

**Minutes of Board of Directors Meeting No. 192/2014**  
**Open joint stock company of**  
**power industry and electrification of Kuban (“Kubanenergo” JSC)**

Date of meeting	June 20, 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	20.06.2014, 5 p.m.
Date of drawing up minutes	June 23, 2014

Board of Directors Members: 11

Questionnaires were submitted by: Magadeyev R.R. (chairperson of Board of Directors), Vagapov S.G., Varvarin A.V., Gaichenya I.A., Katina A.Yu., Kolyada A.S., Lavrova M.A., Solod A.V.

Questionnaires were not submitted by: Likhov Kh.M., Neganov L.V., Cherezov A.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 introducing amendments to the Company's strategy in the sphere of information technology, automation and telecommunications up to the 2016 in the part of update of the roadmap.
2. On preliminary approval of changes to the Collective Agreement of “Kubanenergo” JSC for 2013-2015.
3. On approving the Central Tender Committee of “Kubanenergo” JSC.
4. On approving internal documents of the Company: Plan of activities aimed at reduction of unauthorized consumption of electric energy in the branch of “Kubanenergo” JSC Sochi electric grids.
5. On approving the schedule of activities aimed at reduction of overdue receivables for services of electric power transmission and settlement of disputes existing on 01.04.2014.
6. On approving the credit plan of “Kubanenergo” JSC for the 2<sup>nd</sup> quarter of 2014.
7. On approving the report on the results of the business plan (including the investment programme) of “Kubanenergo” JSC for the 4<sup>th</sup> quarter and 12 months of 2013.
8. On taking into consideration the report on key risks of “Kubanenergo” JSC in 2013.
9. On taking into consideration the report on the evaluation of the effectiveness of internal control and risk management in 2013.
10. On approving the supplementary agreement to the contract # 17810-409/407/30-217 dated 21.01.2014 on maintenance and emergency maintenance and repair of “Kubanenergo” facility, concluded by “Kubanenergo” JSC and “MOESK” JSC as interested party transaction.

11. On approving the service agreement between “Kubanenergo” JSC and “FGC UES” JSC as interested party transaction.
12. On approving target cash flow indicators of “Kubanenergo” JSC for the 3<sup>rd</sup> quarter of 2014.
13. On approving the Company’s internal document: Policy of innovation-based development, energy saving and energy efficiency.
14. On expressing Company’s opinion on agenda item of Kubanenergo affiliates’ BoD meeting” – “Energoservis of Kuban” JSC
15. On approving Company’s internal document – Regulations on placement of temporarily disposable monetary resources

### **Item 1**

#### **On introducing amendments to the Company's strategy in the sphere of information technology, automation and telecommunications up to the 2016 in the part of update of the roadmap**

The following decision is proposed:

1. To approve amendments to the Company's strategy in the sphere of information technology, automation and telecommunications up to the 2016 in the part of update of the roadmap, in accordance with annex 1 to the present decision of the BoD.
2. To consider as invalid resolution of the BoD dated 07.02.2014 on item 2 “On approving internal document: Plan of Kubanenergo activities for 2014 on implementation of strategy in the sphere of IT, automation and telecommunications for the period up to 2016”, in part of subparagraph 2.2 (extract from the minutes dated 10.20.2014 No. 180/2014).
3. To instruct director general to ensure that the BoD discusses the issue “On approval of report on implementation of strategy in the sphere of IT, automation and telecommunications for the period up to 2016” in the part of update of the roadmap (paragraph 4.4. “Plan of implementation of strategic programme of IT development”)

#### **Voting results**

Vagapov S.G.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Katina A.Yu.	- FOR
Gaichenya I.A.	- FOR	Magadeyev R.R.	FOR
Kolyada A.S.	- FOR	Solod A.V.	- FOR

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

### **Item 2**

#### **O preliminary approval of changes to the Collective Agreement of “Kubanenergo” JSC for 2013-2015**

The following decision is proposed:

To preliminary approve changes to the Collective Agreement of “Kubanenergo” JSC for 2013-2015, in accordance with annex 2 to the present decision of the BoD.

