

Minutes of Board of Directors Meeting No. 194/2014
Open joint stock company of
power industry and electrification of Kuban (“Kubanenergo” JSC)

Date of meeting	July 31, 2014
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	31.07.2014, 5 p.m.
Date of drawing up minutes	August 1, 2014

Board of Directors Members: 11

Questionnaires were submitted by: Gavrilov A.I., Varvarin A.V., Kobelyan A.M., Lavrova M.A., Mezhevich V.E., Sergeev S.V., Sukhov O.A., Khokholkova K.V., Chermentieva Yu. P., Shatokhin A.G.

Questionnaires were not submitted by: Kharin A.N.

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 election of members of the Committee for Strategy, Development, Investments and Reform attached to the Board of Directors of Kubanenergo and appointment of its Chairman.
2. On election of members of the Committee for Technological Connection attached to the Board of Directors of Kubanenergo and appointment of its Chairman.
3. On election of the personal composition of the Audit Committee attached to the Board of Directors of Kubanenergo and appointment of its Chairman.
4. On election of members of the Committee for Personnel and Remuneration Committee attached to the Board of Directors of Kubanenergo and appointment of its Chairman.
5. On election of members of the Committee on the reliability attached to the Board of Directors of Kubanenergo and appointment of its Chairman.
6. On approval of the restated Regulations on the Personnel and Compensation Committee attached to the Board of Directors of Kubanenergo.
7. On approval of the restated Regulations on the Reliability Committee attached to the Board of Directors of Kubanenergo.
8. On approval of the Company’s internal document: Procurement policies.
9. On approval of the restated Regulations on the Central Tender Commission of Kubanenergo.
10. On approval of candidates for certain positions in the executive office of the Company, determined by the Board of Directors of the Company.
11. On introduction of amendments to the Registry of noncore assets Kubanenergo.
12. On determining the amount of payment to the Company's auditor.
13. On the Company’s opinion regarding the agendas of meetings of the Boards of Directors of subsidiaries and affiliates of Kubanenergo.
14. On updating procedure for calculating the limit of borrowing cost parameters.
15. On approving the results of implementation of key performance indicators by Kubanenergo in the 4th quarter of 2013, in 2013 and in the 1st quarter of 2014.

16. On discussion of the report prepared by Director General of Kubanenergo regarding the implementation in the 1st quarter of 2014 the resolutions adopted at meetings of the Board of Directors.

17. On discussion of the report prepared by Director General of Kubanenergo on credit policy in the 1st quarter 2014.

18. On discussion of the report prepared by Director General of Kubanenergo on the insurance coverage of the Company for the 2nd quarter of 2014.

19. On approval of contracts for free use of premises between Kubanenergo and employees of Kubanenergo.

20. On approval of confidentiality agreement between Kubanenergo JSC and IDGC of North-West JSC as transaction of interest.

21. On approval of the service contracts for the qualifying competition among employees of affiliates of Rosseti JSC in repair and maintenance of distribution networks 0.4 - 10 kV between Kubanenergo and IDGC of Volga JSC as a transaction of interest.

22. On taking into consideration the information of the Director General on the participation of Kubanenergo in proceedings of material importance to the Company

Item 1

On election of members of the Committee for Strategy, Development, Investments and Reform attached to the Board of Directors of Kubanenergo and appointment of its Chairman

The following decision is proposed:

1. To define that the Committee for Strategy, Development, Investments and Reform under the Board of Directors of Kubanenergo should consist of 8 members.

