



ITEM № 1
ON APPROVAL OF THE ANNUAL REPORT, THE ANNUAL FINANCIAL
STATEMENTS OF THE COMPANY FOR 2020

31 May 2021

Explanatory information on the item (in part of the approval of the Annual Report, including the report on related party transactions concluded by the Company in 2020)

In accordance with Federal Law of 26.12.1995 № 208-FZ “On Joint-Stock Companies”, the issue of approval of the annual report should be included in the agenda of the Annual General Meeting of Shareholders of the Company.

The Annual Report is the most important public document, annually considered by the Annual General Meeting of Shareholders and allowing to evaluate the results of the Company’s activities for the year.

The main purpose of drafting the Annual Report is to inform shareholders, investors and other stakeholders about all significant aspects of the Company’s activities and proper disclosure of information.

The Annual Report of IDGC of Centre for 2020 was developed in accordance with the requirements of the current legislation of the Russian Federation (including the Regulation on the disclosure of information by issuers of equity securities approved by the Bank of Russia 30.12.2014 № 454-P), the recommendations of the Corporate Governance Code (Letter of the Bank of Russia dated 10.04.2014 № 06-52/2463), Letter of the Bank of Russia dated 17.02.2016 № IN-06-52/8 “On disclosure in the annual report of a public joint-stock company of a report on compliance with the principles and recommendations of the Corporate Governance Code”, Letter of the Bank of Russia dated 11.12.2017 № IN-06-28/57 “On recommendations for disclosing in the annual report of a public joint-stock company information on remuneration of members of the board of directors (supervisory board), members of executive bodies and other key executives of the public joint stock company”, as well as intracorporate standards of the Company.

The Annual Report contains the Management report, which includes an overview of the main business processes, financial indicators, a corporate governance report and the Sustainability Report dedicated to work in the field of environmental, social and corporate governance – ESG (ecological, social and corporate governance).

The Annual Report takes into account the Corporate Governance Code recommended by the Bank of Russia and complies with the international reporting standards GRI (Global Reporting Initiative) in the field of sustainable development.

Appendices to the Annual Report are also the Report on Compliance with the Principles and Recommendations of the Corporate Governance Code and the Report on Related Party Transactions Made by the Company in the Reporting Year, submitted in accordance with Federal Law of 26.12.1995 № 208-FZ “On Joint-Stock Companies” in preparation for the holding of the annual general meeting of shareholders of a public company to persons entitled to participate in the annual general meeting of shareholders. All related party transactions concluded by the Company in 2020 passed the procedure of preliminary approval by the Board of Directors of the Company. Transactions (inter-related transactions), the value of which was 10 percent or more of the book value of the Company’s assets, were not made in the reporting year.

Information on the conclusion of the Audit Commission

The Annual Report was signed by General Director of the Company, the reliability of the data contained in it was confirmed by the Audit Commission of the Company, recommended by the Board of Directors of the Company on 23.04.2021 (Minutes No. 14/21) in accordance with the recommendations regarding the Audit Committee on 15.04.2021 (Minutes No. 05/21) and the Strategy Committee on 22.04.2021 (Minutes No. 09/21) for approval at the Annual General Meeting of Shareholders of IDGC of Centre, PJSC.

Based on the results of the assessment of the reliability of the Company’s statements at the end of 2020, the Audit Commission expresses its opinion on the reliability of the data contained in the Annual Report for 2020, the Financial Statements of the Company for 2020, the Report on related party transactions concluded in 2020 in all material respects.

The text of the Annual Report for 2020 (including the Report on the related party transactions concluded in 2020) can be found on the Company’s website at: <https://www.mrsk-1.ru/about/management/controls/stockholders/material/gosa2021/>

Information on the opinion of the internal audit on assessing the effectiveness of the internal control system and the risk management system

The opinion was prepared in accordance with the requirements of Federal Law of 26.12.1995 № 208-FZ “On Joint-Stock Companies”, recommendations of the Bank of Russia (Letter dated 01.10.2020 № IN-06-28/143) “On recommendations for organizing risk management, internal control, internal audit, the work of the audit committee of the board of directors (supervisory board) in public joint-stock companies”, as well as in pursuance of the provisions of the Internal Audit Policy of IDGC of Centre, PJSC P BP 1/02-03/2019, approved by the decision of the Board of Directors (Minutes dated 29.11.2019 No. 40/19).

The opinion was prepared based on the analysis of the Company’s internal regulations, financial and management reporting, the results of the monitoring of risk management processes, the implementation of control procedures, the results of internal audit and other internal and external guarantee providers (the Company’s divisions, regulatory and supervisory bodies).

Based on the assessment, the Internal Audit Department has sufficient grounds to confirm that the risk management system and the internal control system of the Company are organized in accordance with the requirements of the legislation and the scope of the Company’s activities, there are no significant deficiencies in the system that impede the achievement of its goals.

Explanatory information on the item (in part of the approval of the annual financial statements)

In accordance with Federal Law of 26.12.1995 № 208-FZ “On Joint-Stock Companies”, the agenda of the Annual General Meeting of Shareholders of the Company should include the issue of approval of the annual financial statements.

The annual financial statements for 2020 proposed for approval by the shareholders’ meeting were compiled in accordance with Federal Law “On Business Accounting” dated 06.12.2011 № 402-FZ and the Regulation on Business Accounting and Accounting Reporting in the Russian Federation (Order of the Ministry of Finance of the Russian Federation of 29.07.1998 № 34-n) and the Accounting Regulations.

The annual financial statements include:

Form No. 1 “Statement of Financial Position”

Form No. 2 “Statement of Financial Results”

Form No. 3 “Statement of Changes in Equity”

Form No. 4 “Cash Flow Statement”

Notes

Auditor’s Report

The financial statements of IDGC of Centre, PJSC under Russian Accounting Standards for 12 months of 2020 have the following indicators:

	RUB mln	for 2020	for 2019	Change	
				absolute	relative
Revenue		94 985	94 506	479	0.51%
from electricity transmission services		90 491	90 887	-396	-0.44%
from grid connection services		1 306	1 542	-236	-15.30%
from electricity sale		531	521	10	1.92%
from other activity		2 657	1 556	1 101	70.76%
Cost price		84 889	84 509	380	0.45%
cost price of electricity transmission		83 025	82 813	212	0.26%
cost price of grid connection		293	354	-61	-17.23%
cost price of electricity sale		474	451	23	5.10%
cost price of other sales		1 097	891	206	23.12%
Selling costs		18	19	-1	-5.26%
Management costs		2 389	2 336	53	2.27%
Sales profit		7 689	7 642	47	0.62%
Other income		3 757	3 725	32	0.86%
Other expenses		7 266	10 193	-2 927	-28.72%
Profit tax		1 138	768	370	48.18%
Other		-212	-79	-133	168.35%
Net profit		2 830	327	2 503	765.44%



ITEM № 1 «ON APPROVAL OF THE ANNUAL REPORT, THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 2020»

Statement of Financial Results

The revenue of IDGC of Centre, PJSC for 2020 amounted to 94,985 million rubles, which is 479 million rubles (0.51%) higher than in 2019.

The volume of proceeds from the transmission of electricity amounted to 90,491 million rubles. At the end of 2020, there was a decrease in revenue from services for the transmission of electricity compared to the same period last year by -396 million rubles (-0.44%), which is mainly due to the climatic factor because of abnormally warm temperatures (warm winter), the epidemiological situation in the Country, as well as due to the partial transfer of the consumer load to FGC's grid and own generation.

The proceeds from the sale of electricity and capacity on the wholesale electricity and capacity market increased by 10 million rubles (1.92%) and at the end of 2020 amounted to 531 million rubles.

At the end of 2020, the proceeds from services for grid connection amounted to 1,306 million rubles excluding VAT, which is -236 million rubles less compared to the same period in 2019 due to the execution in 2019 of grid connection agreements with Tambov Bacon LLC worth 250.1 million rubles (Tambovenergo).

Revenue from other activities amounted to 2,657 million rubles. The increase in the revenue from other activities in 2020 by 1,101 million rubles (70.76%) is due to the closure by branches of contracts for the reconstruction of the Company's power grid facilities, concluded with PJSC FGC UES (Bryanskenergo - a reconstruction agreement with FGC as part of the reconstruction of the 550 kV Beloberezhskaya substation for the amount of 100.6 million rubles excluding VAT and 220 kV Tsementnaya substation in the amount of 56.8 million rubles excluding VAT; Belgorodenergo - within the framework of the reconstruction of the 330 kV Gubkin substation in the amount of 311.6 million rubles excluding VAT and the 330 kV Belgorod substation in the amount of 305.3 million rubles excluding VAT) and an increase in the revenue from value-added services (in particular, with the service "Setup of outdoor lighting" due to the conclusion and closure of contracts for implementation of construction and installation work of outdoor lighting networks for a total amount of 213 million rubles excluding VAT).

The prime cost for 2020 amounted to 84,889 million rubles, which is 380 million rubles (0.45%) higher than in the previous reporting period. The main factors of the cost price changes are the growth of personnel costs in connection with payments of compensations to production personnel during the period of the high alert regime for epidemiological requirements, the costs of measures to reduce electricity losses.

