

MINUTES of the meeting of the Board of Directors of JSC “IDGC of Center and North Caucasus” (in the form of postal voting) December 3, 2007

Interregional Distribution Grid Company of the Center
Joint-Stock Company
JSC IDGC of the Center
Moscow, Glukharev lane 4/2

Minutes

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

December 03, 2007

№ 10/07

Form of carrying out: **absent voting.**

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

Participants of the voting: **Burnashev D.A., Demin A.A., Zemlyansky I.I., Kachay A.R., Klaptsov A.V., Kolesnikov A.S., Kravchenko V.M., Makarov E.F., Misrikhanov M.Sh., Okley P.I.**

Persons who did not file in the census paper: **Branis A.M.**

Quorum: **present**

Absence of objections on the part of inspector of FAS Russia – Chief of the Control Management of Fuel and Energy Complex Pirozhenko A.A. was taken into account in the course of execution of the minutes.

AGENDA:

1. On examination of the information of the Reliability Committee of the Board of Directors of IDGC of the Center on the state of the fixed assets of the grid facilities answerable to DGC for quarter 3, 2007.
2. On examination of the report of General Director of JSC IDGC of the Center on preparation of the Company for work in autumn - winter period of 2007-2008.
3. On prolongation of labour relations with General Director of JSC IDGC of the Center Makarov Evgeniy Fyodorovich and amendment to the labour contract.
4. On amendment to Regulation On Material Incentive Of the Top Managers Of the Company.
5. On adoption of Standard of Client Service of JSC IDGC of the Center.
6. On adoption of the Program of insurance coverage of JSC IDGC of the Center for 2008.
7. On approval of the additional agreement to the contract on service rendering that is concluded with JSC Corporate Service Systems and is a transaction the subject of which is property, work and services the cost of which is from 5 to 25 percent of the balance cost of the assets of the Company.
8. On the priority direction of the activity of the Company: On organisation and

maintenance of development in Relay Protection and Automatic Equipment area in JSC IDGC of the Center.

9. On recommendations given to the general meeting of shareholders of JSC IDGC of the Center on item On Reorganization of JSC IDGC of the Center in the Form of joining to it of JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo, JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Smolenskenergo, JSC Tambovenergo, JSC Twerenergo, JSC Yarenergo and on adoption of the Contract on joining to JSC IDGC of the Center of JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Smolenskenergo, JSC Tambovenergo, JSC Twerenergo, JSC Yarenergo .

10. On recommendations to the general meeting of shareholders of JSC IDGC of the Center on the items On Increase of the Authorised Capital Of JSC IDGC Of the Center By Placing Of Additional Shares Via Converting In Them Of Shares Of the Incorporated Companies.

11. On definition of the price of placing of additional ordinary shares of JSC IDGC of the Center, placed via private offering.

12. On recommendations to the general meeting of shareholders of JSC IDGC of the Center on item On Increase of the Authorised Capital of JSC IDGC of the Center by placing of additional ordinary shares via private offering.

13. On definition of the monetary value of the property which is to be paid for additional ordinary shares of JSC IDGC of the Center, placed via private offering.

ITEM № 1: On consideration of the information of Reliability Committee of the Board of Directors of JSC IDGC of the Center on the state of the fixed assets of power facilities subordinate to IDGC for quarter 3, 2007.

RESOLUTION:

To take into consideration the report of Reliability Committee of the Board of Directors of JSC IDGC of the Center on the state of the fixed assets of power facilities of DGC (JSC "energo") included into the zone of responsibility of JSC IDGC of the Center for quarter 3, 2007.

Voting results:

Resolution was approved unanimously.

ITEM № 2: On consideration of the report of General Director of JSC IDGC of the Center on preparation of the Company for work in autumn - winter period of 2007-2008.

RESOLUTION:

To take into consideration the report of General Director of JSC IDGC of the Center on preparation of the Company for work in autumn - winter period of 2007-2008.

Voting results:

Resolution was approved unanimously.

ITEM № 3: On prolongation of labour relations with General Director of JSC IDGC of the Center Makarov Evgeniy Fyodorovich and amendment to the labour contract.

