

## 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.43/2010

**Of the Open Joint Stock Company "Interregional Distribution Grid Company of the South" dated April 13, 2010.**

<b>Date of holding:</b>	13.04.2010
<b>Form of holding:</b>	Joint presence
<b>Place of voting results summarizing:</b>	Office 525, Bldg.1, 26 Ulanskiy lane, Moscow
<b>Time of meeting's beginning:</b>	11:00 a.m.
<b>Time of meeting's end</b>	12:00
<b>Date of the minutes drawing:</b>	14.04.2010

The meeting is opened by Chairman of Board of Directors of "IDGC of the South", JSC **Okley Pavel Ivanovich**. The meeting of Board of Directors is held according to the requirements of Regulations on Procedure for Convening and Holding Meetings of Board of Directors of "IDGC of the South", JSC. According to item 7.3 Regulations on Procedure for Convening and Holding Meetings of Board of Directors of "IDGC of the South", JSC Corporate Secretary shall determine the presence of quorum for holding a Board of Directors meeting. Corporate Secretary of "IDGC of the South", JSC Kantsurov Andrey Anatolyevich is called upon for determining the presence of quorum for holding a Board of Directors meeting. According to item 7.3 Regulations on Procedure for Convening and Holding Meetings of Board of Directors of "IDGC of the South", JSC quorum for holding meetings of Board of Directors shall amount to no less than half of the elected members of Board of Directors of the Company. According to item 16.1 Charter of "IDGC of the South", JSC number of members of Board of Directors of the Company amounts to 11 (eleven) persons.

**Members of Board of Directors present at the meeting:** Vasilyev S.V., Gavrilov A.I., Ivanov M.S., Mikhailov S.A., Okley P.I., Perepelkin A.Yu., Ptitsyn I.V.

**Members of Board of Directors absent at the meeting:** Ilyenko V.V., Maslov A.V., Popovskiy S.N., Shogenov V.M.

7 members of Board of Directors of the Company are present at the meeting, which is more than half of the elected members of Board of Directors of the Company.

**Invitees:**

**from "IDGC of the South", JSC:**

1. Brizhan Vitaliy Vasilyevich – Deputy CEO, Corporate Management;
2. Lunev Igor Anatolyevich – Deputy CEO, Economy and Finance;
3. Samarchenko Olga Petrovna – Head of Electric Power Transportation Department;
4. Zasukhin Aleksander Vladimirovich – Head of Finance Department;
5. Negreba Denis Vladimirovich – Head of Economy Department;
6. Reshetnikov Mikhail Yuryevich – Head of Legal Support Department.

**From "IDGC Holding", JSC:**

1. Yurchuk Sergey Yevgenyevich – Director for Finance.
2. Alimuradova Izumrud Aligadzhievna – Head of Department for Internal Audit and Risk Management.
3. Balayeva Svetlana Aleksandrovna – Head of Investment Department.
4. Tsiku Ruslan Kimovich – Head of Business Planning Department.
5. Sharkova Yulia Eduardovna – Deputy Head of Department for Power Transportation and Interaction with Clients.

Chairman of Board of Directors of "IDGC of the South", JSC **Okley Pavel Ivanovich** is called upon for announcing the presence of quorum for holding a Board of Directors meeting and the agenda of the Board of Directors meeting.

**Quorum** necessary for holding a Board of Directors meeting **is present**. The following item has been put on the agenda of the meeting of Board of Directors of "IDGC of the South", JSC:

1. On approval of Plan of activities for financial recovery of "IDGC of the South", JSC for 2010-2012.

Lunev I.A., Mikhailov S.A. have been heard regarding the item on agenda of the meeting of Board of Directors of "IDGC of the South", JSC: "On Approval of Plan of Activities for Financial Recovery of "IDGC of the South", JSC for 2010-2012".

According to subitem 18 item 15.1 article 15 Charter of "IDGC of the South", JSC approval of internal documents of the Company, except for the documents, the approval of which falls within the competence of General meeting of shareholders, as well as

other internal documents, the approval of which falls within the competence of executive bodies of the Company, shall fall within the competence of Board of Directors of "IDGC of the South", JSC.

