

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

Item 5

On discussing report of Director general on insurance of the Company in the 4th quarter and 2014.

The following decision is proposed:

To take into consideration the report of Director general on insurance of the Company in the 4th quarter and 2014, in accordance with Appendix 5 to present decision of Company's BoD.

Voting results

| | | | |
|----------------|-------|---------------------|-------|
| Varvarin A.V. | - FOR | Sukhov O.A. | - FOR |
| Gavrilov A.I. | - FOR | Kharin A.N. | - FOR |
| Kobelyan A.M. | - FOR | Khokholkova K.V. | - FOR |
| Lavrova M.A. | - FOR | Chermenteeva Yu. P. | - FOR |
| Mezhevich V.E. | - FOR | Shatokhin A.G. | - FOR |
| Sergeyev S.V. | - FOR | | |

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

Item 6

On approving contract on storage between Kubanenergo JSC and Federal Grid Company UES JSC as interested party transaction.

In accordance with paragraph 3 of article 83 of the Federal Law No.208-FZ dated 26.12.1995 "On Joint Stock Companies" resolution on this item should be taken by majority of votes of independent

directors uninterested in the transaction.

Except Gavrilov other members of the BoD vote on this item and are recognized as independent directors uninterested in the transaction in accordance with paragraph 3 of article 83 of the Federal Law “On Joint Stock Companies”.

The following decision is proposed:

1. To determine the cost of storing the property under the contract concluded between Kubanenergo JSC and Federal Grid Company UES JSC as interested party transaction in the amount of 124 776 (one hundred twenty four thousand seven hundred seventy six) rubles 83 kopecks, including VAT (18%) in the amount of 19 033 (nineteen thousand and thirty three) rubles 75 kopecks per month.

To decide that the cost of keeping the property for the entire duration of the contract cannot exceed 2% of the net value of assets of Kubanenergo, according to the financial statements for the last reporting date preceding the date of the transaction.

2. To approve the contract of storage between Kubanenergo JSC and Federal Grid Company UES JSC as interested party transaction, on the following terms:

Parties:

Depository – Kubanenergo JSC

Depositor – Federal Grid Company UES JSC

Subject of the Contract:

Under the contract the Depository agrees to keep for a fee the property (hereinafter - Property), transferred to it by the Depositor, and return to the Depositor the property intact. Composition, quantity and price of the Property are defined in the “List of property” (Appendix 1 to the Contract).

The date of commencement of storage is the date of receiving by the Depository the property for storage, specified in the “Act of reception and transmission” (Appendix 2 to the Contract).

Expiry date of the storage of the property is the date of transfer of the Property to Depositor, specified in the “Act on the return” (Appendix 3 to the Contract).

Period of keeping the Property: on demand of the Depositor.

Contract Price:

For storage of the property depositor shall be obliged to pay 124 776 (one hundred twenty four thousand seven hundred seventy six) rubles 83 kopecks, including 18% VAT in the amount of 19 033 (nineteen thousand and thirty three) rubles 75 kopecks per month, according to the calculation of the cost of custody of the technical, hardware and software and other means of Situation and Analysis Center and security management of Kubanenergo (Appendix 6 to the Contract), starting from the date of signing the act of acceptance.

Dispute resolution:

All disputes under this Contract that were not settled by the Parties, should be considered in the Commercial Court of Krasnodar region in compliance with pre-trial dispute settlement procedure.

Contract time:

The Contract enters into force upon the signature and is valid till the date of signing of the act of full return of the property to Depositor, but in any cases until full settlement under this Contract.

Voting results

| | | | |
|----------------|-------|---------------------|-------|
| Varvarin A.V. | - FOR | Sukhov O.A. | - FOR |
| Kobelyan A.M. | - FOR | Kharin A.N. | - FOR |
| Lavrova M.A. | - FOR | Khokholkova K.V. | - FOR |
| Mezhevich V.E. | - FOR | Chermenteeva Yu. P. | - FOR |
| Sergeyev S.V. | - FOR | Shatokhin A.G. | - FOR |

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

Item 7**Approval of amended business-plan of Kubanenergo JSC, including the investment programme, for 2015 and estimated indicators for 2016-2019.**

The following decision is proposed:

1. To approve the amended business-plan of Kubanenergo JSC, including the investment programme, for 2015 and estimated indicators for 2016-2019.
2. To instruct director general of the Company to ensure the reduction of loan burden by the results of 2015, in case of gaining additional profit in addition to key indicators determined by the Company's business-plan or cutting costs on operation, financial or investment activity.