The gross profit in 2020 amounted to 10,096 million rubles against 9,997 million rubles in 2019

The selling expenses in 2020 amounted to 18 million rubles, which is 1 million rubles (5.26%) lower than in 2019. The main factors for the decline are the reduction in the cost of delivery and envelope insertion of bills.

The administrative expenses increased by 53 million rubles (2.27%) and at the end of 2020 amounted to 2,389 million rubles.

The sales profit for 2020 amounted to 7,689 million rubles against 7,642 million rubles in 2019.

Income from participation in other organizations compared to the previous year slightly decreased by 0.6 million rubles and amounted to 14 million rubles.

The balance of interest receivable and payable in comparison with the previous year increased by 769 million rubles and amounted to minus 2,343 million rubles.

The balance of other income/expenses for 2020 amounted to minus 1,180 million rubles against minus 3,372 billion rubles in 2019. The main impact on this indicator was the decrease in accrued reserves for doubtful debts and lawsuits.

As a result, the net profit at the end of 2020 amounted to 2,830 million rubles against 328 million rubles in 2019.

Statement of Financial Position

The total assets of IDGC of Centre, PJSC as of 31 December 2020 compared to 31 December 2019 increased by 5,926 million rubles (4.76%) and amounted to 130,310 million rubles.

The non-current assets in comparison with the beginning of the year increased by 3,970 million rubles (3.70%) and amounted to 111,410 million rubles.

The current assets increased by 1,956 million rubles (11.54%) and as of 31 December 2020 amounted to 18,900 million rubles.

The debt burden as of 31 December 2020 amounted to 45,297.7 million rubles. The debt portfolio is mainly represented by long-term loans and borrowings. The share of bank loans in the portfolio reaches 56%, bond loans - 33%, corporate loans - 11%. The net debt of IDGC of Centre, PJSC amounted to 44,501.5 million rubles against 42,159.5 million rubles at the beginning of the year.

Information on the results of an independent audit

In the opinion of the independent auditor Ernst & Young LLC, the attached financial statements accurately reflect, in all material aspects, the financial position of the Company as of 31 December 2020, as well as its financial results and cash flows for 2020 in accordance with the rules for drawing up financial statements established in the Russian Federation.

At the meeting on 22.04.2021 (Minutes No. 06/21), the Audit Committee considered the auditor's report on the annual financial statements of IDGC of Centre, PJSC for 2020 and recommended that the Board of Directors of IDGC of Centre, PJSC submit for approval by the Annual General Meeting of Shareholders the annual financial statements for 2020, as well as include the assessment of the auditor's report on the level of efficiency and quality of the external audit process of the annual financial statements for 2020 prepared by the Audit Committee in the information (materials) presented for familiarization to persons entitled to participate in the Annual General Meeting of Shareholders of the Company.

Information on the conclusion of the Audit Commission

Based on the audit performed, taking into account the opinion of the external auditor of the Company, the Audit Commission has sufficient grounds to confirm the reliability of the data contained in the annual financial statements of the Company for 2020 in all material respects.

The annual financial statements of the Company for 2020 were preliminarily approved by the Board of Directors of the Company on 23.04.2021 (Minutes No. 14/21) in accordance with the recommendations of the Audit Committee on 29.03.2021 (Minutes No. 04/21).

The annual financial statements for 2020 are available on the Company's website at: <https://www.mrsk-1.ru/about/management/controls/stockholders/material/gosa2021/>



Draft resolution on item № 1

1. To approve the Annual Report of the Company for 2020.
2. To approve the annual financial statements of the Company for 2020.



Annual Report of IDGC of Centre, PJSC for 2020



Interregional Distribution Grid Company of Centre,
Public Joint-Stock Company

EXTRACT FROM MINUTES
of meeting of the Board of Directors of IDGC of Centre, PJSC
(in the form of absent voting)

SEE APPENDIX 1

«23» April 2021 Moscow No. 14/21

Form of the meeting: **absent voting.**

Total number of members of the Board of Directors: **11 people.**

Participants of the voting: **A.V. Golovtsov, V.Y. Zarkhin, A.I. Kazakov, D.V. Krainskiy, A.V. Mayorov, I.V. Makovskiy, K.A. Mikhailik, A.I. Pavlov, V.V. Rozhkov, L.A. Romanovskaya, A.V. Shevchuk.**

Members who did not provide questionnaires: **none.**

The quorum is **present.**

Date of the minutes: **23.04.2021.**

Item 10. On the prior approval of the Company's Annual Report for 2020.

Decision:

Tentatively to approve the Company's Annual Report for 2020 and to recommend that the Annual General Meeting of Shareholders of the Company approve the Annual Report in accordance with Appendix # 4 to this decision of the Board of Directors of the Company.

Voting results:

1. Alexander Viktorovich Golovtsov	- «ABSTAINED»
2. Vitaly Yuryevich Zarkhin	- «FOR»
3. Alexander Ivanovich Kazakov	- «FOR»
4. Daniil Vladimirovich Krainskiy	- «FOR»
5. Andrey Vladimirovich Mayorov	- «FOR»
6. Igor Vladimirovich Makovskiy	- «FOR»
7. Konstantin Alexandrovich Mikhailik	- «FOR»
8. Alexey Igorevich Pavlov	- «FOR»
9. Vasilij Vladimirovich Rozhkov	- «FOR»
10. Larisa Anatolievna Romanovskaya	- «FOR»
11. Alexander Viktorovich Shevchuk	- «FOR»

Total:

«FOR»	- «10»
«AGAINST»	- «0»
«ABSTAINED»	- «1»

Decision is taken.

A dissenting opinion was received on this item from a member of the Board of Directors of the Company, A.V. Golovtsov (Appendix # 7).

Appendix: The Company's Annual Report for 2020 (Appendix # 4).

Minutes signed by:

Chairperson of the Board of Directors
Corporate Secretary

A.V. Mayorov
S.V. Lapinskaya

Extract is correct:

Corporate Secretary
of IDGC of Centre, PJSC
23.04.2021.

S.V. Lapinskaya

Report on transactions made by IDGC of Centre, PJSC in 2020, recognized in accordance with the legislation of the Russian Federation as related party transactions

#	Name of the transaction	Date of the transaction	Significant terms of the transaction (parties, subject, price, validity period)	Person (s) who are related to the transaction	Notification of the related party transaction (letter details)	Governing body that made a decision on consent to the transaction or its subsequent approval (if there is such a decision - minutes details)
1.	Amendments to interconnected contracts for acquisition of equipment, design, installation and commissioning of an electricity metering system with automated data collection for the needs of IDGC of Centre, PJSC (branches of IDGC of Centre, PJSC Belgorodenergo, Bryanskenergo, Kostromaenergo, Kurskenergo, Orelenergo, Smolenskenergo and Yarenergo)	28.05.2020	<p>Parties of the Amendments: «Customer»: IDGC of Centre, PJSC (branches of IDGC of Centre, PJSC Belgorodenergo, Bryanskenergo, Kostromaenergo, Kurskenergo, Orelenergo, Smolenskenergo and Yarenergo); «Contractor» - Collective Participant, including JSC «FOCL-Conductor Administration» and Expert-PROEKT LLC.</p> <p>Subject of the Amendments: Amending agreements dated 03.06.2019 № 3100/11824/19 (4631016117) (Belgorodenergo branch), dated 16.04.2019 №3200/02939/19 (4632007513) (Bryanskenergo branch), dated 29.05.2019 №4400/02518/19 (4644009373) (Kostromaenergo branch), dated 03.06.2019 №4600/03207/19 (4646009018) (Kurskenergo branch), dated 29.05.2019 №5700/01383/19 (4657007629) (Orelenergo branch), dated 29.05.2019 №6700/07054/19 (4667017748) (Smolenskenergo branch), dated 29.05.2019 №7600/05659/19 (4676011577) (Yarenergo branch) for acquisition of equipment, development of design documentation, construction, installation and commissioning work on the modernization / creation of an electricity metering system with the setup of remote data collection. (Changing the deadline for completing work under the contract, making changes to the Schedule of work and the Schedule of financing of work, changing the Specifications of the equipment and the amount of work performed: Equipment compatible with metering devices of the type Neuron/Atlas, Equipment at other facilities, the List of facilities for setting up a metering system, Typical technical solutions for the setup of electricity metering to the Technical Specifications).</p> <p>Price of the Amendments: The maximum cost of the acquisition of equipment, performed work for development of design documentation, performance of construction, installation and commissioning work on the modernization / creation of an electricity metering system with the setup of remote data collection for the needs of IDGC of Centre, PJSC (Belgorodenergo, Bryanskenergo, Kostromaenergo, Kurskenergo, Orelenergo, Smolenskenergo and Yarenergo) shall not exceed 486 166 592,85 (Four hundred eighty six million one hundred sixty six thousand five hundred ninety two) rubles 85 kopecks, including VAT in the amount of 81 027 765,48 (Eighty one million twenty seven thousand seven hundred sixty five) rubles 48 kopecks, including the branches:</p>	1. PJSC Rosseti – Controlling entity of IDGC of Centre and at the same time the controlling entity of the legal entity that is a party to the transaction (JSC «FOCL-Conductor Administration»); 2. Dmitry Alexandrovich Chevkin - Member of the Board of Directors of IDGC of Centre, since he is also a member of the Board of Directors of JSC «FOCL-Conductor Administration», which is a party to the transaction with IDGC of Centre, PJSC	Dated from 18.05.2020 № MP1-CA/7/3/780	Board of Directors of IDGC of Centre, PJSC (Minutes #26/20 of 28.05.2020)

