

OPEN JOINT STOCK COMPANY

**IDGC of
the SOUTH**

**"INTERREGIONAL DISTRIBUTION GRID COMPANY OF THE
SOUTH"**

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Minutes of the Board of Directors meeting No.39/2010

**Of the Open Joint Stock Company "Interregional Distribution Grid Company of
the South" dated February 03, 2010.**

Date of holding: 03.02.2010
Form of holding: Postal (through questionnaires)
Place of voting results summarizing: (postal address of "IDGC of South". JSC)
327 Severnaya str., Krasnodar
Time of voting results summarizing: 03.02.2010, 05 p.m.
Date of the minutes drawing: 05.02.2010

Members of the Board of Directors: 11 persons.

Questionnaires have been submitted by: Okley P. I. (the Chairman of the Board of Directors), Vasilyev S. V., Gavrilov A. I., Ivanov M. S., Ilyenko V. V., Maslov A. V., Mikhailov S. A., Perepelkin A. Y., Popovskiy S. N., Ptitsyn I. V.

Questionnaires have not been submitted by: Shogenov V. M.

Quorum is present.

Agenda on the Board of Directors meeting:

1. On termination of powers of a member of the Management Board of "IDGC of the South", JSC and election of a member of the Company's Management Board.
2. On approval of the Regulations "On Remuneration and Compensation Payment to the Audit Committee attached to the Board of Directors of "IDGC of the South", JSC".

3. On approval of the Regulations "On Remuneration and Compensation Payment to the Personnel and Remuneration Committee attached to the Board of Directors of "IDGC of the South", JSC".
4. On approval of the Regulations "On Remuneration and Compensation Payment to the Reliability Committee attached to the Board of Directors of "IDGC of the South", JSC".
5. On approval of the Regulations "On Remuneration and Compensation Payment to the Committee for Strategy, Development, Investments and Reform attached to the Board of Directors of "IDGC of the South", JSC".
6. On approval of the Regulations "On Remuneration and Compensation Payment to the Committee for Technological Connection to Electric Grids attached to the Board of Directors of "IDGC of the South", JSC".
7. On approval of the Limit of borrowing cost parameters for 2010.
8. On approval of performance benchmarks of cash flow movements.
9. On approval of insurance organizations of "IDGC of the South", JSC carrying out insurance coverage of the Company in 2010.
10. On preliminary approval of amendments and supplements to the actual Collective agreement for 2009-2010.
11. On approval of the report on results of implementation of "IDGC of the South", JSC business-plan for the 3rd quarter and 9 months of 2009.
12. On consideration of the Report of the CEO of "IDGC of the South", JSC on implementation of the investment programme for the 3rd quarter and 9 months of 2009.
13. On implementation of the decision of the Board of Directors of "IDGC of the South", JSC dated August 04.2009 concerning the item No. 19 of the agenda: "On Priority Directions of the Company's Activities: Implementation of Activities of Registration of Rights to Own Real Estate Items, Registration and Re-registration of Rights to Use Land Property".
14. On introduction of changes into the list of positions of the Company's Executive Board, the agreement upon which candidacies is in charge of the Board of Directors of the Company.
15. On approval of the contract for working out of design and estimate documentation concluded between "IDGC of the South", JSC and "SCPE", JSC as transactions the conclusion of which reveals vested interest.
16. On approval of lease contracts concluded between "IDGC of the South", JSC and "SO UES", JSC as transactions the conclusion of which reveals vested interest.
17. On approval of the contract for rendering communication services concluded between "IDGC of the South", JSC and "Moscow Telecommunications Center of Energy System", JSC as a transaction the conclusion of which reveals vested interest.

18. On approval of the contract for lease of movable property concluded between "IDGC of the South", JSC and "Kubanenergo", JSC as a transaction the conclusion of which reveals vested interest.

19. On approval of additional agreements No.5 and No.6 to the contract No. 37/ROS for rendering repair and operation services of power grid commercial facilities dated March 06.2006 concluded between "IDGC of the South", JSC and "FGC UES", JSC as transactions the conclusion of which reveals vested interest.

20. On approval of additional agreement No.2 to the contract No. DI-17 for use of power grid commercial facilities dated September 01.2005 concluded between "IDGC of the South", JSC and "FGC UES", JSC as transaction the conclusion of which reveals vested interest.