#### **Voting results**

Vagapov S.G.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Katina A.Yu.	- FOR
Gaichenya I.A.	- FOR	Magadeyev R.R.	FOR
Kolyada A.S.	- FOR	Solod A.V.	- FOR

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

### Item 3

#### **On approving the Central Tender Committee of “Kubanenergo” JSC**

The following decision is proposed:

1. To exclude Kocherga V.A. from the Central Tender Committee approved by the BoD (minutes of meeting No. 180/2014 dd 10.02.2014).

To elect the following persons to the Central Tender Committee:

1	Gavrilov A.I.	General director of Kubanenergo, JSC, Chairperson of the Committee
2	Zinchenko P.V.	Deputy General Director for Technical Issues – Chief Engineer, Kubanenergo JSC, Deputy Chairperson of the Committee
3	Statuyev V.A.	Deputy Director General in charge of Security, member of the Committee
4	Golov A.V.	Deputy General Director in charge of Logistics and Inventory, member of the Committee
5	Konevets K.A.	Acting Deputy Director General in charge of Corporate Management, member of the Committee
6	Kobelyan A.M.	Head of Directorate of Planning, Statutory Regulation and Arrangement of Procurement Activity, Rosseti JSC, member of the Committee

#### **Voting results**

Vagapov S.G.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Katina A.Yu.	- FOR
Gaichenya I.A.	- FOR	Magadeyev R.R.	FOR
Kolyada A.S.	- FOR	Solod A.V.	- FOR

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

### Item 4

#### **On approving internal documents of the Company: Plan of activities aimed at reduction of unauthorized consumption of electric energy in the branch of “Kubanenergo” JSC Sochi electric grids**

The following decision is proposed:

1. To approve internal documents of the Company: Plan of activities aimed at reduction of unauthorized consumption of electric energy in the branch of “Kubanenergo” JSC Sochi electric grids, in accordance with annex 3 to the present decision of the BoD.

2. To instruct director general to quarterly submit to the BoD a report on implementation of Plan of activities as a part of report on implementation of business-plan (as well as investment programme) of the Company.

#### **Voting results**

Vagapov S.G.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Katina A.Yu.	- FOR
Gaichenya I.A.	- FOR	Magadeyev R.R.	FOR
Kolyada A.S.	- FOR	Solod A.V.	- FOR

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

## **Item 5**

### **On approving the schedule of activities aimed at reduction of overdue receivables for services of electric power transmission and settlement of disputes existing on 01.04.2014**

The following decision is proposed:

1. To approve the schedule of activities aimed at reduction of overdue receivables for services of electric power transmission and settlement of disputes existing on 01.04.2014, in accordance with annex 4 to the present decision of the BoD.
2. To emphasize the failure to submit the schedule of activities aimed at reduction of overdue receivables for the consideration of the BoD for the second time.

#### **Voting results**

Vagapov S.G.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Katina A.Yu.	- FOR
Gaichenya I.A.	- FOR	Magadeyev R.R.	FOR
Kolyada A.S.	- FOR	Solod A.V.	- FOR

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

## **Item 6**

### **On approving the credit plan of “Kubanenergo” JSC for the 2<sup>nd</sup> quarter of 2014**

The following decision is proposed:

To approve the credit plan of “Kubanenergo” JSC for the 2<sup>nd</sup> quarter of 2014, in accordance with annex 5 to the present decision of the BoD.

#### **Voting results**

Vagapov S.G.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Katina A.Yu.	- FOR
Gaichenya I.A.	- FOR	Magadeyev R.R.	FOR
Kolyada A.S.	- FOR	Solod A.V.	- FOR

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

## **Item 7**

### **On approving the report on the results of the business plan (including the investment programme) of “Kubanenergo” JSC for the 4<sup>th</sup> quarter and 12 months of 2013**

The following decision is proposed:

1. To take into consideration the report on the results of the business plan (including the investment programme) of “Kubanenergo” JSC for the 4<sup>th</sup> quarter and 12 months of 2013, in accordance with annex 6 to the present decision of the BoD.