2. To elect the following persons to the Committee for Strategy, Development, Investments and Reform of the Board of Directors of Kubanenergo:

1	Lisavin Andrey Vladimirovich	Head of directorate for implementation of strategies at Department of strategic development of Russian Grids JSC
2	Podlutskiy Sergey Vasilievich	Head of sector of consolidated planning and reporting at Investment activity department, Russian Grids JSC
3	Isaeyev Valeriy Ivanovich	Chief of finances at Department of corporate finances, Russian Grids JSC
4	Antimenko Yuriy Leonidovich	Head of directorate of advanced development, Russian Grids JSC
5	Iordanindi Kirill Alexandrovich	Leading expert of sector for strategic planning at Department of economic planning and budgeting at Russian Grids JSC
6	Sedykh Nadezhda Vitalievna	Lead expert at Directorate of economics in affiliated and dependent companies at department of strategic development, Russian Grids JSC
7	Khokholkova Kseniya Valerievna	Deputy Head of Directorate of Share Capital Issues, Head of Division of Shareholders' Rights Protection at Department of Corporate Governance and Interaction with Shareholders, Rosseti JSC
8	Kosteskiy Vyacheslav Yurievich	Deputy director general in charge of development and selling of services of Kubanenergo JSC

3. To appoint Isaeyev Valeriy Ivanovich for the position of Chairperson of the Committee for Strategy, Development, Investments and Reform under the Board of Directors of Kubanenergo

Voting results

Gavrilov A.I.	- FOR	Sergeyev S.V.	- FOR
Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR

Mezhevich V.E. - FOR Shatokhin A.G. - FOR
 Thus, the BoD members unanimously adopted the decision on the first item.

Item 2

On election of members of the Committee for Technological Connection attached to the Board of Directors of Kubanenergo and appointment of its Chairman

The following decision is proposed:

1. To define that the Committee for Technological Connection under the Board of Directors of Kubanenergo should consist of 5 members.
2. To elect the following persons to the Technological Connection under the Board of Directors of Kubanenergo:

1	Varvarin Aleksandr Viktorovich	Managing director in charge of corporate relations and legal support, RSPP
2	Kosteskiy Vyacheslav Yurievich	Deputy director general in charge of development and selling of services of Kubanenergo JSC
3	Konevets Kirill Sergeyeovich	Acting deputy director general in charge of corporate management of Kubanenergo JSC
4	Korneyev Alexandr Yurievich	Head of sector for scheduling the technological connection at Department of perspective development of grids and technological connection, Kubanenergo JSC
5	Bashmakov Daniel Maratovich	Chairperson of Krasnodar regional department of Russian public organization of small and medium business "OPORY Russia"

3. To appoint Varvarin Aleksandr Viktorovich for the position of Chairperson of the Technological Connection under the Board of Directors of Kubanenergo

Voting results

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

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

Item 3

On election of the personal composition of the Audit Committee attached to the Board of Directors of Kubanenergo and appointment of its Chairman

The following decision is proposed:

1. To define that the Committee for Audit Committee under the Board of Directors of Kubanenergo should consist of 3 members.
2. To elect the following persons to the Audit Committee under the Board of Directors of Kubanenergo:

1	Lavrova Marina Alexandrovna	Head of Directorate of Economy of Affiliates at Department for economic planning and budgeting of Russian Grids JSC
2	Khokholkova Kseniya Valerievna	Deputy Head of Directorate of Share Capital Issues, Head of Division of Shareholders' Rights Protection at Department of Corporate Governance and Interaction with Shareholders, Rosseti JSC
3	Shatokhin ARseniy Grigorievich	Head of Department for implementation of target projects, Russian Grids JSC

3.To appoint Lavrova Marina Alexandrovna for the position of Chairperson of the Audit Committee under the Board of Directors of Kubanenergo

Voting results

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

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

Item 4

On election of members of the Personnel and Remuneration Committee attached to the Board of Directors of Kubanenergo and appointment of its Chairman

The following decision is proposed:

1. To define that the Personnel and Remuneration Committee under the Board of Directors of Kubanenergo should consist of 3 members.
2. To elect the following persons to the Personnel and Remuneration Committee under the Board of Directors of Kubanenergo:

1	Zholnerchik Svetlana Semyonovna	Deputy director general of Russian Grids JSC
2	Erpsher Nataliya Ilinichna	Head of Head of Directorate organization development under Department of HR policy and organization development, Russian Grids JSC
3	Varvarin Aleksandr Viktorovich	Managing director in charge of corporate relations and legal support, RSPP

