

Approved

by decision of Board of Directors of
“Kubanenergo”, JSC dated February
04, 2010 Appendix No.3 to Minutes of
meeting No.84/2010 dated February
05, 2010

Regulations on
Strategy, Development, Investments and Reform Committee under the
Board of Directors of Open Joint Stock Company of Power Industry and
Electrification of Kuban
(with changes introduced on 17.03.2016)

Krasnodar

1. General Provisions

1.1. Regulations “On Strategy, Development, Investments and Reform Committee under the Board of Directors of Open Joint Stock Company of Power Industry and Electrification of Kuban” (hereinafter referred to as the Regulations) have been worked out in accordance with the legislation of the Russian Federation, the Charter of “Kubanenergo” JSC, Regulations on the Procedure for Convening and Holding Meetings of Board of Directors of “Kubanenergo” JSC.

1.2. The Strategy, Development, Investments and Reform Committee under the Board of Directors of “Kubanenergo” JSC (hereinafter referred to as the Committee) is set up by decision of the Board of Directors of “Kubanenergo” JSC (hereinafter referred to as the Company). The Committee is a consultative/advisory body ensuring the Company’s Board of Directors performs its functions related to providing the general guidance for the Company’s activity efficiently.

1.3. Decisions of the Committee shall be advisory in nature for the Company’s Board of Directors.

1.4. The Committee shall operate in accordance with the present Regulations specifying the legal status, goal and objectives, rights, obligations, structure and composition of the Committee. In its activity the Committee shall be guided by Federal Laws, other regulatory legal acts of the Russian Federation, the Company’s Charter, Regulations on the Procedure for Convening and Holding Meetings of Board of Directors of the Company, decisions of Board of Directors of the Company.

2. Goals and Objectives of the Committee

2.1. The main purpose of the Committee is to ensure the efficient work of the Company’s Board of Directors when dealing with issues within its competence.

2.2. The objective of the Committee shall be the drawing up and submission of recommendations (reports) to the Company’s Board of Directors on the following activities of Board of Directors:

- 1) setting of priority directions, strategic goals and defining of the main principles of the Company’s strategic development;
- 2) assessment of efficiency of the Company’s activity;
- 3) enhancement of investment attractiveness of the Company, improvement of investment activity and making of reasoned investment decisions;
- 4) correction of existing strategy of the Company’s development;
- 5) control over implementation of approved programmes, projects and process of reforming of the Company;
- 6) drawing up of recommendations on dividend policy
- 7) monitoring over organization and performance of risks management system.

3. The Committee’s Competence

3.1. The Committee shall be competent to preliminarily consider, analyze and draw up recommendations (reports) on the following issues falling within the competence of the Company’s Board of Directors:

- 1) determination of priority directions of the Company’s activity and its development strategy;
- 2) submission of the following issues for consideration of the General Meeting of Shareholders of the Company:
 - a) reorganization of the Company including the approval of merger (takeover) agreements;
 - b) increase of the Company’s authorized capital by increasing the par value of shares or by means of placement of additional shares;
 - c) splitting and consolidation of shares of the Company;
 - d) making the decision on the placement by the Company of bonds convertible into shares and other issue securities convertible into shares;

- e) adoption of decisions on participation in holding companies, financial industrial groups, associations and other groupings of commercial entities;
- f) adoption of decisions on major transactions approval in cases provided for by Article 79 of the Federal Law “On Joint Stock Companies”;
- 3) acquisition of shares, bonds and other securities to be placed by the Company in cases stipulated by the Federal Law “On Joint Stock Companies”;
- 4) selling of the Company’s shares being at the Company’s disposal as a result of their acquisition or redemption from shareholders of the Company, as well as in other cases provided for by the Federal Law “On Joint Stock Companies”;
- 5) approval of Regulations on the Dividend Policy;
- 6) approval of the investment programme and approval of the quarterly report on results of its implementation;
- 7) approval of the Company’s business-plan (corrected business-plan) and approval of the quarterly report on its implementation;
- 8) setting up branches and opening of representative offices of the Company, their liquidation, approval of Regulations on branches and representative offices;
- 9) preliminary approval of decisions about conclusion of transactions by the Company (including several associated transactions) connected with the alienation or the possibility to alienate property making up the fixed assets, intangible assets, construction in progress which are used to transmit, execute dispatching, distribute electric energy;
- 10) on participation of the Company in other organizations, change of authorized capital contribution (number of shares, amount of interests, stakes), encumbrance of shares (fractions) and termination of participation of the Company in other organizations;
- 11) approval of the procedure for interaction between the Company and organizations in which the Company participates;
- 12) determination of the position the Company (Company’s representatives) adheres to including the instruction to participate or not to participate in voting on agenda items, to vote “for”, “against” or “abstained” on the draft decisions, on the following agenda items of the General meetings of shareholders (participants) of subsidiaries and associates of the Company (hereinafter referred to as the SAC) (with the exception of cases when the functions of the general meetings of SAC shareholders are performed by the Company’s Board of Directors), and meetings of the SAC Board of Directors (with the exception of the issue of adoption of agenda of the general meetings of SAC shareholders when the functions of the general meetings of the SAC shareholders are performed by the Company’s Board of Directors):
 - a) on reorganization, closing down of the SAC;
 - b) on determination of the number, par value, category (type) of the SAC declared shares and rights granted by these shares;
 - c) on the increase of the SAC authorized capital by increasing the nominal value of shares or through placement of additional shares;
 - d) on placement of the SAC securities convertible into ordinary shares;
 - e) on splitting, consolidation of the SAC shares;
 - f) on approval of major transactions made by the SAC;
 - g) on participation of the SAC in other organizations (on joining an active organization or establishing a new one) as well as on the purchase, carve-out and encumbering of shares and fractions in the organizations’ authorized capitals in which the SAC has a share, the change of ownership interest in the authorized capital of the corresponding organization;
 - h) on conclusion of transactions by the SAC (including several interrelated transactions) connected with the alienation or the possibility to alienate property making up the fixed assets, intangible assets, construction in progress which are used to transmit, execute dispatching,