#	Name of the transaction	Date of the transaction	Significant terms of the transaction (parties, subject, price, validity period)	Person (s) who are related to the transaction	Notification of the related party transaction (letter details)	Governing body that made a decision on consent to the transaction or its subsequent approval (if there is such a decision - minutes details)
			<ul style="list-style-type: none"> • Belgorodenergo 165 023 506,43 (One hundred sixty five million twenty three thousand five hundred six) rubles 43 kopecks, including VAT in the amount of 27 503 917,74 (Twenty seven million five hundred three thousand nine hundred seventeen) rubles 74 kopecks; • Bryanskenergo 66 829 759,38 (Sixty six million eight hundred twenty nine thousand seven hundred fifty nine) rubles 38 kopecks, including VAT in the amount of 11 138 293,23 (Eleven million one hundred thirty eight thousand two hundred ninety three) rubles 23 kopecks; • Kostromaenergo 61 074 061,27 (Sixty one million seventy four thousand sixty one) rubles 27 kopecks, including VAT in the amount of 10 179 010,21 (Ten million one hundred seventy nine thousand ten) rubles 21 kopecks; • Kurskenergo 68 481 930,36 (Sixty eight million four hundred eighty one thousand nine hundred thirty) rubles 36 kopecks, including VAT in the amount of 11 413 655,06 (Eleven million four hundred thirteen thousand six hundred fifty five) rubles 06 kopecks; • Orelenergo 41 536 334,19 (Forty one million five hundred thirty six thousand three hundred thirty four) rubles 19 kopecks, including VAT in the amount of 6 922 722,37 (Six million nine hundred twenty two thousand seven hundred twenty two) rubles 37 kopecks; • Smolenskenergo 25 859 038,42 (Twenty five million eight hundred fifty nine thousand thirty eight) rubles 42 kopecks, including VAT in the amount of 4 309 839,74 (Four million three hundred nine thousand eight hundred thirty nine rubles) rubles 74 kopecks; • Yarenergo 57 361 962,80 (Fifty seven million three hundred sixty one thousand nine hundred sixty two) rubles 80 kopecks, including VAT in the amount of 9 560 327,13 (nine million five hundred sixty thousand three hundred twenty seven) rubles 13 kopecks. 			
2	Interest-free loan Agreement	16.07.2020	<p>Parties of the Agreement: Borrower: IDGC of Centre, PJSC. Lender: PJSC Rosseti. Loan amount: up to 4 900 000 000 rubles. Special purpose: to finance the Target Program for improving the reliability of power supply to consumers in the Tver region for the period of 2018-2020 and other measures related to ensuring reliable and uninterrupted power supply to the Tver region (including reimbursement of costs incurred in 2018-2020 before the conclusion date of the loan agreement). Loan type: an interest-free loan. Loan agreement term – 9 years.</p>	<p>1. PJSC Rosseti - the controlling entity of the Company, simultaneously being a party to the transaction</p> <p>Share of participation of PJSC Rosseti in the authorized capital of IDGC of Centre, PJSC as of the date of the transaction: 50,23% Share of participation of PJSC Rosseti in the authorized capital of PJSC Rosseti as of the date of the transaction: not applicable</p>	<p>Dated from 12.05.2020 № MP1-CA/7/3/746</p> <p>Dated from 09.06.2020 № MP1-CA/7/3/901</p>	<p>Board of Directors of IDGC of Centre, PJSC (Minutes #26/20 of 28.05.2020)</p>

#	Name of the transaction	Date of the transaction	Significant terms of the transaction (parties, subject, price, validity period)	Person (s) who are related to the transaction	Notification of the related party transaction (letter details)	Governing body that made a decision on consent to the transaction or its subsequent approval (if there is such a decision - minutes details)
			<p>Responsibility of the parties: if the Borrower violates the terms of repayment of the loan amount, the Borrower shall pay the Lender a penalty in the amount of 0.1% (zero point one tenth of a percent) of the unpaid amount for each day of delay.</p> <p>Additional conditions:</p> <ul style="list-style-type: none"> - the loan is provided in one or several tranches on the basis of the Borrower's applications agreed by the Lender; - a loan tranche withdrawal period – from the date of the agreement conclusion until 31.12.2020; - repayment of the principal amount is carried out annually, starting from 2022, no later than 20 December of the corresponding year, in the amount of at least 1/7 of the principal amount under the agreement as of 01.01.2022. The final repayment of the principal debt is carried out no later than 9 years from the conclusion date of the agreement; - in case of violation by the Borrower of the terms of the loan agreement, the Lender is entitled to reclaim the loan debt ahead of schedule; - The Borrower has the right to early (in whole or in part) repay the loan debt. 	<p>2. Andrey Vladimirovich Mayorov - Member of the Board of Directors of IDGC of Centre, PJSC, since she holds the position of a member of the Management Board of PJSC Rosseti, being a party to the transaction with IDGC of Centre, PJSC</p> <p>3. Larisa Anatolievna Romanovskaya - Member of the Board of Directors of IDGC of Centre, PJSC, since she holds the position of a member of the Management Board of PJSC Rosseti, being a party to the transaction with IDGC of Centre, PJSC</p> <p>Share of participation A.V. Mayorov, L.A. Romanovskaya in the authorized capital of IDGC of Centre, PJSC and PJSC Rosseti as of the date of the transaction: none.</p>		
3	Cash loan Agreement with interest	23.07.2020	<p>Parties of the Agreement:</p> <p>«Lender» - IDGC of Centre, PJSC;</p> <p>«Borrower» - JSC "Sanatorium "Energetik".</p> <p>Subject and price of the Agreement:</p> <p>The Lender transfers to the Borrower's ownership funds in the amount not exceeding 340 000 000 (Three hundred forty million) rubles, and the Borrower agrees to return the loan amount received with interest as stipulated by the Agreement.</p> <p>The Borrower pays the Lender interest at the rate of 7,6 % (Seven point six percent) per annum. The calculation and accounting of interest for the use of each tranche is carried out separately.</p> <p>Interest is calculated in rubles on the amount of money actually received, starting from the day following the day the money is credited to the Borrower's account, up to the date of the actual repayment, including the date of repayment. The interest calculation period is set as the calendar month.</p> <p>Accrued interest on the loan is paid at a time on the date of final repayment of the loan debt.</p>	<p>PJSC Rosseti - the controlling entity of IDGC of Centre, PJSC, since another controlled entity of PJSC Rosseti (indirectly through IDGC of Centre, PJSC) – JSC "Sanatorium "Energetik", is a party to the deal with IDGC of Centre, PJSC</p>	<p>Dated from 19.06.2020 № MP1-CA/7/3/962</p>	<p>Board of Directors of IDGC of Centre, PJSC (Minutes of 22.06.2020 # 28/20)</p>

#	Name of the transaction	Date of the transaction	Significant terms of the transaction (parties, subject, price, validity period)	Person (s) who are related to the transaction	Notification of the related party transaction (letter details)	Governing body that made a decision on consent to the transaction or its subsequent approval (if there is such a decision - minutes details)
			<p>The Lender has the right to unilaterally change the interest rate on the loan in case of a change in the key rate of the Bank of Russia or another indicator reflecting the cost of attracting credit (borrowed) resources, without registration of this change by an amendment.</p> <p>The Borrower agrees to repay the loan amount with interest no later than 5 years from the date of conclusion of the Agreement.</p> <p>By agreement of the parties, other forms, methods and payment options that are not prohibited by the legislation of the Russian Federation may be applied and used to repay the loan amount and interest under the Agreement.</p> <p>By agreement of the parties, the loan amount can be repaid by the Borrower ahead of schedule.</p> <p>Loan granting procedure: The loan is provided in tranches on the basis of a tranche application.</p> <p>The Lender has the right to refuse to grant the loan amount in case of disagreement with the conditions set forth in the application.</p> <p>Other conditions recognized by the Parties as material: The Lender has the right at any time to refuse to execute the Agreement unilaterally out of court, having notified the Borrower in writing 3 (three) days before the date of the alleged refusal to execute the Agreement. The Agreement shall be deemed terminated after 3 (three) days from the date of receipt by the Borrower of a written notice of refusal to execute the Agreement. In case of termination of the Agreement by the Lender unilaterally out of court, the Borrower shall, on the day of termination of the Agreement, return the loan amount received under the Agreement with accrued interest at the time of termination of the Agreement.</p> <p>Responsibility of the Parties: In case of violation by the Borrower of the terms for repayment of the loan amount, the Borrower shall pay the Lender a penalty in the amount of 0,1 % (zero point one tenth of a percent) of the outstanding loan amount and interest for each day of delay until the full fulfillment of obligations.</p> <p>Duration of the Agreement: The Borrower agrees to repay the loan amount with interest no later than 5 years from the date of conclusion of the Agreement.</p>			
4	Cash loan Agreement with interest	26.08.2020	<p>Parties of the Agreement: IDGC of Centre, PJSC (the Lender); LLC BryanskElectro (the Borrower).</p>		Dated from 20.08.2020 № MP1-CA/7/3/1275	Board of Directors of IDGC of Centre, PJSC (Minutes of 21.08.2020 # 38/20)

