

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.44/2010

Of the Open Joint Stock Company "Interregional Distribution Grid Company of the South" dated April 26, 2010.

Date of holding: 26.04.2010
Form of holding: Absentee voting (through questionnaires)
Place of voting results summarizing: (postal address of "IDGC of the South", JSC) 327 Severnaya str., Krasnodar
Time of voting results summarizing: 26.04.2010, 05 p.m.
Date of the minutes drawing: 28.04.2010

Members of the Board of Directors: 11 persons.

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

Questionnaires have not been submitted by: Gavrilov A.I., Maslov A.V., Shogenov V.M.

Quorum is present.

Agenda on the Board of Directors meeting:

1. On election of member of Management Board of the Company.
2. On participation of "IDGC of the South", JSC in Non-profit partnership "Market Council for Arrangement of Efficient System of Wholesale and Retail Trade of Power Energy and Capacity".
3. On approval of target values of cash flow movements of the Company for the 1st quarter 2010.
4. On approval of Insurance protection programme of "IDGC of the South", JSC for 2010.
5. On approval of budget of Committee for Strategy, Development, Investments and Reform attached to Board of Directors of "IDGC of the South", JSC for the 1st half year 2010.
6. On consideration of report of CEO of "IDGC of the South", JSC on observance of Regulations on Information Policy of the Company for 2009.
7. On implementation of instruction of Board of Directors of the Company dated September 11, 2009: On consideration of report of CEO of "IDGC of the South", JSC on transfer to regulation of tariff for transmission services by means of return on invested capital (RAB).
8. On approval of contract for lease of property concluded between "IDGC of the South", JSC and "Kubanenergo", JSC as a transaction of interest.
9. On approval of contract for lease of property concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest.
10. On approval of contract for lease of immovable property concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest.
11. On approval of contract for lease of nonresidential premises concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest.
12. On approval of contract for lease of immovable property concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest.
13. On approval of contract for lease of immovable property concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest.
14. On approval of contract for lease of unmanned transport vehicles concluded between "IDGC of the South", JSC and "Astrakhanelektrosetremont", JSC as a transaction of interest.
15. On approval of contract for rendering services for power installations maintenance concluded between "IDGC of the South", JSC and "FGC UES", JSC as a transaction of interest.

1. On election of member of Management Board of the Company.

It is suggested to adopt the following decision:

To elect Goncharov Pavel Viktorovich – Deputy CEO of "IDGC of the South", JSC – Director of "Astrakhanenergo" Branch – as a member of Management Board of the Company.

Voting results:

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

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

2. On participation of "IDGC of the South", JSC in Non-profit partnership "Market Council for Arrangement of Efficient System of Wholesale and Retail Trade of Power Energy and Capacity".

It is suggested to adopt the following decision:

1. To approve participation of "IDGC of the South", JSC in Non-profit partnership "Market Council for Arrangement of Efficient System of Wholesale and Retail Trade of Power Energy and Capacity" (NP "Market Council") on the following terms:

- amount of entrance (single) membership fee – 1 000 000 (One million) rubles;
- form of payment of entrance (single) membership fee – monetary funds;
- procedure for payment of entrance (single) membership fee – by means of transfer of monetary funds according to the procedure stipulated by Charter of NP "Market Council";
- amount of current (regular) membership fee for the 1st quarter 2010 – 36 000 (Thirty six thousand) rubles;
- amount of and procedure for payment of current (regular) membership fees shall be further fixed by Supervisory Board of NP "Market Council".

2. To stipulate that the present decision comes into effect from the moment of taking the decision on award of guaranteeing supplier status to "IDGC of the South", JSC by the authorized executive body of the Russian Federation subject.

Voting results:

Okley P.I.	-	"FOR"	Mikhailov S.A.	-	"FOR"
Vasyliiev S.V.	-	"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 target values of cash flow movements of the Company for the 1st quarter 2010.

It is suggested to adopt the following decision:

1. To approve target values of cash flow movements of the Company for the 1st quarter 2010.

2. To charge CEO of the Company with:

2.1. ensuring development of cash flow movements draft as well as approval of the latter no later than within 5 days from the moment of taking the present decision;

2.2. submitting the specified document to members of Board of Directors of the Company no later than within 1 day from the moment of approval of cash flow movements.