3.To appoint Zholnerchik Svetlana Semyonovna for the position of Chairperson of the Personnel and Remuneration Committee under the Board of Directors of Kubanenergo

Voting results

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

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

Item 5

On election of members of the Reliability Committee attached to the Board of Directors of Kubanenergo and appointment of its Chairman

The following decision is proposed:

1. To define that the Reliability Committee under the Board of Directors of Kubanenergo should consist of 4 members.
2. To elect the following persons to the Reliability Committee under the Board of Directors of Kubanenergo:

1	Magadeyev Ruslan Raisovich	Deputy director of Situational and Analytical centre of Russian Grids JSC
2	Kovtun Srgey Vladimirovich	Leading expert at Department of production assets management, Russian Grids JSC
3	Zinchenko, Pavel Vasilyevich	Deputy General Director for Technical Issues – Chief Engineer of Kubanenergo JSC
4	Chebakov Andrey Vasilievich	Deputy chief engineer in charge of operation – head of

3.To appoint Magadeyev Ruslan Raisovich for the position of Chairperson of the Reliability Committee under the Board of Directors of Kubanenergo

Voting results

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

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

Item 6

On approval of the restated Regulations on the Personnel and Compensation Committee attached to the Board of Directors of Kubanenergo

The following decision is proposed:

To approve the restated Regulations on the Personnel and Compensation Committee attached to the Board of Directors of Kubanenergo, in accordance with Annex 1 to the decisions of the BoD.

Voting results

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

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

Item 7

On approval of the restated Regulations on the Reliability Committee attached to the Board of Directors of Kubanenergo

The following decision is proposed:

To approve the restated Regulations on the Reliability Committee attached to the Board of Directors of Kubanenergo, in accordance with Annex2 to the decisions of the BoD.

Voting results

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

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

Item 8

On approval of the Company's internal document: Procurement policy

The following decision is proposed:

To approve the restated Procurement policy, in accordance with Annex 3 to the decisions of the BoD.

Voting results

Gavrilov A.I.	- FOR	Sergeyev S.V.	- FOR
Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR

Lavrova M.A. - FOR
Mezhevich V.E. - FOR
Chermentieva Yu. P. - FOR
Shatokhin A.G. - FOR

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

Item 9

On approval of the restated Regulations on the Central Tender Commission of Kubanenergo

The following decision is proposed:

To approve the restated Regulations on the Central Tender Commission of Kubanenergo, in accordance with Annex 4 to the decisions of the BoD.

Voting results

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

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

Item 10

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

The following decision is proposed:

1. To approve the candidature of Tyrtysnyi Ruslan Viktorovich for the position of deputy Director general in charge of capital construction, Kubanenergo JSC.
2. To approve the candidature of Konevts Kirill Sergeevich for the position of deputy Director general in charge of corporate governance, Kubanenergo JSC.
3. To approve the candidature of Ocheredko Olga Vyacheslavovna for the position of deputy Director general in charge of economics and finances, Kubanenergo JSC

Voting results

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

Thus, the majority of BoD members adopted the decision on the tenth item.

Item 11

On introduction of amendments to the Registry of noncore assets Kubanenergo

The following decision is proposed:

To approve introduction of amendments to the Registry of noncore assets Kubanenergo, in accordance with Annex 5 to the decision of the BoD.

Voting results

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

Thus, the majority of BoD members adopted the decision on the eleventh item.

Item 12

On determining the amount of payment to the Company's auditor

The following decision is proposed:

To determine the payment to “Ernst and Young” LLC for auditing services in 2014 (audit of accounting (financial) report under RAS and audit of accounting (financial) report under IFRS): 2 624 476 (two million six hundred twenty four thousand four hundred seventy six) rubles 48 kopecks, including VAT – 400 343 (four hundred thousand three hundred forty three) rubles 87 kopecks.

Voting results

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

Thus, the majority of BoD members adopted the decision on the twelfth item.

