

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.37/2009

Open Joint Stock Company “Interregional Distribution Grid Company of the South” dated December 01, 2009.

Date of holding:	01.12.2009
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:	01.12.2009, 05-00 p.m.
Date of the minutes drawing:	04.12.2009

Members of the Board of Directors: 11 persons.

Questionnaires have been submitted by: Okley P. I. (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., Ptitsyn I. V., Shogenov V. M.

Questionnaires have not been submitted by: Popovskiy S. N.

Quorum is present.

Agenda of the Board of Directors Meeting:

1. On setting up of the Audit Committee attached to Board of Directors of “IDGC of the South”, JSC on confirmation of the Regulation on the Audit Committee of the Board of Directors of the Open Joint Stock Company “Interregional Distribution Grid Company of the South” and election of the personnel of the Audit Committee of the Board of Directors of “IDGC of the South”, JSC and its Chairman.

2. On setting up of the Committee for Strategy, Development, Investments and Reform attached to Board of Directors of “IDGC of the South”, JSC on confirmation of the Regulation on the Committee for Strategy, Development, Investments and Reform of

the Board of Directors of the Open Joint Stock Company "Interregional Distribution Grid Company of the South" and election of the personnel of the Committee for Strategy, Development, Investments and Reform of the Board of Directors of "IDGC of the South", JSC and its Chairman.

3. On setting up of the Personnel and Remuneration Committee attached to Board of Directors of "IDGC of the South", JSC on confirmation of the Regulation on the Personnel and Remuneration Committee attached to Board of Directors of the Open Joint Stock Company "Interregional Distribution Grid Company of the South" and election of the personnel of the Remuneration Committee attached to Board of Directors of "IDGC of the South", JSC and its Chairman.

4. On setting up of the Reliability Committee attached to Board of Directors of "IDGC of the South", JSC on confirmation of the Regulation on the Reliability Committee attached to Board of Directors of the Open Joint Stock Company "Interregional Distribution Grid Company of the South" and election of the personnel of the Reliability Committee attached to the Board of Directors of "IDGC of the South", JSC and its Chairman.

5. On election of the personnel of the Committee for Technological Connection to Electric Grids attached to the Board of Directors of "IDGC of the South", JSC.

6. On confirmation of the Insurer of "IDGC of the South", JSC for conclusion of the contract of compulsory health insurance of the employees of the Company.

7. On coordination of positions' overlapping in the management bodies of other companies members' by the members of the Board of Directors of "IDGC of the South", JSC.

8. On consideration of the Report of CEO of "IDGC of the South", JSC on the implementation of the target measures of the key performance indicators for the 4th quarter of 2008 and for the year of 2008.

9. On consideration of the Report of CEO of "IDGC of the South", JSC on the implementation of the target measures of the key performance indicators for the 1st quarter of 2009.

10. On consideration of the Report of CEO of "IDGC of the South", JSC on the implementation of the target measures of the key performance indicators for the 2nd quarter of 2009.

11. On implementation of the instruction of the Company's Board of Directors dated 14.09.2009: on consideration of the Report of the CEO of "IDGC of the South", JSC "On the transfer to the tariff regulation system based on the methods of calculation and determination of rate of return on invested capital (RAB method)".

12. On introduction of changes in the list of posts included in the category of top managers of "IDGC of the South", JSC approved by the decision of the Board of Directors of "IDGC of the South", JSC dated 27.02.2008 (minutes No.23/2009 dd. 02.03.2009).

13. CONFIDENTIAL.

14. On approval of the contract of carrying out of repair and maintenance works of protection relay and automatic protective devices concluded between "IDGC of the South", JSC and "Glavsetservis ENES", JSC as a transaction the conclusion of which reveals vested interest.

15. On approval of the contract of carrying out of design and survey works concluded between "IDGC of the South", JSC and "Volga Power Engineering Center", JSC as a transaction the conclusion of which reveals vested interest.

16. On approval of the contract of carrying out of design and survey works concluded between "IDGC of the South", JSC and "SCPE", JSC as transactions the conclusion of which reveals vested interest.

17. On approval of the contract for rendering the services concluded between "IDGC of the South", JSC and "South Center of Power Engineering", JSC as transaction the conclusion of which reveals vested interest.

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

19. On approval of the Agreement about the protection of commercial classified information privacy concluded between "IDGC of the South", JSC and "SO UES", JSC as transaction the conclusion of which reveals vested interest.

20. On approval of additional agreements to the contracts of lease of transport facilities No.407/30-1371/418.4 dated 29.10.2008 and No. 407/30-1334/418.5 dated 29.10.2008 concluded between "IDGC of the South", JSC and "Kubanenergo", JSC as transactions the conclusion of which reveals vested interest.

21. On approval of additional agreement to the agency contract No. 407/30-1064 dated 21.08.2008 (in the wording of the additional agreement No.1 dated 25.12.2008) concluded between "IDGC of the South", JSC and "Kubanenergo", JSC as a transactions the conclusion of which reveals vested interest.

22. On confirmation of the non-state pension provision programme for the employees of the Company for 2009.

23. On providing financial assistance to the autonomous non-commercial organization "Sports club of Kuban police" and autonomous non-commercial organization "Dynamo" volleyball team" by "IDGC of the South", JSC.

24. CONFIDENTIAL.

1. On setting up of the Audit Committee attached to the Board of Directors of “IDGC of the South”, JSC on confirmation of the Regulation on the Audit Committee of the Board of Directors of the Open Joint Stock Company “Interregional Distribution Grid Company of the South” and election of the personnel of the Audit Committee of the Board of Directors of “IDGC of the South”, JSC and its Chairman.

It is suggested to adopt the following decision:

1. To set up the Audit Committee attached to the Board of Directors of “IDGC of the South”, JSC.

2. To confirm the Regulation on the Audit Committee of the Board of Directors of the Open Joint Stock Company “Interregional Distribution Grid Company of the South” according to the Appendix No. 1 hereof.

3. To elect the following list of personnel of the Audit Committee attached to the Board of Directors of “IDGC of the South”, JSC:

- Mikhailov Sergey Anatolyevich, General Director of “Management Consulting”, LLC;

- Vasilyev Sergey Vyacheslavovich, Director for Legal Issues of “IDGC Holding”, JSC;

- Perepelkin Aleksey Yuryevich, Deputy General Director for Corporate Management and Property of “Holding of IDGC”, JSC;

4. To elect Perepelkin Aleksey Yuryevich, Deputy General Director for Corporate Management and Property of “Holding of IDGC”, JSC as the Chairman of the Audit Committee attached to the Board of Directors of “IDGC of the South”, JSC.