#	Name of the transaction	Date of the transaction	Significant terms of the transaction (parties, subject, price, validity period)	Person (s) who are related to the transaction	Notification of the related party transaction (letter details)	Governing body that made a decision on consent to the transaction or its subsequent approval (if there is such a decision - minutes details)
			<p>Subject and price of the Agreement: The Lender transfers to the Borrower the ownership of funds in an amount not exceeding 1 939 000 000,00 (One billion nine hundred thirty-nine million) rubles, and the Borrower undertakes to repay the loan amount received with interest within the period specified in the Agreement. For using the loan, the Borrower shall pay the Lender interest in the amount of 6,2 % (Six point two tenths of a percent) per annum. Interest for the use of each tranche is accrued and recorded separately. Interest is calculated in rubles on the amount of money actually received, starting from the day following the day the money is credited to the Borrower's account, up to the date of the actual repayment, including the date of repayment. The interest calculation period is set as the calendar month. Interest is paid monthly, no later than the 15th day of the month following the month for which the interest is paid. The Lender has the right to unilaterally change the interest rate on the loan in the event of a change in the key rate of the Bank of Russia or another indicator reflecting the cost of attracting credit (borrowed) resources, without formalizing this change by an amendment. The Borrower undertakes to repay the principal amount of the loan no later than 5 years from the date of the Agreement. At the same time, the debt of the Borrower to the Lender under the Agreement as of 31 December 2021 cannot exceed 1 539 million rubles, and as of 31 December 2022 it cannot exceed 989 million rubles. By agreement of the parties, other forms, methods and payment options not prohibited by the legislation of the Russian Federation may be applied and used to return the loan amount and interest under the Agreement. By agreement of the parties, the loan amount may be repaid by the Borrower ahead of schedule. Intended use of the loan: fulfillment of the Borrower's obligations to pay under the Purchase and Sale Agreement (immovable property) dated 23.06.2020 № 3496/1 in the amount of 1 304 604 792,22 rubles and the Purchase and Sale Agreement (movable property) dated 23.06.2020 № 3496/2 in the amount of 820 044 299,81 rubles, concluded with LLC Bryanskoblectro. Loan granting procedure: The loan is provided in tranches on the basis of a tranche application. The Lender has the right to refuse to provide the loan amount in case of disagreement with the conditions set forth in the application. Other conditions recognized by the Parties as material: The Lender has the right at any time to refuse to execute the Agreement unilaterally out of court, having notified the Borrower in writing 3 (three) days before the date</p>	<p>PJSC Rosseti - the controlling entity of IDGC of Centre, PJSC, simultaneously controlling (indirectly through IDGC of Centre, PJSC and JSC "Sanatorium "Energetik") LLC BryanskElektro, is a party to the deal</p> <p>Share of participation of PJSC Rosseti in the authorized capital of IDGC of Centre, PJSC as of the date of the transaction: 50,23% Share of participation of PJSC Rosseti in the authorized capital of LLC BryanskElektro as of the date of the transaction: no</p>		

#	Name of the transaction	Date of the transaction	Significant terms of the transaction (parties, subject, price, validity period)	Person (s) who are related to the transaction	Notification of the related party transaction (letter details)	Governing body that made a decision on consent to the transaction or its subsequent approval (if there is such a decision - minutes details)
			<p>of the alleged refusal to execute the Agreement. The Agreement shall be deemed terminated after 3 (three) days from the date of receipt by the Borrower of a written notice of refusal to execute the Agreement. In case of termination of the Agreement by the Lender unilaterally out of court, the Borrower shall, on the day of termination of the Agreement, return the loan amount received under the Agreement with accrued interest at the time of termination of the Agreement.</p> <p>Responsibility of the Parties: In case of violation by the Borrower of the terms for repayment of the loan amount, the Borrower shall pay the Lender a penalty in the amount of 0,1 % (zero point one tenth of a percent) of the outstanding loan amount and interest for each day of delay until the full fulfillment of obligations.</p> <p>Duration of the Agreement: The Agreement comes into force from the moment of its signing and is valid until the performance of the Borrower's obligations to the Lender. The Agreement will be deemed fulfilled when the Borrower performs the obligation to return the loan amount and pay all interest accrued until the loan amount is repaid and other payments accrued are made in accordance with the terms of the Agreement.</p>			
5	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	07.10.2020	<p>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).</p> <p>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.</p> <p>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.</p>	<p>1. PJSC Rosseti - the controlling entity of IDGC of Centre, PJSC, at the same time being the controlling entity of IDGC of Center and Volga Region, PJSC, which is a party to the transaction</p> <p>Share of participation of PJSC Rosseti in the authorized capital of IDGC of Centre, PJSC as of the date of the transaction: 50,23%. Share of participation of PJSC Rosseti in the authorized capital of IDGC of Center and Volga Region, PJSC as of the date of the transaction: 50,4%.</p>	Dated from 23.09.2020 № MP1-CA/7/3/1464	Board of Directors of IDGC of Centre, PJSC (Minutes dated 29.09.2020 # 45/20)

#	Name of the transaction	Date of the transaction	Significant terms of the transaction (parties, subject, price, validity period)	Person (s) who are related to the transaction	Notification of the related party transaction (letter details)	Governing body that made a decision on consent to the transaction or its subsequent approval (if there is such a decision - minutes details)
			<p>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.</p> <p>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.</p>	<p>2. 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 3. 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 4. 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 5. 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 6. 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</p>		

#	Name of the transaction	Date of the transaction	Significant terms of the transaction (parties, subject, price, validity period)	Person (s) who are related to the transaction	Notification of the related party transaction (letter details)	Governing body that made a decision on consent to the transaction or its subsequent approval (if there is such a decision - minutes details)
			<p>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.</p> <p>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.</p> <p>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.</p>	<p>7. 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 8. Vitaly Olegovich Akulichev - 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 9. 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 10. 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</p> <p>Share of participation of Makovsky I.V., Golovtsov A.V., Zarkhin V.Y., Kazakov A.I., Mayorov A.V., Shevchuk A.V., Akulichev V.O., Rezakova V.V. in the authorized capital of IDGC of Centre, PJSC and IDGC of Center and Volga Region, PJSC as of the date of the transaction: no. Share of participation Pilyugin A.V. in the authorized capital of IDGC of Centre, PJSC as of the date of the transaction: 0,00035 %; in the authorized capital of IDGC of Center and Volga Region, PJSC: no.</p>		

#	Name of the transaction	Date of the transaction	Significant terms of the transaction (parties, subject, price, validity period)	Person (s) who are related to the transaction	Notification of the related party transaction (letter details)	Governing body that made a decision on consent to the transaction or its subsequent approval (if there is such a decision - minutes details)
6	Amendment to cash loan agreement with interest dated 18.10.2019 №7700/00193/19 between IDGC of Centre, PJSC and JSC "Sanatorium "Energetik"	20.10.2020	<p>Parties of the Amendment: IDGC of Centre, PJSC (Lender); JSC "Sanatorium "Energetik" (Borrower).</p> <p>Subject of the Amendment: To amend cash loan agreement with interest dated 18.10.2019 №7700/00193/19 (hereinafter - the Agreement) in the following edition: 1. To read clause 2.2. of the Agreement as follows: «2.2. For using the loan, the Borrower shall pay the Lender interest in the amount of 6,2% (Six point two tenths of a percent) per annum. Interest for the use of each tranche is accrued and recorded separately». 2. To supplement the Agreement with clause 2.8: «2.8. The Lender has the right to unilaterally change the interest rate on the loan in the event of a change in the key rate of the Bank of Russia or another indicator reflecting the cost of attracting credit (borrowed) resources, without formalizing this change by an additional agreement. The interest rate is considered changed after 5 business days from the date of notification of the Borrower about the change in the interest rate. In case of disagreement with the change in the interest rate, the Borrower is obliged to notify the Lender about it and repay the actual debt on the loan within 5 business days from the date the Lender sends a notice of the change in the interest rate».</p> <p>Other essential terms of the Amendment: The Amendment enters into force from the moment of its signing by the Parties, extends its effect to the relations of the Parties from 01.09.2020 and is valid until the Parties completely fulfill their obligations under the Agreement..</p>	PJSC Rosseti - the controlling entity of IDGC of Centre, PJSC, at the same time being the controlling entity of JSC "Sanatorium "Energetik" (indirectly through IDGC of Centre, PJSC), which is a party to the transaction	Dated from 05.10.2020 № MP1-CA/7/3/1524	Board of Directors of IDGC of Centre, PJSC (Minutes dated 14.10.2020 # 47/20)

Annual financial statements of IDGC of Centre, PJSC for 2020



Interregional Distribution Grid Company of Centre,
Public Joint-Stock Company

SEE APPENDIX 2

EXTRACT FROM MINUTES
of meeting of the Board of Directors of IDGC of Centre, PJSC
(in the form of absent voting)

«23» April 2021

Moscow

No. 14/21

Form of the meeting: **absent voting**.

Total number of members of the Board of Directors: **11 people**.

Participants of the voting: **A.V. Golovtsov, V.Y. Zarkhin, A.I. Kazakov, D.V. Krainskiy, A.V. Mayorov, I.V. Makovskiy, K.A. Mikhailik, A.I. Pavlov, V.V. Rozhkov, L.A. Romanovskaya, A.V. Shevchuk**.

