

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

**MINUTES OF THE BOARD MEETING OF
23 JULY 2013**

Meeting of the Board of Directors – 23 July 2013
List of Attendance

Chairman	President
First Vice President	Phil Bennett
Secretary General	Enzo Quattrocioche
General Counsel	Emmanuel Maurice

Directors	Alternate Directors
Memduh Akçay	Virginia Gheorghiu
Claire Dansereau	
Alain de Cointet	Jérôme Baconin
Toshiyuki Furui	Nobuyuki Oyama
Michel Grilli	
Werner Gruber	Artem Shevalev
Zbigniew Hockuba	Stefka Slavova
Ole Hovland	Jorma Korhonen
James Hudson	
András Kármán	Klára Król
Giorgio Leccesi	Marco Mancini
Vassili Lelakis	Peter Basch
Abel Mateus	Anthony Bartzokas
Pedro Moriyón	Enrique Bal
Denis Morozov	Sergey Verkashanskiy
Jonathan Ockenden	Gary Roberts
Eoin Ryan	Ole Blöndal
Joachim Schwarzer	Joachim Steffens
Johannes Seiringer	Eran Pollak
Jean-Louis Six	Irena Sodin
In-chang Song	Bob McMullan
Eva Srejber	Kalle Killar
Paul Vlaanderen	Jan Maas

Secretariat	
Colm Lincoln	Stefano Bertozzi
Milica Delevic	

Staff		
Manfred Schepers	Paulo Sousa	Tatyana Tyo
Betsy Nelson	Isabelle Laurent	Mikhail Grechikho
András Simor	Chris Clubb	Inna Yabbarova
Erik Berglöf	Frederic Lucenet	Noel Edison
	Dmitry Loginov	Andreea Moraru
Gavin Anderson	Gary Tsymbaloff	Ekaterina Miroshnik
Olivier Descamps	Tajana Mrkic	Jean-Patrick Marquet
Natasha Khanjenkova	Michael Parry	Witek Szapak
Thomas Maier	Meltem Ankara	Sue Barrett
Alain Pilloux	Gilles Mettetal	Ivana Duarte
Jean-Marc Peterschmitt	Otabek Iskandarov	Nandita Parshad
Riccardo Puliti	Vladimir Savic	Julien Mauduit
Josué Tanaka	Christoph Lassenberger	Andi Aranitasi
Nick Tesseyman	Alejandro Trenor	Roxana Simon
Jonathan Charles	Laurence Bahk	Eric Rasmussen
Alistair Clark	Wojtek Boniaszczuk	Anass Joundy
Joe Eichenberger	Claudia Pendred	Matteo Colangeli
Chris Holyoak	Vlaho Kojakovic	Mihnea Craciun
David Klingensmith	Mike Taylor	Lin O'Grady
Hans Peter Lankes	Renata Iksar	Jan Jackholt
Enerly Quinones		Evgeny Smirnov
Alan Rousso		

1 Adoption of the Agenda

- The Agenda was approved.
- The following items were approved on a no-objection basis after the last Board meeting:

On 10 July:

- Poland: PKO BP – Renewal of Board approval

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On 15 July:

- Moldova: Shareholder Special Fund – Moldova Railways: Restructuring Support (EUR 650,000)
- Moldova: Shareholder Special Fund – Moldova Roads Rehabilitation IV: Road Maintenance Reform Assistance support (EUR 500,000)

On 17 July:

- Regional: Caucasus Energy Efficiency Programme Extension (“CEEP II”)

On 18 July:

- Shareholder Special Fund – Developing pricing and publicly available forecasting models for ETCs
- Ukraine: Shareholder Special Fund – Ukraine: Preparedness for Emissions Trading in the EBRD Region (“PETER”) Phase II

On 22 July:

- Russian Federation: Murmansk Water and Wastewater Improvement
- Russian Federation: Federal Grid Company – Use of Proceeds Change
- Shareholder Special Fund – Southern and Eastern European Regional Stock Exchange Integration
- Regional: Trade Facilitation Programme – Russian Federation: CJSC SKB Bank

2 Minutes of the Board Meeting of 11 June 2013

Minutes of the Board Meeting of 25 June 2013

Minutes of the Board Meeting of 9 July 2013

- The Board approved the Minutes of 11 June, 25 June and 9 July 2013.

3 2013 Review of the Economic Capital Policy

Report by the Chair of the Financial and Operations Policies Committee

- The Board approved the 2013 Review of the Economic Capital Policy.

**4 Treasury and Treasury Risk Management Authority
Report by the Chair of the Financial and Operations Policies Committee**

- The Board approved the Treasury and Treasury Risk Management Authority.

