

MINUTES
of the Meeting of the Board of Directors

December 24, 2008

No. 10

Moscow

The resolution of the Board of Directors of JSC IDGC Holding was approved by absentee voting (ballot).

The following members of the Board of Directors participated in the voting: V. M. Kravchenko, A. I. Kazakov, K. G. Androsov, D. A. Askinadze, M. I. Buyanov, M. Yu. Kurbatov, Yu. M. Medvedev, G. S. Nikitin, A. N. Rappoport, S. Remes, Ya. M. Urinson, and I. A. Yuzhanov.

A. S. Voloshin, A. V. Dementiev, and V. B. Khristenko did not participate in the voting.

1. Approval of the budget estimate of the executive arm of JSC IDGC Holding for 2009.

IT WAS RESOLVED AS FOLLOWS:

The budget estimate of the executive arm of JSC IDGC Holding for 2009 shall be approved in accordance with Appendix 1.

V. M. Kravchenko, A. I. Kazakov, K. G. Androsov, M. I. Buyanov, A. N. Rappoport, S. Remes, Ya. M. Urinson, and I. A. Yuzhanov voted "For."

D. A. Askinadze, M. Yu. Kurbatov, Yu. M. Medvedev, and G. S. Nikitin voted "Against."

Approved by a majority of votes.

2. Model Regulations for the Committee for Network Connection under the Boards of Directors of Interregional Distribution Grid Companies.

IT WAS RESOLVED AS FOLLOWS:

The Model Regulations for the Committee for Network Connection under the Boards of Directors of Interregional Distribution Grid Companies (Appendix 2) shall be approved.

V. M. Kravchenko, A. I. Kazakov, K. G. Androsov, D. A. Askinadze, M. Yu. Kurbatov, Yu. M. Medvedev, G. S. Nikitin, S. Remes, and Ya. M. Urinson voted “For.”

A. N. Rappoport voted “Against.”

M. I. Buyanov and I. A. Yuzhanov “Abstained.”

Approved by a majority of votes.

3. Application of proposals of the Ministry for Economic Development and Trade of the Russian Federation when regulating purchase procedures, including preferences for Russian goods suppliers.

IT WAS RESOLVED AS FOLLOWS:

A. I. Kazakov, Director General of JSC IDGC Holding, shall be instructed: subject to characteristics of the Company, to ensure inclusion of the following provisions into the internal documents governing the purchase procedure for needs of JSC IDGC Holding:

3.1. When placing orders for delivery of goods for needs of natural monopoly holders by holding a tender or auction, preferences in relation to the contract price of 15 percent in accordance with the procedure provided by Para. 3.2-3.3 shall be given to order placement participants whose bids contain proposals for delivery of goods of the Russian origin.

3.2. When placing orders for delivery of goods for needs of natural monopoly holders by holding a tender, bids containing proposals for delivery of goods stated in Appendix 3 and originating from foreign states shall be evaluated and compared by the “contract price” criteria using an increasing 15-percent ratio of the initial (maximum) contract price to the contract price proposed in the said bids.

The contract shall be entered into at the contract price proposed by the tenderer in the bid.

3.3. When placing orders for delivery of goods for needs of natural monopoly holders by holding an auction, if the preferred bidder submits a bid containing a proposal for delivery of the goods stated in Appendix 3 and originating from foreign states, the contract with such preferred bidder shall be entered into at the price proposed by the bidder and reduced by 15 percent of the initial (maximum) contract price.

3.4. When placing orders for delivery of goods for needs of natural monopoly holders by holding a tender or auction, the procedure specified by Para. 3.1-3.3 shall not be applied if:

a) bids of order placement participants for participation in the tender or bids for participation in the auction contain proposals for delivery of goods, including stated in Appendix 3 and originating from foreign states only;

b) delivery of several types of goods (work, services), including those stated in Appendix 3, is supposed within the scope of one tender or one auction (lot);

c) the tender or auction is recognized invalid and the contract is not entered into in accordance with Part 1 of Article 31, Part 1 of Article 40 of the Federal Law “On Placement of Orders for Delivery of Goods, Performance of Work, Provision of Services for State and Municipal Needs” (hereinafter, the “Law”), the natural monopoly holder places an order with the sole supplier in accordance with the procedure provided by the Law.

3.5. If several tenderers submit equal terms of performance of the contract subject to preferences, the contract shall be entered into with the tenderer whose bid contains a proposal on delivery of goods of the Russian origin.