Voting results:

Okley P.I.	-	"FOR"	Mikhailov S.A.	-	"FOR"
Vasyliiev S.V.	-	"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 Insurance protection programme of "IDGC of the South", JSC for 2010.

It is suggested to adopt the following decision:

To approve Insurance protection programme of "IDGC of the South", JSC for 2010 according to Appendix No.1 hereto.

Voting results:

Okley P.I.	-	"FOR"	Mikhailov S.A.	-	"FOR"
Vasyliiev S.V.	-	"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 budget of Committee for Strategy, Development, Investments and Reform attached to Board of Directors of "IDGC of the South", JSC for the 1st half year 2010.

It is suggested to adopt the following decision:

To approve budget of Committee for Strategy, Development, Investments and Reform attached to Board of Directors of "IDGC of the South", JSC for the 1st half year 2010 according to Appendix No.2 hereto.

Voting results:

Okley P.I.	-	"FOR"	Mikhailov S.A.	-	"FOR"
Vasyliiev S.V.	-	"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 consideration of report of CEO of "IDGC of the South", JSC on observance of Regulations on Information Policy of the Company for 2009.

It is suggested to adopt the following decision:

To consider report of CEO of "IDGC of the South", JSC on observance of Regulations on Information Policy of the Company for 2009 according to Appendix No.3 hereto.

Voting results:

Okley P.I.	-	"FOR"	Mikhailov S.A.	-	"FOR"
Vasyliiev S.V.	-	"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 implementation of instruction of Board of Directors of the Company dated September 11, 2009: On consideration of report of CEO of "IDGC of the South", JSC on transfer to regulation of tariff for transmission services by means of return on invested capital (RAB).

It is suggested to adopt the following decision:

To consider report of CEO of "IDGC of the South", JSC on transfer to regulation of tariff for power transmission services by means of return on invested capital (RAB) according to Appendix No.4 hereto.

Voting results:

Okley P.I.	-	"FOR"	Mikhailov S.A.	-	"FOR"
Vasyliiev S.V.	-	"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 contract for lease of property concluded between "IDGC of the South", JSC and "Kubanenergo", JSC as a transaction of interest.

It is suggested to adopt the following decision:

1. To fix the price of the contract for lease of property concluded between "IDGC of the South", JSC and "Kubanenergo", JSC as a transaction of interest in the form of monthly lease payment in the amount of **997 679 (nine hundred ninety seven thousand six hundred seventy nine) rubles**, including 18 % VAT - **152 188 (one hundred fifty two thousand one hundred eighty eight) rubles 32 kopecks**. Expenses of the Leaseholder for payment of utility, maintenance and necessary administrative-economic services shall not be included in the lease payment amount specified in the contract and shall be covered on the basis of separate bills submitted by the Lessor.

At that, total amount of payments according to the contract for lease shall not amount to two or more percent of "IDGC of the South", JSC assets book cost according to its accounting reports for the last reporting period.

2. To approve contract for lease of property concluded between "IDGC of the South", JSC and "Kubanenergo", JSC as a transaction of interest on the following essential terms:

Contracting Parties:

Lessor - "IDGC of the South", JSC,

Leaseholder - "Kubanenergo", JSC.

Subject of Contract:

The Lessor undertakes to let and the Leaseholder to temporarily own and use for a fee property according to the list (Appendix No.1 to the Contract) which is an integral part of the Contract, hereinafter referred to as Property.

Price of Contract:

1. The amount of monthly lease payment for use of Property specified in Appendix No.1 to the Contract is fixed by the independent appraisal company "Discount", LLC and shall amount to 997 679 (nine hundred ninety seven thousand six hundred seventy nine) rubles, including 18 % VAT - 152 188 (one hundred fifty two thousand one hundred eighty eight) rubles 32 kopecks.

2. Expenses of the Leaseholder for payment of utility, maintenance and necessary administrative-economic services shall not be included in the lease payment amount specified in the contract and shall be covered on the basis of separate bills submitted by the Lessor.

Liability of Parties:

In case of deterioration of technical condition of the leased immovable property as a result of actions or inactions of the Leaseholder, the Leaseholder shall be obliged to pay the Lessor for the damages caused.

The Lessor shall not be responsible for safe keeping of material values located in the leased premises.

The Leaseholder shall be considered informed on the technical condition of the property from the moment of signing of Statement of transfer and acceptance of Property by the Parties.