**5 EBRD Scorecard
Report by the Chair of the Budget and Administration Affairs Committee**

- The Board endorsed the new EBRD Scorecard.
- The new scorecard will be used for the formulation of the 2014 Business Plan and Budget which will be discussed with the Board during the fourth quarter of 2014.

**6 Regional: ETC Local Currency Programme - 2013 Annual Update and
Amendments to the Programme and Special Fund
Report by the Chair of the Budget and Administrative Affairs Committee
Report by the Chair of the Financial and Operational Policies Committee**

- The Board approved the proposed amendments to the Programme:
 - Include bonds and similar debt instruments within the Programme;
 - Programme risk ratio change from 15% to 12.5%;
 - Increase Programme size from revolving limit of USD 270 million to USD 320 million;
 - Additional EUR 5 million grant from the EBRD Shareholder Special Fund to come from the 2013 SSF Workplan.

7 Russian Federation: OKIL

- The Board approved a corporate loan of up to EUR 15 million to OOO Likoflex, the key operating subsidiary of OKIL. The loan will finance OKIL's regional expansion programme, modernisation of its production assets, as well as refinance its short-term debt and replenish the working capital.

8 Ukraine: Farmak Pharmaceuticals II

- The Board approved a senior loan of up to EUR 20 million to PJSC Farmak. The loan will be used to partially finance Farmak's capital expenditures during 2013-2014 and to support balance sheet restructuring by refinancing short term debt.

9 Croatia: Aluflex Packaging

- The Board approved a loan of EUR 20 million to the AFP group (Aluflexpack Novi d.o.o, Omial Novi d.o.o. and TOF d.d). The loan will be used to finance AFP's production modernisation programme by upgrade of existing machinery and equipment and support complete operational restructuring of the companies.

10 Regional: Mid Europa Fund IV

- The Board approved an equity investment of up to EUR 80 million in Mid Europa Fund IV L.P., a limited partnership incorporated in Guernsey. The Bank's investment will enable the fund to mobilise private sector finance and make equity investments in middle-market companies across CEE, Turkey and the Western Balkans.

11 Kazakhstan, RG Brands Working Capital Facility

- The Board approved a loan of USD 25 million (EUR 19.3 million) to RG Brands, to be made available both in Tenge and USD. The loan will be used to finance growing working capital needs of the Company and support its further expansion.

12 Moldova: Trans-Oil Grain Commodity Facility

- The Board approved a loan of USD 25 million (EUR 19.2 million) to Trans-Oil Group. The loan will support the consolidation and further expansion of soft commodity trading and edible oil production activities of the company in Moldova.

13 Belarus: Olivaria

- The Board approved a pro-rata participation of up to BYR 30.2 billion (EUR 2.6 million) in the capital increase of Olivaria Brewery JSC. The capital increase will finance the acquisition of the imported beer business of Baltika Breweries in Belarus.

14 Ukraine: NAP Ukraine (BDS13-170)

- The Board approved a senior secured loan of USD 50 million to ATS Agribusiness Investments Ltd, to be on-lent to its farming subsidiaries in Ukraine. The loan will be applied to finance both the pre-harvest and post-harvest working capital needs of the ATS Agribusiness Investments Ltd's farming subsidiaries.

15 Jordan: Abdali Urban Regeneration / Abdali Centre

- The Board approved a loan of USD 80 million (EUR 61.5 million) to Abdali Mall Company. The loan will be used to support the development and operation of a food, retail and entertainment centre as part of Amman’s Abdali Urban Regeneration Project.

16 Mongolia: Khan Bank Micro, Small and Medium Enterprises (MSME) and Value Chain Finance (VCF) Senior Loan

- The Board approved a loan of USD 25 million (EUR 18.7 million) to Khan Bank. The loan will be used to support Khan Bank’s Micro, Small and Medium Enterprises business, and to develop and enhance the Value Chain Finance products.

17 Kazakhstan: Sberbank Kazakhstan MSME Loan

- The Board approved a loan of KZT 15 billion (equivalent of approximately USD 100 million or EUR 76 million) to a Subsidiary Bank of “Sberbank of Russia” incorporated in Kazakhstan. The loan will be used to provide local currency financing to MSME clients with a special focus on the distribution of funds outside of the capital cities and the issuance of loans to MSMEs.

18 Russian Federation: Deltacredit Bank Mortgage Loan

- The Board approved a senior loan of up to USD 85 million to DeltaCredit Bank. The loan will be guaranteed by Société Générale Group, France, with political risk carve-out. The operation will enable DeltaCredit Bank to provide long-term mortgage financing to retail clients in the regions of Russia and enhance its competitive position.

19 Russian Federation: Bank Saint Petersburg (BSP) Capital Increase

- The Board approved pro-rata participation in the capital of Bank Saint-Petersburg (“BSPB”) in the amount of up to RUB 282 million (EUR 6.8 million) for the purchase of up to 5,581,630 newly issued ordinary shares of BSPB, par value RUB 1 each, to maintain not less than 5% of the Company’s capital and voting rights after subscription.