Members who did not provide questionnaires: **none**.

The quorum is **present**.

Date of the minutes: **23.04.2021**.

Item 11. On consideration of the annual financial statements of the Company for 2020.

Decision:

Tentatively to approve and submit the annual financial statements of the Company for 2020 for approval by the Annual General Meeting of Shareholders of the Company in accordance with Appendix # 5 to this decision of the Board of Directors of the Company.

The decision was taken unanimously.

Appendix: The annual financial statements of the Company for 2020 (Appendix # 5).

Minutes signed by:

Chairperson of the Board of Directors
Corporate Secretary

A.V. Mayorov
S.V. Lapinskaya

Extract is correct:

Corporate Secretary
of IDGC of Centre, PJSC
23.04.2021.

S.V. Lapinskaya

Conclusion of the Audit Commission on the results of the audit of the financial and economic activities of IDGC of Centre, PJSC for 2020

**The Audit Commission
of IDGC of Centre, PJSC**

Approved by
the Audit Commission
of IDGC of Centre, PJSC
(Minutes dated 15 April 2021 #3)

REPORT OF THE AUDIT COMMISSION

of Interregional Distribution Grid Company of Centre,
Public Joint Stock Company

FOR 2020

15 April 2021

Moscow

I. INTRODUCTION

Members of the Audit Commission were elected by the resolution of the General Meeting of Shareholders	Decision of the Annual General Meeting of Shareholders of IDGC of Centre, PJSC dated 29.05.2020 (Minutes dated 29.05.2020 № 01/20)
Chairperson, Secretary of the Audit Commission were elected by the decision of the Audit Commission	Minutes No. 1 of the meeting of the Audit Commission of IDGC of Centre, PJSC dated 05.06.2020, No. 2 dated 11.12.2020
Chairperson of the Audit Commission	Sergey Vladimirovich Kiryukhin
Secretary of the Audit Commission	Artem Nikolaevich Kirillov
Members of the Audit Commission	Svetlana Anatolyevna Kim, Elena Alexandrovna Kabizskina, Marina Alekseevna Lelekova (<i>resignation of powers of a member of the Audit Commission from 17.07.2020</i>)

Term of the audit performance: In accordance with the the work plan of the Audit Commission for the 2020-2021 corporate year (Minutes of the meeting of the Audit Commission of IDGC of Centre, PJSC No. 2 dated 11.12.2020), the audit of the financial and economic activities of IDGC of Centre, PJSC for 2020 is carried out from January to May 2021.

Reason for the audit: Federal Law No. 208-FZ of 26.12.1995 "On Joint Stock Companies", the Articles of Association of IDGC of Centre, PJSC, the Regulation on the Audit Commission of IDGC of Centre, PJSC, the decision of the Audit Commission of IDGC of Centre, PJSC (Minutes No. 2 dated 11.12.2020).

Purpose of the audit: The expression of an independent opinion on the reliability of data contained in the Annual Report for 2020, the Company's financial statements for 2020, the Report on related party transactions concluded in 2020 (hereinafter referred to as the Statements).

Reliability in all material respects means the accuracy of the Statements data, which allows shareholders to draw the right conclusions about the results of economic activities, financial and property status of IDGC of Centre, PJSC and take informed decisions based on these conclusions.

In accordance with Federal Law No. 208-FZ of 26.12.1995 "On Joint Stock Companies", the Articles of Association of IDGC of Centre, PJSC, the executive body of IDGC of Centre, PJSC bears responsibility for the organization, condition and reliability of accounting in IDGC of Centre, PJSC, timely submission of financial statements.

Audited period: from 01.01.2020 to 31.12.2020.

Audited entity: The Annual Report for 2020, Financial Statements for 2020, the Report on related party transactions concluded in 2020, resolutions of management bodies, local regulations and organizational and administrative documents of IDGC of Centre, PJSC, programs and plans, ledgers, primary accounting documents and other documentation of financial and economic activities of IDGC of Centre, PJSC.

The audit was performed in accordance with the following:

- Federal Law No. 402-FZ of 06.12.2011 "On Business Accounting";
- Federal Law No. 208-FZ of 26.12.1995 "On Joint Stock Companies";
- the Civil Code of the Russian Federation;
- Order of the Ministry of Finance of the Russian Federation No. 34n of 29.07.1998 "On the Adoption of the Regulations on Business Accounting in the Russian Federation";
- Standards on accounting (federal, industry);
- Order of the Ministry of Finance of the Russian Federation No. 66n of 02.07.2010 "On the Forms of Financial Statements of Organisations";
- Regulation on information disclosure by issuers of securities approved by the Bank of Russia dated 30.12.2014 No. 454-P;
- Instruction of the Bank of Russia "On the establishment of limit values for the size of transactions of joint-stock companies and limited liability companies, in excess of which such transactions can be recognized as related-party transactions" dated 31.03.2018 No. 4335-U;
- Regulation on Accounting Policy of IDGC of Centre, PJSC for 2020 PS BS/03-09/2019, approved by Order of IDGC of Centre, PJSC No. 619-TSA dated 31.12.2019;
- other legislative and internal local regulations of the Company.

INFORMATION ON THE COMPANY

Full name	Interregional Distribution Grid Company of Centre, Public Joint Stock Company (hereinafter referred to as the Company)
Abbreviated name	IDGC of Centre, PJSC (hereinafter referred to as the Company)
Location (registered office)	Russian Federation, Moscow
Legal entity address	119017, Russian Federation, Moscow, Malaya Ordynka St., 15
State registration (PSRN, date)	1046900099498 dated from 17.12.2004
TIN	6901067107
Branches and separate subdivisions	Belgorodenergo, Bryanskenergo, Voronezhenergo, Kostromaenergo, Kurskenergo, Lipetskenergo, Orelenergo, Smolenskenergo, Tambovenergo, Tverenergo, Yarenergo
Executive body (full name, position, date of taking office (all in the reporting period and events after the reporting date))	Igor Vladimirovich Makovskiy from 19.09.2018 to the present
Chief Accountant (full name, position, date of taking office)	Lyudmila Alexeevna Sklyarova, Chief Accountant – Head of Financial and Tax Accounting and Reporting Department from 19.04.2013 to the present
The average number of employees of the Company for 2020	28 693 people
Major shareholders	PJSC Rosseti 50,23 %, NEW RUSSIAN GENERATION LIMITED 15,98 %
Primary activities	Electricity transmission and connection to distribution grids (OKVED code 35.12)

The types of the Company's activities are determined by the Articles of Association.

Paragraph 2.8 of the Articles of Association stipulates that the Company can create branches and open representative offices that are not legal entities, act on behalf of the Company and on the basis of the provisions approved by the Company. The company is responsible for the activities of the branch and representative office.

The governing bodies of IDGC of Centre, PJSC are:

- General Meeting of Shareholders
- Board of Directors
- Management Board
- General Director (CEO).

The supreme governing body of the Company is the General Meeting of Shareholders. The most important decisions related to the activities of the Company are made by the General Meeting of Shareholders within its competence established by the legislation of the Russian Federation and the Articles of Association of the Company.

The Board of Directors, which is elected at the general meeting of shareholders, takes decisions on the issues of determining the development strategy of the Company and controls the activities of its executive bodies in accordance with the Articles of Association of the Company.

The management of the current activities of the Company is carried out by the sole executive body - the General Director of the Company and the collegial executive body - the Management Board of the Company.

Control over the financial and economic activities of the Company is carried out by the Audit Commission of the Company.

The current composition of the Board of Directors of IDGC of Centre, PJSC was elected at the meeting of the Annual General Meeting of Shareholders of IDGC of Centre, PJSC, held on 29 May 2020 (Minutes of the meeting dated 29 May 2020 No. 01/20), consisting of (positions are indicated at the time of election):

1. Golovtsov Alexander Viktorovich; 2. Zarkhin Vitaly Yurievich; 3. Shevchuk Alexander Viktorovich - Executive Director, Association of Institutional Investors; 4. Makovskiy Igor Vladimirovich - General Director, Chairman of the Management Board of IDGC of Centre, PJSC; 5. Kazakov Alexander Ivanovich - Chairman of the Board of Directors of IDGC of Centre, PJSC, professional director; 6. Romanovskaya Larisa Anatolievna - Acting Deputy Director General for HR Management, Government and Media Relations of PJSC Rosseti; 7. Mayorov Andrey Vladimirovich - Deputy Director General - Chief Engineer of PJSC Rosseti; 8. Pavlov Alexey Igorevich - Director of Strategy Department of PJSC Rosseti; 9. Krainskiy Daniil Vladimirovich - Chief Advisor of PJSC Rosseti; 10. Mikhailik Konstantin Alexandrovich - Deputy Director General for Operations of PJSC Rosseti; 11. Rozhkov Vasily Vladimirovich - Director of Production Activity Department - Deputy Chief Engineer of PJSC Rosseti.