RESOLUTION:

To authorise Chairman of the Management Board of JSC RAO UES of Russia Chubais Anatoliy Borisovich to define conditions of the labour contract with General Director of JSC IDGC of the

Center Makarov Evgeniy Fyodorovich , including its validity, to sign the labour contract and additional agreements to it.

Voting results:

Resolution was approved unanimously.

ITEM № 4: On amendment to Regulation on Material Incentive of the Top Managers of the Company.

RESOLUTION:

To make amendments to Regulation Material Incentive of the Top Managers of the Company, adopted by the resolution of the Board of Directors as of April 17, 2007 (minutes № 03/07), according to Appendix №1 to the present resolution of the Board of Directors.

Voting results:

Resolution was approved unanimously.

ITEM № 5: On the adoption of the Standard of Client Service of JSC IDGC of the Center.

RESOLUTION:

To adopt the Standard of Client Service of JSC IDGC of the Center according to Appendix №2 to the present resolution of the Board of Directors.

Voting results:

Resolution was approved unanimously.

ITEM № 6: On adoption of Program of Insurance Coverage of JSC IDGC of the Center for 2008.

RESOLUTION:

To adopt Program of Insurance Coverage of JSC IDGC of the Center for 2008 according to Appendix №3 to the present resolution of the Board of Directors under the following essential conditions:

- the total amount of the insurance premium under the Program is 14 771 232 rbl., including:
- the volume of the insurance premium which is to be paid in 2008 - 14 711 732 rbl.

Voting results:

Klaptsov Alexey Vitalevich voted against

Resolution was approved by the majority of votes.

ITEM № 7: On approval of the additional agreement to the contract on service rendering that is to be concluded with JSC Corporate Service Systems and is a transaction the subject of which is the property, work and services the cost of which is from 5 to 25 percent of the balance cost of the assets of the Company.

RESOLUTION:

To approve the additional agreement to the contract on rendering of services on providing access to the informational system of modeling of the activity of the Company on the basis of ARIS toolkit; on providing access to the corporate informational management system on the basis of SAP AG products; on providing access to workplaces of the system of operational management of the activity of Motiw company; on technical and installation support of Portal of Operative Reporting(POR) made between JSC IDGC of the Center and JSC Corporate Service

Systems according to the conditions presented in Appendix № 4 to the present resolution of the Board of Directors.

Voting results:

Klaptsov Alexey Vitalevich refrained from voting

Resolution was approved by the majority of votes.

ITEM № 8: On the main direction of the activity of the Company: On organisation and maintenance of development of Relay Protection and Automatic Equipment area of JSC IDGC of the Center.

RESOLUTION:

1. To consider the organisation and maintenance of development of Relay Protection and Automatic Equipment area in JSC IDGC of the Center as the main direction of the activity of the Company.
2. To approve joining to the Standard of Organisation of JSC RAO UES of Russia of Relay Protection and Automatic Equipment, and Automatic Protective Devices, Organisation of Interaction of Services of Relay Protection and Automatic Equipment in UES of Russia. To consider the specified standard as the internal local document that is obligatory for application and execution in JSC IDGC of the Center.

Voting results:

Resolution was approved unanimously.

ITEM № 9: On recommendations to the general meeting of shareholders of JSC IDGC of the Center on items: On Reorganization of JSC IDGC of the Center in the Form of incorporation to it of JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo, JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Smolenskenergo, JSC Tambovenergo, JSC Twerenergo, JSC Yarenergo and on adoption of the Contract on incorporation to JSC IDGC of the Center of JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Smolenskenergo, JSC Tambovenergo, JSC Twerenergo, JSC Yarenergo.

RESOLUTION:

To recommend to the general meeting of shareholders of JSC IDGC of the Center concerning the agenda: On Reorganization of JSC IDGC of the Center in the Form of incorporation to it of JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo, JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Smolenskenergo, JSC Tambovenergo, JSC Twerenergo, JSC Yarenergo and on adoption of the Contract on incorporation to JSC IDGC of the Center of JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Smolenskenergo, JSC Tambovenergo, JSC Twerenergo, JSC Yarenergo to adopt the following resolution:

1. To reorganise JSC IDGC of the Center in the form of incorporation to it of JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo, JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Smolenskenergo, JSC Tambovenergo, JSC Twerenergo, JSC Yarenergo under the conditions provided by the Contract on incorporation to JSC IDGC of the Center of JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Smolenskenergo, JSC Tambovenergo, JSC Twerenergo, JSC Yarenergo.