In case activity of the Leaseholder entails presentation of claims by the third parties and material damages for the Lessor connected herewith, the Leaseholder shall be obliged to pay for all the damages borne by the Lessor.

Contract Term:

The Leaseholder shall come into possession and use the Property from the moment of signing of Statement of transfer and acceptance during 11 (Eleven) months.

Settlement of disputes:

All disputes and differences originating between the Parties from the Contract shall be settled through negotiations.

In case non-settlement of disputes and differences through negotiations, they are subject to further review by Arbitration Court of Krasnodar region in compliance with the procedure stipulated by current legislation.

Voting results:

Okley P.I.	-	"FOR"	Mikhailov S.A.	-	"FOR"
Vasyliiev S.V.	-	"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 contract for lease of property concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest.

It is suggested to adopt the following decision:

1. To fix the price of the contract for lease of property concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest in the form of monthly payments in the amount of **7 992 (seven thousand nine hundred ninety two) rubles 14 kopecks**, including 18 % VAT – **1 219 (one thousand two hundred nineteen) rubles 14 kopecks**.

2. To approve the contract for lease of property (hereinafter referred to as the Contract) concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest on the following essential terms:

Contracting Parties:

Lessor - "IDGC of the South", JSC,

Leaseholder - "SO UES", JSC.

Subject of Contract:

The Lessor undertakes to let the property specified in Appendix No.1 to the Contract for temporary possession and use and the Leaseholder to accept it for lease and to make the lease payments stipulated by the Contract

Price of Contract:

The amount of monthly lease payment shall amount to 7 992 (seven thousand nine hundred ninety two) rubles 14 kopecks, including 18 % VAT – 1 219 (one thousand two hundred nineteen) rubles 14 kopecks.

Liability of Parties:

The Parties shall bear property responsibility for failure to perform or improper performance of obligations under the Contract.

In case of violation by the Leaseholder of requirements and norms specified in the Contract, the former shall bear independent responsibility to the supervisory bodies for the committed violations.

If the stated violations cause damages, the Leaseholder shall pay for these damages without fail at its own expense.

In case of violation by the Leaseholder of obligations stipulated by the contract, namely terms of payment, the Lessor shall have the right to charge the Leaseholder with fines in the amount of one threehundredth of refinancing rate for each day of delay in payments.

Contract Term:

The Contract shall come into effect from the moment of its signing by the Parties and shall be applied to the relations of the Parties originating from January 01, 2010, and shall be valid until December 31, 2010.

Settlement of disputes:

Relations of the Parties not regulated by the Contract shall be settled according to the procedure stipulated by the current legislation of the Russian Federation.

All disputes and differences originating between the Parties from the Contract shall be settled through negotiations. In case failure to reach an agreement by the Parties, they are subject to further review by Arbitration Court of Astrakhan region in compliance with the procedure stipulated by current legislation of the RF.

Voting results:

Okley P.I.	-	"FOR"	Mikhailov S.A.	-	"FOR"
Vasyliiev S.V.	-	"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 approval of contract for lease of immovable property concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest.

It is suggested to adopt the following decision:

1. To fix the price of the contract for lease of immovable property concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest in the amount of **848 431(eight hundred forty eight thousand four hundred thirty one) ruble 01 kopeck**, including 18 % VAT – **129 421 (one hundred twenty nine thousand four hundred twenty one) rubles 68 kopecks**. Compensation for expenses of the Lessor for the consumed power and water shall be effected according to the tariffs of the power supplying company and Municipal Unitary Enterprise "Astrvodokanal" ("Astrakhan Water and Wastewater Treatment Plant") according to the bills of the Lessor drawn up on the basis of meter readings.

At that, total amount of payments according to the contract for lease shall not amount to two or more percent of "IDGC of the South", JSC assets book cost according to its accounting reports for the last reporting period.

2. To approve the contract for lease of immovable property (hereinafter referred to as the Contract) concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest on the following essential terms:

Contracting Parties:

Lessor - "IDGC of the South", JSC,

Leaseholder - "SO UES", JSC.