20 Russian Federation: UniCredit Leasing Russia Energy Efficiency Loan

- The Board approved the energy efficiency loan of up to RUB 1.7 billion (EUR 40 million) to UniCredit Leasing Russia under the Russian Sustainable Energy and

Carbon finance Facility (RSECF). The loan will be used to assist in promoting energy efficiency, energy savings and rational energy utilization in the private sector of the Russian economy.

21 Kazakhstan: Olzha loan

- The Board approved a loan of up to USD 24.8 million (EUR 19.2 million) to JSC Olzha. The loan will be used to finance acquisition of new wagons and refinancing the existing debt.

22 Hungary: Budapest Automated Fare Collection

- The Board approved a loan of up to EUR 54.5 million to the Budapest public transport authority, municipal company “BKK Budapesti Közlekedési Központ Zártkörűen Működő Részvénytársaság”. The operation will enable the company to develop and implement a modern automated fare collection system for public transport users in Budapest. The operation will integrate various transport service providers, improve overall service quality and achieve an improvement in the public transport sector efficiency.

23 Romania: Regional EU Cohesion Funds Water Co-Financing Framework (R2CF) Extension–Sub-Project: Arges County

- The Board approved a loan of up to EUR 12 million to S.C. Apa Canal 2000 S.A. in Romania, to co-finance water and wastewater investments under its EU Cohesion Fund investment programme, as well as an exception under paragraph 2.4 of the Bank’s Procurement Policies and Rules for the project to follow national procurement law and the consequential derogation from the Bank’s Operations Policy for Retroactive Financing.

24 Slovak Republic: R1 Motorway (BDS13-151)

- The Board approved the Project. Disclosure delayed in accordance with Section E.2 of the Public Information Policy.

25 Regional: Graanul Invest Phase II (BDS13-158)

- The Board approved a EUR 24 million senior secured corporate loan and a EUR 6 million second-ranking loan to AS Graanul Invest. The loans will be used to part-finance the construction of two new biomass combined-heat-and-power plants located in Latvia.

26 Turkey: Energaz Financing (BDS13-157)

- The Board approved a loan of up to USD 50 million to Energaz Gaz Elektrik Su Dagitim A.S.. The loan will be used to finance the investment program of the gas distribution company for 2013 -2014. The loan will comprise an USD tranche of up to USD 40 million and a TL portion not to exceed the equivalent of USD 10 million.

27 Morocco: Compagnie Miniere de Seksaoua (“CMS”)

- The Board approved a loan of USD 15 million (EUR 11.6 million) to Compagnie Miniere de Seksaoua, a family-owned mining company operating in, and registered in, Morocco. The loan will be used to connect the company’s copper mining site to the electricity grid and, consequently, to switch away from the more costly and polluting diesel-fired electricity generation currently used to power its operations. The loan will also enable the company to modernise the plant with the objective of increasing production capacity at the Seksaoua copper mine.

28 Tunisia: Serinus Energy

- The Board approved an operation of USD 60 million (EUR 46 million) comprising a USD 40 million (EUR 31 million) senior loan and a USD 20 million (EUR 15 million) convertible loan in favour of Serinus Energy Inc. The loans will be used to part-finance the development of four oil and gas fields that the company operates in Tunisia.

29 Romania: Turceni Rehabilitation and Modernisation

- The Board approved the restructuring of the existing EUR 150 million senior loan facility to S.C. Complexul Energetic Turceni. The restructured facility of EUR 200 million comprises an A Loan of up to EUR 130 million and a B Loan of up to EUR 70 million to S.C. Complexul Energetic Oltenia. The loan will be used to rehabilitate and modernise Unit 6 at Turceni Power Plant.

**30 Ukraine: Kyiv City Transport - Pastrans Loan: Request for a derogation pertaining to the application of the provisions of paragraph 3.41 of the Bank’s Procurement Policies and Rules
Report by the Chair of the Financial and Operations Policies Committee**

- The Board approved the derogation regarding the application of the provisions of paragraph 3.41 of the Bank’s Procurement Policies and Rules in the case of Kyiv City Transport – Pastrans Loan.

31 Other Business

Appointment of Vice President & Chief Administrative Officer Report by the Chair of the Budget and Administration Affairs Committee

- The Board approved the appointment of Ms Luise Hölscher as Vice President & Chief Administrative Officer with effect from 1 October 2013. The Board also approved the Terms and Conditions and Terms of Reference relating to the appointment.

Appointment of Chairs, Vice Chairs and Members of Board Committees: 2013 – 2014

- The Board approved the appointment of Chairs, Vice Chairs and Members of Board Committees for a term of one year starting in September 2013.