Voting results:

Okley P.I.	-	“FOR”	Maslov A.V.	-	“FOR”
Vasilyev S.V.	-	“FOR”	Mikhailov S.A.	-	“FOR”
Gavrilov A.I.	-	“FOR”	Perepelkin A.Yu.	-	“FOR”
Ivanov M.S.	-	“FOR”	Ptitsyn I.V.	-	“FOR”
Ilyenko V.V.	-	“FOR”	Shogenov V.M.	-	“FOR”

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

2. On setting up of the Committee for Strategy, Development, Investments and Reform attached to the Board of Directors of “IDGC of the South”, JSC on confirmation of the Regulation on the Committee for Strategy, Development, Investments and Reform of the Board of Directors of the Open Joint Stock Company “Interregional Distribution Grid Company of the South” and election of the personnel of the Committee for Strategy, Development, Investments and Reform of the Board of Directors of “IDGC of the South”, JSC and its Chairman.

It is suggested to adopt the following decision:

1. To set up the Committee for Strategy, Development, Investments and Reform attached to the Board of Directors of “IDGC of the South”, JSC.
2. To confirm the Regulation on the Committee for Strategy, Development, Investments and Reform of the Board of Directors of the Open Joint Stock Company “Interregional Distribution Grid Company of the South” according to the Appendix No. 2 hereof.
3. To elect the following list of personnel of the Committee for Strategy, Development, Investments and Reform attached to the Board of Directors of “IDGC of the South”, JSC:

No.	Full name of a candidate	Position of a candidate
1	Ivanov Maksim Sergeevich	Advisor of General Director of “Management Consulting” LLC
2	Tikhonova Maria Gennadyevna	Deputy Director for Department for Economic Regulation and Property Relationships in Fuel and Energy Complex of Minenergo of Russia
3	Lunev Igor Anatolyevich	Deputy CEO for Economy and Finance of “IDGC of the South”, JSC
4	Ayrapetyan Arman Mushegovich	Deputy Director of Centre of Strategy and Development of “IDGC Holding”, JSC
5	Akhrimenko Dmitriy Olegovich	Deputy Head of Department for Corporate Management and Cooperation with Shareholders of “IDGC Holding”, JSC
6	Balaeva Svetlana Aleksandrovna	Head of Department for Investments of “IDGC Holding”, JSC
7	Lavrova Marina Aleksandrovna	Deputy Head of Department for Business Planning of “IDGC Holding”, JSC

4. To elect Ayrapetyan Arman Mushegovich, Deputy Director of Centre of Strategy and Development of “IDGC Holding”, JSC as the Chairman of the Committee for Strategy, Development, Investments and Reform attached to the Board of Directors of “IDGC of the South”, JSC.

Voting results:

Okley P.I.	-	“FOR”	Maslov A.V.	-	“FOR”
Vasyliov S.V.	-	“FOR”	Mikhailov S.A.	-	“FOR”
Gavrilov A.I.	-	“FOR”	Perepelkin A.Yu.	-	“FOR”
Ivanov M.S.	-	“FOR”	Ptitsyn I.V.	-	“FOR”
Ilyenko V.V.	-	“FOR”	Shogenov V.M.	-	“FOR”

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

3. On setting up of the Personnel and Remuneration Committee attached to the Board of Directors of “IDGC of the South”, JSC on confirmation of the Regulation on the Personnel and Remuneration Committee attached to the Board of Directors of the Open Joint Stock Company “Interregional Distribution Grid Company of the South” and election of the personnel of the Remuneration Committee attached to the Board of Directors of “IDGC of the South”, JSC and its Chairman.

It is suggested to adopt the following decision:

1. To set up of the Personnel and Remuneration Committee attached to the Board of Directors of “IDGC of the South”, JSC.
2. To confirm the Regulation on the Personnel and Remuneration Committee of the Board of Directors of the Open Joint Stock Company “Interregional Distribution Grid Company of the South” according to the Appendix No. 3 hereof.
3. To elect the following list of personnel of the Personnel and Remuneration Committee attached to the Board of Directors of “IDGC of the South”, JSC:

No.	Full name of a candidate	Position of a candidate
1	Ivanov Maksim Sergeevich	Advisor of General Director of “Management Consulting” LLC
2	Kopanev Vladimir Nikolayevich	Deputy General Director for Security and Controlling of “IDGC of the South”, JSC
3	Gritsenko Pavel Nikolayevich	Head of Department for Human Resources Management and Organization Design of “IDGC of the South”, JSC
4	Chigrin Andrey Valeryevich	Head of Department for Human Resources Management of “IDGC Holding”, JSC
5	Lutskovich Viktor Evgenyevich	Deputy Head of Department – Head of Section for Labour Remuneration and Motivation of “IDGC of the South”, JSC

4. To elect Chigrin Andrey Valeryevich, Head of Department for Human Resources Management of “IDGC Holding”, JSC as the Chairman of the Committee for Strategy, Development, Investments and Reform attached to the Board of Directors of “IDGC of the South”, 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”	Ptitsyn I.V.	-	“FOR”
Ilyenko V.V.	-	“FOR”	Shogenov V.M.	-	“FOR”

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

4. On setting up of the Reliability Committee attached to the Board of Directors of “IDGC of the South”, JSC on confirmation of the Regulation on the Reliability Committee attached to the Board of Directors of the Open Joint Stock Company “Interregional Distribution Grid Company of the South” and election of the personnel of the Reliability Committee attached to the Board of Directors of “IDGC of the South”, JSC and its Chairman.

It is suggested to adopt the following decision:

1. To set up of the Reliability Committee attached to the Board of Directors of “IDGC of the South”, JSC.
2. To confirm the Reliability Committee of the Board of Directors of the Open Joint Stock Company “Interregional Distribution Grid Company of the South” according to the Appendix No. 4 hereof.
3. To elect the following list of personnel of the Reliability Committee attached to the Board of Directors of “IDGC of the South”, JSC:

No.	Full name of a candidate	Position of a candidate
1	Okley Pavel Ivanovich	Deputy CEO – Technical Director of “IDGC Holding”, JSC
2	Podlutskiy Sergey Vasilyevich	Head of Division for Consolidated Analytics for External Production Recourses of Department of Investments of “IDGC Holding”, JSC
3	Stepanyan Yuriy Aykazovich	Director of Kuban Regional Dispatcher Department Branch of JSC “System Operator of UES”, Branch
4	Sultanov Georgiy Akhmedovich	Deputy CEO for Technical Issues – Chief Engineer of “IDGC of the South”, JSC
5	Negreba Denis Vladimirovich	Head of Economy Department of “IDGC of the South”, JSC
6	Sysoyev Sergey Anatolyevich	Head of Department for Operation-and-Process Control of “IDGC of the South”, JSC
7	Ivanov Maksim Sergeevich	Advisor of General Director of

	“Management Consulting” LLC
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4. To elect Okley Pavel Ivanovich, Deputy CEO – Technical Director of “IDGC Holding”, JSC as the Chairman of the Reliability Committee attached to the Board of Directors of “IDGC of the South”, 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”	Ptitsyn I.V.	-	“FOR”
Ilyenko V.V.	-	“FOR”	Shogenov V.M.	-	“FOR”

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

5. On election of the personnel of the Committee for Technological Connection to Electric Grids attached to the Board of Directors of “IDGC of the South”, JSC and its Chairman.