Subject of Contract:

The Lessor undertakes to let and the Leaseholder to accept in terminable compensated possession and use the following nonresidential premises for the use of the latter according to the their technical documentation, statutory goals and objectives of the Leaseholder without the right of redemption or secondary leasing:

- number AA, total area 450.3 sq. meters, inventory No. 300000000497 situated at: 32/19 Krasnaya Naberezhnaya/Sovetskoy Militsii str., Astrakhan, 414000, according to Appendix No.1 to the Contract,

- number B, offices 4, 22, 25, 26, 27, total area 115.1 sq. meters, inventory No. 300000000483 situated at: 32/19 Krasnaya Naberezhnaya/Sovetskoy Militsii str., Astrakhan, 414000, according to Appendix No.2 to the Contract,

For the moment of the Contract conclusion the nonresidential premises are owned by the Lessor by the right of property, which is confirmed by Certificate of State Registration of the right No.AA 280806 dated September 30, 2008.

Price of Contract:

The total amount of payment under the Contract shall amount to 848 431 (eight hundred forty eight thousand four hundred thirty one) ruble 01 kopeck, including 18 % VAT – 129 421 (one hundred twenty nine thousand four hundred twenty one) rubles 68 kopecks. Compensation for expenses of the Lessor for the consumed power and water shall be effected according to the tariffs of the power supplying company and Municipal Unitary Enterprise "Astrvodokanal" ("Astrakhan Water and Wastewater Treatment Plant") according to the bills of the Lessor drawn up on the basis of meter readings.

Liability of Parties:

The Parties shall bear property responsibility for failure to perform or improper performance of obligations under the Contract in the form of recovery of incurred damages, unless other liability is stipulated by the Contract or current legislation.

In case of violation by the Leaseholder of requirements and norms specified in the Contract, the former shall bear independent responsibility to the supervisory bodies for the committed violations.

If the stated violations cause damages, the Leaseholder shall pay for these damages without fail at its own expense.

In case of violation by the Leaseholder of obligations stipulated by the contract, namely terms of payment, the Lessor shall have the right to charge the Leaseholder with a fine in the amount of one threehundredth of refinancing rate for each day of delay in payments.

The Lessor shall not bear responsibility for the safe keeping of property located in the leased premises.

Contract Term:

The Contract shall come into effect from the moment of its signing by the Parties and shall be applied to the relations of the Parties originating from January 01, 2010, and shall be valid until December 30, 2010.

Settlement of disputes:

Relations of the Parties not regulated by the Contract shall be settled according to the procedure stipulated by the current legislation of the Russian Federation.

All disputes and differences originating between the Parties from the Contract shall be settled through negotiations. In case failure to reach an agreement by the Parties, they are subject to further review by Arbitration Court of Astrakhan region in compliance with the procedure stipulated by current legislation of the RF.

Voting results:

Okley P.I.	-	"FOR"	Mikhailov S.A.	-	"FOR"
Vasyliov S.V.	-	"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 contract for lease of nonresidential premises concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest.

It is suggested to adopt the following decision:

1. To fix the price of the contract for lease of nonresidential premises concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest in the amount of **36 282 (thirty six thousand two hundred eighty two) rubles 64 kopecks**, including 18 % VAT – **5 534 (five thousand five hundred thirty four) rubles 64 kopecks**.

2. To approve the contract for lease of nonresidential premises (hereinafter referred to as the Contract) concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest on the following essential terms:

Contracting Parties:

Lessor - "IDGC of the South", JSC,

Leaseholder - "SO UES", JSC.

Subject of Contract:

The Lessor undertakes to let and the Leaseholder to lease non residential premises with the total area of 25.7 (twenty five point seven) square meters, hereinafter referred to as the "Leased Area", without the right of secondary leasing.

The leased area is situated at: second floor of RPB-2,1 Energetikov highway, Astrakhan, Technical certificate No.11 8/31 dated July 31, 2001, inventory No. 300000000513.

Price of Contract:

Monthly lease payment shall amount to 36 282 (thirty six thousand two hundred eighty two) rubles 64 kopecks, including 18 % VAT – 5 534 (five thousand five hundred thirty four) rubles 64 kopecks, including expenses of the Leaseholder for utilities and power.

The Leaseholder shall monthly transfer lease payments to the settlement account of the Lessor specified in the Contract no later than 15th date of the month following the billing month.

Liability of Parties:

The Parties shall bear property responsibility for failure to perform or improper performance of obligations under the Contract.

In case of violation by the Leaseholder of requirements and norms specified in the Contract, the former shall bear independent responsibility to the supervisory bodies for the committed violations.

If the stated violations cause damages, the Leaseholder shall pay for these damages without fail at its own expense.