2. To adopt the Contract on incorporation to JSC IDGC of the Center of JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Smolenskenergo, JSC Tambovenergo, JSC Twerenergo, JSC Yarenergo.

Voting results:

RESOLUTION is accepted unanimously.

ITEM № 10: On recommendations to the general meeting of shareholders of JSC IDGC of the Center on the item On Increase Of the Authorised Capital of JSC IDGC Of the Center By Placing of Additional Shares Via Converting In Them of Shares Of the Incorporated Companies.

RESOLUTION:

To recommend to the general meeting of shareholders of JSC IDGC of the Center on agenda item On Increase Of the Authorised Capital of JSC IDGC of the Center By Placing of Additional Shares Via Converting In Them of Shares Of the Incorporated Companies to make the following decision:

1. To increase the authorized capital of JSC IDGC of the Center by placing of additional ordinary nominal shares in the amount of 42 118 200 000 (Forty two billion one hundred eighteen million two hundred thousand) pieces of ordinary nominal shares with par value of 10 (Ten) kopecks each according to the total sum with par value of 4 211 820 000 (Four billion two hundred eleven million eight hundred twenty thousand) rubles.

2. Way of placing - converting of shares of JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Smolenskenergo, JSC Tambovenergo, JSC Twerenergo, JSC Yarenergo, (later each of them will be referred to as the Incorporated Company, and together they will be referred to as Incorporated Companies), incorporated to JSC IDGC of the Center, into additional ordinary nominal shares of JSC IDGC of the Center, in the order provided by the Contract on joining to JSC IDGC of the Center of JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Smolenskenergo, JSC Tambovenergo, JSC Twerenergo, JSC Yarenergo.

Factors of converting of the shares of JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Smolenskenergo, JSC Tambovenergo, JSC Twerenergo, JSC Yarenergo into additional ordinary shares of JSC IDGC of the Center:

Into 1 (One) additional ordinary share of JSC IDGC of the Center with par value of 10 (Ten) kopecks it is converted:

78000/738687280 of the ordinary share of JSC Belgorodenergo with par value of 3800 (Three thousand eight hundred) rubles;

78000/676489811 of the preference share of type A of JSC Belgorodenergo with par value of 3800 (Three thousand eight hundred) rubles;

78000/18572663 of the ordinary share of JSC Bryanskenergo with par value of 10 (Ten) rubles;

78000/17008845 of the preference share of type A of JSC Bryanskenergo with par value of 10 (Ten) rubles;

78000/7453771 of the ordinary share of JSC Voronezhenergo with par value of 10 (Ten) rubles;

78000/6826164 of the preference share of type A of JSC Voronezhenergo with par value

of 10 (Ten) rubles;
78000/327431 of the ordinary share of JSC Kostromaenergo with par value of 25 (Twenty five) kopecks;
78000/299862 of the preference share of type A of JSC Kostromaenergo with par value of 25 (Twenty five) kopecks;
78000/212429 of the ordinary share of JSC Kurskenergo with par value of 1 (One) ruble;
78000/194542 of the preference share of type A of JSC Kurskenergo with par value of 1 (One) ruble;
78000/1798460 of the ordinary share of JSC Lipetskenergo with par value of 1 (One) ruble;
78000/542455 of the ordinary share of JSC Orelenergo with par value of 3 (Three) rubles of 50 kopecks;
78000/496780 of the preference share of type A of JSC Orelenergo with par value of 3 (Three) rubles of 50 kopecks;
78000/918754 of the ordinary share of JSC Smolenskenergo with par value of 1 (One) ruble.
78000/841395 of the preference share of type A of JSC Smolenskenergo with par value of 1 (One) ruble;
78000/73076 of the ordinary shares of JSC Tambovenergo with par value of 1 (One) ruble.
78000/66923 of the preference share of type A of JSC Tambovenergo with par value of 1 (One) ruble;
78000/371625 of the ordinary shares of JSC Twerenergo with par value of 1 (One) ruble.
78000/340334 of the preference share of type A of JSC Twerenergo with par value of 1 (One) ruble;
78000/13948314 of the ordinary shares of JSC Yarenergo with par value of 50 (Fifty) rubles.
78000/12773866 of the preference share of type A JSC Yarenergo with par value of 50 (Fifty) rubles.