21. On approval of adjusted target values of key performance indicators (KPI) of "IDGC of the South", JSC for 2009.

22. On consideration of the Report of the CEO of "IDGC of the South", JSC on achievement of target values of key performance indicators for the 3rd quarter of 2009.

1. On termination of powers of a member of the Management Board of "IDGC of the South", JSC and election of a member of the Company's Management Board.

It is suggested to adopt the following decision:

1. To terminate the powers of a member of the Company's Management Board: Skorikov Sergey Vladimirovich.

2. To elect Kushnarev Konstantin Fyodorovich, Deputy CEO of "IDGC of the South", JSC - Director of "Rostovenergo" Branch as a member of the Management Board of the Company.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "ABSTAINED" |

Thus, the suggested decision on the first item has been **adopted by a majority vote** of the Board of Directors members.

2. On approval of the Regulations "On Remuneration and Compensation Payment to the Audit Committee attached to the Board of Directors of "IDGC of the South", JSC".

It is suggested to adopt the following decision:

To approve the Regulations "On Remuneration and Compensation Payment to the Audit Committee attached to the Board of Directors of "IDGC of the South", JSC" according to the Appendix No.1 hereof.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the second issue **has been unanimously adopted** by the Board of Directors members.

3. On approval of the Regulations "On Remuneration and Compensation Payment to the Personnel and Remuneration Committee attached to the Board of Directors of "IDGC of the South", JSC".

It is suggested to adopt the following decision:

To approve the Regulations "On Remuneration and Compensation Payment to the Personnel and Remuneration Committee attached to the Board of Directors of "IDGC of the South", JSC" according to the Appendix No.2 hereof.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the third issue **has been unanimously adopted** by the Board of Directors members.

4. On approval of the Regulations "On Remuneration and Compensation Payment to the Reliability Committee attached to the Board of Directors of "IDGC of the South", JSC".

It is suggested to adopt the following decision:

To approve the Regulations "On Remuneration and Compensation Payment to the Reliability Committee attached to the Board of Directors of "IDGC of the South", JSC" according to the Appendix No.3 hereof.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the fourth issue **has been unanimously adopted** by the Board of Directors members.

5. On approval of the Regulations "On Remuneration and Compensation Payment to the Committee for Strategy, Development, Investments and Reform attached to the Board of Directors of "IDGC of the South", JSC".

It is suggested to adopt the following decision:

To approve the Regulations "On Remuneration and Compensation Payment to the Committee for Strategy, Development, Investments and Reform attached to the Board of Directors of "IDGC of the South", JSC" according to the Appendix No.4 hereof.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the fifth issue **has been unanimously adopted** by the Board of Directors members.

6. On approval of the Regulations "On Remuneration and Compensation Payment to the Committee for Technological Connection to Electric Grids attached to the Board of Directors of "IDGC of the South", JSC".

It is suggested to adopt the following decision:

To approve the Regulations "On Remuneration and Compensation Payment to the Committee for Technological Connection to Electric Grids attached to the Board of Directors of "IDGC of the South", JSC" according to the Appendix No.5 hereof.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the sixth issue **has been unanimously adopted** by the Board of Directors members.

7. On approval of the Limit of borrowing cost parameters for 2010.

It is suggested to adopt the following decision:

1. To approve the procedure of calculation of the Limit of borrowing cost parameters for 2010 in compliance with the Appendix No.6 hereof.

2. To stipulate that the volume of borrowing cost parameters includes interest payments, all kinds of fees, consulting expenses and other expenses for finance attraction and/or management.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the seventh issue **has been unanimously adopted** by the Board of Directors members.

8. On approval of performance benchmarks of cash flow movements.

It is suggested to adopt the following decision:

To postpone the consideration of the issue to a later date.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the eighth issue **has been unanimously adopted** by the Board of Directors members.

9. On approval of insurance organizations of "IDGC of the South", JSC carrying out insurance coverage of the Company in 2010.

