

**Public Limited Company “Interregional Distribution Networks Company of
the Center and Northern Caucasus”
170001, City of Tver, prospect Kalinina, 55**

MINUTES

Meeting of the Board of Directors of
“IDGC of the Center and Northern Caucasus”PLC
(in the form of postal voting)

August 12, 2005

No006/05

Moscow

Meeting mode: **postal voting**

Total number of the members of the Board of Directors: **9 people**

Participated in the voting: **A. Rappoport, A. Branis, D. Burnashev, A. Demin, E. Makarov, A. Nikulov, M. Tuzov, A. Chikunov, A. Chistyakov**

Failed to submit inquiry forms: **none**

Quorum **secured**

Agenda:

1. On the approval of the Provisions on material incentives of the Director General of “IDGC of the Center and Northern Caucasus”PLC.
2. On the approval of the Provisions on material incentives for the top managers of “IDGC of the Center and Northern Caucasus”PLC.
3. On the limitation to the Director General of the Company and to each top manager on all kinds of remunerations in the Boards of Directors of the companies, as well as in the committees of the Boards of Directors of the companies in the amount of 10 monthly salaries for calendar year.
4. On setting the priority guidelines of the activities of the Company on the formation of financial reporting based on ISFA.
5. On the approval of the rent price of non accommodation premises according to the Contract between “Kesko-M” Ltd. and “IDGC of the Central and Northern Caucasus” PLC.
6. On the approval of the Contract on non accommodation premises rent between “Kesko-M” Ltd. and “IDGC of the Center and Northern Caucasus”PLC.
7. On setting the priority guidelines on the approval of Company symbols.

Item No1: On the approval of the Provisions on material incentives of the Director General of “IDGC of the Center and Northern Caucasus” PLC.

Resolution:

The resolution on the given item shall not be disclosed.

Item No2: On the approval of the Provisions on material incentives for the top managers of the PJSC “IDGC of the North and North Caucasus”.

Resolution:

Adjourn the consideration of this item until later.

The resolution is passed.

Voting results:

“YES” 9

“NO” 0

“Abstained” 0

The resolution is passed.

Item No3: On the limitation of the Director General of the Company and of each top manager on all kinds of remunerations in the Boards of Directors of the companies, as well as in the committees of the Boards of Directors of the companies to the amount of 10 monthly salaries for a calendar year.

Resolution:

Limit the Director General of the Company and each top manager on all kinds of remunerations in the Boards of Directors of the companies included in the group of RJSC “UES”PLC, as well as in the committees of the Boards of Directors of the companies to the amount of 10 monthly salaries for a calendar year.

Voting results:

“YES” 8

“NO” 1

“Abstained” 0

The resolution is passed.

Item No4: On setting the priority guidelines of the activities of the Company on the formation of financial reporting based on ISFA.

Resolution:

1. Formation of the financial reporting based on ISFA shall be considered as a priority activity of the Company.

2. Instruct the Director General of the Company to ensure:

- the formation of the financial reporting based on ISFA for 2005;
- setting up a department in the Company on the formation of financial reporting based on ISFA;
- personnel training of the given department of the Company in accordance with the curriculum of the course and training schedule.

Voting results:

“YES” 9

“NO” 0

“Abstained” 0

The resolution is passed.

Item No5: On the approval of the rent price of non accommodation premises according to the Contract between “Kesko-M” Ltd. and “IDGC of the Center and Northern Caucasus”PLC.

Resolution:

Approve the rent price on the Contract of rent of non accommodation premises in the amount of 491 (four hundred and ninety one) US dollar and 53 cents per square meter per year.

Voting results:

“YES”	9
“NO”	0
“Abstained”	0

The resolution is passed.

Item 6: On the approval of the Contract of rent of non accommodation premises between “Kesko-M” Ltd. and “IDGC of the Center and Northern Caucasus”PLC.

Resolution:

1. Approve the signing of the Contract of rent of non accommodation premises between “Kesko-M” Ltd. and “IDGC of the Center and Northern Caucasus”PLC on the following essential terms:

1.1. The Parties of the Contract:

Lessor: “Kesko-M” Ltd.

Lessee: “IDGC of the Center and Northern Caucasus”PLC.

1.2. Subject of the Contract: The Lessor shall let and the Lessee shall rent non accommodation premises located in the building at the address: City of Moscow, Zhivarev lane, #2/4, building 1 and stipulated in Annex 1 being the integral part of the Contract of rent, for the accommodation of the administrative staff.

The Lessor shall be the owner of non accommodation premises , which is proved by the Certificate of Ownership No77 HH 059034 of August 7, 2001, issued by Moscow City Committee on the state registration on rights for real estate and deals.

1.3. Value of the Contract: Rent price for the rented according to the Contract premises shall be in the amount of 580.00 (five hundred and eighty) US dollars including VAT of 88.47 US dollars per square meter per year.

1.4. The area of the rented premises shall be 776 square meters.

1.5. Other essential terms of the Contract: Payments shall be effected by the Lessee in Russian Rubles at the rate of the CB of Russia on the day of the payment in accordance with the settlement bills put forward once a month by way of bank transfer to the account of the Lessor before the 15th day of the current month.

Payments of bank expenses on the transactions including commission of the banks correspondents shall be effected at the Lessee’s expense.

The cost of heating, energy supply, hot and cold running water supply as well as other communal utility services and daily cleaning of the premises rented by the Lessor shall be included in the rent price. Other services provided by the Lessor shall be paid separately by signing separate contracts.

The Lessor shall be entitled to unilaterally change the amount of the rent price in case of centralized changes of prices for heating, energy supply, hot and cold running water supply by way of written notification of the Lessee on the matter. The rent price shall be considered altered since the date of the reception by the

Lessee of the written notification of the Lessor on the introduction of the new rent price.

1.6. The validity of the Contract shall be established from August 1, 2005 till December 31, 2005.

Voting results:

“YES” 9

“NO” 0

“Abstained” 0

The resolution is passed.

Item7: On setting the priority guidelines on the approval of Company symbols.

Resolution:

Approve the symbols of the Company in accordance with Annex 2 of the enquiry form.

Voting results:

“YES” 9

“NO” 0

“Abstained” 0

The resolution is passed.

Chairperson of the Board of Directors

A. Rappoport

Secretary of the Board of Directors

K. Kotikov