It is suggested to adopt the following decision:

1. To define the number of members of the Committee for Technological Connection to Electric Grids as 7 (seven) persons.

2. To approve the following list of personnel of the Committee for Technological Connection to Electric Grids attached to the Board of Directors of the Open Joint Stock Company “IDGC of the South”:

No.	Full name of a candidate	Position of a candidate
1	Kostetskiy Vyacheslav Yuryevich	Deputy General Director for Development and Service Sales of “IDGC of the South”, JSC
2	Brizhan Vitaliy Vasilyevich	Deputy General Director for Corporate Management of “IDGC of the South”, JSC
3	Petukhov Konstantin Yuryevich	Director for Development and Service Sales of “IDGC-Holding”, JSC
4	Binko Gennadiy Feliksovich	Deputy General Director of “IDGC-Holding”, JSC
5	Ivanov Maksim Sergeevich	Advisor of General Director of “Management Consulting” LLC
6	Antipov Sergey Anatolyevich	First Deputy Director – Chief Dispatcher of Kuban Regional Dispatcher Department Branch of JSC

		“System Operator of UES”
7	Popovskiy Sergey Nikolayevich	Member of Management – Deputy Chairman of Management Board for “Market Council” Non-Commercial Partnership

3. To elect Ivanov Maksim Sergeevich, Advisor of General Director of “Management Consulting” LLC, as the Chairman of the Committee for Technological Connection to Electric Grids attached to the Board of Directors of “IDGC of the South”, 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”	Ptitsyn I.V.	-	“FOR”
Ilyenko V.V.	-	“FOR”	Shogenov V.M.	-	“FOR”

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

6. On confirmation of the insurer of “IDGC of the South”, JSC for conclusion of contract of compulsory health insurance of the employees of the Company.

It is suggested to adopt the following decision:

To confirm as insurers of “IDGC of the South”, JSC for conclusion of contract of compulsory health insurance of the employees of “IDGC of the South”, JSC for the period of three years:

- “SOGAZ-Med” Insurance company” - for conclusion of contracts of compulsory health insurance for “Volgogradenergo”, “Astrakhanenergo”, branches of “IDGC of the South”, JSC

- Rostov branch of Closed joint-stock company “MAKS-M” - for conclusion of contracts of compulsory health insurance of “Rostovenergo”, branch of “IDGC of the South”, 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”	Ptitsyn I.V.	-	“FOR”
Ilyenko V.V.	-	“FOR”	Shogenov V.M.	-	“FOR”

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

7. On coordination of positions’ overlapping in the management bodies of other companies members’ by the members of the Board of Directors of “IDGC of the South”, JSC.

It is suggested to adopt the following decision:

To coordinate positions' overlapping in the management bodies of other companies members' by the following members of the Board of Directors of "IDGC of the South", JSC:

Sultanov Georgiy Akhmedovich - Deputy CEO for Technical Issues – Chief Engineer of "IDGC of the South", JSC:

- member of the Board of Directors of "Volgogradsetremont", JSC

Pestov Dmitriy Vladimirovich - Deputy CEO of "IDGC of the South", JSC – Managing Director of "Kubanenergo", JSC:

- member of the Management Board of "Kubanenergo", JSC;

- member of the Board of Directors of "Energetik" Recreation centre", JSC;

- member of the Board of Directors of "Health Center "Plamya" , JSC.

Golovakha Lyudmila Alekseevna – Deputy CEO for Administrative Issues of "IDGC of the South", JSC:

- member of the Management Board of "Kubanenergo", JSC;

- member of the Board of Directors of "Energetik" Recreation centre", JSC;

- member of the Board of Directors of "Health Center "Plamya" , JSC.

Savin Grigoriy Grigoryevich - Chief Accountant – Head of Accounting and Tax Department of "IDGC of the South", JSC:

- member of the Management Board of "Kubanenergo", 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"	Ptitsyn I.V.	-	"FOR"
Ilyenko V.V.	-	"FOR"	Shogenov V.M.	-	"FOR"

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

8. On consideration of the Report of CEO of "IDGC of the South", JSC on the implementation of the target measures of the key performance indicators for the 4th quarter of 2008 and for the year of 2008.

It is suggested to adopt the following decision:

To approve the Report of CEO of "IDGC of the South", JSC on the implementation of the target measures of the key performance indicators for the 4th quarter of 2008 and for the year of 2008 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"	Ptitsyn I.V.	-	"FOR"
Ilyenko V.V.	-	"FOR"	Shogenov V.M.	-	"FOR"

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

9. On consideration of the Report of CEO of "IDGC of the South", JSC on the implementation of the target measures of the key performance indicators for the 1st quarter of 2009.

It is suggested to adopt the following decision:

To approve the Report of CEO of "IDGC of the South", JSC on the implementation of the target measures of the key performance indicators for the 1st quarter of 2009 according to the Appendix No. 6 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"	Ptitsyn I.V.	-	"FOR"
Ilyenko V.V.	-	"FOR"	Shogenov V.M.	-	"FOR"

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

10. On consideration of the Report of CEO of "IDGC of the South", JSC on the implementation of the target measures of the key performance indicators for the 2nd quarter of 2009.

It is suggested to adopt the following decision:

To approve the Report of CEO of "IDGC of the South", JSC on the implementation of the target measures of the key performance indicators for the 2nd quarter 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”	Ptitsyn I.V.	-	“FOR”
Ilyenko V.V.	-	“FOR”	Shogenov V.M.	-	“FOR”

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

11. On implementation of the instruction of the Company’s Board of Directors dated 14.09.2009: on consideration of the Report of the CEO of “IDGC of the South”, JSC “On the transfer to the tariff regulation system based on the methods of calculation and determination of rate of return on invested capital (RAB method)”

It is suggested to adopt the following decision:

To take note of the Report of CEO of “IDGC of the South”, JSC on change-over to rate regulation of transmission services by means of return on invested capital method (RAB) according to the Appendix No. 8 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”	Ptitsyn I.V.	-	“FOR”
Ilyenko V.V.	-	“FOR”	Shogenov V.M.	-	“FOR”

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

12. On introduction of changes in the list of posts included in the category of top managers of “IDGC of the South”, JSC approved by the decision of the Board of Directors of “IDGC of the South”, JSC dated 27.02.2008 (minutes No.23/2009 dd. 02.03.2009).