INFORMATION ON THE AUDITOR

Full company name	Ernst & Young Limited Liability Company
Abbreviated company name	Ernst & Young LLC
Resolution of the Annual General Meeting of Shareholders to approve the auditor nomination	Decision of the General Meeting of Shareholders of IDGC of Centre, PJSC dated 29.05.2020 (Minutes dated 29.05.2020 № 01/20)
Location	Sadovnicheskaya nab. 77, bld. 1, 115035 Moscow, Russian Federation
State registration number	102773970203
SRO membership	Membership in self-regulatory organization of auditors Association "Sodruzhestvo" (NP AAC) Main registration number of record 12006020327
Audit agreement	Audit agreement dated 06.07.2020 № I&C-2020-00093-7700/00128/20
Auditor's report	Auditor's report of an independent auditor on the financial statements of Interregional Distribution Grid Company of Centre, Public Joint Stock Company for 2020 (signed 24.02.2021)

II. ANALYTICAL PART

During the audit, the Company's compliance with the legislation of the Russian Federation and local regulations of the Company was considered.

In assessing the accuracy of the financial statements for 2020, the Audit Commission relied on the opinion of the auditor of the Company, expressed in the auditor's report of Ernst & Young LLC dated 24 February 2021 on the accurate in all material respects reflection of the financial position and financial results in the financial statements for 2020.

According to the auditor of the Company Ernst & Young LLC, *"the attached financial statements accurately reflect, in all material respects, the financial position of the Company as of 31 December 2020, as well as its financial results and cash flows for 2020 in accordance with the rules for drawing up financial statements established in the Russian Federation."*

The set of accounting methods used by the Company constituting the Accounting Policy of IDGC of Centre, PJSC for accounting purposes for 2020, approved by Order No. 619-CA dated 31.12.2019, in the reporting year generally complied with the legislation of the Russian Federation on accounting and federal standards.

The inventory of the property and obligations of the Company at the end of 2020 was carried out in accordance with the requirements of the legislation of the Russian Federation.

The statements were drawn up in accordance with the legislative and regulatory acts of the Russian Federation (RAS) and local regulations of the Company in all material respects.

The Audit Commission selectively checked a number of financial and business operations performed by the Company for accurate and timely reflection of the facts of economic life in accounting and financial statements for 2020, checking the reliability and completeness of information disclosure in the Annual Report for 2020, in the report on related party transactions concluded in 2020. Based on the financial statements of the Company, the analysis of the financial position and financial condition of the Company was carried out.

The book value of the Company's assets as of 31 December 2020 amounted to 130,309.68 million rubles and in comparison with the data as of 31 December 2019 increased by 4.8%.

Non-current assets occupy 85.5% of the property structure, their value as of 31 December 2020 amounted to 111,410.05 million rubles, which is 3.7% more than the value of non-current assets as of 31 December 2019. The change in the non-current assets was significantly affected by the increase at the end of the reporting period in the value of fixed assets, construction in progress and financial investments.

The share of current assets as of 31 December 2020 accounted for 14.5% of all assets or 18,899.64 million rubles, of which the largest share is accounts receivable (77.3%). The value of the current assets in comparison with the data as of 31 December 2019 increased by 11.5%. The amount of the current assets was mainly affected by an increase in accounts receivable in the amount of 1,556.85 million rubles, the amount of which (in the balance sheet estimate) as of 31 December 2020 amounted to 14,617.81 million rubles.

The total amount of receivables accounted for under the terms of the agreements increased by 5.9% in 2020 and as of 31 December 2020 amounted to 26,796.46 million rubles, of which 65% of the receivables are overdue receivables, 45% are debts recognized by the Company as doubtful for collection and a reserve for doubtful debts was created. Overdue accounts receivable for the reporting year increased by 2.6%. The reserve for doubtful debts decreased by 0.4% compared to the data as of 31 December 2019.

In the structure of capital and liabilities as of 31 December 2020, equity capital accounts for 44.9% and amounts to 58,571.09 million rubles. The equity capital for the reporting year increased by 5.1%, which is mainly due to the receipt of net profit by the Company in the reporting period.

The share of borrowed capital accounts for 55.1% in the structure of capital and liabilities. The amount of borrowed capital for the reporting year increased by 4.5% and as of 31 December 2020 amounted to 71,738.59 million rubles. In the structure of borrowed capital as of 31 December 2020, the largest share is occupied by borrowed funds (63%) and accounts payable (20%). The borrowed funds for the reporting year increased by 4.9%.

The value of accounts payable as of 31 December 2020 is 14,485.62 million rubles and increased by 9.7% compared to the data as of 31 December 2019, mainly due to an increase in accounts payable to suppliers and contractors (by 2,905.9 million rubles). The share of overdue debt in the total amount of accounts payable at the end of the reporting year, compared to the same indicator as of 31 December 2019, increased from 9% to 24%.

The result of the Company's activity in the reporting year is net profit in the amount of 2,829.65 million rubles (in the previous reporting period, the profit amounted to 328.26 million rubles). The financial result was mainly influenced by the decrease in the negative balance of other income and expenses by 2,191.34 million rubles.

The net asset value as of 31 December 2020 is 58,593.79 million rubles and exceeds the authorized capital of the Company. The increase in the value of the net assets for the reporting year amounted to 5.1 %.

The Audit Commission selectively checked the reliability and completeness of information disclosure in the Company's Annual Report for 2020, for compliance with the requirements of the Regulation on Disclosure of Information by Issuers of Equity Securities, approved by the Bank of Russia on 30 December 2014 No. 454-P.

At the time of issuance of this Opinion, the Annual Report for 2020 submitted for approval by the Annual General Meeting of Shareholders has not been approved by the Board of Directors of the Company.

The Company's Annual Report submitted for approval by the Annual General Meeting of Shareholders contains information provided for by the Regulation on Disclosure of Information by Issuers of Equity Securities, approved by the Bank of Russia No. 454 P. of 30.12.2014.

The Audit Commission selectively verified the reliability of the disclosure of information in the report on related party transactions concluded in 2020 for compliance with the requirements of Federal Law No. 208-FZ dated 26.12.1995 "On Joint Stock Companies", Ordinance of the Bank of Russia "On setting limit values of the size of transactions of joint-stock companies and limited liability companies, in excess of which such transactions may be recognized as related party transactions" dated 31 March 2017 No. 4335-U.

At the time of the issuance of this Opinion, the report on the related party transactions concluded in 2020 has not been approved by the Board of Directors of the Company.

The facts of distortion of the information contained in the report on the related party transactions made by the Company in 2020 were not revealed. At the same time, the Audit Commission notes certain shortcomings in terms of the Company's compliance with the requirements provided for by the Federal Law "On Joint Stock Companies" dated 26 December 1995 No. 208-FZ.

The facts of violation of the legal acts of the Russian Federation in the implementation of financial and economic activities, which could significantly affect the Company's statements, were not revealed during the random check.

III. FINAL PART

In accordance with Article 88 of Federal Law of 26 December 1995 No. 208-FZ "On Joint Stock Companies" based on the results of the audit of the financial and economic activities of the Company at the end of 2020, the Audit Commission expresses its opinion on the reliability of the data in all material respects contained in the Annual Report of the Company for 2020 and in the annual financial statements of the Company for 2020.

No facts of distortion of the information contained in the report on the related party transactions concluded in 2020 were identified.

The Company's statements confirmed by the Audit Commission

Item #	Name of the statement form	Date of signature by the management	Number of sheets in the document
1.	Statement of Financial Position as of 31 December 2020	01.03.2021	2
2.	Statement of Financial Results for January – December 2020	01.03.2021	1
3.	Statement of changes in equity for January – December 2020	01.03.2021	3
4.	Statement of cash flow for January – December 2020	01.03.2021	2
5.	Notes to the Statement of Financial Position and the Statement of Financial Results of IDGC of Centre, PJSC for 2020 in text and tabular form	01.03.2021	96
6.	Annual Report of IDGC of Centre, PJSC for 2020 (with appendices, including the report on related party transactions concluded in 2020)	-	545

This Report of the Audit Commission should be considered together with all the approved forms of the financial statements and the Notes to the Statement of Financial Position and the Statement of Financial Results for 2020, the Annual Report of the Company for 2020, the Report on the related party transactions concluded in 2020

Chairperson of the Audit Commission

S.V. Kiryukhin

Members of the Audit Commission

A.N. Kirillov

S.A. Kim

E.A. Kabizskina

Independent auditor's report

Independent auditor's report
on the financial statements of
**Interregional Distribution Grid Company of
Centre,
Public Joint-Stock Company**
for 2020
February 2021

To the Shareholders and Board of Directors of Interregional Distribution Grid Company of Centre, Public Joint-Stock Company
Opinion

We have audited the financial statements of Interregional Distribution Grid Company of Centre, Public Joint-Stock Company (the Company), which comprise the statement of financial position as at 31 December 2020, statement of financial results for 2020 and appendices thereto.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and its cash flows for 2019 in accordance with the rules on preparation of financial statements established in the Russian Federation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Russian Federation, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>Recognition and assessment of revenue from electricity transmission services</p> <p>Recognition and assessment of revenue from electricity transmission services was one of the most significant matters of our audit in connection with certain specific features of the electricity market functioning mechanisms, which cause the existence of disagreements between power grids, power sales and other companies regarding the volumes and cost of transmitted electricity. The amount of revenue disputed by the counterparties is significant for the Company's financial statements. The Company's management's assessment of the probability of resolving disputes in its favour is largely subjective. Revenue is recognized when, subject to assumptions, differences are resolved in favour of the Company. Information on revenue from electricity transmission services is disclosed in paragraph 10 and 16 of the Notes to the statement of financial position and the statement of financial results.</p>	<p>We reviewed the applied accounting policy with respect to the recognition of revenue from electricity transmission services, assessed the internal control system for the reflection of this revenue, checked the correctness of determining the respective amounts of revenue based on the electricity transmission agreements concluded, on a selective basis received confirmations of receivables balances from counterparties, analyzed the results of legal proceedings regarding the disputed amounts of services rendered, if any, and assessed the existing procedures for confirming the amount of electricity transmitted.</p>