If after calculation of the quantity of shares of JSC IDGC of the Center which the shareholder of the Incorporated Company must receive as a result of converting, the settlement number of shares of any shareholder is fractional, the fractional part of such number of shares is to be rounded according to the following rules:

If the figure directly after the comma is from 5 to 9 then 1 is added to the whole number and figures after the comma are not taken into account;

If the figure directly after the comma is from 0 to 4 then only the whole number (but not the figures following the comma) is taken into account;

If in the result of rounding no share is due and owing to a shareholder the shareholder receives one ordinary nominal share of JSC IDGC of the Center.

ITEM № 11: On definition of the price of placing of additional ordinary shares of JSC IDGC of the Center, placed via private offering.

RESOLUTION:

To define, that the price of placing of the additional ordinary shares placed via private offering, equals 0,78000 rbl. for 1 (One) additional ordinary share of JSC IDGC of the Center.

Voting results:

Resolution was approved unanimously.

ITEM № 12: On recommendations to the general meeting of shareholders of JSC IDGC of the Center on item On Increase Of the authorised Capital Of JSC IDGC Of the Center By Placing Of Additional Ordinary Shares Via Private Offering.

RESOLUTION:

To recommend to the general meeting of shareholders of JSC IDGC of the Center concerning the agenda On Increase Of the authorised Capital Of JSC IDGC Of the Center By Placing Of Additional Ordinary Shares Via Private Offering to adopt the following resolution:

1. To increase the authorized capital of JSC IDGC of the Center by placing of additional ordinary nominal shares in the amount of 21 106 473 495 (Twenty one billion one hundred six million four hundred seventy three thousand four hundred ninety five) pieces of ordinary nominal shares with par value of 10 (Ten) kopecks each according to the total sum with par value of 2 110 647 349 (Two billion one hundred ten million six hundred forty seven thousand three hundred forty nine) rubles 50 kopecks;

2. Way of placing - private offering; quarter who are supposed to be given additional ordinary shares: JSC RAO UES of Russia.

3. Price of stock floatation: 0,78000 rubles for 1 (One) additional ordinary share;

4. Form of payment of additional shares:

4.1. Payment of additional ordinary shares of JSC IDGC of the Center is carried out by means of property - by shares of JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Smolenskenergo, JSC Tambovenergo, JSC Twerenergo, JSC Yarenergo.

4.2. The monetary value of the property which is paid in for the placed additional shares, is defined by the Board of Directors of JSC IDGC according to articles 34, 77 of Federal Law On Joint-Stock Companies taking into account the conclusion of the independent appraiser - a consortium of the independent appraisal organisations (JSC Ernst and Young, JSC NP Consult, JSC International Valuation Center) on the market value of such property.

5. The order of payment of additional shares:

5.1. On the basis of the concluded barter, the shares of one or several joint-stock companies are paid for additional ordinary shares of JSC IDGC of the Center. These joint-stock companies are JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Smolenskenergo, JSC Tambovenergo, JSC Twerenergo, JSC Yarenergo.

In payment of 1 (One) additional ordinary share of JSC IDGC of the Center are accepted: 78000/738687280 of the ordinary share of JSC Belgorodenergo with par value of 3800 (Three thousand eight hundred) rubles;

78000/18572663 of the ordinary share of JSC Bryanskenergo with par value of 10 (Ten) rubles;

78000/7453771 of the ordinary share of JSC Voronezhenergo with par value of 10 (Ten) rubles;

78000/327431 of the ordinary share of JSC Kostromaenergo with par value of 25 (Twenty five) kopecks;

78000/212429 of the ordinary share of JSC Kurskenergo with par value of 1 (One) ruble;
78000/1798460 of the ordinary share of JSC Lipetskenergo with par value of 1 (One) ruble;

78000/542455 of the ordinary share of JSC Orelenergo with par value of 3 (Three) rubles of 50 kopecks;

78000/918754 of the ordinary share of JSC Smolenskenergo with par value of 1 (One) ruble.

