

Statement of material fact

«Holding a meeting of the Board of Directors of the Issuer and its agenda, as well as separate decisions taken by the Board of Directors of the Issuer»

1. General information

1.1. Full issuer's business name (for non-commercial organization – name)	Interregional Distribution Grid Company of Centre, Public Joint-Stock Company
1.2. Abbreviated issuer's business name	IDGC of Centre, PJSC
1.3. Issuer's location	Russia, Moscow
1.4. Primary State Registration Number of the issuer	1046900099498
1.5. Tax payer number of the issuer	6901067107
1.6. Issuer's unique code, assigned by registering authority	10214-A
1.7. Web page address used by the issuer for information disclosure	http://www.e-disclosure.ru/portal/company.aspx?id=7985 ; https://www.mrsk-1.ru/information/
1.8. Date of occurrence of an event (material fact) about which a message has been compiled (if applicable)	29.09.2020

2. Contents of the statement

«on some decisions taken by the Board of Directors (Supervisory Board) of the Issuer»

2.1. The quorum of the meeting of the Board of Directors:

Questionnaires were presented by 11 members out of 11 elected ones of the Board of Directors.

In accordance with paragraph 18.13 of Article 18 of the Articles of Association of IDGC of Centre, the quorum for holding a meeting of the Board of Directors is at least half of the number of elected members of the Board of Directors of IDGC of Centre. There is a quorum.

In accordance with paragraph 3 of Article 83 of the Federal Law "On Joint-Stock Companies", 6 members of the Board of Directors do not participate in voting on item 1 of the agenda.

2.2. The content of the decisions taken by the Board of Directors of the issuer, and voting results on the decisions taken:

Item 1. On the consent to conclude a related party transaction between IDGC of Centre, PJSC and IDGC of Center and Volga Region, PJSC.

Decision:

1. To determine that the amount of remuneration to the Managing Organization, paid under the Agreement on the transfer to IDGC of Centre, PJSC of the powers of the sole executive body of IDGC of Center and Volga Region, PJSC, concluded between IDGC of Centre, PJSC and IDGC of Center and Volga Region, PJSC (hereinafter - the Agreement), which is a related party transaction, consists of:

- Constant component of remuneration - paid to the Managing Organization for the provision of services for the exercise of the powers of the sole executive body;
- Variable component of remuneration - paid for the effectiveness of management of the Managing Organization in the provision of services for the exercise of the powers of the sole executive body.

The constant component of the remuneration:

The settlement period is a calendar quarter. The amount of the quarterly remuneration to the Managing Organization starting from 2020 is 125 000 000 (One hundred twenty five million) rubles 00 kopecks, plus VAT 25 000 000 (Twenty five million) rubles 00 kopecks.

For 2021 and subsequent years, the amount of remuneration to the Managing Organization is determined in accordance with an amendment to the Agreement. The amount of the quarterly remuneration for 2021 and subsequent years cannot be higher than the amount of the quarterly remuneration of the Managing Organization in 2020, increased by the consumer price index for the corresponding years, determined in accordance with the Forecast of socio-economic development by the Ministry of Economic Development of the Russian Federation. If the Parties do not conclude such an amendment, the amount of quarterly remuneration for 2021 and subsequent years is equal to the last quarterly remuneration agreed by the Parties in writing.

The variable component of the remuneration:

The variable component of remuneration for each reporting year is calculated on the basis of KPIs, the list, the procedure for approval and calculation of which is specified in the Appendix to the Agreement.

If the Board of Directors of the Company approves changes in the values of the KPIs and/or the Methodology for calculating and assessing the implementation of key performance indicators of General Director (CEO) of the Company, such changes become mandatory for the Parties and are subject to execution without amending the Agreement.

For achieving 100% for all the KPIs, the variable component of remuneration to be paid at the end of the reporting year is determined in the amount equal to 2% of the Company's net profit, calculated in accordance with Russian Accounting Standards.

If 100% is achieved not for all the KPIs, the variable component of remuneration is paid proportionally, based on the share of KPIs in the variable part of remuneration for which 100% fulfillment has been carried out.

In the absence of a report on the implementation of the KPIs (separate KPIs) approved by the Board of Directors of the Company, the variable component of remuneration is paid proportionally based on the share of KPIs in the variable part of remuneration for which there is a report approved by the Board of Directors of the Company.

The variable component of remuneration for an incomplete reporting year is paid in proportion to the actual time, expressed in days, of exercising the powers of the sole executive body by the Managing Organization in the corresponding reporting year, taking into account the performance of KPIs for the actual time of exercising the powers.