distribute electric energy in cases (at the amount) specified in the procedure for cooperation of the Company with organizations in which the Company participates approved by the Company's Board of Directors;

i) on making alterations and additions in the articles of association of the SAC;

j) on determination of the procedure for emolument payment to members of Board of Directors and the Auditing Committee of the SAC;

13) determination of the position the Company (Company's representatives) adheres to on the following agenda items of meetings of the SAC Board of Directors (including the instruction to participate or not to participate in voting on agenda items, to vote "for", "against" or "abstained" on the draft decisions):

a) on determination of the SAC representatives' position on agenda items of the general meetings of shareholders (participants) and of the Board of Directors meetings of subsidiaries and associates of the SAC, concerning the conclusion (approval) of transactions (including several interrelated transactions) connected with property alienation or the possibility to alienate the property making up the fixed assets, intangible assets, construction in progress which are used to transmit, execute dispatching, distribute electric energy in cases (at the amount) specified in the procedure for cooperation of the Company with organizations in which the Company participates approved by the Company's Board of Directors

b) on determination of the SAC representatives' position on agenda items of the general meetings of shareholders (participants) and of the Board of Directors meetings of subsidiaries and associates of the SAC transmitting, executing the dispatching, distributing electric energy, on reorganization, liquidation, increase of the authorized capital of these companies by increasing the par value of shares or by means of placement of additional shares, securities convertible into ordinary shares approval of major transactions in cases stipulated by Chapter X of the Federal Law "On Joint Stock Companies";

14) approval of large transactions in cases stipulated by chapter X of the Federal Law "On Joint Stock Companies"

15) approval and modification of terms as well as discontinuation of implementation of larger and medium-sized projects to be defined as such pursuant to Regulations on investment activity and approval of quarterly reports on the course of carrying out the aforementioned projects

16) consideration of reports of the Chief Executive Officer on the activity of the Company (including the report on discharge of his/her functions), on the implementation of decisions of the General meeting of shareholders and Board of Directors of the Company¹

17) approval of the list of key performance indicators (KPI) and reports on their implementation (quarterly and annual);

18) approval of internal documents of the Company except for internal documents the approval of which falls within the competence of the General Meeting of Shareholders as well as other internal documents the approval of which falls within the competence of the Company's executive bodies²

19) other issues by order of the Company's Board of Directors

20) in the sphere of risks management:

a) discussion of reports of the Company's executive bodies on arrangement, operation and efficiency of risks management system, prior to their submission to the Board of Directors

b) preliminary, before the BoD, discussion of the Company's internal documents scoping

¹ Reports within the competence of the Committee, including financial reports of affiliated companies which shares belong to the Company

² Internal documents within the competence of the Committee

the strategy of organization and development of risks management system, Risks management policy and propositions on their improvement

- c) preliminary, before the BoD, discussion and provision of recommendations to for the chapter “System of internal control and risks management” of the annual report
- d) timely provision of information within the Committee’s competence on risks related to the Company’s activity
- e) discussion of half-year report on operational risk management in accordance with in accordance with established procedure
- f) interaction with the Audit Committee concerning the risk management system and its efficiency, dealing with revealed risks and possible major deficiencies in risks management system;
- g) discussion of proposals on the list and structure of risks (risks registry), assignment of risks owners
- h) discussion of proposals on enhancement of risk management system, including issues related to identification of risks and correction of parameters of risks; discussion of key risks and their indicators with the executive body of the Company
- i) assessment of completeness, efficiency and results of activities related to key risks management, prepared by the executive body
- j) participation in discussion of candidates for positions in the Company related to risk management.

4. Rights of the Committee

4.1. In order to perform the entrusted functions the Committee shall be entitled to:

- 1) conduct research on the issues which fall within its competence;
- 2) request and receive information and documents necessary to carry out its activity from the Chief Executive Officer and officials of the Company and the Regional Electricity Company (the list of officials shall be compiled in accordance with the list approved by the decision of the Committee) and also request information through Chairman of Board of Directors or the Chief Executive Officer of the Company and the Regional Electricity Company from outside organizations;
- 3) utilize the professional services of outside organizations or get third parties involved (on a contract basis as well) as experts (consultants) possessing special knowledge on the issues falling within the Committee’s competence within the Committee’s budget.
Contracts with persons engaged by the Committee to render consulting services shall be concluded on the basis of the corresponding decision of the Committee by the authorized official of the Company on the proposal of Chairman of the Committee or by Chairman of the Committee under power of attorney issued by the sole executive body of the Company;
- 4) invite employees of the Company, management of the Company, members of other Committees of the Company’s Board of Directors and other persons to participate in on-site meetings of the Committee;
- 5) submit to Board of Directors the proposals on inclusion of investment projects in the Investment Programme and on exclusion of investment projects from the Investment Programme;
- 6) make recommendations on all issues that concern the formation, modification, carrying out, discontinuation of investment projects to Board of Directors;
- 7) assess fundamental technical decisions concerning the carrying out of investment projects and set out relevant recommendations to Board of Directors;
- 8) work out and submit the drafts of alterations and additions to the present Regulations for approval of the Company’s Board of Directors, as the need arises.