It is suggested to adopt the following decision:

To approve as insurance organizations of "IDGC of the South", JSC for 2010:

- to conclude the contracts of accident and illness insurance of top management of the executive board of "IDGC of the South", JSC – "Ingosstrakh", Open Insurance Joint Stock Company (hereinafter referred to as OIJSK);
- to conclude the contracts of accident and illness insurance of the personnel of the executive board of "IDGC of the South", JSC – "Ingosstrakh", OIJSK;
- to conclude the contracts of accident and illness insurance of personnel of "Rostovenergo", "Volgogradenergo", "Astrakhanenergo", "Kalmenergo" branches of "IDGC of the South", JSC – "Ingosstrakh", OIJSK;
- to conclude the insurance contracts of liability in the operation of dangerous production facilities of "IDGC of the South", JSC - "Alfa Strakhovanie", JSC;
- to conclude the contracts of automobile insurance of "Rostovenergo", "Volgogradenergo", "Astrakhanenergo", "Kalmenergo", "Kubanenergo" branches of "IDGC of the South", JSC - "Alfa Strakhovanie", JSC;

- to conclude the contracts of compulsory civil liability insurance of vehicles' owners "Rostovenergo", "Volgogradenergo", "Astrakhanenergo", "Kalmenergo", "Kubanenergo" branches of "IDGC of the South", JSC - "Alfa Strakhovanie", JSC;
- to conclude the contracts of compulsory health insurance of personnel of "Kalmenergo" branch of "IDGC of the South", JSC – "Elista-Medstrakh" Kalmykia Insurance Company", JSC.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the ninth issue **has been unanimously adopted** by the Board of Directors members.

10. On preliminary approval of amendments and supplements to the actual Collective agreement for 2009-2010.

It is suggested to adopt the following decision:

To postpone the consideration of the issue to a later date.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the tenth issue **has been unanimously adopted** by the Board of Directors members.

11. On approval of the report on results of implementation of "IDGC of the South", JSC business-plan for the 3rd quarter and 9 months of 2009.

It is suggested to adopt the following decision:

To consider the report on results of implementation of "IDGC of the South", JSC business-plan for the 3rd quarter and nine months of 2009 according to the Appendix No.7 hereof.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the eleventh issue **has been unanimously adopted** by the Board of Directors members.

12. On consideration of the Report of the CEO of "IDGC of the South", JSC on the implementation of investment programme for the 3rd quarter and 9 months of 2009.

It is suggested to adopt the following decision:

1. To consider the Report of the CEO of "IDGC of the South", JSC on the implementation of the investment programme for the 3rd quarter and 9 months of 2009 according to the Appendix No.8 hereof.

2. To note the nonfulfilment of the part of the plan related to capital investments assimilation: by 2 265 million rubles (- 67%); related to put in capacities: by 303.47 km (- 81,8%).

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the twelfth issue **has been unanimously adopted** by the Board of Directors members.

13. On implementation of the decision of the Board of Directors of "IDGC of the South", JSC dated August 04.2009 concerning the item No. 19 of the agenda: "On Priority Directions of the Company's Activities: Implementation of Activities of Registration of Rights to Own Real Estate Items, Registration and Re-registration of Rights to Use Land Property".

It is suggested to adopt the following decision:

To consider the information of the CEO of the Company concerning the implementation of registration of rights to own real estate items, registration and re-registration of rights to use land property for 2009 according to the Appendix No.9 hereof.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the thirteenth issue **has been unanimously adopted** by the Board of Directors members.

14. On introduction of changes into the list of positions of the Company's Executive Board, the agreement upon which candidacies is in charge of the Board of Directors of the Company.

It is suggested to adopt the following decision:

To list the positions of the Company's executive board, the agreement upon which candidacies is in charge of the Board of Directors of the Company.

1. Deputy CEO, Economy and Finance;
2. Deputy CEO, Technical Issues – Chief Engineer;
3. Deputy CEO, Development and Service Sales Department;
4. Deputy CEO, Capital Construction;
5. Deputy CEO, Corporate Management;
6. Deputy CEO, Security and Controlling;
7. Deputy CEO, Sochi Power District Development;
8. Deputy CEO, Administrative Issues;
9. Chief Accountant;
10. Chief of Department for Human Resources Management and Organization Design;
11. Chief of Information Technologies Department;
12. Chief of Logistics and Procurement Department;
13. Chief of Technical Inspection Department;
14. Deputies CEO – Director of Branch;
15. Deputy CEO – Managing Director.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the fourteenth issue **has been unanimously adopted** by the Board of Directors members.