2. Trade secret

3. Trade secret

#### **Voting results**

Vagapov S.G.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Katina A.Yu.	- FOR
Gaichenya I.A.	- FOR	Magadeyev R.R.	FOR
Kolyada A.S.	- FOR	Solod A.V.	- FOR

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

## **Item 8**

### **On taking into consideration the report on key risks of “Kubanenergo” JSC in 2013**

The following decision is proposed:

To take into consideration the Director General's report on the insurance coverage of the Company in the 1<sup>st</sup> quarter of 2014, in accordance with annex 7 to the present decision of the BoD.

#### **Voting results**

Vagapov S.G.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Katina A.Yu.	- FOR
Gaichenya I.A.	- FOR	Magadeyev R.R.	FOR
Kolyada A.S.	- FOR	Solod A.V.	- FOR

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

### **Item 9**

#### **On taking into consideration the report on the evaluation of the effectiveness of internal control and risk management in 2013**

The following decision is proposed:

1. To approve the report on the evaluation of the effectiveness of internal control and risk management in 2013, in accordance with annex 6 to the present decision of the BoD.
2. To consider as satisfactory the current level of system of effectiveness of internal control and risk management.
3. to recommend Director General to implement the range of a activities aimed at development and sophistication of effectiveness of internal control and risk management in 2013.

#### **Voting results**

Vagapov S.G.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Katina A.Yu.	- FOR
Gaichenya I.A.	- FOR	Magadeyev R.R.	FOR
Kolyada A.S.	- FOR	Solod A.V.	- FOR

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

### **Item 10**

#### **On approving the supplementary agreement to the contract # 17810-409/407/30-217 dated 21.01.2014 on maintenance and emergency maintenance and repair of “Kubanenergo” facility, concluded by “Kubanenergo” JSC and “MOESK” JSC as interested party transaction**

In accordance with paragraph 3 article 83 of Federal Law “On Joint Stock Companies” decision on this item should be adopted by majority of independent directors uninterested in conclusion of the transaction.

All members of Kubanenergo Board of Directors participate in voting on this item and are considered in accordance with paragraph 3 article 83 of Federal Law “On Joint Stock Companies” as independent directors uninterested in conclusion of the transaction.

The following decision is proposed:

To approve the supplementary agreement to the contract # 17810-409/407/30-217 dated 21.01.2014 on maintenance and emergency maintenance and repair of “Kubanenergo” facility, concluded by “Kubanenergo” JSC and “MOESK” JSC as interested party transaction, in accordance with annex 7 to the present decision of the BoD.

#### **Voting results**

Vagapov S.G.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Katina A.Yu.	- FOR
Gaichenya I.A.	- FOR	Solod A.V.	- FOR
Kolyada A.S.	- FOR	Magadeyev R.R.	- FOR

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

### **Item 11**

#### **On approving the service agreement between “Kubanenergo” JSC and “FGC UES” JSC as interested party transaction**

In accordance with paragraph 3 article 83 of Federal Law “On Joint Stock Companies” decision on this item should be adopted by majority of independent directors uninterested in conclusion of the transaction.

All members of Kubanenergo Board of Directors participate in voting on this item and are considered in accordance with paragraph 3 article 83 of Federal Law “On Joint Stock Companies” as independent directors uninterested in conclusion of the transaction.

The following decision is proposed:

1. To determine the total cost of services under the contract between “Kubanenergo” JSC and “FGC UES” JSC as a transaction of interest in the amount of 100,000 (one hundred thousand) rubles 00 kopecks, including 18% VAT - 15 245 (fifteen thousand two hundred forty five) rubles 24 kopecks.

2. To approve the contract between “Kubanenergo” JSC and “FGC UES” JSC as a transaction of interest (the Contract) on the following conditions:

Parties to the agreement:

Organizer – “FGC UES” JSC

Participant – “Kubanenergo” JSC.

Subject of the contract:

In accordance with the terms of the Contract the Organizer agrees to provide services to the Participant on the organization of access to electronic document management system of Corporate Information System of Certification Authority for Electronic Signatures of “FGC UES” JSC (hereinafter - the System), organized and carried out in accordance with the Procedure for the use of electronic signatures in “FGC UES” JSC organized and carried out in accordance with Procedure of cryptographic protection of information in the electronic document management system of certification center “FGC UES” JSC, approved by Order of “FGC UES” JSC on 27.12.2011 No. 800 (hereinafter - the Order). The Participant, by joining the system, is obliged to accept and duly comply with the requirements and conditions of the electronic document, the established by the order.