The Leaseholder shall be responsible in course of its production activity for fire and ecological security, provide observance of requirements in the sphere of the

atmosphere protection and waste treatment according to the current legislation of the RF.

For delay in payments specified in the Contract within the terms specified in the Contract a fine shall be charged in the amount of 1/300 of refinancing rate of Central Bank of the RF for each day of delay in payments.

After the Contract comes into effect, the Parties shall ensure compensation of all actual expenses related to presence and maintenance of the equipment located in the Leased area, which may arise through the fault of one party and which exempt the other party from the liability for them.

The Lessor shall not be responsible for the safe keeping of property located in the Leased area.

Relations of the Parties, not regulated by the Contract, shall be settled according to the procedure stipulated by current legislation of the RF.

Contract Term:

The Contract shall come into effect from the moment of its signing by the Parties and shall be applied to the relations of the Parties originating from January 01, 2010, and shall be valid until December 29, 2010.

Settlement of disputes:

All disputes and differences originating between the Parties from the Contract or connected with it shall be settled by the Parties through negotiations. In case failure to reach an agreement by the Parties, they are subject to further review by Arbitration Court of Astrakhan region in compliance with the procedure stipulated by current legislation of the RF.

Voting results:

Okley P.I.	-	"FOR"	Mikhailov S.A.	-	"FOR"
Vasyliiev S.V.	-	"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 approval of contract for lease of immovable property concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest.

It is suggested to adopt the following decision:

1. To fix the price of the contract for lease of immovable property concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest in the amount of **885 715 (eight hundred eighty five thousand seven hundred fifteen) rubles 15**

kopecks, including 18 % VAT – 135 109 (one hundred thirty five thousand one hundred nine) rubles 09 kopecks.

2. To approve the contract for lease of immovable property (hereinafter referred to as the Contract) concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest on the following essential terms:

Contracting Parties:

Lessor - "IDGC of the South", JSC,

Leaseholder - "SO UES", JSC.

Subject of Contract:

The Lessor undertakes to let the Leaseholder for temporary compensated possession and use the nonresidential premises owned by the Lessor by the right of property which are graphically marked with hatching on the copy of floor plan (Appendix No. "_" to the Contract), situated at: 15 Lenin str., Volgograd, with total area of 745.1 sq. meters, with the aim of placing of the Leaseholder's staff (hereinafter referred to as the premises)

Price of Contract:

Monthly lease payment shall amount to 885 715 (eight hundred eighty five thousand seven hundred fifteen) rubles 15 kopecks, including 18 % VAT – 135 109 (one hundred thirty five thousand one hundred nine) rubles 09 kopecks. The amount of lease payments is fixed on the basis of Lease payment estimate (Appendix No. "_" to the Contract).

The lease payment under the Contract includes payment for use of the leased premises as well as payments for utilities (heating, water supply, sewage, lift maintenance, power supply) and running costs (cleaning of rooms for public use, security, garbage disposal, ecological payments, land plot tax). The lease payment shall not include payment for communication services.

Liability of Parties:

The Parties shall bear property responsibility for failure to perform and (or) improper performance of obligations under the Contract according to the procedure and terms stipulated by current legislation of the Russian Federation.

For delay in return of property the Lessor shall be entitled to charge the Leaseholder with a penalty in the amount calculated on the basis of discount rate of bank interest of the amount of the property not returned for each day of delay.

Contract Term:

The Contract shall come into effect from the moment of its signing and shall be valid until September 01, 2010, or, regarding mutual settlements – until the complete discharge of obligations by the Parties. Terms of the Contract shall be applied to relations of the Parties which originated earlier, from October 01, 2009.

Settlement of disputes:

All disputes and differences originating from the Contract or connected with it shall be settled by the Parties through negotiations.

In case failure to reach an agreement, all disputes, differences and demands originating from the Contract or connected with it, including those related to its conclusion, change, implementation, violation, breakup, termination or validity are subject to settlement by Arbitration Court of Volgograd region.

Voting results:

Okley P.I.	-	"FOR"	Mikhailov S.A.	-	"FOR"
Vasyliiev S.V.	-	"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 approval of contract for lease of immovable property concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest.

It is suggested to adopt the following decision:

1. To fix the price of the contract for lease of immovable property concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest in the amount of **2 995 (two thousand nine hundred ninety five) rubles 78 kopecks** monthly, including 18 % VAT – **456 (four hundred fifty six) rubles 98 kopecks**.