15. On approval of the contract for working out of design and estimate documentation concluded between "IDGC of the South", JSC and "SCPE", JSC as transactions the conclusion of which reveals vested interest.

According to paragraph 3 clause 83 FZ (Federal Law) "On Joint Stock Companies" the decision on this issue is adopted by a majority vote of arm's length independent directors.

Gavrilov A.I., the member of the Board of Directors of "IDGC of the South", JSC performing the duties of sole executive body of the Company shall not participate in voting on this item and is recognized according to item 3 of clause 83 FZ (Federal Law) "On Joint Stock Companies" as an independent director.

It is suggested to adopt the following decision:

To postpone the consideration of the issue to a later date.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the fifteenth issue **has been unanimously adopted** by the Board of Directors members participating in voting.

16. On approval of lease contracts concluded between "IDGC of the South", JSC and "SO UES", JSC as transactions the conclusion of which reveals vested interest.

According to paragraph 3 clause 83 FZ (Federal Law) "On Joint Stock Companies" the decision on this issue is adopted by a majority vote of arm's length independent directors.

Gavrilov A.I., the member of the Board of Directors of "IDGC of the South", JSC performing the duties of sole executive body of the Company does not participate in voting on this item and is not recognized according to item 3 of clause 83 FZ (Federal Law) "On Joint Stock Companies" as an independent director.

It is suggested to adopt the following decision:

To postpone the consideration of the issue to a later date.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the sixteenth issue **has been unanimously adopted** by the Board of Directors members participating in voting.

17. On approval of the contract for rendering communication services concluded between "IDGC of the South", JSC and "Moscow Telecommunications Center of Energy System", JSC as a transaction the conclusion of which reveals vested interest.

According to paragraph 3 clause 83 FZ (Federal Law) "On Joint Stock Companies" the decision on this issue is adopted by a majority vote of arm's length independent directors.

Gavrilov A.I., the member of the Board of Directors of "IDGC of the South", JSC performing the duties of sole executive body of the Company shall not participate in voting on this item and is not recognized according to item 3 of clause 83 FZ (Federal Law) "On Joint Stock Companies" as an independent director.

It is suggested to adopt the following decision:

To take the issue off the table.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the seventeenth issue **has been unanimously adopted** by the Board of Directors members participating in voting.

18. On approval of the contract for lease of movable property concluded between "IDGC of the South", JSC and "Kubanenergo", JSC as a transaction the conclusion of which reveals vested interest.

According to paragraph 3 clause 83 FZ (Federal Law) "On Joint Stock Companies" the decision on this issue is adopted by a majority vote of arm's length independent directors.

Gavrilov A.I., the member of the Board of Directors of "IDGC of the South", JSC performing the duties of sole executive body of the Company does not participate in voting on this item and is not recognized according to item 3 of clause 83 FZ (Federal Law) "On Joint Stock Companies" as an independent director.

It is suggested to adopt the following decision:

To postpone the consideration of the issue to a later date.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the eighteenth issue **has been unanimously adopted** by the Board of Directors members participating in voting.

19. On approval of additional agreements No.5 and No.6 to the contract No. 37/ROS for rendering repair and operation services of power grid commercial facilities dated March 06.2006 concluded between "IDGC of the South", JSC and "FGC UES", JSC as transactions the conclusion of which reveals vested interest.

According to paragraph 3 clause 83 FZ (Federal Law) "On Joint Stock Companies" the decision on this issue is adopted by a majority vote of arm's length independent directors.

Maslov A.V. the member of the Board of Directors of "IDGC of the South", JSC holding the post in management bodies of the legal entity being a Party to a contract – a member of the Management Board of "FGC UES", JSC is recognized as the Party interested in the transaction settlement.

Besides the member of the Board of Directors Maslov A.V., recognized as the Party interested in the transaction settlement, Gavrilov A.I., the member of the Board of Directors of "IDGC of the South", JSC performing the duties of sole executive body of the Company shall not participate in voting on this item and is not recognized as an independent director according to paragraph 3 clause 83 FZ (Federal Law) "On Joint Stock Companies".