Item 13

The following decision is proposed:

I. To instruct representatives of Kubanenergo in Board of Directors of “Recreation Centre “Energetik” on the agenda item “On approval of the report on the implementation of the business plan of “Recreation Centre “Energetik” in the 1st quarter of 2014” to vote “FOR” the adoption of the following resolution:

1. To approve the report on the implementation of the business plan of “Recreation Centre “Energetik” in the 1st quarter of 2014, in accordance with Annex 7 to the decision of the BoD;
2. To note that the item was submitted to discussion at the meeting later than it should be.

II. To instruct representatives of Kubanenergo in Board of Directors of “Energoservis of Kuban” JSC on the agenda “On approving the report on the results of the implementation of the business plan by “Energoservis of Kuban” JSC in the 1st quarter of 2014” to vote “FOR” the adoption of the following resolution:

1. To approve the report on the implementation of the business plan of To approve the report on the implementation of the business plan of “Recreation Centre “Energetik” in the 1st quarter of 2014, in accordance with Annex 7 to the decision of the BoD in the 1st quarter of 2014;

2. To note:

2.1. Failure to comply with the business plan of the Company for the 1st quarter of 2014 in terms of: “Revenue from operating activities” in 2791 thousand rubles (79%) of the planned value (planned - 3550 thousand rubles; actual revenue from operating activities - 759 thousand rubles); “Net profit” for 1100 thousand rubles from the planned value (planned - 6 thousand rubles; actual - (-1 094) thousand rubles);

2.2. Later bringing the matter before the Board of Directors of the Company.

3. To instruct the Director of the Company to take measures to ensure the implementation of the approved parameters of the business plan of the Company by the results for the 1st half of the year, 9 months, and 2014.

Voting results

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

Thus, the BoD members unanimously adopted the decision on the thirteenth item.

Item 14

On updating procedure for calculating the limit of borrowing cost parameters

The following decision is proposed:

1. To approve procedure for calculating the limits of loans cost parameters, in accordance with Annex 8 to the decision of the BoD.
2. To decide he the amount of loans cost parameters should include interest payments, all commissions, consultations and other expenditures on attraction and /or organization of funding.

Voting results

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

Thus, the BoD members unanimously adopted the decision on the fourteenth item.

Item 15

On approving the results of implementation of key performance indicators by Kubanenergo in the 4th quarter of 2013, in 2013 and in the 1st quarter of 2014

The following decision is proposed:

1. To approve the results of implementation of key performance indicators by Kubanenergo in the 4th quarter of 2013 and in 2013, in accordance with Annex 9 to the decision of the BoD.
2. The results of implementation of key performance indicators by Kubanenergo in the 1st quarter of 2014 will be discussed later.

Voting results

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

Thus, the BoD members unanimously adopted the decision on the fifteenth item.

Item 16

On discussion of the report prepared by Director General of Kubanenergo regarding the implementation in the 1st quarter of 2014 the resolutions adopted at meetings of the Board of Directors

The following decision is proposed:

1. To approve the report prepared by Director General of Kubanenergo regarding the implementation in the 1st quarter of 2014 the resolutions adopted at meetings of the Board of Directors, in accordance with Annex 10 and 11 to the decision of the BoD.
2. To instruct director general of Kubanenergo JSC to include in the report on implementation of business in 2014 the information on the registration of property right on non-residential premises, registration/-re-registration of rights to use land plots with regard of activities on preparation of information on protected zones of grid facilities.

Voting results

Gavrilov A.I.	- FOR	Sergeyev S.V.	- FOR
Varvarin A.V.	- FOR	Sukhov O.A.	- FOR
Kobelyan A.M.	- FOR	Khokholkova K.V.	- FOR
Lavrova M.A.	- FOR	Chermentieva Yu. P.	- FOR
Mezhevich V.E.	- FOR	Shatokhin A.G.	- AGAINST

Thus, the majority of the BoD members adopted the decision on the sixteenth item.

Item 17

On discussion of the report prepared by Director General of Kubanenergo on credit policy in the 1st quarter 2014

The following decision is proposed:

1. To approve the report prepared by Director General of Kubanenergo on credit policy in the 1st quarter 2014, in accordance with Annex 12 to the decision of the BoD.
2. To note that the upper limit of net debt and maximum allowed debt service coverage were not observed.