2. To approve the contract for lease of immovable property (hereinafter referred to as the Contract) concluded between "IDGC of the South", JSC and "SO UES", JSC as a transaction of interest on the following essential terms:

Contracting Parties:

Lessor - "IDGC of the South", JSC,

Leaseholder - "SO UES", JSC.

Subject of Contract:

The Lessor undertakes to let the Leaseholder the Object for temporary compensated use and possession according to Appendix No.1 to the Contract, and the Leaseholder undertakes to accept the Object for compensated use and possession according to the contract terms.

Price of Contract:

Price of the contract for use and possession of the "Object" shall be stated in the fixed amount in rubles, specified in Appendix No.2 "Lease Payment Estimate" to the Contract

and shall amount to 2 995 (two thousand nine hundred ninety five) rubles 78 kopecks monthly, including 18 % VAT – 456 (four hundred fifty six) rubles 98 kopecks.

The lease payment under the Contract includes expenses for maintenance, utility and administrative and economic services, including expenses for heating and power, water, gas supplies of the "Leased Property".

Liability of Parties:

The Parties shall bear property responsibility for failure to perform or improper performance of obligations under the Contract in the form of recovery of incurred damages, unless other liability is stipulated by the Contract or current legislation.

In case of violation of term of transfer of property to the "Leaseholder" specified in the contract, the "Lessor" shall pay a penalty in the amount of 0.1 (zero point one) percent of the annual lease payment for each day of delay.

In case of failure to pay or delay in payments in favour of the "Lessor", stipulated by the Contract, the "Leaseholder" shall pay a penalty in the amount of 0.1 (zero point one) percent of the delayed payment for each day of delay.

In case of damaging the "Object" through the "Leaseholder's" fault, the "Leaseholder" shall fully pay for the damages, the amount of which is determined according to the current legislation. The contracting parties shall have the right for obtaining of penal sanctions for the violation of obligations, after the debtor acknowledges the claim brought against it and the penalty payment bill, or after the court decision on infliction of penalty or other penal sanction comes into effect.

Contract Term:

The Contract shall come into effect from the moment of its signing by the Parties, shall be applied to the relations of the Parties originating from January 01, 2010 and shall be valid until November 30, 2010.

Settlement of disputes:

All disputes and differences originating from the Contract or connected with it, including those related to its conclusion, change, implementation, violation, breakup, termination or validity shall be settled by the Parties through negotiations unless otherwise is stipulated by the Contract terms.

All disputes and differences originating from the Contract or connected with it, including those related to its conclusion, change, implementation, violation, breakup, termination or validity not settled through negotiations are subject to settlement by Arbitration Court of Rostov region.

Voting results:

Okley P.I.	-	"FOR"	Mikhailov S.A.	-	"FOR"
Vasyliiev S.V.	-	"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 approval of contract for lease of unmanned transport vehicles concluded between "IDGC of the South", JSC and "Astrakhanelektrosetremont", JSC as a transaction of interest.

It is suggested to adopt the following decision:

1. To fix the price of the contract for lease of unmanned transport vehicles concluded between "IDGC of the South", JSC and "Astrakhanelektrosetremont", JSC as a transaction of interest in the amount of **16 745 (sixteen thousand seven hundred forty five) rubles 38 kopecks** monthly, including 18 % VAT – **2 554 (two thousand five hundred fifty four) rubles 38 kopecks**.

2. To approve the contract for lease of unmanned transport vehicles (hereinafter referred to as the Contract) concluded between "IDGC of the South", JSC and "Astrakhanelektrosetremont", JSC as a transaction of interest on the following essential terms:

Contracting Parties:

Lessor - "Astrakhanelektrosetremont", JSC,

Leaseholder - "IDGC of the South", JSC.

Subject of Contract:

The Lessor undertakes to let the Leaseholder for temporary compensated possession and use transport vehicles owned by the Lessor by the right of property, hereinafter referred to as the "Automobiles", according to Appendix No.1 to the Contract, being an integral part of the Contract.

Technical condition of the Automobiles is confirmed by the valid transport test certificates of the Automobiles, inspection and check of functionality of engine and other equipment installed on the Automobiles. The Automobiles shall be leased according to the statement of transfer and acceptance signed by both parties (Appendix No.2 to the Contract).

Use of the Automobiles shall not be contrary to their function.