The amount of remuneration to the Managing Organization calculated and paid in accordance with the Agreement cannot be 10 (ten) percent or more of the book value of the Company's assets as of the last reporting date preceding the conclusion of the Agreement.

2. To give consent for the conclusion of the related party transaction - the agreement on the transfer of the powers of the sole executive body of IDGC of Center and Volga Region, PJSC to IDGC of Centre, PJSC between IDGC of Centre, PJSC and IDGC of Center and Volga Region, PJSC (hereinafter - the Agreement) on the following essential conditions:

Parties of the Agreement:

Interregional Distribution Grid Company of Center and Volga Region, Public Joint Stock Company (IDGC of Center and Volga Region, PJSC) - (the Company);

Interregional Distribution Grid Company of Centre, Public Joint Stock Company (IDGC of Centre, PJSC) - (the Managing Organization).

Subject of the Agreement:

The Company transfers, and the Managing Organization undertakes and exercises the powers of the sole executive body of the Company (General Director - in accordance with the Company's Articles of Association) as stipulated by the Articles of Association of the Company, local regulations of the Company and the current legislation of the Russian Federation in the manner and under the conditions specified in this Agreement.

Price of the Agreement:

The remuneration of the Managing Organization consists of:

- Constant component of remuneration - paid to the Managing Organization for the provision of services for the exercise of the powers of the sole executive body;

- Variable component of remuneration - paid for the effectiveness of management of the Managing Organization in the provision of services for the exercise of the powers of the sole executive body.

The constant component of the remuneration:

The settlement period is a calendar quarter. The amount of the quarterly remuneration to the Managing Organization starting from 2020 is 125 000 000 (One hundred twenty five million) rubles 00 kopecks, plus VAT 25 000 000 (Twenty five million) rubles 00 kopecks.

For 2021 and subsequent years, the amount of remuneration to the Managing Organization is determined in accordance with an amendment to the Agreement. The amount of the quarterly remuneration for 2021 and subsequent years cannot be higher than the amount of the quarterly remuneration of the Managing Organization in 2020, increased by the consumer price index for the corresponding years, determined in accordance with the Forecast of socio-economic development by the Ministry of Economic Development of the Russian Federation. If the Parties do not conclude such an amendment, the amount of quarterly remuneration for 2021 and subsequent years is equal to the last quarterly remuneration agreed by the Parties in writing.

The variable component of the remuneration:

The variable component of remuneration for each reporting year is calculated on the basis of KPIs, the list, the procedure for approval and calculation of which is specified in the Appendix to the Agreement.

If the Board of Directors of the Company approves changes in the values of the KPIs and/or the Methodology for calculating and assessing the implementation of key performance indicators of General Director (CEO) of the Company, such changes become mandatory for the Parties and are subject to execution without amending the Agreement.

For achieving 100% for all the KPIs, the variable component of remuneration to be paid at the end of the reporting year is determined in the amount equal to 2% of the Company's net profit, calculated in accordance with Russian Accounting Standards.

If 100% is achieved not for all the KPIs, the variable component of remuneration is paid proportionally, based on the share of KPIs in the variable part of remuneration for which 100% fulfillment has been carried out.

In the absence of a report on the implementation of the KPIs (separate KPIs) approved by the Board of Directors of the Company, the variable component of remuneration is paid proportionally based on the share of KPIs in the variable part of remuneration for which there is a report approved by the Board of Directors of the Company.

The variable component of remuneration for an incomplete reporting year is paid in proportion to the actual time, expressed in days, of exercising the powers of the sole executive body by the Managing Organization in the corresponding reporting year, taking into account the performance of KPIs for the actual time of exercising the powers.

The amount of remuneration to the Managing Organization calculated and paid in accordance with the Agreement cannot be 10 (ten) percent or more of the book value of the Company's assets as of the last reporting date preceding the conclusion of the Agreement.

Duration of the Agreement:

The Agreement comes into force from the moment of its signing by the Parties.

The term of the Agreement is until 31.12.2023 inclusive.

If, 30 days before the date of termination of the Agreement, none of the Parties notifies the other Party of the refusal to extend the Agreement, the Agreement is automatically renewed each time for 3 (three) years. If the initiator of the refusal to extend the validity of the Agreement is the Company, the decision to send a notification of the refusal to extend the validity of the Agreement shall be made by the Board of Directors of the Company.