Voting results

| | | | |
|----------------|-------|---------------------|-------------|
| Varvarin A.V. | - FOR | Sukhov O.A. | - FOR |
| Gavrilov A.I. | - FOR | Kharin A.N. | - ABSTAINED |
| Kobelyan A.M. | - FOR | Khokholkova K.V. | - FOR |
| Lavrova M.A. | - FOR | Chermenteeva Yu. P. | - FOR |
| Mezhevich V.E. | - FOR | Shatokhin A.G. | - FOR |
| Sergeyev S.V. | - FOR | | |

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

Item 8**Approval of restated Standard and Regulations on business planning of Kubanenergo JSC.**

The following decision is proposed:

1. To consider as invalid Standard and Regulations on business planning of Kubanenergo JSC approved by the BoD resolution on 31.01.2008 (minutes of meeting No.50/2008 dd 05.02.2008).
2. To approve the restated Standard and Regulations on business planning of Kubanenergo JSC, in accordance with Appendix 6 to present decision of Company's BoD.

Voting results

| | | | |
|----------------|-------|---------------------|-------|
| Varvarin A.V. | - FOR | Sukhov O.A. | - FOR |
| Gavrilov A.I. | - FOR | Kharin A.N. | - FOR |
| Kobelyan A.M. | - FOR | Khokholkova K.V. | - FOR |
| Lavrova M.A. | - FOR | Chermenteeva Yu. P. | - FOR |
| Mezhevich V.E. | - FOR | Shatokhin A.G. | - FOR |
| Sergeyev S.V. | - FOR | | |

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

Item 9**Assessment of financial state of Kubanenergo JSC and on discussion of list of top-priority activities aimed at provision of financial stability of Kubanenergo carried out in 2014 and planned for 2015-2019.**

The following decision is proposed:

To defer the discussion to later date.

Voting results

| | | | |
|----------------|-------|---------------------|-------|
| Varvarin A.V. | - FOR | Sukhov O.A. | - FOR |
| Gavrilov A.I. | - FOR | Kharin A.N. | - FOR |
| Kobelyan A.M. | - FOR | Khokholkova K.V. | - FOR |
| Lavrova M.A. | - FOR | Chermenteeva Yu. P. | - FOR |
| Mezhevich V.E. | - FOR | Shatokhin A.G. | - FOR |

Sergeyev S.V. - FOR

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

Item 10

Approval of candidates to particular posts at executive bossy of Kubanenergo JSC determined by the BoD.

The following decision is proposed:

To approve the candidature of Golov Andrey Valerievich for the position of deputy Director general for investment activity.

Voting results

| | | | |
|----------------|-------|---------------------|-------|
| Varvarin A.V. | - FOR | Sukhov O.A. | - FOR |
| Gavrilov A.I. | - FOR | Kharin A.N. | - FOR |
| Kobelyan A.M. | - FOR | Khokholkova K.V. | - FOR |
| Lavrova M.A. | - FOR | Chermenteeva Yu. P. | - FOR |
| Mezhevich V.E. | - FOR | Shatokhin A.G. | - FOR |
| Sergeyev S.V. | - FOR | | |

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

Item 11

Approval of interested party transaction (confidential).

In accordance with paragraph 3 of article 83 of the Federal Law No.208-FZ dated 26.12.1995 "On Joint Stock Companies" resolution on this item should be taken by majority of votes of independent directors uninterested in the transaction.

Except Gavrilov and Mezhevich other members of the BoD vote on this item and are recognized as independent directors uninterested in the transaction in accordance with paragraph 3 of article 83 of the Federal Law "On Joint Stock Companies".

The following decision is proposed:
confidential.

Voting results

| | | | |
|---------------|-------|---------------------|-------|
| Varvarin A.V. | - FOR | Kharin A.N. | - FOR |
| Kobelyan A.M. | - FOR | Khokholkova K.V. | - FOR |
| Lavrova M.A. | - FOR | Chermenteeva Yu. P. | - FOR |
| Sergeyev S.V. | - FOR | Shatokhin A.G. | - FOR |
| Sukhov O.A. | - FOR | | |

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

Chairperson

Sergeyev S.V.

Corporate secretary

Russu O.V.