4.2. The Committee shall be vested with other rights specified in the present Regulations.

5. Obligations of the Committee

5.1. The Committee shall:

- 1) perform the tasks which have been set before the Committee and carry out its activity in accordance with the present Regulations, requirements of the Russian Federation legislation, the Charter and internal documents of the Company;
- 2) submit the cost-effective and legally sound recommendations (resolutions) on the issues falling within the Committee's competence to Board of Directors;
- 3) inform Board of Directors of the Company in a timely manner on risks that the Company is exposed to;
- 4) adhere to confidentiality requirements, not disclose information about the Company that is considered the commercial and/or official secret.

6. Composition of the Committee and Procedure for the Committee Formation, Rights and Obligations of the Committee Members

6.1. The quantitative composition of the Committee which shall be composed of no less than 3 (Three) members shall be determined by the decision of the Company's Board of Directors.

6.2. The list of members of the Committee shall be elected by Board of Directors of the Company from among the candidates proposed by members of the Company's Board of Directors.

6.3. Each member of the Company's Board of Directors shall be entitled to propose no more than 3 (Three) candidates for the Committee members.

6.4. Only natural persons can be the Committee members. It is allowed for a member of the Committee not to be a member of the Company's Board of Directors.

6.5. Proposals of members of the Company's Board of Directors on the candidatures for election to the Committee shall be submitted in writing to Chairman of the Company's Board of Directors within 5 (Five) days before the date of holding the meeting of Board of Directors (before the deadline for receipt of questionnaires for absentee voting) the agenda of which includes the item of election of the Committee members.

The proposal on nomination of the candidate (candidates) for the Committee member shall contain the following information about the candidate:

- full family name, name, patronymic of the candidate;
- place of employment and position of the candidate as of the time of proposal submission.

The proposal on nomination of the candidate (candidates) for the Committee member shall be signed by the member of the Company's Board of Directors who has submitted the aforementioned proposal.

6.6. When electing the Committee members their education, professional training, work experience in the sphere of the Committee's activity and other special skills necessary for the Committee members to exercise the powers shall be taken into account.

6.7. Members of the Committee shall be elected in accordance with the provisions of the present Regulations for the period till holding the first meeting of Board of Directors to be reelected.

6.8. Powers of any member of the Committee can be terminated before the expiration of the term of office by decision of the Company's Board of Directors.

6.9. Chairman of the Committee and the Committee members can decline their responsibilities provided that they have submitted the application about this decision to Chairman of the Company's Board of Directors and Chairman of the Committee.

6.10. If the number of the Committee members is less than the quorum necessary for holding the meetings of the Committee specified in the Regulations, Chairman of Board of Directors shall be obliged to convene the extraordinary meeting of Board of Directors in order to elect the

Committee members or place the issue of election of the Committee members on the agenda of the earliest scheduled meeting of the Company's Board of Directors.

6.11. The Committee members within the Committee's competence shall be entitled to:

- 1) request in writing through Corporate Secretary the documents and information necessary to make decisions on the issues within the Committee's competence from the Chief Executive Officer and officials of the Company and the Regional Electricity Company (the list of officials shall be compiled in accordance with the list approved by decision of the Committee);
- 2) put forward the written proposals on working out the plan of the Committee's operation;
- 3) include the items in agenda of the Committee meetings according to the procedure stipulated by the Regulations;
- 4) demand to convene the Committee meeting;
- 5) exercise other rights provided for by the Regulations.

6.12. Members of the Committee shall become familiar with the materials for the Committee meeting and have their own position on each item on meeting agenda.

6.13. Members of the Committee when exercising their rights and performing the obligations shall act for the benefit of the Company, exercise their rights and discharge the obligations in relation to the Company faithfully and reasonably.

7. Chairman of the Committee and Procedure for Election of Chairman

7.1. Management of the Committee and arrangement of its activity shall be carried out by Chairman of the Committee.

7.2. Chairman of the Committee shall be elected by the Company's Board of Directors from among elected members of the Committee by a majority of votes of the Board of Directors members participating in the meeting of Board of Directors.

7.3. The person performing the functions of the sole executive body of the Company as well as persons being members of the collegial executive body of the Company shall not be elected as Chairman of the Committee.

7.4. Board of Directors of the Company shall be authorized to reelect Chairman of the Committee at any time.

7.5. In the absence of Chairman of the Committee his/her obligations shall be performed by Deputy Chairman of the Committee. Deputy Chairman of the Committee shall be elected by the Committee members from among their number by a majority vote of the total number of the Committee members that have been elected. Restrictions specified in item 7.3 Regulations shall apply to the candidature for Deputy Chairman.