It is suggested to adopt the following decision:

1. To declare the list of posts included in the category of top managers of “IDGC of the South”, JSC approved by the decision of the Board of Directors of “IDGC of the South”, JSC dated 27.02.2008 (minutes No.23/2009 dd. 02.03.2009) expired from 07.08.2009.

2. To approve and implement from 07.08.2009 the list of posts included in the category of top managers of “IDGC of the South”, JSC in the following wording:

Members of the Management Board;

Deputy CEO, Capital Construction;

Deputy CEO, Economy and Finance;

Deputy CEO, Development and Service Implementation;

Deputy CEO, Engineering Issues (Chief Engineer);

Deputy CEO, Corporate Management;

Deputy CEO, Security and Controlling;

Deputy CEO for Sochi Power District Development;

Deputy CEO, Administrative Issues;

Deputy CEO – Director of “Astrakhanenergo”, branch of “IDGC of the South”, JSC;

Deputy CEO – Director of “Volgogradenergo”, branch of “IDGC of the South”, JSC;

Deputy CEO – Director of “Kalmenergo”, branch of “IDGC of the South”, JSC;

Deputy CEO – Director of “Kubanenergo”, branch of “IDGC of the South”, JSC;

Deputy CEO – Director of “Rostovenergo”, branch of “IDGC of the South”, JSC;

Deputy CEO;

Chief Accountant of “IDGC of the South”, 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”	Ptitsyn I.V.	-	“FOR”
Ilyenko V.V.	-	“FOR”	Shogenov V.M.	-	“FOR”

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

13. CONFIDENTIAL

14. On approval of the contract of carrying out of repair and maintenance works of protection relay and automatic protective devices concluded between “IDGC of the South”, JSC and “Glavsetservis ENES”, JSC as a transaction the conclusion of which reveals vested interest.

The following members of the Board of Directors of “IDGC of the South”, JSC do not participate in voting on this item and are recognized in accordance with item 3 of clause 83 FZ (Federal Law) “On Joint Stock Companies” as non-executive Directors:

- Shogenov V.M. holding the post in management bodies of “Glavsetservis ENES”, JSC – member of the Board of Directors of “Glavsetservis ENES”, JSC;

- Gavrilov A.I. performing the duties of sole executive body of "IDGC of the South", JSC.

It is suggested to adopt the following decision:

1. To set the price of the contract of carrying out of repair and maintenance works of protection relay and automatic protective devices concluded between "IDGC of the South", JSC and "Glavsetservis ENES", JSC as a transaction the conclusion of which reveals vested interest at the amount of **293 790 (Two hundred and ninety three thousand seven hundred ninety) rubles 00 kop.**, including VAT 18% - **44 815 (forty four thousand eight hundred fifteen) rubles 42 kop.**

2. To approve the contract of carrying out of repair and maintenance works of protection relay and automatic protective devices concluded between "IDGC of the South", JSC and "Glavsetservis ENES", JSC as a transaction the conclusion of which reveals vested interest on the following essential terms:

Contracting Parties:

Customer - "IDGC of the South", JSC;

Executive - "Glavsetservis ENES", JSC.

Subject of Contract:

The Contractor undertakes to carry out on the Customer's instructions the repair and maintenance works of protection relay and automatic protective devices (hereinafter referred to as PRD and APD) in the volume of "Preventive recovery" on the substations 220/110/10 kV "Elista Severnaya" and "Zimovniki" 220/110/10 kV HV line 220 kV "Elista Severnaya - Zimovniki" which belong to the Customer on the basis of the right of ownership, and the Customer undertakes to accept the results of the performed work and pay for them.

Price of Contract:

The total price of works according to the contract as provided by the estimate (Appendix No.3, No. 4 of the contract) amounts to **293 790 (two hundred ninety three thousand seven hundred ninety) roubles**, including 18% VAT – **44 815 (forty four thousand eight hundred fifteen) roubles 42 kopecks**.

Liability of Parties:

The Parties bear responsibility for failure to perform obligations or for improper performance of the obligations hereunder in conformity with the current legislation and regulatory enactments of the Russian Federation.

In case of violation of the term of payments the Customer shall pay a fee to the Executive which amounts to 0,1% of of the work cost under the contract unpaid when due for each day of delay in payment, but no more than 10 % of the contract price.

In case of violating operation terms by Contractor, penalty shall be paid to Customer equal to 0,1 percent of agreement amount for each day of delay of obligations

performance until obligations are executed in full (properly), but no more than 10 % of the contract price.

The Parties shall not bear responsibility for lost profits and other forms of consequential damage.

Putting in fees and (or) other sanctions for violations of contract terms, and also the amount of damages by the Parties is implemented in written form, providing the relevant request (claim) for payment and (or) reimbursement. However the contract shall not define the written request (claim) as the document which specifies the date of the Parties' collecting the revenue in the form of penalty (fee) and (or) other sanctions for the violation of the contract terms.

Procedure for settlement of disputes:

All disputes and differences of opinion arising from the Contract or in connection with it shall be settled by negotiations.

During the performance of the contract the Parties shall follow the current legislation and the contract conditions.

All disputable issues not settled in course of negotiations shall be resolved in the Arbitration Court of Kalmykia Republic in accordance with the current legislation.

Contract term:

The Contract shall be effective upon signature hereof and shall be valid till the 31st of December, 2009, and, concerning the mutual settlements, till effecting the final settlement.

The contract can be terminated unilaterally by forwarding the other Party a written notice not later than 20 days before the date of the termination of the contract.

In case of early termination of the contract on the Customer's initiative, the latter shall pay the Executive the price of actual expenses for the date of termination of the contract.

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"	Ptitsyn I.V.	-	"FOR"
Ilyenko V.V.	-	"FOR"	Shogenov V.M.	-	"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 of carrying out of design and survey works concluded between "IDGC of the South", JSC and "Volga Power Engineering Center", JSC as a transaction the conclusion of which reveals vested interest.

Gavrilov A.I., the member of the Board of Directors of "IDGC of the South", JSC the duties of sole executive body of the Company does not participate in voting on this item and is recognized in accordance with item 3 of clause 83 FZ (Federal Law) "On Joint Stock Companies" as a non-executive Director.