It is suggested to adopt the following decision:

1.1 To set the price of the additional agreement No.5 to the contract No. 37/ROS for rendering repair and operation services of power grid commercial facilities dated March 06.2006 concluded between "IDGC of the South", JSC and "FGC UES", JSC as a transaction the conclusion of which reveals vested interest at the amount of 3 444 625 (three million four hundred forty four thousand six hundred twenty five) rubles 00 kop,

including VAT 18% - 525 451 (five hundred twenty five thousand four hundred fifty one) rubles 27 kop.

1.2 To approve the additional agreement No.5 to the contract No. 37/ROS for rendering repair and operation services of power grid commercial facilities dated March 06.2006 concluded between "IDGC of the South", JSC and "FGC UES", JSC as a transaction the conclusion of which reveals vested interest according to the Appendix No.10 hereof.

2.1 To set the price of the additional agreement No.6 to the contract No. 37/ROS for rendering repair and operation services of power grid commercial facilities dated March 06.2006 concluded between "IDGC of the South", JSC and "FGC UES", JSC as a transaction the conclusion of which reveals vested interest at the amount of 778 366 (seven hundred seventy eight thousand three hundred sixty six) rubles 91 kop, including VAT 18% - 118 733 (one hundred eighteen thousand seven hundred thirty three) rubles 94 kop.

2.2 To approve the additional agreement No.6 to the contract No. 37/ROS for rendering repair and operation services of power grid commercial facilities dated March 06.2006 concluded between "IDGC of the South", JSC and "FGC UES", JSC as a transaction the conclusion of which reveals vested interest according to the Appendix No.11 hereof.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the nineteenth issue **has been unanimously adopted** by the Board of Directors members participating in voting.

20. On approval of additional agreement No.2 to the contract No. DI-17 for use of power grid commercial facilities dated September 01.2005 concluded between "IDGC of the South", JSC and "FGC UES", JSC as a transaction the conclusion of which reveals vested interest.

According to paragraph 3 clause 83 FZ (Federal Law) "On Joint Stock Companies" the decision on this issue is adopted by a majority vote of arm's length independent directors.

Maslov A.V., the member of the Board of Directors of "IDGC of the South", JSC holding the post in management bodies of the legal entity being a Party to a contract – a member of the Management Board of "FGC UES", JSC is recognized as the Party interested in the transaction settlement.

Besides the member of the Board of Directors Maslov A.V., recognized as the Party interested in the transaction settlement, Gavrilov A.I., the member of the Board of Directors of "IDGC of the South", JSC performing the duties of sole executive body of the Company shall not participate in voting on this item and is not recognized as an independent director according to paragraph 3 clause 83 FZ (Federal Law) "On Joint Stock Companies".

It is suggested to adopt the following decision:

To approve the additional agreement No.2 to the contract No. DI-17 for use of power grid commercial facilities dated September 01.2005 concluded between "IDGC of the South", JSC and "FGC UES", JSC according to the Appendix No.12 hereof.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the twentieth issue **has been unanimously adopted** by the Board of Directors members participating in voting.

21. On approval of adjusted target values of key performance indicators (KPI) of "IDGC of the South", JSC for 2009.

It is suggested to adopt the following decision:

To approve adjusted target values of key performance indicators (KPI) of "IDGC of the South", JSC according to the Appendix No.13 hereof.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the twenty-first issue **has been unanimously adopted** by the Board of Directors.

22. On consideration of the Report of the CEO of "IDGC of the South", JSC on achievement of target values of key performance indicators for the 3rd quarter of 2009.

To approve the Report of the CEO of "IDGC of the South", JSC on achievement of target values of key performance indicators for the 3rd quarter of 2009 according to the Appendix No.14 hereof.

Voting results:

| | | | | | |
|----------------|---|-------|------------------|---|-------|
| Okley P.I. | - | "FOR" | Maslov A.V. | - | "FOR" |
| Vasyliiev S.V. | - | "FOR" | Mikhailov S.A. | - | "FOR" |
| Gavrilov A.I. | - | "FOR" | Perepelkin A.Yu. | - | "FOR" |
| Ivanov M.S. | - | "FOR" | Popovskiy S.N. | - | "FOR" |
| Ilyenko V.V. | - | "FOR" | Ptitsyn I.V. | - | "FOR" |

Thus, the suggested decision on the twenty-second issue **has been unanimously adopted** by the Board of Directors.

Chairman of the Board of Directors

Okley P. I.

Corporate Secretary

Kantsurov A. A.