7.6. Chairman of the Committee shall:

- 1) convene the Committee meetings and preside over them;
- 2) determine the form of holding and approve the agenda of the Committee meeting;
- 3) specify the list of persons to be invited to participate in the on-site meeting of the Committee. Officials and/or employees of the Company shall be invited to the on-site meeting of the Committee (consideration of separate items on meeting agenda) by sending the corresponding invitation addressed to the Chief Executive Officer of the Company. The Chief Executive Officer of the Company shall ensure the participation of officials and/or employees of the Company or other persons possessing the powers, information and qualification necessary to efficiently participate in the meeting of the Committee (consideration of items on meeting agenda, providing information, participation in discussion, decision-making etc.) who have been invited to the meeting of the Committee;
- 4) arrange the keeping of the minutes of the Committee meetings and sign the minutes of the Committee meetings;
- 5) represent the Committee in the course of cooperation with the Company's Board of Directors, executive bodies of the Company, the Auditor, the Auditing Committee of the Company and

other bodies and persons;

6) respond for official correspondence of the Committee, sign the inquiries, letters and documents on behalf of the Committee;

7) allocate the duties between the Committee members;

8) work out the Activity Plan of the Committee and submit the aforementioned plan for approval to the Committee, exercise control over the implementation of decisions and fulfillment of plans of operation of the Committee;

9) ensure in the process of the Committee's activity the observance of requirements of the Russian Federation legislation, the Company's Charter, other internal documents of the Company and the present Regulations;

10) discharge other duties provided for by the current legislation, the Company's Charter, the present Regulations and other internal documents of the Company.

8. Secretary of the Committee

8.1. The functions of Secretary of the Committee shall be performed by Corporate Secretary of the Company unless otherwise is stipulated by the decision of the Committee. If the decision on election of other person as Corporate Secretary has been adopted, Secretary of the Committee shall be elected by a majority vote of the total number of elected members of the Committee. If the candidate for the position is the Company's employee, the candidature shall be endorsed by the Chief Executive Officer of the Company.

8.2. Secretary of the Committee shall provide technical (informational, documentary, recording, secretarial) support for current activity of the Committee, including:

1) ensure the preparation and holding of the Committee meetings;

2) gather and classify the materials for meetings;

3) ensure the timely submission to the Committee members and persons who have been invited to participate in the meeting of the Committee of notices of holding the meetings of the Committee, agendas of meetings, materials on agenda items and questionnaires;

4) perform record-keeping of meetings, arrange the preparation of draft decisions of the Committee;

5) keep record of correspondence (including the inquiries, requests, applications) addressed to the Committee and/or the Committee members, ensure the receipt of necessary information by the Committee members;

6) ensure the custody of minutes of the Committee meetings and other documents and materials related to the Committee operation in accordance with the documents custody procedures approved in the Company;

7) execute the orders of Chairman of the Committee within the powers of Committee Chairman;

8) exercise other functions in accordance with the Regulations.

8.3. Secretary of the Committee shall be paid remuneration and shall be reimbursed for expenses connected with the discharge of obligations.

Remuneration and expenses connected with fulfillment of obligations by Secretary shall be provided for in the Company's budget.

9. Meetings of the Committee

9.1. Meetings of the Committee shall be convened by Chairman of the Committee in accordance with the Activity Plan approved at the meeting of the Committee (scheduled meetings) and in other cases specified in the Regulations (extraordinary meetings).

9.2. The Activity Plan of the Committee shall be worked out by Chairman of the Committee with regard for the approved Activity Plan of the Company's Board of Directors and proposals

of Chairman of the Company's Board of Directors, members of the Committee and decisions of the Company's Board of Directors.

9.3. The Activity Plan of the Committee shall be approved at the Committee meeting following the meeting of the Company's Board of Directors at which the Activity Plan of the Company's Board of Directors has been approved.

9.4. Meetings of the Committee shall be held in Krasnodar, Moscow or any other place by agreement with members of the Committee.

9.5. When convening the Committee meeting Chairman of the Committee shall fix the date, time, place and form of meeting holding, agenda and list of persons invited to participate in the on-site meeting of the Committee.

9.6. Agenda of the scheduled meeting shall be set by Chairman of the Committee in accordance with the approved Activity Plan of the Committee, decisions of the Company's Board of Directors and proposals of Chairman of Board of Directors.

Members of the Committee shall be entitled to put forward proposals on setting the agenda of the scheduled meeting of the Committee.

Chairman of the Committee shall be authorized to include received proposals in agenda of the scheduled meeting or convene the extraordinary meeting of the Committee.

9.7. Extraordinary meetings of the Committee shall be held:

- in accordance with the notice received from Corporate Secretary of the Company of the meeting of the Company's Board of Directors the agenda of which includes the item (items) which, according to the Regulations, shall be referred to the competence of the Committee;

- on the initiative of Chairman of the Committee;

- by decision of the Company's Board of Directors or by decision of the Committee;

- at the request of Chairman of the Company's Board of Directors, the member of the Committee, the Auditing Committee or the external Auditor of the Company.