It is suggested to adopt the following decision:

1. To set the price of the contract of carrying out of design and survey works concluded between "IDGC of the South", JSC and "Volga Power Engineering Center", JSC as a transaction the conclusion of which reveals vested interest at the amount of **579 355 (five hundred seventy nine three hundred fifty five) rubles 22 kop.**, including VAT 18% - **88 376 (eighty eight thousand three hundred seventy six) rubles 22 kop.**

2. To approve the contract of carrying out of design and survey works concluded between "IDGC of the South", JSC and "Volga Power Engineering Center", JSC as a transaction the conclusion of which reveals vested interest on the following essential terms:

Contracting Parties:

Customer - "IDGC of the South", JSC;

Executive - "Volga Power Engineering Center", JSC.

Subject of Contract:

The Contractor undertakes to carry out on the Customer`s instructions the design and survey works and make design specifications and estimates for the construction of power grids for the power supply of the following object: "Dubrava" holiday village non-commercial partnership" of the "Eurobuild", LLC and the Customer undertakes to accept the results of the performed work and pay for them.

Price of Contract:

The contract price as provided by the consolidated budget (Appendix No.1 of the contract) amounts to **490 979 (four hundred ninety nine hundred seventy nine) roubles 00 kopecks**, including 18% VAT – **88 376 (eighty eight thousand three hundred seventy six) roubles 22 kopecks**, **total price: 579 355 (five hundred seventy nine thousand three hundred fifty five) roubles 22 kopecks.**

Liability of Parties:

The Parties bear responsibility for failure to perform obligations or for improper performance of the obligations hereunder in conformity with the contract and the current legislation of the Russian Federation.

Customer is considered to own technical specifications surrendered in keeping with agreement and is entitled to dispose of them as he thinks fit upon signing acceptance report.

Contractor is responsible for improper documentation procedure, including violations detected on the stage of construction, other source data presented by Customer,

construction norms and rules, electric and fire safety regulations, including deficiencies discovered later in the process of construction, and in renovating power facilities on the basis of the documents.

In case of violating operation terms by Contractor, penalty shall be paid to Customer equal to 0,1 percent of agreement amount for each day of delay of obligations performance until obligations are executed in full (properly).

In case waiver in operation from contract conditions or other defects have not been corrected by Contractor in due time or the deficiencies are essential and fatal, Customer is entitled to withdraw from agreement and claim damage compensation.

Contract term:

The Contract shall be effective upon signature hereof and shall be valid till the 31st of December, 2009, though in any case till complete performance of obligations by parties.

Settlement of disputes:

Disputes arising in the course of contract execution shall be settled by negotiations of Parties, resultant arrangements are fixed on obligatory basis in additional agreement of parties, which becomes upon signature contract integral part.

All disputes and differences originating from the contract or in connection with it, including disputes on contract making, changing, execution, violation, withdrawal, termination and validity shall be settled by Parties by extrajudicial resolution. Claim response term is 10 (ten) days from the date of receipt.

In case of dispute non-settlement through claimant procedure, all disputes, differences and claims originating from the contract or in connection with it, including disputes on contract making, changing, execution, violation, withdrawal, termination and validity are subject to further review by Arbitration Court of the Volgograd region.

Voting results:

Okley P.I.	-	“FOR”	Maslov A.V.	-	“FOR”
Vasyliov S.V.	-	“FOR”	Mikhailov S.A.	-	“FOR”
Gavrilov A.I.	-	“FOR”	Perepelkin A.Yu.	-	“FOR”
Ivanov M.S.	-	“FOR”	Ptitsyn I.V.	-	“FOR”
Ilyenko V.V.	-	“FOR”	Shogenov V.M.	-	“FOR”

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

16. On approval of the contract of carrying out of design and survey works concluded between “IDGC of the South”, JSC and “SCPE”, JSC as transactions the conclusion of which reveals vested interest.

Gavrilov A.I., the member of the Board of Directors of “IDGC of the South”, JSC the duties of sole executive body of the Company does not participate in voting on this item and is recognized in accordance with item 3 of clause 83 FZ (Federal Law) “On Joint Stock Companies” as a non-executive Director.

It is suggested to adopt the following decision:

1.1 To set the price of the contract of carrying out of design and survey works concluded between “IDGC of the South”, JSC and “South Centre of Power engineering”, JSC (herinafter “SCPE”, JSC), as a transaction the conclusion of which reveals vested interest at the amount of **1 652 000 (one million six hundred fifty two thousand) rubles 00 kop.**, including VAT 18% - **252 000 (two hundred fifty two thousand) rubles 00 kop.**

1.2 To approve the contract of carrying out of design and survey works concluded between “IDGC of the South”, JSC and “SCPE”, JSC as a transaction the conclusion of which reveals vested interest on the following essential terms:

Contracting Parties:

Customer - “IDGC of the South”, JSC;

Executive - “SCPE”, JSC.

Subject of Contract:

The Contractor undertakes to carry out on the Customer`s instructions the design and survey works and make design specifications and estimates of the following object: “Outer power supply of the transport-logistic complex of “KPD-Cargo”, CJSC. Renovation of units of the 110/32/6 kV substation on the Hwy 9 and the installation of 6kV double-circuit line” and the Customer undertakes to accept the results of the performed work and pay for them.

Price of Contract:

The contract price as provided by the contract price negotiation record (Appendix No.3 of the contract) amounts to **1 400 000 (one million four hundred thousand) roubles**, including 18% VAT – **252 000 (two hundred fifty two thousand) roubles. Total price: 1 652 000 (one million six hundred fifty two thousand) roubles.**

The contract price doesn't include the cost of designer's inspection and the Contractor's expenses for appraisal and harmonization.

Liability of Parties:

The Parties bear responsibility for failure to perform obligations or for improper performance of the obligations hereunder in conformity with the contract and the current legislation of the Russian Federation.

Customer is considered to own technical specifications surrendered in keeping with agreement and is entitled to dispose of them as he thinks fit upon signing acceptance report.

Contractor is responsible for improper documentation procedure, including violations detected on the stage of construction in the form of nonconformance to specifications (Appendix No.1 hereof), other source data presented by Customer, construction norms and rules, electric and fire safety regulations, including deficiencies discovered later in

the process of construction and maintenance of power facilities on the basis of the documents.

In case of violating operation terms by Contractor, penalty shall be paid to Customer equal to 0,1 percent of agreement amount for each day of delay of obligations performance until obligations are executed in full (properly).

In case waiver in operation from contract conditions or other defects have not been corrected by Contractor in due time or the deficiencies are essential and fatal, Customer is entitled to withdraw from agreement and claim damage compensation.