Other essential terms of the Agreement:

Responsibility of the Parties:

The Managing Organization is responsible for failure to achieve key performance indicators approved by the decision of the Board of Directors of the Company, if such failure is due to decisions, instructions of the Managing Organization, or

failure to make the necessary decisions and instructions, which led to their failure. The Managing Organization is not responsible for the failure to achieve the target key performance indicators, the values of which are agreed and approved by the Parties when concluding the Agreement, taking into account the fulfillment of the KPIs for the actual time of exercising the powers.

The responsibility of the Managing Organization arises if the target value of key indicators is not achieved. At the same time, the amount of the fine is 5% of the fee paid by the Company to the Managing Organization for a quarter in accordance with clause 7.3.1 of the Agreement for not reaching the target value for each indicator, taking into account the fulfillment of KPIs for the actual time of exercising the powers.

The total amount of the fine stipulated by this clause for the reporting year cannot exceed 10% of the constant component paid by the Company for the quarter, while it can be reduced by a decision of the Board of Directors of the Company.

Persons related to the transaction, and the grounds of relation:

Related entity and person	Grounds on which the entity or the person is related to the transaction
PJSC Rosseti	the controlling entity of IDGC of Centre, PJSC, simultaneously being the controlling entity of IDGC of Center and Volga Region, PJSC, which is a party to the deal.
Igor Vladimirovich Makovskiy	General Director, Chairman of the Management Board, Member of the Board of Directors of IDGC of Centre, PJSC, simultaneously being Acting General Director, Chairman of the Management Board, Member of the Board of Directors of IDGC of Center and Volga Region, PJSC.
Alexander Viktorovich Golovtsov	Member of the Board of Directors of IDGC of Centre, PJSC, simultaneously being Member of the Board of Directors of IDGC of Center and Volga Region, PJSC.
Vitaly Yuryevich Zarkhin	Member of the Board of Directors of IDGC of Centre, PJSC, simultaneously being Member of the Board of Directors of IDGC of Center and Volga Region, PJSC.
Alexander Ivanovich Kazakov	Member of the Board of Directors of IDGC of Centre, PJSC, simultaneously being Member of the Board of Directors of IDGC of Center and Volga Region, PJSC.
Andrey Vladimirovich Mayorov	Member of the Board of Directors of IDGC of Centre, PJSC, simultaneously being Member of the Board of Directors of IDGC of Center and Volga Region, PJSC.
Alexander Viktorovich Shevchuk	Member of the Board of Directors of IDGC of Centre, PJSC, simultaneously being Member of the Board of Directors of IDGC of Center and Volga Region, PJSC.
Vitaly Olegovich Akulich	Member of the Management Board of IDGC of Centre, PJSC, simultaneously being Member of the Management Board of IDGC of Center and Volga Region, PJSC.
Alexander Viktorovich Pilyugin	Member of the Management Board of IDGC of Centre, PJSC, simultaneously being Member of the Management Board of IDGC of Center and Volga Region, PJSC.
Vladislava Vladimirovna Rezakova	Member of the Management Board of IDGC of Centre, PJSC, simultaneously being Member of the Management Board of IDGC of Center and Volga Region, PJSC.

Voting results:

«FOR» - 5; «AGAINST» - 0; «ABSTAINED» - 0.

Decision is taken.

The following members did not take part in the voting on this item:

– *Member of the Board of Directors of the Company, I.V. Makovskiy, who has been, for one year preceding the decision, the person acting as the sole executive body of the Company (General Director), including a member of the collegial executive body of the Company (Chairman of the Management Board), as well as being at the same time Acting General Director, Chairman of the Management Board, Member of the Board of Directors of IDGC of Center and Volga Region, PJSC;*

– *Member of the Board of Directors of the Company A.V. Mayorov, A.I. Kazakov, A.V. Golovtsov, V.Y. Zarkhin and A.V. Shevchuk, who are directors related to the transaction.*

A dissenting opinion was received on this item from members of the Board of Directors of the Company, V.Y. Zarkhin and A.V. Shevchuk (Appendix # 1 to the Minutes).

2.3. Date of meeting of the Board of Directors of the issuer, at which the relevant decisions were taken: **29.09.2020.**

2.4. Date of drawing up and number of minutes of meeting of the Board of Directors of the issuer, at which the relevant decisions were taken: **Minutes # 45/20 of 29.09.2020.**

3. Signature

3.1. Acting Head of Corporate Governance
Department, under power of attorney
D-CA/7 of 20.01.2020

(signature)

O.A. Kharchenko

Stamp here.

3.2. Date «29» September 2020.