9.8. The demand of Chairman of the Company's Board of Directors, the member of the Committee, the Auditing Committee or the external Auditor of the Company for convening the Committee meeting shall be submitted to Chairman of the Committee in writing within 7 (seven) working days before the date of meeting holding and shall contain the wording of the item, argument in support of necessity to examine the issue at the meeting, draft decision of the Committee as well as accompanying materials and information.

The demand for convening the Committee meeting shall be signed by the person who has submitted the aforementioned demand (the demand of the Auditing Committee for convening the Committee meeting shall be signed by Chairman of the Auditing

Committee, the demand of the Company's Auditor shall be signed by the authorized person of the Auditor). At the same time the copy of the demand for convening the Committee meeting with all Appendixes shall be submitted to Secretary of the Committee.

9.9. During 1 (one) working day from the date of raising the demand for convening the extraordinary meeting Chairman of the Committee shall take a decision to hold the extraordinary meeting of the Committee, shall fix the date, time and place of holding the Committee meeting (date and time of termination of questionnaires submission when conducting the absentee voting) or make a decision to refuse to convene the extraordinary Committee meeting. The motivated decision on refusal to convene the extraordinary Committee meeting shall be submitted to a person or body of the Company demanding to convene such meeting no later than the day following the day of making the decision to refuse to convene the meeting by Chairman of the Committee.

9.10. The decision of Chairman of the Committee on refusal to convene the extraordinary Committee meeting can be taken in the following cases:

- 1) an item (items) proposed to be placed on the agenda of the Committee meeting is (are) not referred by the Regulations on the Committee to its competence;

2) agenda item that the demand for convening the extraordinary meeting of the Committee contains has already been included in agenda of the earliest meeting to be convened in accordance with the decision of Chairman of the Committee that has been taken before receiving the aforementioned demand;

- form, procedure and terms of raising the demand for convening the meeting provided for by item 9.7 Regulations have been ignored;

9.11. Chairman of the Committee shall be authorized to include the items that the demand for convening the extraordinary meeting of the Committee contains in the agenda of the earliest scheduled meeting of the Committee.

9.12. The notice of holding the meeting of the Committee shall contain meeting agenda, the form of meeting holding, date, place and time of meeting holding (date and time of termination of submission of questionnaires for voting on the items of meeting agenda). The notice of holding the meeting shall be drawn up by Secretary of the Committee and shall be signed by Chairman of the Committee or Deputy Chairman of the Committee (in cases specified in the present Regulations). The notice of holding the meeting shall be submitted to the Committee members and persons invited to participate in the on-site meeting of the Committee within 5 (five) working days before the date of holding the Committee meeting (the deadline for questionnaires submission when holding the off-site meetings). Materials and information related to agenda items shall be submitted to members of the Committee and persons invited to participate in the on-site meeting of the Committee within 3 (Three) working days before the date of holding the meeting (the deadline for questionnaires submission when holding the off-site meetings) including decisions (recommendations) of the Company's Management Board in cases specified in item 9.16 Regulations.

Materials on agenda items of the Committee meeting shall without fail contain draft decisions on these items. The working out of draft decisions (their preparation) shall be arranged by Chairman of the Committee except for cases of consideration of issues by the Committee at the request of persons mentioned in item 9.7 Regulations.

Persons invited to participate in the on-site meeting of the Committee shall receive materials on agenda items of the Committee meeting the discussion of which presupposes their participation.

9.13. The notice of holding the Committee meeting and materials (information) on agenda items can be submitted (delivered) to the Committee members and persons invited to participate in the on-site meeting of the Committee in person, as a fax message or via e-mail.

9.14. If the items to be submitted for consideration at the extraordinary meeting of the Committee are considered urgent, the terms of convocation of the extraordinary meeting and submission of materials on items on agenda of such meeting can be reduced by decision of Chairman of the Committee.

Issues which have not been included in meeting agenda can be examined at the Committee meeting to be held in the form of joint attendance by approbation of all present members of the Committee.

9.15. Upon receipt from the Company's Corporate Secretary of the notice of holding the meeting of the Company's Board of Directors the agenda of which contains the issues referred by the Regulations to the competence of the Committee, Chairman of the Committee shall take all necessary measures to ensure the timely holding of the Committee meeting in order to draw up recommendations (decisions) on the stated items on agenda of the meeting of the Company's Board of Directors and their submission to Board of Directors in accordance with the approved Regulations on the procedure for convening and holding meetings of the Company's Board of Directors.

9.16. Upon receipt from the Company's Corporate Secretary of the notice of holding the meeting of the Company's Board of Directors the agenda of which contains the issues referred by the Regulations to the competence of the Committee which, in accordance with the

Regulations on Management Board of the Company, shall be preliminarily considered by the Company's Management Board, the Committee meeting on such issues shall be held after their preliminary consideration at the meeting of the Company's Management Board. In this case corresponding decisions (recommendations) of Management Board shall be submitted to members of the Committee by the Committee meeting start.

Aforementioned provisions shall not apply to the cases if the terms of holding the specified meeting of Management Board and submission of decisions (recommendations) approved by Management Board to the Committee provided for by Regulations on Management Board of the Company have not been maintained.

10. Procedure for Holding the Committee Meetings

10.1. Meetings of the Committee can be held in the form of joint presence of members of the Committee (meeting in presentia), in the form of absentee voting on agenda items of the meeting (meeting in absentia) and in the form of meeting in presentia/in absentia.