Key audit matter	How our audit addressed the key audit matter
Impairment of account receivables	
<p>Impairment of account receivables is one of the most significant matter for our audit due to significant balance of the Company's account receivables as at 31 December 2020, as well as due to the fact that management's assessment of recoverability of account receivables is based on assumptions, in particular, on the forecasted ability of the Company's customers to pay.</p> <p>Information on impairment of accounts receivable is disclosed in paragraphs 10 of the Notes to the statement of financial position and the statement of financial results.</p>	<p>We analyzed the adequacy of the Company's accounting policy with respect to impairment of account receivables, as well as the procedures for confirming the appropriateness of estimates made by the Company's management, including analysis of history of settlements, ageing and overdue receivables and customers' ability to pay.</p> <p>We performed audit procedures with respect to the information used by the Company to determine the impairment of accounts receivable, as well as with respect to the structure of receivables by aging and maturity, we tested the calculation of the accrued provision amounts.</p>
Recognition, measurement and disclosure of provisions and contingent liabilities	
<p>Recognition, measurement and disclosure of provisions and contingent liabilities in respect of litigations and claims of counterparties (including territorial electric grid companies and energy supply companies) were matters of most significance in our audit because they require a lot of management judgments in respect of significant amounts of the balance of settlements with counterparties disputed in the course of litigation or in the process of pre-trial settlement.</p> <p>Information on provisions and contingent liabilities is disclosed in paragraph 13 of the Notes to the statement of financial position and the statement of financial results.</p>	<p>The audit procedures included review of court rulings made by courts of different levels, review of adequacy of management judgments and documents confirming the assessment of possibility of outflow of economic resources following dispute resolutions, conformity of the prepared documentation with the existing contracts and compliance with the law, analysis of disclosure of contingent and estimated liabilities in the Notes to the statement of financial position and the statement of financial results.</p>

Other information included in the Annual Report

Other information consists of the information included in the Annual Report of Interregional Distribution Grid Company of Centre, Public Joint-Stock Company other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Annual Report of Interregional Distribution Grid Company of Centre, Public Joint-Stock Company is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of the management and the Audit Committee of the Board of Directors for the financial statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the rules on preparation of financial statements established in the Russian Federation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee of the Board of Directors is responsible for overseeing the Company's financial reporting process.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee of the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee of the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee of the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is T.L. Okolotina.

T.L. Okolotina
Partner
Ernst & Young LLC
24 February 2021

Data on the audited entity

Company name: Interregional Distribution Grid Company of Centre, Public Joint-Stock Company
Entered in the Unified State Register of Legal Entities on 17 December 2004, State Registration Number 1046900099498.
Registered office: 119017, Russia, Moscow, Malaya Ordynka St., 15.

Data on the auditor

Company name: Ernst & Young LLC
Entered in the Unified State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
Registered office: Sadovnicheskaya nab. 77, bld. 1, 115035 Moscow, Russia, 115035.
Ernst & Young LLC is a member of Self-regulated organization of auditors Association "Sodruzhestvo" (NP AAC). Ernst & Young LLC is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

Conclusion of the Audit Committee of IDGC of Centre, PJSC on the level of efficiency and quality of the external audit process

EXTRACT FROM MINUTES of the meeting of the Audit Committee of the Board of Directors of IDGC of Centre, PJSC (in the form of joint presence)

22 April 2021

Moscow

No. 06/21

Form of the meeting: joint presence.

Time of the meeting: 11 hours 00 minutes – 12 hours 00 minutes.

Place of the meeting: Moscow, Malaya Ordynka St., 15, floor 1, room 201.

Total number of members of the Audit Committee: 3 persons.

Participants of the meeting: A.I. Kazakov, A.V. Shevchuk.

The written vote (questionnaire) of the following members was taken into account while defining the results: L.A. Romanovskaya.

Members who neither participated nor provided questionnaires: none.

The quorum is present.

The Expert conclusion of the expert of the Audit Committee of the Board of Directors of IDGC of Centre, PJSC was taken into account at drawing up of the minutes.

Date of the minutes: 22.04.2021.

Item 3. On evaluation of the effectiveness of the external audit process of the Company's financial statements for 2020.

Speaker / co-speaker – Lyudmila Alexeevna Sklyarova.

Without discussing the report, the members of the Committee proceeded to vote.

Decision taken at the meeting:

- To recognize the Auditor's report and procedures, conducted by Ernst & Young LLC during the audit of the Company's financial statements, prepared under RAS, for 2020, in compliance with the terms and conditions of the contract and the requirements of the legislation of the Russian Federation.
- To recommend that the Board of Directors of the Company include the Conclusion of the Audit Committee of the Board of Directors of IDGC of Centre, PJSC on the level of efficiency and quality of the external audit process in the list of materials provided to persons entitled to participate in the Annual General Meeting of Shareholders of the Company, in accordance with Appendix # 1 to this decision of the Audit Committee.

The decision was taken unanimously.

Appendix: The Conclusion of the Audit Committee of the Board of Directors of IDGC of Centre, PJSC on the level of efficiency and quality of the external audit process (Appendix # 1).

Minutes signed by:

Chairperson of the Audit Committee

A.I. Kazakov

Secretary of the Audit Committee

S.V. Lapinskaya

Extract is correct:

Secretary of the Audit Committee

S.V. Lapinskaya

22.04.2021

In accordance with paragraphs 294.2 and 294.3 of the Code of Corporate Governance, approved on 21.03.2014 by the Board of Directors of the Bank of Russia, the Audit Committee of the Board of Directors of IDGC of Centre, PJSC (hereinafter - the Company) evaluated the effectiveness of the process of external audit of financial statements of the Company for 2020, prepared under RAS, and assessed the Auditor's report, issued by the results of this audit.

Following the results of the public competitive negotiations without prequalification of bidders for the right to sign the agreement to render services for audit of financial statements, prepared in accordance with RAS, audit of consolidated financial statements prepared in accordance with IFRS, which is valid for the period of 2020, Ernst & Young LLC was recognized as the winner (Minutes of the meeting of the Procurement Commission dated 16.04.2018 # 13/595r).

On the basis of the decisions of the Annual General Meeting of Shareholders (Minutes dated 29.05.2020 # 01/20), the Company's Board of Directors (Minutes dated 30.06.2020 № 30/20), the Company entered into Agreement dated 6 July 2020 I&C-2020-00093 – 7700/00128/20 with Ernst & Young LLC (hereinafter - the External Auditor).

Registered office of the External Auditor: Sadovnicheskaya nab. 77, bld. 1, 115035 Moscow, Russia.

Ernst & Young LLC is a member of Self-regulated organization of auditors Association "Sodruzhestvo" (SRO AAC). (Main registration number 12006020327).

Independence and objectivity of the External Auditor was confirmed with the following information provided by Ernst & Young LLC:

- Ernst & Young LLC has implemented standards of activity, according to which this company aims to be an independent auditor and to have a reputation as an independent auditor;
- in accordance with the regulations of ethics and independence of Ernst & Young LLC, all partners and employees of Ernst & Young LLC annually confirm compliance with these regulations, including the absence of prohibited financial investments in their investment portfolio.

Considering the above, in confirmation of the absence of a conflict of interest during the audit of the financial statements and comprehensive examination of IDGC of Centre, PJSC, the External Auditor informs in the Management and Governance Letter as follows:

- From 1 January 2020 Ernst & Young LLC did not enter into any relationship, which can reasonably be considered as influencing independence and objectivity of the company.
- Ernst & Young LLC believes that they have taken effective measures to minimize the main threats to its independence that arise during its performance of services.
- Ernst & Young LLC confirms the disclosure of information on the total amount of remuneration that was put up by EY and the companies included in the EY network for payment for the provision of services during the reporting period and analyzed in the relevant categories.
- Ernst & Young LLC confirms that, according to professional judgment, the EY company is independent, the objectivity of the company is not in doubt, and the company follows the standards of professional ethics established by the Audit Council (the Code of Professional Ethics of Auditors, the Rules for Independence of Auditors and Auditing Organizations).

Detailed information on the main policies and procedures that Ernst & Young LLC applies to maintain objectivity and independence are presented in the annual Transparency Report, which Ernst & Young LLC publishes by law. The most recent version of the Ernst & Young LLC report can be found at the following link: <http://www.ey.com>

As part of the audit of the financial statements prepared in accordance with RAS, the External Auditor prepared and submitted the following documents:

- the Management and Governance Letter (the Auditor's Report) to the management and the Audit Committee of the Board of Directors of IDGC of Centre, PJSC following the results of the audit of the financial statements prepared in accordance with RAS and the consolidated financial statements prepared in accordance with IFRS for 9 months of 2020. (20 sheets).
- the Management and Governance Letter (the Auditor's Report) to the management and the Audit Committee of the Board of Directors of IDGC of Centre, PJSC following the results of the audit of the financial statements prepared in accordance with RAS and the consolidated financial statements prepared in accordance with IFRS for 2020 (16 sheets).
- the Notes to the Statement of Financial Position and the Statement of Financial Results of Public Joint Stock Company "Interregional Distribution Grid Company of Centre" for 2020 (95 sheets).
- the Auditor's Report on the financial statements prepared in accordance with RAS for 2020 (8 sheets).