Unfavourable financial situation developed in the country according to the results of the first half year of 2009 entailed non-payments of ultimate customers and, as a consequence, decline in solvency of power supply companies. The basic directions of the Plan are increase of profitability, regulation of accounts payable and accounts receivable, increase of volumes of the implemented services (tariff-balance solutions, introduction of new capacities), technological improvement of the applied equipment and materials aimed at minimization of maintenance and investment costs of the Company.

**It is suggested to adopt the following decision:**

1. To submit the draft Plan of activities for financial recovery of "IDGC of the South", JSC for 2010-2012 (hereinafter referred to as Plan of activities) (Appendix No.1).

2. To charge CEO of the Company with ensuring revision and putting Plan of activities for consideration of Board of Directors of the Company within the term no later than May 15, 2010, having provided the following measures in the Plan of activities:

- reduction of number of cost-based articles not supported by monetary sources;
- intensification of activities for regulation of accounts receivable;
- analysis of possibility of decrease of volume of additional borrowed funds attraction;
- study of tariff solutions providing efficiency of operating and investment activities, including calculation of shortfall in income in 2010 within the scope of tariff-balance solutions for 2011-2012.

**Voting results:**

**"FOR"** – Vasilyev S.V., Gavrilov A.I., Ivanov M.S., Mikhailov S.A., Okley P.I., Perepelkin A.Yu., Ptitsyn I.V.

**"AGAINST"** – no persons

**"ABSTAINED"** – no persons

Thus, on the first issue the following decision **has been unanimously adopted** by members of Board of Directors:

1. To submit the draft Plan of activities for financial recovery of "IDGC of the South", JSC for 2010-2012 (hereinafter referred to as Plan of activities) (Appendix No.1).

2. To charge CEO of the Company with ensuring revision and putting Plan of activities for consideration of Board of Directors of the Company within the term no later than May 15, 2010, having provided the following measures in the Plan of activities:

- reduction of number of cost-based articles not supported by monetary sources;
- intensification of activities for regulation of accounts receivable;
- analysis of possibility of decrease of volume of additional borrowed funds attraction;
- study of tariff solutions providing efficiency of operating and investment activities, including calculation of shortfall in income in 2010 within the scope of tariff-balance solutions for 2011-2012.

**Chairman of Board of Directors Okley P.I.:**

Agenda of the meeting of Board of Directors of "IDGC of the South", JSC has been exhausted, decisions on its items have been adopted.

According to item 7.7 Regulations on Procedure for Convening and Holding Meetings of Board of Directors of "IDGC of the South", JSC information of Corporate Secretary on implementation of the earlier adopted decisions of Board of Directors shall be heard without fail at meetings of Board of Directors held in the form of joint presence of its members. The given issue shall be discussed beyond the scope of the agenda.

**Corporate Secretary Kantsurov A.A.:**

Information on implementation of decisions of Board of Directors of "IDGC of the South", JSC shall be brought to the notice of members of Board of Directors in the form of quarterly report. Report on implementation of decisions adopted by Board of Directors of the Company in IV quarter 2009 was considered by members of Board of Directors at the meeting held on May 05, 2010, where the decision was adopted to consider the report of CEO of "IDGC of the South", JSC on implementation of decisions of Board of Directors of the Company adopted in IV quarter 2009.

1 decision was adopted by Board of Directors in the 1<sup>st</sup> quarter of 2010, which envisaged charging sole executive body of the Company with instructions and implementation of the latter.

**Chairman of Board of Directors Okley P.I.:**

I suggest considering information of Corporate Secretary on implementation of decisions of Board of Directors adopted in the 1<sup>st</sup> quarter of 2010 according to Appendix hereto, without comments.

No objections have been raised by members of Board of Directors.

**Chairman of Board of Directors**

**Okley P. I.**

**Corporate Secretary**

**Kantsurov A. A.**