3.6. The natural monopoly holder shall set a requirement in the tender documentation and the auction documents that the tenderer (bidder) should state (declare) the country of origin of the delivered goods in the bid for participation in the tender or the auction, and in the draft contract that the supplier with whom the contract by the results of such tender or auction is entered into should present the document confirming the country of origin of the goods when performing the contract.

The order placement participant shall be liable for reliable information on the country of origin of the goods stated in the bid for participation in the tender or auction.

3.7. If the tenderer’s bid for participation in the tender or the bidder’s bid for participation in the auction does not contain the country of origin of the goods proposed for delivery, when considering bids for participation in the tender or auction such tenderer (bidder) shall not be allowed to participate in the tender or auction by the tender (auction) committee.

3.8. The above provisions shall be valid until December 31, 2010.

V. M. Kravchenko, D. A. Askinadze, M. Yu. Kurbatov, Yu. M. Medvedev, and G. S. Nikitin voted “For.”

A. I. Kazakov, A. N. Rappoport, S. Remes, and I. A. Yuzhanov voted “Against.”

K. G. Androsov, M. I. Buyanov, and Ya. M. Urinson “Abstained.”

The resolution was not approved (no quorum for approving the resolution on the issue).

4. Ensuring financing of operations of JSC IDGC Holding.

IT WAS RESOLVED AS FOLLOWS:

4.1. It shall be deemed expedient to ensure financing of operations of JSC IDGC Holding from January 01, 2009 by entering into bilateral agreements for provision of services to organize functioning and development of Unified Power System of Russia with subsidiary distribution grid companies in accordance with the form contained in Appendix 4.

4.2. A. I. Kazakov, Director General of JSC IDGC Holding, shall be instructed:

4.2.1. to ensure entering into the above agreements by and between JSC IDGC Holding and subsidiary distribution grid companies;

4.2.2. in order to perform the instruction stated in Para. 4.2.1, to ensure interaction with the Government of the Russian Federation, specialized agencies (the Ministry of Energy of the Russian Federation, the Ministry for Economic Development and Trade of the Russian Federation, the Federal Tariff Service) and executive authorities of constituents of the Russian Federation for approval of any amendment, if necessary, to regulations and for approval of the relevant tariff resolutions.

V. M. Kravchenko, A. I. Kazakov, K. G. Androsov, M. I. Buyanov, A. N. Rappoport, S. Remes, Ya. M. Urinson, and I. A. Yuzhanov voted “For.”

Yu. M. Medvedev and G. S. Nikitin voted “Against.”

D. A. Askinadze and M. Yu. Kurbatov “Abstained.”

Approved by a majority of votes.

5. Determination of the position of JSC IDGC Holding (representatives of JSC IDGC Holding) on the issues on the agendas of the General Meetings of Shareholders and meetings of the Boards of Directors of subsidiaries and dependent companies of JSC IDGC Holding.

IT WAS RESOLVED AS FOLLOWS:

5.1. Representatives of JSC IDGC Holding shall be instructed to vote “For” early termination of powers of members of the Board of Directors of the Company and election of candidates nominated by the Director General of JSC IDGC Holding to the Board of Directors of the Company, while voting at the extraordinary General Meetings of SDCs with 100% of the authorized capital held by JSC ISGC Holding on the issue “*Early termination of powers of members of the Board of Directors of the Company and election of members of the Board of Directors of the Company.*”

5.2. A. I. Kazakov, Director General of JSC IDGC Holding, shall be instructed:

5.2.1. to nominate candidates for election to the Board of Directors of SDCs with 100% of the authorized capital held by JSC IDGC Holding;

5.2.2. to ensure holding the required corporate events related to amendment to Articles of Association of SDCs with 100% of the authorized capital held by JSC IDGC Holding as related to the increase of the number of members of the Board of Directors from 5 to 7.

V. M. Kravchenko, A. I. Kazakov, K. G. Androsov, D. A. Askinadze, M. I. Buyanov, M. Yu. Kurbatov, Yu. M. Medvedev, G. S. Nikitin, A. N. Rappoport, S. Remes, Ya. M. Urinson, and I. A. Yuzhanov voted “For.”

Approved unanimously.

Ballots attached.

V. M. Kravchenko,
Chairman
of the Board of Directors

A. Yu. Katina,
Secretary
of the Board of Directors