10.2. The decision on the form of holding the Committee meeting shall be taken by Chairman of the Committee. Each member of the Committee shall be entitled to demand to hold a meeting in presentia of the Committee (in the form of meeting in presentia/in absentia).

10.3. The Committee meeting to be held in the form of joint presence (meeting in presentia):

10.3.1. The meeting in presentia of the Committee shall be opened by the Chairperson of the meeting –Chairman of the Committee and in case of absence of the latter – by Deputy Chairman.

10.3.2. Members of the Committee and invited persons shall take part in the meeting in presentia of the Committee.

10.3.3. Secretary of the Committee shall determine whether the quorum necessary for holding the meeting of the Committee is present.

The Chairperson at the meeting in presentia shall inform those present on the presence of quorum necessary for holding the Committee meeting and read out meeting agenda.

10.3.4. If the quorum is absent, the meeting shall be declared incompetent. At the same time the Chairperson of the meeting shall adopt one of the following decisions:

a) having consulted with persons present at the meeting, fix a different time for the meeting start;

b) fix a date of the recurrent meeting with the same agenda;

c) include the issues, the consideration of which was planned for the cancelled meeting of the Committee, in agenda of the ensuing scheduled meeting of the Committee.

10.3.5. The meeting in presentia of the Committee shall be considered competent (has the quorum) if no less than half elected members of the Committee are present at the meeting.

10.3.6. When summarizing the voting results on the items which have been included in agenda of the meeting in presentia of the Committee, if no less than half members of the Committee are present at the meeting, written opinions of the Committee members absent at the meeting to be drawn up and received according to the procedure provided for by the present Regulations shall be taken into account.

10.3.7. Written opinions of the Committee members absent at the meeting in presentia of the Committee shall be drawn up only by filling in the questionnaire for voting on agenda items.

10.3.8. On the day of holding the meeting in presentia of the Committee Secretary of the Committee proceeding from the results of discussion of agenda items and voting of members of the Committee present at the meeting shall draw up the questionnaire in accordance with Appendix 1 to the Regulations to be signed by Chairman of the Committee and submit it in the original or via facsimile communication to the Committee members absent at the meeting.

10.3.9. When filling in the questionnaire the member of the Committee shall leave uncrossed only one possible voting variant ("for", "against", "abstained") on each item which has been put to the vote.

The filled in questionnaire shall be signed by the Committee member; his/her family name and initials shall be specified.

The filled in and signed questionnaire shall be submitted by the member of the Committee to Secretary of the Committee no later than the day following the holding of the Committee meeting in the original or via facsimile communication with the ensuing submission of the original questionnaire at the address stated in the questionnaire.

10.3.10. The questionnaire the filling in of which fails to meet the requirements specified in the first paragraph of sub-item 10.3.9 Regulations shall not be taken into account in the vote count with regard to the corresponding issue.

The questionnaire which has not been signed as well as the questionnaire which has been submitted upon the expiration of the term specified in sub-item 10.3.9 Regulations shall be nullified, shall not be taken into account in counting of votes and summarizing the voting results.

10.3.11. Voting results on agenda items of the on-site meeting of the Committee shall be determined (summarized) on the basis of results of voting of the Committee members present at the meeting in presentia and questionnaires to be filled in and signed by the Committee members which have been received by Secretary of the Committee within the specified period. Voting results shall be summarized after the deadline for questionnaires submission had went by.

10.4. The meeting to be held in the form of absentee voting:

10.4.1. For the purpose of holding the meeting of the Committee in the form of absentee voting materials (information) on agenda items of the meeting in the form of absentee voting shall be submitted to members of the Committee simultaneously with questionnaires for voting on items on agenda of the meeting to be drawn up in accordance with Appendix 2 to the Regulations.

10.4.2. When filling in the questionnaire for absentee voting the member of the Committee shall leave uncrossed only one possible voting variant (“for”, “against”, “abstained”) on each item which has been put to the vote.

The filled in questionnaire shall be signed by the Committee member, his/her family name and initials shall be specified.

The filled in and signed questionnaire shall be submitted to Secretary of the Committee by the member of the Committee no later than the date and time of questionnaires receipt termination, specified in the questionnaire, in the original or by means of facsimile communication with the ensuing submission of the original questionnaire at the address stated in the questionnaire.

10.4.3. The questionnaire the filling in of which fails to meet the requirements specified in the first paragraph of sub-item 10.3.9 Regulations shall not be taken into account in the vote count with regard to the corresponding issue.

The questionnaire which has not been signed as well as the questionnaire which has been submitted upon the expiration of the term specified in sub-item 10.3.9 Regulations shall be nullified, shall not participate in establishing the quorum necessary for adoption of a decision by absentee voting, shall not be taken into account when counting votes and summarizing the voting results.

10.4.4. The meeting of the Committee in the form of absentee voting shall be considered competent (has the quorum) if no less than half elected members of the Committee have participated in it.

10.4.5. The Committee members whose questionnaires have been received by Secretary of the Committee no later than the deadline for questionnaires submission shall be considered members participating in the off-site meeting.