Contractor shall cover the loss caused by violations in order of making out and issuing invoices (stipulated by Article 169 of Tax Code of the RF) in amount equal to VAT and specified in the corresponding invoice in case tax authority refusal to withhold or cover VAT amounts due to violations in order of making out and issuing the invoice.

Settlement of disputes:

Disputes arising in the course of contract execution shall be settled by negotiations of Parties, resultant arrangements are fixed on obligatory basis in additional agreement of parties, which becomes upon signature contract integral part.

All disputes and differences originating from the contract or in connection with it, including disputes on contract making, changing, execution, violation, withdrawal, termination and validity shall be settled by Parties by extrajudicial resolution. Claim response term is 10 (ten) days from the date of receipt.

In case of dispute non-settlement through claimant procedure, all disputes, differences and claims originating from the contract or in connection with it, including disputes on contract making, changing, execution, violation, withdrawal, termination and validity are subject to further review by Arbitration Court of the Rostov region.

Contract term:

The Contract shall be effective upon signature hereof and shall be valid till complete performance of obligations by parties.

1.3 To entrust Skorikov S. V. Deputy CEO of "IDGC of the South", JSC – Director of "Rostovenergo" branch with signing in the name of the Customer of the contract of carrying out of design and survey works on the above-stated essential terms.

2.1 To set the price of the contract of carrying out of design and survey works concluded between "IDGC of the South", JSC and "SCPE", JSC as a transaction the conclusion of which reveals vested interest at the amount of **2 469 724 (two million four hundred sixty nine thousand seven hundred twenty four) rubles 66 kop.**, including VAT 18% - **376 737 (three hundred seventy six thousand seven hundred thirty seven) rubles 66 kop.**

2.2 To approve the contract of carrying out of design and survey works concluded between "IDGC of the South", JSC and "SCPE", JSC as a transaction the conclusion of which reveals vested interest on the following essential terms:

Contracting Parties:

Customer - "IDGC of the South", JSC;

Executive - "SCPE", JSC.

Subject of Contract:

The Contractor undertakes to carry out on the Customer`s instructions design estimates of the following object: "The Construction of 6-10 kV cable lines" (Appendix No. 1 of the contract) and the Customer undertakes to accept the results of the performed work and pay for them.

Price of Contract:

The contract price as provided by the contract price negotiation record for design estimates (Appendix No.4.1 -4.6. of the contract) amounts to **2 092 987 (two million ninety five thousand nine hundred eighty seven) rubles 00 kop.**, including 18% VAT – **376 737 (three hundred seventy six thousand seven hundred thirty seven) rubles, 66 kop.** **Total price: 2 469 724 (two million four hundred sixty nine thousand seven hundred twenty four) rubles 66 kop.**

The contract price doesn't include the cost of designer's inspection and the Contractor's expenses for appraisal and harmonization.

Liability of Parties:

The Parties bear responsibility for failure to perform obligations or for improper performance of the obligations hereunder in conformity with the contract and the current legislation of the Russian Federation.

Customer is considered to own technical specifications surrendered in keeping with agreement and is entitled to dispose of them as he thinks fit upon signing acceptance report.

Contractor is responsible for improper documentation procedure, including violations detected on the stage of construction in the form of nonconformance to specifications (Appendix No.1 hereof), other source data presented by Customer, construction norms and rules, electric and fire safety regulations, including deficiencies discovered later in the process of construction and maintenance of power facilities on the basis of the documents.

In case of violating operation terms by Contractor, penalty shall be paid to Customer equal to 0.1 percent of agreement amount for each day of delay of obligations performance until obligations are executed in full (properly).

In case waiver in operation from contract conditions or other defects have not been corrected by Contractor in due time or the deficiencies are essential and fatal, Customer is entitled to withdraw from agreement and claim damage compensation.

Contractor shall cover the loss caused by violations in order of making out and issuing invoices (stipulated by Article 169 of Tax Code of the RF) in amount equal to VAT and

specified in the corresponding invoice in case tax authority refusal to withhold or cover VAT amounts due to violations in order of making out and issuing the invoice.

Settlement of disputes:

Disputes arising in the course of contract execution shall be settled by negotiations of Parties, resultant arrangements are fixed on obligatory basis in additional agreement of parties, which becomes upon signature contract integral part.

All disputes and differences originating from the contract or in connection with it, including disputes on contract making, changing, execution, violation, withdrawal, termination and validity shall be settled by Parties by extrajudicial resolution. Claim response term is 10 (ten) days from the date of receipt.

In case of dispute non-settlement through claimant procedure, all disputes, differences and claims originating from the contract or in connection with it, including disputes on contract making, changing, execution, violation, withdrawal, termination and validity are subject to further review by Arbitration Court of the Rostov region.

Contract term:

The Contract shall be effective upon signature hereof and shall be valid till complete performance of obligations by parties.

2.3 To entrust Skorikov S. V. Deputy CEO of "IDGC of the South", JSC– Director of "Rostovenergo" branch with signing in the name of the Customer of the contract of carrying out of design and survey works on the above-stated essential terms.

Voting results:

Okley P.I.	-	"FOR"	Mikhailov S.A.	-	"FOR"
Vasyliiev S.V.	-	"FOR"	Perepelkin A.Yu.	-	"FOR"
Ivanov M.S.	-	"FOR"	Ptitsyn I.V.	-	"FOR"
Ilyenko V.V.	-	"FOR"	Shogenov V.M.	-	"FOR"
Maslov A.V.	-	"FOR"			

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

17. On approval of the contract for rendering the services concluded between "IDGC of the South", JSC and "South Center of Power Engineering", JSC as transaction the conclusion of which reveals vested interest.

Gavrilov A.I., the member of the Board of Directors of "IDGC of the South", JSC the duties of sole executive body of the Company does not participate in voting on this item and is recognized in accordance with item 3 of clause 83 FZ (Federal Law) "On Joint Stock Companies" as a non-executive Director.

