

**Minutes of Open Joint Stock Company  
“Interregional Distribution Grid Company of the South”  
Board of Directors Meeting No.106/2013**

Date of meeting	28.03.2013
Form of holding the meeting	Absentee voting (questionnaire)
Place of vote counting	Office 710, 26 Ulanskiy lane, Moscow
Date of vote counting	28.03.2013 17:00
Date of drawing up minutes	01.04.2013

**Number of Board of Directors Members: 11**

**Questionnaires were submitted by:** Goncharov Valeriy Anatolievich (chairperson of BoD), Branis Aleksandr Markovich, Dyakov Fyodor Aleksandrovich, Katina Anna Yurievna, Osipov Aleksandr Mikhailovich, Kuvaeva Valeriya Dmitrievna, Prokhorov Yegor Vyacheslavovich, Repin Igor Nikolaevich, Filkin Roman Alekseevich, Shevchyuk Aleksandr Viktorovich.

**Questionnaires were not submitted by:** Arkhipov Sergei Aleksandrovich

According to requirements of paragraph 7.3 article 7 of Regulation on order of conveying and holding meetings of “IDGC of the South”, JSC Board of Directors approved by decision of annual General meeting of “IDGC of the South”, JSC shareholders dated 15.06.2011, minutes No.5 dated 17.06.2011, quorum for holding the meeting should count at least half of elected members of Board of Directors.

**Quorum is present.**

**Agenda**

1. On approving contract on provision of fee-based services of engineering supervision between FGC UES JSC and IDGC of the South JSC which considered as transaction of interest.
2. On expressing Company’s opinion on agenda item of BoD meeting of “Sokolovskoye PSKh” JSC: “On determining terms of labour contract, precisely term of office of director general of the Company.
3. On preliminary approval of decision on conclusion by the Company a transaction related to selling of immovable property that constitutes fixed assets , which purpose of usage is not production, transmission, dispatching, distribution of electric heat energy – 9 items of immovable property located at 119a Naberezhnaya Tsaryov str., Astrakhan.

4. On preliminary approval of decision on conclusion by the Company a transaction related to selling of immovable property that constitutes fixed assets, which purpose of usage is not production, transmission, dispatching, distribution of electric heat energy – a shop, non-residential premises located at room 024, building A, corner of 25 Bakinskaya str and 20 Boevaya str., Kirovskiy district, Astrakhan.

5. On preliminary approval of decision on conclusion by the Company a transaction related to selling of immovable property that constitutes fixed assets, which purpose of usage is not production, transmission, dispatching, distribution of electric heat energy – non-residential premises located at room 23, building A6, corner of 14 Krasnogo Znameni Street and Lenin str, Astrakhan

**1. On approving contract on provision of fee-based services of engineering supervision between FGC UES JSC and IDGC of the South JSC which considered as transaction of interest**

**Decision:**

1. To fix the price of the contract on provision of fee-based services of engineering supervision between FGC UES JSC – “Centre of engineering supervision” and IDGC of the South JSC – no more than 20 281 575 (twenty million two hundred eighty one thousand) five hundred seventy five) rubles including 18% VAT – 3 093 799.58 (three million ninety three thousand seven hundred ninety nine) rubles 58 kopeks.

2. To approve contract on provision of fee-based services of engineering supervision between FGC UES JSC and IDGC of the South JSC which considered as transaction of interest on the following terms:

**Contract parties:**

IDGC of the South JSC – Customer

FGC UES JSC – Contractor

**Subject of the Contract:**

The Customer orders and the Contractor undertakes responsibility to perform engineering supervision of electric grid facilities of territorial distribution grids of IDGC of the South JSC. The Customer is obliged to accept the work and pay for it.

Period of rendering services: 01.04.2013 – 31.12.2013.

**Contract price:**

The cost of services in 2013 is no more than 20 281 575 (twenty million two hundred eighty one thousand) five hundred seventy five) rubles including 18% VAT – 3 093 799.58 (three million ninety three thousand seven hundred ninety nine) rubles 58 kopeks.

**Term of the Contract:**

The Contract comes into force upon the signature and is valid till its proper performance by the parties. If by the end of the contract term any of the party informed on termination of the contract, the contract is considered as extended for the next calendar year.