Price of Contract:

Lease payment for the use of the Automobiles under the Contract shall amount to 16 745 (sixteen thousand seven hundred forty five) rubles 38 kopecks monthly, including 18 % VAT – 2 554 (two thousand five hundred fifty four) rubles 38 kopecks according to the automobile transport lease estimate stated in Appendix No. 3/1, 3/2, 3/3, 3/4, 3/5, 3/6, 3/7, 3/8, 3/9, 3/10, 3/11.

Liability of Parties:

In case of delay in lease payments the Leaseholder shall pay to the Lessor fines in the amount of 1/300 of refinancing rate of the delayed payment for each day of delay in payments, but not more than 10% of the contract price.

Settlement of disputes:

All disputes and differences originating from the Contract or connected with it shall be settled by the Parties through negotiations.

Contract Term:

The Contract shall come into effect from the moment of its signing and shall be valid until December 31, 2010.

Voting results:

Okley P.I.	-	"FOR"	Mikhailov S.A.	-	"FOR"
Vasyliiev S.V.	-	"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 contract for rendering services for power installations maintenance concluded between "IDGC of the South", JSC and "FGC UES", JSC as a transaction of interest.

According to item 3 article 83 FZ (Federal Law) "On Joint Stock Companies" decision on the present issue shall be taken by a majority vote of independent directors not interested in the transaction conclusion.

Member of Board of Directors of "IDGC of the South", JSC Maslov A.V. holding a post in management bodies of the legal person being a party to the contract – member of Management Board of "FGC UES", JSC shall be recognized as a person interested in conclusion of the transaction by the Company.

It is suggested to adopt the following decision:

1. To fix the price of the contract for rendering services for power installations maintenance concluded between "IDGC of the South", JSC and "FGC UES", JSC as a

transaction of interest in the amount of approximately **116 003 (one hundred sixteen thousand three) rubles 33 kopecks**, including 18 % VAT – **17 695 (seventeen thousand six hundred ninety five) rubles 42 kopecks**. To stipulate that the price of the contract shall not amount to two or more percent of "IDGC of the South", JSC assets' book value according to its accounting reports for the last reporting date.

2. To approve the contract for rendering services for power installations maintenance concluded between "IDGC of the South", JSC and "FGC UES", JSC as a transaction of interest on the following essential terms:

Contracting Parties:

"Customer" - "IDGC of the South", JSC,

"Contractor" - "FGC UES", JSC

Subject of Contract:

The Customer charges and the Contractor undertakes rendering of services for maintenance of the following equipment at "Liman" 220 kV substation:

- 110 kV unit No.139.

The Customer shall be obliged to pay for the services rendered by the Contractor according to the procedure stipulated by the Contract.

Price of Contract:

Price of services rendered according to the Contract shall be by fixed by the Contractor on the basis of estimates being an integral part of the Contract, according to the actual expenses, and shall amount to approximately 116 003 (one hundred sixteen thousand three) rubles 33 kopecks, including 18 % VAT – 17 695 (seventeen thousand six hundred ninety five) rubles 42 kopecks. At that, the price of the contract shall not amount to two or more percent of "IDGC of the South", JSC assets' book value according to its accounting reports for the last reporting date.

The Contractor shall have the right to change the price for the services in case of actual increase of consumer price index, as well as according to item 3.3 of branch (tariff) agreement of power industry complex of the RF.

Contract Term:

The Contract shall come into effect from the moment of its signing by the Parties, shall be applied to the relations of the Parties originating from January 01, 2010 and shall be valid until December 31, 2010 or, regarding mutual settlements – until the complete discharge of obligations by the Parties.

Liability of Parties:

The Parties shall be responsible for failure to perform or improper performance of obligations under the Contract according to current legislation of the RF. The Contractor

shall not be responsible in case of breakdowns or equipment failures caused not through its fault.

Settlement of disputes:

All disputes and differences originating from the Contract shall be settled through negotiations. Shall the Parties fail to reach an agreement in course of negotiations, a dispute shall be subject to consideration in an Arbitration Court.

Voting results:

Okley P.I.	-	"FOR"	Mikhailov S.A.	-	"FOR"
Vasyliiev S.V.	-	"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 fiteenth issue **has been unanimously adopted** by the Board of Directors members.

Chairman of the Board of Directors

Okley P. I.

Corporate Secretary

Kantsurov A. A.