10.5. The meeting in presentia/in absentia of the Committee:

10.5.1. Information on the Committee meeting in presentia/in absentia shall be specified in the notice of meeting holding.

10.5.2. The meeting in presentia/in absentia of the Committee shall be considered competent (has the quorum) provided that no less than half elected members of the Committee have

participated in it (or have sent the questionnaires).

10.5.3. On the day of holding the Committee meeting Secretary of the Committee proceeding from the results of voting at the meeting shall draw up the questionnaire (Appendix 1) which shall be submitted in the original or via facsimile communication (with the ensuing submission of the original questionnaire at the address stated in the questionnaire) to members of the Company's Committee absent at the aforementioned meeting.

10.5.4. When filling in the questionnaire the member of the Committee shall leave uncrossed only one possible voting variant ("for", "against", "abstained") on each draft decision on each item. The filled in questionnaire shall be signed by the Committee member, his/her family name and initials shall be specified.

10.5.5. The filled in and signed questionnaire shall be submitted by the member of the Committee no later than the day following the holding of meeting to Secretary of the Committee in the original or via facsimile communication with the ensuing submission of the original questionnaire at the address stated in it.

10.5.6. The questionnaire the filling in of which fails to meet the requirements specified in item 10.4.3 Regulations shall be nullified (if the requirements for filling in the voting variants have not been observed, the questionnaire shall be nullified only in relation to the corresponding issue).

10.5.7. The questionnaire received by the Company upon the expiration of the term specified in it shall not be taken into account in counting of votes and summarizing the voting results.

10.6. Decisions at meetings of the Committee shall be adopted by a majority of votes of the total number of the Committee members that have been elected.

10.7. Decision on issues specified in sub-items 8, 9, 11, 12 item 3.1 clause 3 Regulations shall be adopted by three-quarters majority of votes.

10.8. When deciding the issues at the meeting each member of the Committee shall have one vote. In case of equality of votes the vote of Chairman of the Committee shall be considered casting.

Transfer of the vote from one member of the Committee to any other member of the Committee as well as to any other person shall not be allowed.

10.9. Within 2 (Two) working days after holding the Committee meeting Secretary of the Committee shall draw up the minutes of the meeting.

10.10. The minutes of the Committee meeting shall be signed by the Chairperson of the meeting and Secretary of the Committee. The minutes shall be drawn up in duplicate one of which during 1 (One) working day after being signed shall be submitted by

Secretary of the Committee to the Company's Board of Directors with prepared materials and recommendations to be enclosed, the other shall be kept in the archive of the Committee. Copies of the minutes, prepared materials and recommendations shall be submitted to all members of the Committee.

10.11. The Chairperson and Secretary of the Committee shall bear responsibility for accuracy of the Minutes drawing. Secretary of the Committee shall be responsible for custody of the minutes, questionnaires, materials and recommendations of the Committee.

10.12. The Minutes of the Committee meeting shall contain the following information:

- 1) form of meeting holding;
- 2) date, place and time of meeting holding (date and time of questionnaires receipt termination);
- 3) list of the Committee members participating in consideration of agenda items including the form of voting (in person or by submitting the questionnaire) and the list of other persons participating in the on-site meeting;
- 4) agenda;
- 5) proposals of the Committee members on agenda items;

6) items put to the vote, voting results with the indication of character of voting of each member of the Committee;

7) adopted decisions.

10.13. If the member of the Committee expresses willingness, a brief statement of his/her opinion on agenda items of the Committee meeting can be attached to the Minutes of the Committee meeting. Such statement of opinion shall be drawn up by the member of the Committee and submitted to Secretary of the Committee.

11. Cooperation with Bodies of the Company and Other Bodies

11.1. When performing its obligations the Committee shall maintain productive working relations with management bodies, control authorities, structural subdivisions of the Company, other organizations and persons.

11.2. Chairman and Secretary of the Committee shall ensure informational, technical and coordinated cooperation of the Committee with Board of Directors, executive bodies, control authorities and structural subdivisions of the Company as well as with other Committees of the Company's Board of Directors.

11.3. Chief Executive Officer and Management Board of the Company at the request signed by Chairman of the Committee shall provide information and materials that the Committee members need to take decisions on issues falling within the Committee's competence.

The aforementioned information and materials shall be submitted within 3 (Three) working days from the date of request receipt unless the longer term is set in the request.

If incomplete or inadequate information (materials) has (have) been provided, members of the Committee shall be entitled to request additional information (materials).

11.4. Recommendations (resolutions) to be prepared (drawn up) by the Committee shall be submitted by Chairman of the Committee to the Company's Board of Directors and at the same time copies of the aforementioned recommendations (resolutions) shall be submitted to the Chief Executive Officer of the Company.

12. Confidentiality

12.1. During the period of discharge of the Committee members' obligations and during one year after the termination of the term of office in the Committee the persons who are (have been) members of the Committee, Secretary of the Committee and third parties that have been involved in the Committee activities shall fulfill the requirements of confidentiality concerning generally inaccessible information which has been received by them as a result of their activities in the Committee. The decision of the authorized management body of the Company shall specify which information shall be considered inaccessible with respect to operation of the Company as well as information content.

12.2. Members of the Committee, Secretary of the Committee and third parties that have been involved in the Committee operation shall be entitled to receive the aforementioned information on condition that they have concluded the agreement with the Company on the use of afore-stated information.

