



"Interregional Distribution Grid Company of Centre", Joint-Stock Company

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MINUTES

of meeting of the Board of Directors of IDGC of Centre
(in the form of absent voting)

«30» October 2013

Moscow

No. 25/13

Form of the meeting: **absent voting.**

Total number of members of the Board of Directors: **11 people.**

Participants of the voting: **S.A. Arkhipov, A.M. Branis, S.A. Demin, M.V. Kaloeva, A.V. Molsky, O.Y. Isaev, M.M. Saukh, R.A. Filkin, O.V. Shatokhina, A.V. Shevchuk.**

Members who did not provide questionnaires: **V.A. Goncharov.**

The quorum is present.

Absence of objections concerning the materials and draft resolutions from V.G. Korolev, the observer of the Federal Antimonopoly Service of the Russian Federation, was taken into account at drawing up of the minutes.

Date of the minutes: **01.11.2013.**

AGENDA:

1. On approval of the adjusted Program to consolidate electric grid assets of IDGC of Centre for 2011-2017.
2. On approval of the adjusted Program to increase the reliability of IDGC of Centre for 2013-2015.
3. On amendment of internal documents of the Company – the Regulations on formation, adjustment of the Investment Program and reporting preparation on its performance in IDGC of Centre, JSC.
4. On consideration of the report of General Director of the Company «On implementation of the assignment of the Board of Directors, issued on 30.09.2013 (Minutes # 23/13 of 03.10.2013) regarding item # 9».
5. On approval of annual and quarterly target values of key performance indicators of General Director and senior managers of the Company for 2013.
6. On approval of Agreement to perform design and survey work (EAD to calculate the influence on the operation mode of «Substation 110/10 kV «Renaissance»»), concluded between Joint Stock Company “North-West Power Engineering Center” and IDGC of Centre, which is a related party transaction.
7. On determination of the position of IDGC of Centre regarding the agenda item of a meeting of the Board of Directors of JSC “Yargorelectroset”: On consideration of the Investment program of the Company for 2014 -2016.

Item 1: On approval of the adjusted Program to consolidate electric grid assets of IDGC of Centre for 2011-2017.

Decision:

1. To approve the adjusted Program to consolidate electric grid assets of IDGC of Centre for 2011-2017 in terms of indicators for 2013 in accordance with Appendix # 1 to this decision of the Board of Directors.

2. To instruct General Director of the Company to improve the Program to consolidate electric grid assets of IDGC of Centre for 2011-2017 in terms of forward looking indicators for 2014-2017 following the results of approval of Scenarios for the formation of investment programs of the Company.

Voting results:

- | | |
|---|---------------|
| 1. Sergey Alexandrovich Arkhipov | - «FOR» |
| 2. Alexander Markovich Branis | - «FOR» |
| 3. Sergey Alexandrovich Demin | - «FOR» |
| 4. Oleg Yuryevich Isaev | - «FOR» |
| 5. Madina Valeryevna Kaloeva | - «ABSTAINED» |
| 6. Alexey Valeryevich Molsky | - «FOR» |
| 7. Maxim Mikhailovich Saukh | - «FOR» |
| 8. Roman Alexeyevich Filkin | - «FOR» |
| 9. Oxana Vladimirovna Shatokhina | - «FOR» |
| 10. Alexander Viktorovich Shevchuk | - «FOR» |

Total:

«FOR»	- «9»
«AGAINST»	- «0»
«ABSTAINED»	- «1»

Decision is taken.

Item 2: On approval of the adjusted Program to increase the reliability of IDGC of Centre for 2013-2015.

Decision:

To approve the adjusted Program to increase the reliability of IDGC of Centre for 2013-2015 in accordance with Appendix # 2 to this decision of the Board of Directors of the Company.

Voting results:

- | | |
|---|---------------|
| 1. Sergey Alexandrovich Arkhipov | - «FOR» |
| 2. Alexander Markovich Branis | - «FOR» |
| 3. Sergey Alexandrovich Demin | - «FOR» |
| 4. Oleg Yuryevich Isaev | - «FOR» |
| 5. Madina Valeryevna Kaloeva | - «ABSTAINED» |
| 6. Alexey Valeryevich Molsky | - «FOR» |
| 7. Maxim Mikhailovich Saukh | - «FOR» |
| 8. Roman Alexeyevich Filkin | - «FOR» |
| 9. Oxana Vladimirovna Shatokhina | - «FOR» |
| 10. Alexander Viktorovich Shevchuk | - «FOR» |

Total:

«FOR»	- «9»
«AGAINST»	- «0»
«ABSTAINED»	- «1»

Decision is taken.

