

**DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

**MINUTES OF THE BOARD MEETING OF
28 FEBRUARY 2012**

Meeting of the Board of Directors – 28 February 2012
List of Attendance

Chairman	President
First Vice President	Varel Freeman
Secretary General	Enzo Quattrocioche
General Counsel	Emmanuel Maurice
Directors	Alternate Directors
Memduh Akçay	Virginia Gheorghiu
Kurt Bayer	Eran Pollak
Ole Blöndal	Eoin Ryan
Alain de Cointet	Jérôme Baconin
Toshiyuki Furui	Nobuyuki Oyama
Werner Gruber	Artem Shevlev
Thomas Hackett	
Zbigniew Hockuba	Stefka Slavova
James Hudson	
Suzanne Hurtubise	
Tapani Kaskeala	Ole Hovland
Klára Król	András Kármán
Giorgio Leccesi	
Vassili Lelakis	Peter Basch
Abel Mateus	Anthony Bartzokas
	In-chang Song
Pedro Moriyón	Enrique Bal
Denis Morozov	
Jonathan Ockenden	
Joachim Schwarzer	Herbert Junk
Jean-Louis Six	Irena Sodin
Eva Srejber	Kalle Killar
Paul Vlaanderen	Jan Maas
Secretariat	
Nigel Carter	Nikola Milushev
Colm Lincoln	
Staff	
Manfred Schepers	Nigel Kerby
	Jonathan Charles
Jean-Marc Peterschmitt	Larry Sherwin
Nick Tesseyman	Natasha Treloar
	Claudia Pendred
Alistair Clark	Peter Sanfey
David Klingensmith	Melis Ekmen-Tabojer
Alan Rousso	Oksana Pak
Josué Tanaka	Izzet Guney
	Sebastien Bourillon
	Dragos Iliescu
	Peter Bryde
	Anna Mangova
	Frederic Lucenet
	Elena Dimanina
	Ksenia Manyushis

1. Opening of the Meeting and Adoption of the Agenda

- The agenda was approved.

2. Annual Financial Report for the Year Ended 31 December 2011

- The Board approved the Annual Financial Report for the year ended 31 December 2011.

3. Institutional Performance Report: Fourth Quarter 2011

Quarterly Risk Report: Fourth Quarter 2011

- **Report by the Chair of the Budget and Administrative Affairs Committee**
- **Report by the Chair of the Audit Committee**

- The Board approved the Institutional Performance Report: Fourth Quarter 2011, and took note of the Quarterly Risk Report: Fourth Quarter 2011.

4. President's Recommendation on Release of the 2011 Performance Based Compensation Pool

- **Report by the Chair of the Budget and Administrative Affairs Committee**

- The Board approved the release of a performance based compensation pool for 2011 of £9.32 million, for payment of awards in respect of performance during 2011, for prudent allocation in accordance with the Bank's specific guidelines for differentiation and limits for individual awards.

5. Resumption of the meeting

- The Secretary General reported that the following items had been approved by the Board on a no-objection basis:

On 15 February:

- An exception to the policy on Financing of Private Parties to Concessions in the case of Regional: EU/EBRD Municipal Finance Facility and the applicable Report by the Chair of the Financial and Operations Policies Committee

On 20 February:

- A change to increase the EBRD's maximum percentage exposure to the Pera Capital Partners Fund, Turkey, from 30% to 35% of total commitments raised in order to facilitate the first closing of the Fund. The Bank's commitment to the Fund will remain capped at EUR 16.5 million, and the minimum first closing size will be reduced from EUR 50 million to EUR 40 million.

On 21 February:

- A change to allow the use of 'Direct Contracting' procedures under the Croatia Control ATM Modernisation Project in accordance with the provisions contained in para 3.11 b) of the Bank's Procurement Policies and Rules.

- The Secretary General reported that funding from the Shareholder Special Fund had been approved on a no-objection basis:

On 17 February:

- EUR 73,500 for Technical Due Diligence on the Ukraine Nuclear Power Plant Safety Upgrade Program

On 20 February:

- EUR 660,000 for the Coordinated Auction Office in SEE, Montenegro

5.1 The Director for Japan had advised that he wished to be recorded as voting against Ukraine: Shareholder Special Fund: Ukraine Nuclear Power Plant Safety Upgrade Program - Technical Due Diligence.

5.2 The First Vice President updated the Board on the operational performance for the first two months of the year and said that the pipeline remained robust.

6. Minutes of the Board Meeting of 14 February 2012

Consideration of this item was postponed until the next meeting.

7. Annual Report 2011

- The Board approved the Annual Report 2011.

8. Sustainable Energy Initiative Phase 3 2012-2014

- Report by the Chair of the Financial and Operations Policies Committee

- The Board approved the Sustainable Energy Initiative Phase 3 2012-2014.

9. Strategy for Romania

- Report on the invitation to the public to comment

- The Board approved the Country Strategy for Romania.

10. Turkey: Turkey Agribusiness SME Financing Facility (TurAFF)

- The Board approved a broadening of the range of financial instruments available to participating banks under the Turkey Agribusiness SME Financing Facility by

the inclusion of subordinated debt, in addition to the senior unsecured credit lines and co-financing facility funded via direct risk participation in selected sub-projects.

11. Turkey: TEB – Subordinated Debt and Turkey: Turkey Agribusiness SME Financing Facility (TurAFF)

- The Board approved a subordinated debt facility of USD equivalent of EUR 100 million to TEB with a tenor of 12 years and a one-off call option at TEB's discretion at the 7th anniversary of the facility. The subordinated debt will be used to endorse the MSMEs in Turkey, particularly in the agribusiness sector.

12. Romania: DCS

- The Board approved a loan of EUR 15 million to Digital Cable Systems SA. The loan will be used to support the company's expansion programme in the Romanian regions and the modernisation of the company's existing cable TV and internet broadband networks.

13. Russian Federation: Globus II

- The Board approved a loan of up to EUR 235.5 million to OOO Hyperglobus. The first committed tranche will be the RUB equivalent of EUR 126 million under an A/B loan or a parallel loan structure. The loan will be used to part-finance the construction of up to four new hypermarkets in the Russian Federation.

14. Bulgaria: Prista Oil

- The Board approved a financing package to Prista Oil Group B.V. consisting of a mandatory convertible loan, equity and a capex loan. The Bank's operation includes a co-investment in Prista Oil Group BV through a specially established Dutch SPV where EBRD will hold 50% along with ADM Capital and loans for investments purposes.
- The co-investment project provides for the EBRD contribution to the equity and convertible loan portions of up to EUR 9 million and EUR 15 million, respectively. In parallel, the EBRD will provide a loan to Prista Oil Group BV and Prista Oil Holding EAD of up to EUR 5.84 million and a loan to Prista Oil Yag San.Ve Tic Ltd. of up to EUR 6.16 million.

15. Other business

- No decisions were taken under Other Business.