### **Voting results**

Goncharov V.A.	-	FOR	Osipov A.M.	-	FOR
Branis A.M.	-	AGAINST	Prokhorov E.V.	-	FOR
Katina A.Yu.	-	FOR	Repin I.N.	-	ABSTAINED
Kuvaeva V.D.	-	AGAINST	Filkin R.A.	-	AGAINST
Dyakov F.A.	-	FOR	Shevchyuk A.V.	-	AGAINST

**Thus by majority of votes the decision was adopted**

### **2. On expressing Company's opinion on agenda item of BoD meeting of "Sokolovskoye PSKh" JSC: "On determining terms of labour contract, precisely term of office of director general of the Company"**

#### **Decision:**

To order representatives of IDGC Of the South JSC in the BoD of "Sokolovskoye PSKh" JSC on the agenda "On determining terms of labour contract, precisely term of office of director general of the Company" to vote "FOR" the adoption of the following decision:

1. To prolong authorities and term of office of Vasiliev Vladimir Vasilievich director general of "Sokolovskoye PSKh" JSC for one year till March 24 2014 inclusive

### **Voting results**

Goncharov V.A.	-	FOR	Osipov A.M.	-	FOR
Branis A.M.	-	FOR	Prokhorov E.V.	-	FOR
Katina A.Yu.	-	FOR	Repin I.N.	-	FOR
Kuvaeva V.D.	-	ABSTAINED	Filkin R.A.	-	FOR
Dyakov F.A.	-	FOR	Shevchyuk A.V.	-	FOR

**Thus by majority of votes the decision was adopted**

### **3. On preliminary approval of decision on conclusion by the Company a transaction related to selling of immovable property that constitutes fixed assets , which purpose of usage is not production, transmission, dispatching, distribution of electric heat energy – 9 items of immovable property located at 119a Naberezhnaya Tsaryov str., Astrakhan**

#### **Decision:**

To approve the decision on conclusion by the Company a transaction related to selling of immovable property that constitutes fixed assets, which purpose of usage is not production, transmission, dispatching, distribution of electric heat energy – 9 items of immovable property located at 119a Naberezhnaya Tsaryov str., Astrakhan, on the following terms:

- the alienated property - 9 items of immovable property (appendix 1 to the decision) located at 119a Naberezhnaya Tsaryov str., Astrakhan
- balance cost of the alienated property as of 30.06.2012: 3 719 800 (three million seven hundred ninety thousand eight hundred) rubles;
- method of alienation: public auction with the assistance of agent;
- initial price of the auction – market cost of the property estimated by independent appraiser "City bureau of assessment" (report No.04/0512-

109/6Э) – 4 180 000 (four million one hundred eighty thousand) rubles, VAT excluded;

procedure (term) of paying for the property: within 15 days upon the signature of purchase contract by transferring funds to settlement account of seller.

**Voting results**

Goncharov V.A.	-	FOR	Osipov A.M.	-	FOR
Branis A.M.	-	FOR	Prokhorov E.V.	-	FOR
Katina A.Yu.	-	FOR	Repin I.N.	-	FOR
Kuvaeva V.D.	-	FOR	Filkin R.A.	-	FOR
Dyakov F.A.	-	FOR	Shevchyuk A.V.	-	FOR

**Thus by majority of votes the decision was adopted**

**4. On preliminary approval of decision on conclusion by the Company a transaction related to selling of immovable property that constitutes fixed assets , which purpose of usage is not production, transmission, dispatching, distribution of electric heat energy – a shop, non-residential premises located at room 024, building A, corner of 25 Bakinskaya str and 20 Boevaya str., Kirovskiy district, Astrakhan”**

**Decision:**

To approve the decision on conclusion by the Company a transaction related to selling of immovable property that constitutes fixed assets, which purpose of usage is not production, transmission, dispatching, distribution of electric heat energy – a shop, non-residential premises located at room 024, building A, corner of 25 Bakinskaya str and 20 Boevaya str., Kirovskiy district, Astrakhan, on the following terms:

- the alienated property - a shop (125.5 square meters), non-residential premises located at room 024, floor 1, building A, corner of 25 Bakinskaya str and 20 Boevaya str., Kirovskiy district, Astrakhan
- balance cost of the alienated property as of 30.06.2012: 2 549 601 (two million five hundred forty nine thousand six hundred one) rubles;
- method of alienation: public auction with the assistance of agent;
- initial price of the auction – market cost of the property estimated by independent appraiser “City bureau of assessment” (report No.04/0512-109/1Э) – 2 550 000 (two million five hundred fifty thousand) rubles, VAT excluded;

procedure (term) of paying for the property: within 15 days upon the signature of purchase contract by transferring funds to settlement account of seller.