Item 3: On amendment of internal documents of the Company – the Regulations on formation, adjustment of the Investment Program and reporting preparation on its performance in IDGC of Centre, JSC.

Decision:

To defer consideration of the item at a later date.

Voting results:

- | | |
|---|---------|
| 1. Sergey Alexandrovich Arkhipov | - «FOR» |
| 2. Alexander Markovich Branis | - «FOR» |
| 3. Sergey Alexandrovich Demin | - «FOR» |
| 4. Oleg Yuryevich Isaev | - «FOR» |
| 5. Madina Valeryevna Kaloeva | - «FOR» |
| 6. Alexey Valeryevich Molsky | - «FOR» |
| 7. Maxim Mikhailovich Saukh | - «FOR» |
| 8. Roman Alexeyevich Filkin | - «FOR» |
| 9. Oxana Vladimirovna Shatokhina | - «FOR» |
| 10. Alexander Viktorovich Shevchuk | - «FOR» |

Total:

«FOR»	- «10»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Item 4: On consideration of the report of General Director of the Company «On implementation of the assignment of the Board of Directors, issued on 30.09.2013 (Minutes # 23/13 of 03.10.2013) regarding item # 9».

Decision:

1. To take into consideration the report of General Director of the Company «On implementation of the assignment of the Board of Directors, issued on 30.09.2013 (Minutes # 23/13 of 03.10.2013) regarding item # 9».

2. To amend item 2.2 of the decision of the Board of Directors of the Company dated 30.09.2013 (Minutes # 23/13 of 03.10.2013) regarding item # 9 «On consideration of the report «On the financial-economic activity of JSC “Energy Service Company” in 1H 2013», to read as follows:

«2.2. To submit to the Board of Directors of the Company the Plan to achieve break-even activity of JSC “Energy Service Company” in the 1st half of 2014, indicating the milestone dates, responsible persons, funding levels and the effect of the implementation of activities.

Deadline – no later than 31.12.2013».

Voting results:

- | | |
|---|---------------|
| 1. Sergey Alexandrovich Arkhipov | - «FOR» |
| 2. Alexander Markovich Branis | - «ABSTAINED» |
| 3. Sergey Alexandrovich Demin | - «FOR» |
| 4. Oleg Yuryevich Isaev | - «FOR» |
| 5. Madina Valeryevna Kaloeva | - «FOR» |
| 6. Alexey Valeryevich Molsky | - «FOR» |
| 7. Maxim Mikhailovich Saukh | - «FOR» |
| 8. Roman Alexeyevich Filkin | - «ABSTAINED» |
| 9. Oxana Vladimirovna Shatokhina | - «FOR» |
| 10. Alexander Viktorovich Shevchuk | - «ABSTAINED» |

Total:

«FOR»	- «7»
«AGAINST»	- «0»
«ABSTAINED»	- «3»

Decision is taken.

Item 5: On approval of annual and quarterly target values of key performance indicators of General Director and senior managers of the Company for 2013.

Decision:

1. To approve the adjusted annual and quarterly target values of key performance indicators of General Director and senior managers of the Company for 2013 in accordance with Appendix # 3 to this decision of the Board of Directors of the Company.
2. In connection with the taking over by the Company of the function of an electricity supplier of last resort in a number of regions in the service area of the Company (Order of the Ministry of Energy of Russia dated 24.01.2013 # 25, 26, 28, "Assignment of the status of a supplier of last resort to a territorial grid organization" and Order of the Ministry of Energy of Russia dated 25.04.2013 # 210 "Assignment of the status of a supplier of last resort to a territorial grid organization"), to take into account this factor as significant and objective in the calculation and evaluation of the performance of target values of key performance indicators of General Director and senior managers of the Company.

Voting results:

- | | |
|---|---------------|
| 1. Sergey Alexandrovich Arkhipov | - «FOR» |
| 2. Alexander Markovich Branis | - «ABSTAINED» |
| 3. Sergey Alexandrovich Demin | - «FOR» |
| 4. Oleg Yuryevich Isaev | - «FOR» |
| 5. Madina Valeryevna Kaloeva | - «FOR» |
| 6. Alexey Valeryevich Molsky | - «FOR» |
| 7. Maxim Mikhailovich Saukh | - «FOR» |
| 8. Roman Alexeyevich Filkin | - «ABSTAINED» |
| 9. Oxana Vladimirovna Shatokhina | - «FOR» |
| 10. Alexander Viktorovich Shevchuk | - «ABSTAINED» |

Total:

«FOR»	- «7»
«AGAINST»	- «0»
«ABSTAINED»	- «3»

Decision is taken.