It is suggested to adopt the following decision:

1. To set the price of the contract of carrying out of design and survey works concluded between "IDGC of the South", JSC and "South Centre of Power engineering", JSC as a

transaction the conclusion of which reveals vested interest at the amount of **704 904 (seven hundred four thousand nine hundred four) rubles 86 kop.**, including VAT 18% - **107 527 (one hundred seven thousand five hundred twenty seven) rubles 86 kop.**

2. To approve the contract of rendering services concluded between "IDGC of the South", JSC and "SCPE", JSC as a transaction the conclusion of which reveals vested interest on the following essential terms:

Contracting Parties:

Executive - "South Centre of Power engineering", JSC;

Customer - "IDGC of the South", JSC;

Subject of Contract:

The Contractor undertakes to render on the Customer's instructions services of inspection of real electromagnetic environment (EME) as well as development of guidelines for securing electromagnetic compatibility (EMC) of micro-processor equipment (Relay Protection and Automatic Equipment, Automatic Control Systems, Automatic system for commercial accounting of power consumption) and connection on the following substations: 110/10 kV "Molzavod", 110/6 kV "VGTZ-1", 110/10 kV "Stroitel'naya", 110/35/6 kV "Sovetskaya" of "Pravoberezhnye" power grids" operating department and 110/6 kV "Zenzevatka" substation of "Kamyshinskiye" power grids" operating department of "Volgogradenergo", branch of "IDGC of the South", JSC.

Price of Contract:

The contract price as provided by the local resource estimates (Appendix No. No. 3.1, 3.2 of the contract) amounts to **704 904 (seven hundred four thousand nine hundred four) roubles, 86 kopecks**, including 18% VAT – **107 527 (one hundred seven thousand five hundred twenty seven) roubles, 86 kopecks.**

Liability of Parties:

In case of violating operation terms specified in Schedule of rendering services (Appendix No. 4 of the contract) by the Contractor, the Contractor shall pay penalty that amounts to accounting rate of bank interest (refinancing rate of CB of the RF) of the price of the services rendered untimely, for each day of delay.

In case of arrears of payments the Customer shall pay a fee to the Contractor that amounts to accounting rate of bank interest (refinancing rate of CB of the RF) of services unpaid in due time for each day of delay in payment.

Parties shall not bear responsibility for loss of profit and other forms of consequential loss.

Putting in fees and (or) other sanctions for violations of contract terms, and also the amount of damages by the Parties is implemented in written form, providing the relevant request (claim) for payment and (or) reimbursement. However the contract shall not define the written request (claim) as the document which specifies the date of the

Parties' collecting the revenue in the form of penalty (fee) and (or) other sanctions for the violation of the contract terms.

The parties take on reciprocal responsibilities of keeping confidentiality of any information and documentation, presented by one Party to the other Party directly or indirectly by means of the contract, regardless of the time the information was granted – before, during the implementation, or after the expiration of the contract.

Responsibilities of confidentiality shall not apply to the information for general use as well as the information that will be known to the third party through no fault of either contracting party.

Contract term:

The Contract shall be effective upon signature hereof and shall be valid till the 31st of December 2009, and, concerning the mutual settlements, till complete performance of obligations by parties.

Settlement of disputes:

Disputes arising in the course of contract execution shall be settled by negotiations of Parties. During the performance of the contract the Parties shall follow the current legislation and the contract conditions.

In case of dispute non-settlement through claimant procedure, all disputes are subject to further review by Arbitration Court of the Volgograd region in accordance with the procedure established by legislation.

Voting results:

Okley P.I.	-	“FOR”	Mikhailov S.A.	-	“FOR”
Vasyliiev S.V.	-	“FOR”	Perepelkin A.Yu.	-	“FOR”
Ivanov M.S.	-	“FOR”	Ptitsyn I.V.	-	“FOR”
Ilyenko V.V.	-	“FOR”	Shogenov V.M.	-	“FOR”
Maslov A.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 of lease of immovable property concluded between “IDGC of the South”, JSC and “Kalmenergosbyt”, JSC as transaction the conclusion of which reveals vested interest.

The following members of the Board of Directors of “IDGC of the South”, JSC do not participate in voting on this item and are recognized in accordance with item 3 of clause 83 FZ (Federal Law) “On Joint Stock Companies” as non-executive Directors:

- Maslov A. V. holding the post in management bodies of “IDGC of the North Caucasus”, JSC performing the duties of sole executive body of “Kalmenergosbyt”, JSC;

- Shogenov V.M. holding the post in management bodies of “Glavsetservis ENES”, JSC
– member of the Board of Directors of “Glavsetservis ENES”, JSC;
- Gavrilov A.I. performing the duties of sole executive body of “IDGC of the South”, JSC.

It is suggested to adopt the following decision:

1. To set the price of the contract of lease of immovable property concluded between “IDGC of the South”, JSC and “Kalmenergosbyt”, JSC as transaction the conclusion of which reveals vested interest at the amount of **143 721 (one hundred forty three thousand seven hundred twenty one) rubles 79 kop. per month**, including VAT 18% - **21 923 (twenty one thousand nine hundred twenty three) rubles 66 kop.**
2. To approve the contract of lease of immovable property concluded between “IDGC of the South”, JSC and “Kalmenergosbyt”, JSC as transaction the conclusion of which reveals vested interest on the following essential terms:

Contracting Parties:

Lessor - “IDGC of the South”, JSC;

Leaseholder - “Kalmenergosbyt”, JSC.

Subject of Contract:

The Lessor undertakes to let the Leaseholder temporarily use and own immovable property that is situated at: 271 Lenina St., Elista, Republic of Kalmykia; name of the item of immovable property according to technical specification – built-in office and production premises on the first floor of a dwelling house, garage.

The gross leasable area is 702,07 sq. m.

Simultaneously with transfer of rights of ownership and use of the premises the Leaseholder is granted the right of use of the land area, occupied by these buildings or proportional to their size that is necessary for their use and free access to them. The terms of the land plot assignment and use as well as its area can be stated by the Parties additionally in the contract or in a separate agreement.

Price of Contract:

The Leaseholder is to effect monthly lease payments at the amount of **143 721 (one hundred forty three thousand seven hundred and twenty one) roubles 79 kopecks** including 18% VAT – **21 923 (twenty one thousand nine hundred twenty three) roubles 66 kopecks.**

The lease payment does not include payment for utility services. The utility services are paid by the Leaseholder on the basis of additional agreements of rendering services of water, gas and power supply as well as telephone communication.

Contract term:

The Contract shall be effective upon signature hereof and shall be valid till the 29th of September 2010.

Voting results:

Okley P.I.	-	“FOR”	Mikhailov S.A.	-	“FOR”
Vasyliiev S.V.	-	“FOR”	Perepelkin A.Yu.	-	“FOR”
Ivanov M.S.	-	“FOR”	Ptitsyn I.V.	-	“FOR”
Ilyenko V.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 the Agreement about the protection of commercial classified information privacy concluded between “IDGC of the South”, JSC and “SO UES”, JSC as transaction the conclusion of which reveals vested interest.

A member of the Board of Directors of “IDGC of the South”, JSC Gavrilov A. I. performing the duties of a sole executive body of “IDGC of the South”, JSC shall not participate in voting on this item and shall be recognized in accordance with item 3 of clause 83 FZ (Federal Law) “On Joint Stock Companies” as a non-executive Director.