The Audit Committee of the Board of Directors of the Company at its meetings reviewed the above documents prepared by Ernst & Young LLC, discussed with the External Auditor and the Company's management the main problems of the financial statements of the Company prepared in accordance with Russian Accounting Standards (hereinafter - RAS) (Minutes dated 20.01.2021 # 01/21, Minutes dated 29.03.2021 # 04/21).

The content of the Management and Governance Letter (the Report), prepared by Ernst & Young LLC, meets the requirements of Federal Law "On Auditing" No. 307-FZ, International Standards on Auditing (ISAs) 260 (revised) "Communication with those charged with governance" and 265 "Communicating deficiencies in internal control to those charged with governance and management".

The procedures performed by Ernst & Young LLC in the course of the external audit of the financial statements of the Company for 2020 under RAS correspond to the terms and conditions of the concluded agreement and the requirements of Federal Law "On Auditing Activities" dated 30.12.2008 № 307-FZ.

The Auditor's Report was compiled in accordance with the International Standards on Auditing (ISAs), enacted in the territory of the Russian Federation by Order of the Ministry of Finance of the Russian Federation dated 09.01.2019 N 2n.

Conclusion of the internal auditor of IDGC of Centre, PJSC based on the results of assessing the reliability and efficiency of the internal control system and the risk management system, corporate governance of the Company



Interrregional Distribution Grid Company of
Centre, Public Joint-Stock Company

EXTRACT FROM MINUTES of the meeting of the Audit Committee of the Board of Directors of IDGC of Centre, PJSC (in the form of absent voting)

15 April 2021

Moscow

No. 05/21

Form of the meeting: absent voting.

Total number of members of the Audit Committee: 3 persons.

Participants of the voting: A.I. Kazakov, L.A. Romanovskaya, A.V. Shevchuk.

Members who did not provide questionnaires: none.

The quorum is present.

The Expert conclusion of the expert of the Audit Committee of the Board of Directors of IDGC of Centre, PJSC was taken into account at drawing up of the minutes.

Date of the minutes: 15.04.2021.

Item 4. On preliminary consideration of the report of the internal auditor of the Company on the assessment of the effectiveness of the internal control system and the risk management system of the Company based on the results of 2020.

Decision:

1. To take into consideration the report of the internal auditor of the Company on the assessment of the effectiveness of the internal control system and the risk management system of the Company based on the results of 2020 and the conclusion of the internal audit of IDGC of Centre, PJSC based on the results of assessing the reliability and efficiency of the internal control system and the risk management system, corporate governance of the Company in accordance with Appendices ## 4-5 to this decision of the Audit Committee.

2. To recommend that General Director of the Company include the conclusion of the internal audit of IDGC of Centre, PJSC based on the results of assessing the reliability and efficiency of the internal control system and the risk management system, corporate governance of the Company in the list of materials provided to persons entitled to participate in the Annual General Meeting of Shareholders of the Company.

The decision was taken unanimously.

Appendix: The report of the internal auditor of the Company on the assessment of the effectiveness of the internal control system and the risk management system of the Company based on the results of 2020 and the conclusion of the internal audit of IDGC of Centre, PJSC based on the results of assessing the reliability and efficiency of the internal control system and the risk management system, corporate governance of the Company (Appendices ## 4-5).

Minutes signed by:

Chairperson of the Audit Committee

A.I. Kazakov

Secretary of the Audit Committee

S.V. Lapinskaya

Extract is correct:

Secretary of the Audit Committee

S.V. Lapinskaya

15.04.2021.

1. Basis for the preparation of the report of the internal auditor

The Conclusion was prepared in accordance with the requirements of Federal Law No. 208-FZ dated 26.12.1995 "On Joint Stock Companies", recommendations of the Bank of Russia (letter dated 01.10.2020 No. IN-06-28/143) "On recommendations for organizing risk management, internal control, internal audit, the work of the audit committee of the board of directors (supervisory board) in public joint-stock companies", as well as in pursuance of the provisions of the Internal Audit Policy of IDGC of Centre P BP 1/02-03/2019, approved by the decision of the Board of Directors (Minutes dated 29.11.2019 # 40/19).

The assessment was carried out to determine the reliability and efficiency of the internal control system, risk management system, and the effectiveness of corporate governance.

2. Methodology and criteria for assessing the internal control system, risk management system, corporate governance of IDGC of Centre, PJSC

The assessment of the effectiveness of the internal control system, the risk management system was carried out for the 2020 calendar year in accordance with the Methodological Instruction "Assessment of the effectiveness of the internal control system and the risk management system in IDGC of Centre, PJSC" MI BP 1/05-01/2016, developed and approved taking into account generally accepted concepts in the field of internal control and risk management of the Treadway Committee of Sponsoring Organizations (COSO).

The corporate governance assessment was carried out for the 2019/2020 corporate year in accordance with the Methodological Instruction "Assessment of corporate governance in IDGC of Centre, PJSC" MI BP 1/08-02/2019, developed and approved taking into account the Corporate Governance Code, as well as the Methodological Recommendations approved by orders of the Federal Property Management Agency.

3. Assessment of the reliability and efficiency of the internal control system of IDGC of Centre, PJSC

As a result of the assessment, it was found that the level of maturity of the internal control system based on the assessment for 2020 is 4.9 points out of 6 possible, which, according to the scale for assessing the levels of maturity, corresponds to the 5th level of maturity - "optimal" with the following characteristics:

1. Problems (risks) of activity management are identified. The risk management system is integrated into the planning and decision-making processes. However, the RMS is not automated, not all possible controls are automated.
2. The processes are regulated, unified in the company, the executive body and branches of subsidiaries and affiliates and communicated to the staff by posting on a public resource. Monitoring of the implementation and assessment of the effectiveness of the organization of the processes used in the Company is provided. When low efficiency of the implemented processes is revealed, their optimization is provided. The processes are under continuous improvement and are based on good practice. Activity management automation tools are used partially and to a limited extent.

The internal audit report "On the efficiency of the internal control system and the risk management system of the Company in 2020" was considered at a meeting of the Board of Directors of IDGC of Centre, PJSC (Minutes dated 28.04.2021 # 15/21).

4. Assessment of the reliability and efficiency of the risk management system of IDGC of Centre, PJSC

As a result of the assessment, it was found that the level of maturity of the risk management system based on the assessment for 2020 is 4.9 points out of 6 possible, which, according to the scale for assessing the levels of maturity, corresponds to the 5th level of maturity - "optimal" with the following characteristics:

1. Problems (risks) of activity management are identified. The risk management system is integrated into the planning and decision-making processes. However, the RMS is not automated, not all possible controls are automated.
2. The processes are regulated, unified in the company, the executive body and branches of subsidiaries and affiliates and communicated to the staff by posting on a public resource. Monitoring of the implementation and assessment of the effectiveness of the organization of the processes used in the Company is provided. When low efficiency of the implemented processes is revealed, their optimization is provided. The processes are under continuous improvement and are based on good practice. Activity management automation tools are used partially and to a limited extent.

The internal audit report "On the efficiency of the internal control system and the risk management system of the Company in 2020" was considered at a meeting of the Board of Directors of IDGC of Centre, PJSC (Minutes dated 28.04.2021 # 15/21).

5. Assessment of corporate governance of IDGC of Centre, PJSC

Based on the results of the analysis of the compliance of the current state of corporate governance, it was established that, in accordance with the specified criteria for the target state of corporate governance, the principles and recommendations laid down in the Corporate Governance Code, in the Listing Rules and Best Corporate Practices), the overall assessment of IDGC of Centre, PJSC is 451.5 points out of 525 possible (86.0%), which corresponds to the assessment of "developed practice" with the following characteristic: corporate governance corresponds to developed practice and has the potential for improvement on an insignificant part of questions.

The internal audit report "On the assessment of the corporate governance of the Company for the 2019/2020 corporate year" was considered at a meeting of the Board of Directors of IDGC of Centre, PJSC (Minutes dated 13.10.2020 # 46/20).

Internal audit maintains independence in relation to the directions of the Company's activities, which it checks, which allows auditors to perform their functions impartially and unbiased. At the same time, the internal audit department does not provide absolute guarantees and does not ensure the identification of all risks and shortcomings.

The results of the assessment of the effectiveness of the internal control system and the risk management system, as well as the assessment of the corporate governance system, carried out by the internal audit department of IDGC of Centre, PJSC (hereinafter - the Company), confirm the provision of reasonable confidence in achieving the goals set for the Company.

Based on the assessment, the internal audit department has sufficient grounds to confirm that the risk management system, the internal control system and the corporate governance system of the Company are organized in accordance with the requirements of the legislation and the scope of the Company's activities, there are no significant deficiencies in the systems that impede the achievement of their goals.