Item 6: On approval of Agreement to perform design and survey work (EAD to calculate the influence on the operation mode of «Substation 110/10 kV «Renaissance»»), concluded between Joint Stock Company “North-West Power Engineering Center” and IDGC of Centre, which is a related party transaction.

Decision:

1. To determine that the price of the Agreement to perform design and survey work (EAD to calculate the influence on the operation mode of «Substation 110/10 kV «Renaissance»»), concluded between IDGC of Centre and Joint Stock Company “North-West Power Engineering Center”, which is a related party transaction, in accordance with the Minutes of meeting of the Tender Commission for the evaluation of the Bids and selection of the Winner of the tender and estimates for the design (survey) work (Appendix # 2 to the Agreement), is 800 000,00 (Eight hundred thousand) rubles 00 kopecks, plus VAT that is 144 000,00 (One hundred and forty four thousand) rubles 00 kopecks.

The total cost of the work with VAT under the Agreement amounts to 944 000,00 (Nine hundred and forty-four thousand) rubles 00 kopecks.

2. To approve the Agreement to perform design and survey work (EAD to calculate the influence on the operation mode of «Substation 110/10 kV «Renaissance»»), concluded between IDGC of Centre and Joint Stock Company “North-West Power Engineering Center”,

which is a related party transaction (Appendix # 4 to this decision of the Board of Directors of the Company), on the following essential conditions:

Subject of the Agreement:

Contractor undertakes as requested by Customer to perform EAD to calculate the influence on the operation mode of «Substation 110/10 kV «Renaissance», located at the address: Kursk region, Pristensky district, settlement of Kirovsky, in accordance with Appendix #1 to the Agreement and deliver the results to Customer, and Customer agrees to accept the result of work and pay for it in the manner provided by the Agreement.

The content and scope of work, technical, economic and other requirements for the work are specified in the Terms of Reference (Appendix #1 to the Agreement).

Stages and turnaround time to perform the work by Contractor are set out in the Work Schedule (Appendix #4 to the Agreement).

Parties of the Agreement:

«Customer» - IDGC of Centre;

«Contractor» - Joint Stock Company “North-West Power Engineering Center”.

Price of the Agreement:

Price of the Agreement in accordance with the Minutes of meeting of the Tender Commission for the evaluation of the Bids and selection of the Winner of the tender and estimates for the design (survey) work (Appendix # 2 to the Agreement) is 800 000,00 (Eight hundred thousand) rubles 00 kopecks, plus VAT that is 144 000,00 (One hundred and forty four thousand) rubles 00 kopecks.

The total cost of the work with VAT under the Agreement amounts to 944 000,00 (Nine hundred and forty-four thousand) rubles 00 kopecks.

Turnaround time:

Start of work performance – 09.09.2013;

Completion of work performance – 14.10.2013.

Execution of work is performed in accordance with the Work Schedule, which is Appendix #4 to the Agreement.

Other provisions recognized as essential by the parties:

Under the Agreement Contractor shall:

With own forces and resources perform the work under the Agreement in accordance with the Terms of Reference (Appendix # 1 to the Agreement) in full, in accordance with the Work Schedule (Appendix # 4 to the Agreement) with the indicated stages and turnaround time to perform the work following the deadlines and in the manner provided for by the Agreement, transfer the results of work to Customer with the act of acceptance of work performed, signed on his part.

Agree upon the completed design and estimate documentation with Customer, with inspecting agencies, state agencies, local governments and other organizations in accordance with the laws of the Russian Federation.

Before accepting the work by Customer ensure receipt of some positive conclusion of the examination at the authorized bodies of state power and bodies accredited by the Federal State Organization "Energy Security".

At no expense adjust the design and estimate documentation on the comments of the coordinating organizations and the state examination. When deficiencies are found in the documentation at the request of Customer free of cost modify the technical documentation within additionally established by the Parties terms and compensate the losses due to the shortcomings. Conducting a second state examination and examination at the bodies accredited by the Federal State Organization "Energy Security" is performed by Contractor at his own expense.