It is suggested to adopt the following decision:

To approve the Agreement about the protection of commercial classified information privacy concluded between “IDGC of the South”, JSC and “SO UES”, JSC as a transaction the conclusion of which reveals vested interest on the following essential terms:

Parties to Agreement:

The Party: “IDGC of the South”, JSC;

The Party: “SO UES”, JSC.

Subject of Agreement:

Provision of mutual access to information resources of the contracting parties, containing the commercial classified information and the terms of transfer of the commercial classified information.

Assuming of obligations of confidentiality by the Parties in relation to the commercial classified information, of insuring the special measures for protection and use of the specified information as well as assuming of the responsibility for violating the obligations in accordance with the current Russian Federation legislation and Agreement.

Responsibility of the Parties:

In case of causing a loss for the Party – the owner of the commercial classified information as a result of non-execution or improper execution of conditions specified in

the Agreement the other Party shall indemnify for losses in accordance with the current Russian Federation legislation.

Currency of Agreement:

The Agreement shall be concluded for a term of 1 (one) year and become effective upon signature hereof. If 1 (one) month prior to an expiration of the Agreement neither Party demands to terminate the Agreement, it shall be recognized as extended on the conditions earlier agreed and for the same duration.

Procedure for settlement of disputes:

All disputes, differences of opinion and claims, arising from the present agreement or in connection with it, including those connected with conclusion, alteration, execution, breaching, dissolving, termination and force hereof, shall be resolved in the court.

Voting results:

Okley P.I.	-	“FOR”	Mikhailov S.A.	-	“FOR”
Vasyliiev S.V.	-	“FOR”	Perepelkin A.Yu.	-	“FOR”
Ivanov M.S.	-	“FOR”	Ptitsyn I.V.	-	“FOR”
Ilyenko V.V.	-	“FOR”	Shogenov V.M.	-	“FOR”
Maslov A.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 agreements to the contracts of lease of transport facilities No.407/30-1371/418.4 dated 29.10.2008 and No. 407/30-1334/418.5 dated 29.10.2008 concluded between “IDGC of the South”, JSC and “Kubanenergo”, JSC as transactions the conclusion of which reveals vested interest.

A member of the Board of Directors of “IDGC of the South”, JSC Gavrilov A. I. performing the duties of a sole executive body of “IDGC of the South”, JSC shall not participate in voting on this item and shall be recognized in accordance with item 3 of clause 83 FZ (Federal Law) “On Joint Stock Companies” as a non-executive Director.

It is suggested to adopt the following decision:

1. To approve the additional Agreement on the extension and alteration of the contract of lease of transport facilities No. 407/30-1334/418.5 dated 29.10.2008 concluded between “IDGC of the South”, JSC and “Kubanenergo”, JSC as a transaction the conclusion of which reveals vested interest in accordance with the Appendix No.9 hereof.

2. To approve the additional Agreement on the extension and alteration of the contract of lease of transport facilities with a crew No. 407/30-1334/418.4 dated 29.10.2008 concluded between “IDGC of the South”, JSC and “Kubanenergo”, JSC as a transaction the conclusion of which reveals vested interest in accordance with the Appendix No.10 hereof.

Voting results:

Okley P.I.	-	“FOR”	Mikhailov S.A.	-	“FOR”
Vasyliiev S.V.	-	“FOR”	Perepelkin A.Yu.	-	“FOR”
Ivanov M.S.	-	“FOR”	Ptitsyn I.V.	-	“FOR”
Ilyenko V.V.	-	“FOR”	Shogenov V.M.	-	“ABSTAINED”
Maslov A.V.	-	“FOR”			

Thus, on the twentieth item the Board of Directors members participating in voting have adopted the suggested decision by a majority vote

21. On approval of additional agreement to the agency contract No. 407/30-1064 dated 21.08.2008 (in the wording of the additional agreement No.1 dated 25.12.2008) concluded between “IDGC of the South”, JSC and “Kubanenergo”, JSC as a transactions the conclusion of which reveals vested interest.

A member of the Board of Directors of “IDGC of the South”, JSC Gavrillov A. I. performing the duties of a sole executive body of “IDGC of the South”, JSC shall not participate in voting on this item and shall be recognized in accordance with item 3 of clause 83 FZ (Federal Law) “On Joint Stock Companies” as a non-executive Director.

It is suggested to adopt the following decision:

To approve the additional agreement to the agency contract No. 407/30-1064 dated 21.08.2008 (in the wording of the additional agreement No.1 dated 25.12.2008) concluded between “IDGC of the South”, JSC and “Kubanenergo”, JSC as a transactions the conclusion of which reveals vested interest in accordance with the Appendix No.11 hereof.

Voting results:

Okley P.I.	-	“FOR”	Mikhailov S.A.	-	“FOR”
Vasyliiev S.V.	-	“FOR”	Perepelkin A.Yu.	-	“FOR”
Ivanov M.S.	-	“FOR”	Ptitsyn I.V.	-	“FOR”
Ilyenko V.V.	-	“FOR”	Shogenov V.M.	-	“ABSTAINED”
Maslov A.V.	-	“FOR”			

Thus, on the twenty-first item the Board of Directors members participating in voting have **adopted the suggested decision by a majority vote.**

22. On confirmation of the non-state pension provision programme for the employees of the Company for 2009.

It is suggested to adopt the following decision:

To approve the non-state pension provision programme for the employees of “IDGC of the South”, JSC for 2009 in accordance with 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”	Ptitsyn I.V.	-	“FOR”
Ilyenko V.V.	-	“FOR”	Shogenov V.M.	-	“FOR”

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

23. On providing financial assistance to the autonomous non-commercial organization “Sports club of Kuban police” and autonomous non-commercial organization “Dynamo” volleyball team” by “IDGC of the South”, JSC.

It is suggested to adopt the following decision:

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

Voting results:

Okley P.I.	-	“FOR”	Maslov A.V.	-	“FOR”
Vasyliiev S.V.	-	“FOR”	Mikhailov S.A.	-	“ABSTAINED”
Gavrilov A.I.	-	“FOR”	Perepelkin A.Yu.	-	“FOR”
Ivanov M.S.	-	“ABSTAINED”	Ptitsyn I.V.	-	“FOR”
Ilyenko V.V.	-	“FOR”	Shogenov V.M.	-	“ABSTAINED”

Thus, on the twenty-third item the Board of Directors members have **adopted the suggested decision by a majority vote.**

24. CONFIDENTIAL.

Chairman of the Board of Directors

Okley P. I.

Corporate Secretary

Kantsurov A. A.