

RusHydro Board Divided Over Share Issue

By [The Moscow Times](#)

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Five of the 13 board members of state-controlled hydroelectric company RusHydro offered their resignations in a split over a planned new share issue.

RusHydro is part of the government's privatization plan, and its board is divided over whether it should raise 50 billion rubles (\$1.64 billion) in recapitalization cash for investment through an additional share issue.

The boardroom split comes after Russian media reports that President Vladimir Putin signed off on an alternative plan to use 50.2 billion rubles from state energy holding company Rosneftgaz to recapitalize RusHydro.

RusHydro's board initially voted in favor of a share issue on Nov. 16. However, members of the group offered their resignations Friday over concerns that the decision violated the law, as corporate procedures had taken place before a presidential decree, sources said.

Those resigning from RusHydro are Vladimir Tatsy, who is also first vice president of Gazprombank; Boris Kovalchuk of Inter RAO; Grigory Kurtser of Rosneft; Mikhail Shelkov of Obyedinyonnye Investitsii and Sergei Shishin of VTB, according to a statement by RusHydro.

RusHydro said several of the letters of resignation cited "disagreement on the sequence of certain procedures" over the new share issue.

RusHydro said that it did not believe that the sequence of procedures contradicted Russian law and that the current seven member acting board "will continue to be able to satisfy quorum requirements stipulated under Russian law."

A spokesman for the company indicated that it plans to go ahead with the additional share issue, saying it expects to go ahead with an initial offer to existing shareholders, who have preferred rights to buy the new issue, by the end of the year.

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