When performing the work not infringe the rights of third parties arising from the use of any

patents, trademarks, copyrights, or other intellectual property, as well as indemnify Customer against possible lawsuits, claims, demands and requests of third parties relating to such infringement.

Use the source data received from Customer, as well as other documents and information only for the purposes provided for in this Agreement, not disclose and not transfer them to third parties without the written consent of Customer.

Comply with the requirements contained in the Terms of Reference (Appendix # 1 to the Agreement), the initial data for the performance of work under this Agreement, in the technical regulations, Construction Directives and Rules, Standards, Sanitary Regulations and Standards, engineering standards and other documents and have the right to deviate from them only with the consent of Customer.

Alone (without the involvement of sub-contractors) perform the work, the total cost of which shall be not less than 50% of the price of the Agreement.

The methods and conditions of payment to Contractor under the Agreement are as follows:

In accordance with the "Schedule of payment for work" – by wire transfer within 30 (thirty) days after signing the Certificate of Completion by the Parties and delivery of the invoice.

Settlements under the Agreement are made in accordance with the Schedule of payment for work (Appendix #3 to the Agreement) with payment orders by transferring funds in rubles to the bank account of Contractor specified in the Agreement or otherwise agreed by the Parties.

Overrunning the scope and cost of work by Contractor, not confirmed with a corresponding amendment by the Parties, shall be paid by Contractor at his own expense, provided that they are not caused by the failure of Customer to perform his obligations.

Duration of the Agreement:

The Agreement shall enter into force upon signature and is valid until the Parties fulfill their obligations in full (including warranty). The Agreement covers legal relations between the parties arising from 09.09.2013.

Voting results:

The member of the Board of Directors of IDGC of Centre, O.Y. Isaev, did not take part in the voting on this item, recognized as a dependent director in accordance with paragraph 3 of Article 83 of the Federal Law «On Joint Stock Companies».

- | | |
|--|---------------|
| 1. Sergey Alexandrovich Arkhipov | - «FOR» |
| 2. Alexander Markovich Branis | - «ABSTAINED» |
| 3. Sergey Alexandrovich Demin | - «FOR» |
| 4. Madina Valeryevna Kaloeva | - «FOR» |
| 5. Alexey Valeryevich Molsky | - «FOR» |
| 6. Maxim Mikhailovich Saukh | - «FOR» |
| 7. Roman Alexeyevich Filkin | - «ABSTAINED» |
| 8. Oxana Vladimirovna Shatokhina | - «FOR» |
| 9. Alexander Viktorovich Shevchuk | - «ABSTAINED» |

Total:

«FOR»	- «6»
«AGAINST»	- «0»
«ABSTAINED»	- «3»

Decision is taken.

Item 7. On determination of the position of IDGC of Centre regarding the agenda item of a meeting of the Board of Directors of JSC “Yargorelectroset”: On consideration of the Investment program of the Company for 2014 -2016.

Decision:

To defer consideration of the item at a later date.

Voting results:

- | | |
|---|---------|
| 1. Sergey Alexandrovich Arkhipov | - «FOR» |
| 2. Alexander Markovich Branis | - «FOR» |
| 3. Sergey Alexandrovich Demin | - «FOR» |
| 4. Oleg Yuryevich Isaev | - «FOR» |
| 5. Madina Valeryevna Kaloeva | - «FOR» |
| 6. Alexey Valeryevich Molsky | - «FOR» |
| 7. Maxim Mikhailovich Saukh | - «FOR» |
| 8. Roman Alexeyevich Filkin | - «FOR» |
| 9. Oxana Vladimirovna Shatokhina | - «FOR» |
| 10. Alexander Viktorovich Shevchuk | - «FOR» |

Total:

«FOR»	- «10»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Appendices:

1. The adjusted Program to consolidate electric grid assets of IDGC of Centre for 2011-2017 (Appendix # 1).
2. The adjusted Program to increase the reliability of IDGC of Centre for 2013-2015 (Appendix # 2).
3. The adjusted annual target values of key performance indicators of IDGC of Centre for 2013 (Appendix # 3).
4. Agreement to perform design and survey work (EAD to calculate the influence on the operation mode of «Substation 110/10 kV «Renaissance»»), concluded between IDGC of Centre and Joint Stock Company “North-West Power Engineering Center” (Appendix # 4).

**Chairman of the Board of Directors
of IDGC of Centre**

S.A. Arkhipov

**Corporate Secretary
of IDGC of Centre**

S.V. Lapinskaya