12.3. All documents connected with the Committee operation shall be kept in the Company in conformity with the procedure for documents custody established in the Company. Secretary of the Committee shall respond for custody of afore-stated documents.

13. Ensuring of the Committee's Activity

13.1. In order to ensure the Committee's activity when setting the expenditure of the Company's total budget the separate expense item shall be provided for. Particularly, expenses

of the Committee shall include remuneration and compensation paid to Chairman, members of the Committee and Secretary of the Committee, expenses connected with involvement of outside consultants, administrative staff costs and other expenses.

13.2. By decision of the Company's Board of Directors members of the Committee and Secretary of the Committee can be paid remuneration and can be reimbursed for any expenses connected with the discharge of their obligations. The amount of such remuneration and compensation, procedure and terms of payment shall be established by the separate decision of the Company's Board of Directors.

13.3. The proposal on the budget size of the Committee (with disclosure of item-by-item information) shall be worked out at the Committee meeting and be submitted to the Company's Board of Directors.

The opinion letter of the Company's Chief Executive Officer on the subject of the possibility to finance the presented budget in the predesigned size within the framework of carrying out the economic activity of the Company in the relevant planning period shall be attached to the draft budget of the Committee.

13.4. For the purpose of holding the meeting of the Committee the Chief Executive Officer of the Company being authorized by Chairman of the Committee shall provide the premises for the Committee, provide unfettered access to them for persons the list of which is specified in the application and also shall carry out other activities to hold the meeting of the Committee.

14. Final Provisions

14.1. Board of Directors of the Company shall be authorized to demand the report on current activity of the Committee from the Committee at any time but no more than once a quarter and no less than once a year.

14.2. Chairman of the Committee shall be entitled to submit separate reports on the issues which fall within the competence of the Committee to the Company's Board of Directors.

14.3. Information on separate decisions of the Committee shall be placed on the Company's web-site on the Internet. It is Chairman of the Company's Board of Directors who shall determine whether placement of information is necessary, Chairman's decision, in its turn, shall be endorsed by Chairman of the Company's Board of Directors. .

14.4. Information on activity of the Committee shall be included in the Annual Report of the Company.

14.5. The Regulations as well as all additions and alterations to them shall be approved by the Company's Board of Directors.

14.6. Issues which have not been dealt with in the present Regulations shall be regulated by the Company's Charter, Regulations on the Procedure for Convening and Holding Meetings of Board of Directors of the Company and other internal documents of the Company, current legislation and decisions of the Company's Board of Directors.

14.7. If as a result of change of the legislation or regulatory enactments of the Russian Federation some clauses of the present Regulations contradict them, these clauses shall be considered invalid and till the moment of making alterations in the Regulations members of the Committee shall be guided by laws and by-law regulatory legal acts of the Russian Federation.

**Strategy, Development, Investments and Reform Committee
under the Board of directors
Open Joint Stock Company of
Power Industry and Electrification of Kuban**

QUESTIONNAIRE

**for voting on agenda items of the meeting of Strategy, Development, Investments and Reform
Committee under the Board of Directors of "Kubanenergo" JSC held in presentia or in presentia/in
absentia on " ____ " _____ 20__**

Item 1:

Decision (adopted at the meeting):

FOR	AGAINST	ABSTAINED
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(leave Your variant uncrossed)

Item 2: _____

Decision (adopted at the meeting):

FOR	AGAINST	ABSTAINED
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(leave Your variant uncrossed)

**The filled in and signed questionnaire shall be submitted via fax _____ or in the original no
later than _____ .
/date, time/**

**The questionnaire received by the Company upon expiration of the afore-stated term shall not be
taken into account in the counting of votes and summarizing the results of voting in the open-postal
form.**

Please send the original of the questionnaire to the address:

Member of the Committee _____ / _____
(signature) (full name) Chairman

of the Committee _____ / _____
(signature) (full name)

**THE QUESTIONNAIRE SHALL BE CONSIDERED INVALID WITHOUT THE SIGNATURE
OF CHAIRMAN AND THE MEMBER OF THE COMMITTEE**

**Strategy, Development, Investments and Reform Committee
under the Board of directors
Open Joint Stock Company of
Power Industry and Electrification of Kuban**

QUESTIONNAIRE

**for voting on agenda items of the meeting of Strategy, Development, Investments and Reform
Committee under the Board of Directors of "Kubanenergo" JSC held in the form of absentee voting
on " ____ " _____ 20__**

Item 1:

Decision:

FOR	AGAINST	ABSTAINED
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(leave Your variant uncrossed)

Item 2:

Decision:

FOR	AGAINST	ABSTAINED
------------	----------------	------------------

(leave Your variant uncrossed)

The filled in and signed questionnaire for voting shall be submitted via fax _____ or in the original no later than _____ .
/date, time/

The questionnaire received by the Company upon the expiration of the afore-stated term shall not be taken into account in the counting of votes and summarizing the results of absentee voting.

Please send the original of the questionnaire to the address:

Member of the Committee _____ / _____
(signature) (full name)

**THE QUESTIONNAIRE SHALL BE CONSIDERED INVALID WITHOUT THE SIGNATURE
OF THE MEMBER OF THE COMMITTEE**