78000/73076 of the ordinary share of JSC Tambovenergo with par value of 1 (One) ruble.

78000/371625 of the ordinary share of JSC Twerenergo with par value of 1 (One) ruble.

78000/13948314 of the ordinary share of JSC Yarenergo with par value of 50 (Fifty) rubles.

5.2. Only the whole quantity of the specified shares necessary for payment at least for one additional ordinary share of JSC IDGC of the Center is approved for payment.

If after calculation of the quantity of shares of JSC IDGC of the Center which JSC RAO UES of Russia should receive the settlement number of its due and owing shares is fractional, the specified fractional part in calculation of quantity of additional nominal shares of JSC IDGC of the Center which JSC RAO UES of Russia should receive is not considered, and only the whole number is taken into account in calculation.

Voting results:

The resolution was approved unanimously.

ITEM № 13: On definition of the monetary value of the property which is to be paid for additional ordinary shares of JSC IDGC of the Center, placed via private offering.

RESOLUTION:

1. To determine that the monetary value of the property which is to be paid for additional ordinary shares of JSC IDGC of the Center, taking into account the conclusion of the independent appraiser - a consortium of the independent appraisal organisations (JSC Ernst and Young, JSC NP Consult, JSC International Valuation Center) on the market value of such property, equals:

579 096 ordinary shares of JSC Belgorodenergo with par value of 3 800 (Three thousand eight hundred) rubles each in the amount of 4 277 708 490,99 (Four billion two hundred seventy seven million seven hundred eight thousand four hundred ninety) rubles 99 kopecks;

6 200 550 ordinary shares of JSC Bryanskenergo with par value of 10 (Ten) rubles each in the amount of 1 151 607 255,65 (One billion hundred fifty one million six hundred seven thousand two hundred fifty five) rubles 65 kopecks;

36 693 572 ordinary shares of JSC Voronezhenergo with par value of 10 (Ten) rubles each in the amount of 2 735 054 828,60 (Two billion seven hundred thirty five million fifty four thousand eight hundred twenty eight) rubles 60 kopecks;

267 212 160 ordinary shares of JSC Kostromaenergo with par value of 25 (Twenty five) kopecks each in the amount of 874 935 447,61 (Eight hundred seventy four million nine hundred thirty five thousand four hundred forty seven) rubles 61 copeck;

678 759 480 ordinary shares of JSC Kurskenergo with par value of 1 (One) ruble each in the amount of 1 441 881 975,77 (One billion four hundred forty one million eight

hundred eighty one thousand nine hundred seventy five) rubles 77 kopecks;
76 232 559 ordinary shares of JSC Lipetskenenergo with par value of 1 (One) ruble each in the amount of 1 371 012 080,59 (One billion three hundred seventy one million twelve thousand eighty) rubles 59 kopecks;
116 197 700 ordinary shares of JSC Orelenergo with par value of 3 (Three) rubles 50 kopecks each in the amount of 630 320 233,54 (Six hundred thirty million three hundred twenty thousand two hundred thirty three) rubles 54 kopecks;
118 132 911 ordinary shares of JSC Smolenskenergo with par value of 1 (One) ruble each in the amount of 1 085 350 845,13 (One billion eighty five million three hundred fifty thousand eight hundred forty five) rubles 13 kopecks;
854 759 230 ordinary shares of JSC Tambovenergo with par value of 1 (One) ruble each in the amount of 624 623 854,91 (Six hundred twenty four million six hundred twenty three thousand eight hundred fifty four) ruble 91 kopeck;
226 142 000 ordinary shares of JSC Twerenergo with par value of 1 (One) ruble each in the amount of 840 400 207,50 (Eight hundred forty millions four hundred thousand two hundred seven) rubles 50 kopecks;
10 253 240 ordinary shares of JSC Yarenergo with par value of 50 (Fifty) rubles each in the amount of 1 430 154 110,37 (One billion four hundred thirty million hundred fifty four thousand hundred ten) rubles 37 kopecks.

Voting results:

The resolution was approved unanimously.

**Chairman
of the Board of Directors A.A. Demin**

Corporate Secretary N.Yu.Kashtanova