To instruct director general to ensure the implementation of advanced development plan approved by the BoD.

Voting results

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

Thus, the BoD members unanimously adopted the decision on the seventeenth item.

Item 18

On discussion of the report prepared by Director General of Kubanenergo on the insurance coverage of the Company for the 2nd quarter of 2014

The following decision is proposed:

To approve the report prepared by Director General of Kubanenergo on the insurance coverage of the Company for the 2nd quarter of 2014, in accordance with Annex 13 to the decision of the BoD.

Voting results

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

Thus, the BoD members unanimously adopted the decision on the eighteenth item.

Item 19

On approval of contracts for free use of premises between Kubanenergo and employees of Kubanenergo

The following decision is proposed:

To approve contracts between Kubanenergo JSC and its employees on free of charge use of residential premises by:

- Serdyukov M.A. (address: 4 apartment, 18 Nevskaya str., Central district, Sochi, Краснодар region, RF)
- Shishigin I.N. (address: 101 apartment, 18 Nevskaya str., Central district, Sochi, Краснодар region, RF)
- Zaborovskiy G.A. (address: 109 apartment, 18 Nevskaya str., Central district, Sochi, Краснодар region, RF)

on conditions described in Annexes 14-16 to the decision of the BoD.

Voting results

Gavrilov A.I.	- FOR	Sergeyev S.V.	- FOR
Varvarin A.V.	- FOR	Sukhov O.A.	- FOR

Kobelyan A.M. - FOR
Lavrova M.A. - FOR
Mezhevich V.E. - FOR
Khokholkova K.V. - FOR
Chermentieva Yu. P. - FOR
Shatokhin A.G. - FOR

Thus, the BoD members unanimously adopted the decision on the nineteenth item.

Item 20

On approval of confidentiality agreement between Kubanenergo JSC and IDGC of North-West JSC as transaction of interest

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 Sergeev, Gavrillov and Lavrova 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 No.208-FZ dated 26.12.1995 “On Joint Stock Companies”

The following decision is proposed:

To approve confidentiality agreement between Kubanenergo JSC and IDGC of North-West JSC as transaction of interest (the Agreement) in accordance with Annex 17 to the decision of the BoD, as transaction of interest on the following conditions:

Parties to the Agreement:

IDGC North-West JSC

Kubanenergo JSC

Subject of the Agreement:

By this Agreement the Parties accept the obligation of non-disclosure of confidentiality information of the Party, provide in respect of the information special measures of protection (protection, at least with the same care with which the party protects its own confidential information), including the usage (access, transfer), and set the responsibility of the parties for breach of those obligations.

Responsibilities of the Parties:

Party in the event of causing damage to the other party - the owner of the confidential information, resulting from the failure or improper performance of the Agreement, shall indemnify the damages caused (civil liability), and assumes administrative and criminal liability in accordance with the legislation of the Russian Federation.

Term of Agreement:

Agreement shall enter into force upon the signature signature and shall be valid for five years from the end of the fulfillment of the obligations under the contract (its termination), in order to fulfill which the owner of confidential information was assigned to confidential information, and in respect of personal data of personal data - to the period stipulated by the current legislation.

Agreement may be prematurely terminated by either party at any time upon prior written notice sent to the contractor within seven days prior to the date of termination of the Agreement.

Settlement of Disputes:

All disputes relating to the implementation of the Agreement or in connection therewith, the Parties shall resolve through negotiations. In case of failure to reach agreement on the contentious issue, the dispute may be submitted by the Party to the Arbitration Court at the location of the defendant.

Voting results

Varvarin A.V. - FOR
Kobelyan A.M. - FOR
Sukhov O.A. - FOR
Mezhevich V.E. - FOR
Khokholkova K.V. - FOR
Chermentieva Yu. P. - FOR
Shatokhin A.G. - FOR

Thus, by majority of votes of independent directors uninterested in the transaction decision on the twentieth item was adopted.