**Voting results**

Goncharov V.A.	-	FOR	Osipov A.M.	-	FOR
Branis A.M.	-	FOR	Prokhorov E.V.	-	FOR
Katina A.Yu.	-	FOR	Repin I.N.	-	FOR
Kuvaeva V.D.	-	ABSTAINED	Filkin R.A.	-	FOR
Dyakov F.A.	-	FOR	Shevchyuk A.V.	-	FOR

**Thus by majority of votes the decision was adopted**

**5. On preliminary approval of decision on conclusion by the Company a transaction related to selling of immovable property that constitutes fixed assets, which purpose of usage is not production, transmission, dispatching, distribution of electric heat energy – non-residential premises located at room 23, building A6, corner of 14 Krasnogo Znameni Street and Lenin str, Astrakhan**

**Decision:**

To approve the decision on conclusion by the Company a transaction related to selling of immovable property that constitutes fixed assets, which purpose of usage is not production, transmission, dispatching, distribution of electric heat energy – non-residential premises located at room 23, building A6, corner of 14 Krasnogo Znameni Street and Lenin str, Astrakhan, on the following terms:

- the alienated property - non-residential premises, 68.4 square meters, located at room 23, building A6, corner of 14 Krasnogo Znameni Street and Lenin str, Astrakhan
- balance cost of the alienated property as of 30.06.2012: 1 789 201 (one million seven hundred eighty nine thousand two hundred one) rubles;
- method of alienation: public auction with the assistance of agent;
- initial price of the auction – market cost of the property estimated by independent appraiser “City bureau of assessment” (report No.04/0512-109/4Э) – 1 924 00 (one million nine hundred twenty four thousand) rubles, VAT excluded;

procedure (term) of paying for the property: within 15 days upon the signing the purchase contract by transferring funds to settlement account of seller.

**Voting results**

Goncharov V.A.	-	FOR	Osipov A.M.	-	FOR
Branis A.M.	-	FOR	Prokhorov E.V.	-	FOR
Katina A.Yu.	-	FOR	Repin I.N.	-	FOR
Kuvaeva V.D.	-	FOR	Filkin R.A.	-	FOR
Dyakov F.A.	-	FOR	Shevchyuk A.V.	-	FOR

**Thus by majority of votes the decision was adopted**

**Annex: 1.** Opinion of Shevchyuk A.V., member of IDGC of the South BoD, on agenda item 1 of the meeting of IDGC of the South Board of Directors on March 28, 2013 (in one copy, on none page).

**Chairperson of the committee**

**Goncharov V.A.**

**Corporate Secretary**

**Ruzavin A.P.**

**Opinion expressed by member of IDGC of the South Board of Directors  
Shevchyuk A.V. on agenda item 1 of Board of Directors meeting held on  
March 28, 2013**

Here are the following reasons to disagree with decision to put “FGC UES” JSC in charge of engineering supervision of facilities of energy complex of “IDGC Of the South” JSC:

1. The contract conditions proposed do not correspond to economic interests of the company, according to the analysis of own expenses it actually proposed to increase expenses by 40% by transferring the specified functions;
2. The split incentive (within the frameworks of the abovementioned aim – the necessity of independent supervision) is possible as the Customer is at the same time contractor in other contracts.
3. Transfer of any important responsibility in core types of activity of “IDGC of the South” to other party doubts the independency of the company in performing its core business activity. Investment banking professionals will definitely consider such transfer of functions as a signal to rearrange the functions between affiliated companies of Holding IDGC and to organize strict vertical power system of governance, which according to investment banking professionals the regional IDGCs do not really need as they have sufficient system of corporate management.

Please, include this opinion to the minutes of meeting.

Sincerely yours,  
member of IDGC of the South Board of Directors

Shevchyuk A.V.