Contract Price:

The total marginal cost of services under the contract is 100,000 (one hundred thousand) rubles 00 kopecks, including 18% VAT - 15 245 (fifteen thousand two hundred forty five) rubles 24 kopecks.

Term of the Contract:

The Contract enters into force upon the signature and shall be valid for one year. The Contract shall be considered as extended for each subsequent calendar year, unless one of the Parties notifies in writing the other Party of its desire to terminate the Contract at least thirty (30) calendar days prior to its expiration.

Responsibility of the parties:

For failure to perform or improper performance of obligations under the Contract the Parties shall be liable in accordance with Russian law and the Contract.

Dispute resolution:

Parties undertake to respect the established procedure rules for settling conflicts arising in connection with the implementation of electronic document in the system. All disputes, controversies and claims arising out of this Contract or in connection with it, including those related to its conclusion, change, performance, breach, termination or validity, shall be settled by Arbitration Court of Moscow.

**Voting results**

Vagapov S.G.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Katina A.Yu.	- FOR
Gaichenya I.A.	- FOR	Magadeyev R.R.	FOR
Kolyada A.S.	- FOR	Solod A.V.	- FOR

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

**Item 12**

**On approving target cash flow indicators of “Kubanenergo” JSC for the 3<sup>rd</sup> quarter of 2014**

The following decision is proposed:

To defer the discussion to a later date

**Voting results**

Vagapov S.G.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Katina A.Yu.	- FOR
Gaichenya I.A.	- FOR	Magadeyev R.R.	FOR
Kolyada A.S.	- FOR	Solod A.V.	- FOR

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

**Item 13**

**On approving the Company’s internal document: Policy of innovation-based development, energy saving and energy efficiency**

The following decision is proposed:

1. To approve “Policy of innovation-based development, energy saving and energy efficiency of Rosseti” as Company’s internal document, in accordance with annex 10 to the present decision of the BoD.
2. To instruct Director General to ensure implementation of Policy of innovation-based development, energy saving and energy efficiency of Rosseti in business activity of the Company.

**Voting results**

Vagapov S.G.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Katina A.Yu.	- FOR
Gaichenya I.A.	- FOR	Magadeyev R.R.	FOR
Kolyada A.S.	- FOR	Solod A.V.	- FOR

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

#### **Item 14**

##### **On expressing Company's opinion on agenda item of Kubanenergo affiliates' BoD meeting" – "Energoservis of Kuban" JSC**

The following decision is proposed:

To instruct representatives of "Kubanenergo" JSC in Board of directors of "Energoservis of Kuban" JSC on item "On electing director general of "Energoservis of Kuban" JSC to vote for the adoption of the following resolution:

To appoint Gorbachyov Sergey Ivanovich for the position of director general of "Energoservis of Kuban" JSC for the period of three (3) years

##### **Voting results**

Vagapov S.G.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Katina A.Yu.	- FOR
Gaichenya I.A.	- FOR	Magadeyev R.R.	FOR
Kolyada A.S.	- FOR	Solod A.V.	- FOR

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

#### **Item 15**

##### **On approving Company's internal document – Regulations on placement of temporarily disposable monetary resources**

The following decision is proposed:

1. In order to reduce the level of financial risks as well as to provide safety and control of monetary resources its proposed to approve the internal document: Regulations on placement of temporarily disposable monetary resources, in accordance with annex 8 to the present decision of the BoD.

2. To instruct Director General to provide the use of storage and expenditure of funds (including the placement of cash balances, as well as temporarily available cash on deposit) received by the Company from the federal budget, and the funds received as payment for additional shares of "Rossetti" JSC to finance the Company's investment projects separate from other assets of the Company bank account opened solely in one of the backbone of the Russian banks listed in Annex 9 to the decision of the Board.

##### **Voting results**

Vagapov S.G.	- FOR	Lavrova M.A.	- FOR
Varvarin A.V.	- FOR	Katina A.Yu.	- FOR
Gaichenya I.A.	- FOR	Magadeyev R.R.	FOR
Kolyada A.S.	- FOR	Solod A.V.	- FOR

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

Chairperson

Magadeyev R.R.

Corporate secretary

Russu O.V.