Item 21

On approval of the service contracts for the qualifying competition among employees of affiliates of Rosseti JSC in repair and maintenance of distribution networks 0.4 - 10 kV between Kubanenergo and IDGC of Volga JSC as a transaction of interest

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 Sergeev, Gavrilov and Varvarin 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 No.208-FZ dated 26.12.1995 “On Joint Stock Companies”

The following decision is proposed:

1. To determine that the price of service contracts for the qualifying competition among employees of affiliates of Rosseti JSC in repair and maintenance of distribution networks 0.4 - 10 kV between Kubanenergo and IDGC of Volga JSC as a transaction of interest, amounts to 2 400 000.00 (two million four hundred thousand) rubles 00 kopecks, including 18% VAT – 366 101.69 rubles (three hundred sixty six thousand one hundred and one ruble) and 69 kopecks.

2. To approve the service contract for the events between “Kubanenergo” and “IDGC of Volga” JSC as transaction of interest on the following conditions:

Parties to the agreement:

Customer – “Kubanenergo”

Contractor - “IDGC of Volga” JSC

Subject of the contract:

The Contractor shall provide services for the organization and conduct of activities at the training centre of a branch of “IDGC of Volga” JSC – “Penzaenergo” in Penza from 04 to 10 August 2014, in accordance with the Regulations on interregional competition among personnel of subsidiary companies of “Rosseti” on repair and maintenance of 0.4 - 10 kV distribution grids, and the Customer shall pay for the services in accordance with the terms of the Agreement.

The essence of the services provided by the Contractor to the Customer under the Agreement is to determine the level of training of personnel for repair and maintenance of .4 - 10 kV distribution grids, distribution of advanced and new ways of operation, which in turn will enable “Rosseti” to make strategic decisions aimed at reliability of the electric grid complex, as well as to increase the investment attractiveness of the assets of “Rosseti” and its subsidiaries and affiliates.

Contract Price:

The cost of services is 2400000 (two million four hundred thousand) rubles 00 kopecks, including 18% VAT - 366101.69 rubles (three hundred sixty six thousand one hundred and one ruble sixty nine kopeks) in accordance with Annex 1 to the Agreement.

Term of Agreement:

The Agreement shall enter into force upon the signature and shall be valid until the Parties fulfill their obligations.

Performance time:

from 4 to 10 August 2014.

Settlement of Disputes:

All disputes, controversies that have arisen while implementation, amendment or termination of the Agreement shall be settled by the Parties, if possible, through negotiations, and if no agreement is reached - in the manner prescribed by the legislation of the Russian Federation.

Disputes of the parties shall be settled in the complaint procedure. In case of failure to settle the dispute by claiming, for twenty (20) calendar days after the request of the parties, shall be resolved by Commercial court in procedure set by the RF legislation.

Voting results

Kobelyan A.M. - FOR

Khokholkova K.V. - FOR

Lavrova M.A. - FOR

Chermentieva Yu. P. - FOR

Mezhevich V.E. - FOR

Shatokhin A.G. - FOR

Sukhov O.A. - FOR

Thus, by majority of votes of independent directors uninterested in the transaction decision on the twenty-first item was adopted.

Item 22

On taking into consideration the information of the Director General on the participation of Kubanenergo in proceedings of material importance to the Company

The following decision is proposed:

To take into consideration the information of the Director General on the participation of Kubanenergo in proceedings of material importance to the Company, in accordance with Annex 18 to the decision of the BoD.

Voting results

Gavrilov A.I. - FOR

Sergeyev S.V. - FOR

Varvarin A.V. - FOR

Sukhov O.A. - FOR

Kobelyan A.M. - FOR

Khokholkova K.V. - FOR

Lavrova M.A. - FOR

Chermentieva Yu. P. - FOR

Mezhevich V.E. - FOR

Shatokhin A.G. - FOR

Thus, the BoD members unanimously adopted the decision on the twenty-second item.

Chairperson

Sergeyev S.V.

Corporate secretary

Russu O.V.