

MINUTES of the meeting of the Board of Directors of JSC “IDGC of Center and North Caucasus” (in the form of postal voting) June 19, 2007

Interregional Distribution Grid Company of the Center and North Caucasus
Joint-Stock Company
JSC IDGC of the Center and North Caucasus
170001, Twer, Kalinina avenue 55

Minutes
of meeting of the Board of Directors
of JSC IDGC of the Center and North Caucasus
(in the form of absent voting)

June 19, 2007

№ 05/07

Moscow

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

Total number of members of the Board of Directors: **9 persons.**

Participants of the voting: **Burnashev D.A., Demin A.A., Zubakin V.A., Kravchenko V.M., Makarov E.F., Nikulov A.E., Rappoport A.N., Chistyakov A.N.**

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

Quorum: **present**

The opinion of member of FAS Russia – Executive Head of Twer OFAS Demina I.S. was taken into account during execution of the minutes.

THE AGENDA:

1. On examination of the report of General Director of JSC IDGC of the Center and North Caucasus on execution of the business plan of the Company for 2006.
2. On non-recurrent bonus of General Director for stable performance during the autumn and winter period (AWP) for 2006/2007
3. On adoption of the new version of the Regulation On Material Incentive of General Director of JSC IDGC of the Center and North Caucasus.
4. On amendment to the Regulations of business planning in the form of appendix to the Standard of business planning of JSC IDGC of the Center and North Caucasus.
5. On organisation of insurance coverage of JSC IDGC of the Center and North Caucasus.
6. On change of the resolution of the Board of Directors of the Company as of May 18, 2007 (Minutes № 04/07) on item № 8 On Adoption of the Program Of Realisation the Ecological Policy Of the Company for 2007.

ITEM № 1: On examination of the report of General Director of JSC IDGC of the Center and North Caucasus on execution of the business plan of the Company for 2006.

RESOLUTION:

To adopt the report on execution of the business plan for 2006 according to the appendix.

Voting results:

Resolution was approved unanimously.

ITEM № 2: On non-reccurent bonus of General Director for stable performance during autumn and winter period (AWP) for 2006/2007

RESOLUTION:

To postpone the consideration of the given item

ITEM № 3: On adoption of the new version of the Regulation On Material Incentive of General Directors of JSC IDGC of the Center and North Caucasus.

RESOLUTION:

1. To acknowledge as invalid since January 01, 2007 the Regulation On Material Incentive of General Director of JSC IDGC of the Center and North Caucasus adopted by the resolution of the Board of Directors as of September 07, 2006 (minutes № 008/06)
2. To adopt the Regulation On Material Incentive of General Director of JSC IDGC of the Center and North Caucasus according to the appendix to the present resolution of the Board of Directors.
3. To make valid the Regulation On material Incentive of General Director of JSC IDGC of the Center and North Caucasus since January 01,2007.
4. To authorise Chubays Anatoly Borisovich, Chairman of the Management Board of JSC RAO UES of Russia to sign an additional agreement to the labour contract with General Director of the Company Makarov Evgeniy Fyodorovich.

Voting results:

Resolution was approved unanimously.

ITEM № 4: On amendment to the Regulations of business planning in the form of appendix to the Standard of business planning of JSC IDGC of the Center and North Caucasus.

RESOLUTION:

To present the following items of the Regulations of Business Planning of the Company the latter being the appendix to the Standard of Business Planning of the Company that was confirmed by the resolution of the Board of Directors of the Company (Minutes № 02/07 as of 28.02.2007) in the following version:

2.3.3. The executive office of the Company provides consideration of the business plan of the Company by the Board of Directors of the Company not later than after 20 consecutive days after consensus building of the business plan. Before examination of the specified item by the Board of Directors of the Company the Executive Body of the

Company provides examination of the coordinated business plans of ADC at meetings of the Boards of Directors of ADC;

3.1. Updating of the business plan takes place in case of non-planned events that are not stipulated in the business plan and influenced the results of the activity of the Company. The purpose of updating of the business plan is development of more precise plan tasks of the Company for the period until the end of the year. However, change of the established values of KPI may take place only in the exceptional case specified in the regulations of the Standard of Development and Establishment of KPI;

3.2. Updating of the business plan of the Company is realized:

- In case of updating of KPI under the resolution of the Board of Directors of the Company;
- Under the resolution of the Board of Directors of the Company, by the results of examination of the reports on execution of the business plan of the Company for the first quarter of current year.

3.3. Updating of business plans of ADC is realized:

- In case of updating of KPI under the Resolution of the Board of Directors of ADC;
- Under the resolution of the Board of Directors of ADC, according to the results of examination of the reports on execution of the business plan of the Company for the first quarter of current year.

4.2. ADC present the report on execution of the business plan within 45 consecutive days after the termination of the first, second, and third quarters and within 105 consecutive days after termination of the fourth quarter and the year.

Voting results:

Resolution was approved unanimously.

ITEM № 5: On organisation of insurance coverage of JSC IDGC of the Center and North Caucasus.

RESOLUTION:

1. To adopt the Regulation On Provision of Insurance Coverage of JSC IDGC of the Center and North Caucasus for the period till 01.01.2010 according to the appendix to the present resolution.
2. To acknowledge as invalid the resolution of the Board of Directors of the Company as of 14.10.2005 on item On Adoption Of the Regulation On Provision Of Insurance Coverage Of the Company For the Period Till 01.01.2008

Voting results:

Resolution was approved unanimously.

ITEM № 6: On change of the resolution of the Board of Directors of the Company as of May 18, 2007 (Minutes № 04/07) on item № 8 On Adoption of the Program Of Realisation Of the Ecological Policy Of the Company for 2007.

RESOLUTION:

To change the resolution of the Board of Directors of the Company as of May 18, 2007 on item № 8 and present it in the following version:

To adopt the Program of realisation of the ecological policy of the Company for 2007-2009 according to the appendix to the present decision.

Voting results:
Resolution was approved unanimously.
Chairman
of the Board of Directors
Corporate Secretary

A.N. Rappoport
N.Yu.Kashtanova