



“INTERREGIONAL DISTRIBUTION GRID COMPANY OF CENTRE”, JOINT-STOCK COMPANY

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**MINUTES**  
of meeting of the Board of Directors of IDGC of Centre  
(in presentia-absentia)

«31» March 2015

Moscow

No. 07/15

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

Place of the meeting: **Moscow, 2nd Yamskaya, 4, floor 5, office 507.**

Time of the meeting: **16 hours 30 minutes – 18 hours 30 minutes.**

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

Participants of the meeting: **D.V. Kulikov, M.V. Lazareva, M.M. Saukh, V.V. Sofyin, R.A. Filkin, O.V. Shatokhina, N.I. Erpsher.**

The written opinion (questionnaire) of the following members was taken into account while defining the results: **A.M. Branis, Y.N. Mangarov, P.N. Snikkars.**

Members who neither participated nor provided questionnaires: **O.Y. Isaev.**

The quorum is **present.**

**Absence of objections concerning the materials and draft resolutions from V.G. Korolev, the observer of the Federal Antimonopoly Service of the Russian Federation, was taken into account at drawing up of the minutes.**

Date of the minutes: **01.04.2015.**

The meeting of the Board of Directors of IDGC of Centre was led by Chairperson of the Board of Directors of IDGC of Centre, Oxana Vladimirovna Shatokhina.

**The following invited persons from IDGC of Centre’s management were present:**

I.V. Gromova – Deputy General Director for Human Resources and Organizational Design

E.V. Kabanova – Deputy General Director for Development and Sale of Services

I.V. Maximov - Deputy General Director for Capital Construction

K.A. Mikhailik – First Deputy General Director

A.V. Pilyugin – First Deputy General Director – Chief Engineer

S.Y. Rumyantsev – Deputy General Director for Economy and Finance

D.V. Sklyarov – Deputy General Director for Investment

L.A. Sklyarova - Chief Accountant - Head of Financial and Tax Accounting and Reporting Department

O.A. Kharchenko - Acting Deputy General Director for Corporate Governance

S.V. Shpakova – Head of Internal Audit and Control Department.

After the announcement of a quorum regarding the agenda items by Chairperson of the Board of Directors of the Company, O.V. Shatokhina, the meeting was called to order.

**AGENDA:**

**1. On approval of the adjusted Business plan of the Company, including the Investment program for 2015 and the forecast for 2016-2019.**

2. On consideration of the Company's proposals to achieve the normative values of electric energy losses, established by Order of the Ministry of Energy dated 30.09.2014 № 674.
3. On prior approval of a transaction, concluded between IDGC of Centre and LLC «Infrastructure investments-3» on movable property lease (with further purchase), which constitutes fixed assets that are used for transmission and distribution of electric energy.

**Item 1. On approval of the adjusted Business plan of the Company, including the Investment program, for 2015 and the forecast for 2016-2019.**

**After the discussion the members of the Board of Directors proceeded to vote.**

**OPTION # 1 of the decision (put for voting):**

1. To approve the adjusted Business plan of the Company, including the Investment program, for 2015 and take into consideration the predicted indicators for 2016-2019 in accordance with Appendix # 1 to this decision of the Board of Directors of the Company.
2. To instruct General Director of the Company:
  - 2.1. To ensure unconditional fulfillment of the established targets with the Company's Business plan in terms of the quarterly dynamics of EBITDA, level of collection of accounts receivable for electric energy transmission services.
  - 2.2. To implement measures aimed at maintaining the financial stability of the Company:
    - quarterly observance of financial covenants under existing credit agreements at each balance sheet date in 2015-2016.
    - study of options for reducing the cost of debt financing, including through the use of mechanisms of state support, during 2015.
  - 2.3. To develop and submit for consideration by the Company's Board of Directors of the Plan priority measures to ensure the financial stability of IDGC of Centre, intended to achieve breakeven operations, including from the provision of electric energy transmission services, and compliance with the Debt/EBITDA ratio of less than 3 in the period 2016-2019 until 15.09.2015.

**Voting results under OPTION # 1 of the decision, announced at the meeting:**

- |                                  |             |
|----------------------------------|-------------|
| 1. Denis Viktorovich Kulikov     | - «AGAINST» |
| 2. Maria Valeryevna Lazareva     | - «FOR»     |
| 3. Maxim Mikhailovich Saukh      | - «FOR»     |
| 4. Vladimir Vladimirovich Sofyin | - «FOR»     |
| 5. Roman Alexeyevich Filkin      | - «AGAINST» |
| 6. Oxana Vladimirovna Shatokhina | - «FOR»     |
| 7. Natalia Ilyinichna Erpsher    | - «FOR»     |

**Voting results by filling in the questionnaires:**

- |                                 |             |
|---------------------------------|-------------|
| 8. Alexander Markovich Branis   | - «AGAINST» |
| 9. Yury Nikolayevich Mangarov   | - «FOR»     |
| 10. Pavel Nikolayevich Snikkars | - «AGAINST» |

**Total:**

«FOR»	- «6»
«AGAINST»	- «4»
«ABSTAINED»	- «0»

**Decision under OPTION # 1 TAKEN.**

**OPTION # 2 of the decision (put for voting):**

1. To defer consideration of the item at a later date.
2. To mark the poor drafting of the adjusted Business plan of the Company, including the Investment program for 2015 and the forecast for 2016-2019 (Appendix # 1 to this decision) from the financial and economic point of view, including due to unrealistic performance of the budget indicators of cash flows and inability to sustain the financial, economic and industrial

activities of the Company with the proposed under the draft of the Business plan deficit to finance operating and investing activities, the actual level of the planned collection of payment for electric power transmission and settlement of receivables, as well as the actual deficit of its own sources of financing of the Investment program of the Company for 2015.

3. To instruct General Director of the Company:

3.1. To revise the adjusted Business plan of the Company, including the Investment program for 2015 and the forecast for 2016-2019, based on the above remarks, as well as the need to implement additional measures aimed at reducing the costs under control in absolute terms and the need to prevent deterioration of the targets of the financial results of the Company as compared to the original approved Business plan of the Company (Minutes # 27/14 of 12.12.2014);

3.2. To submit until 05.15.2015 the revised adjusted Business plan, including the Investment program for 2015 and the forecast for 2016-2019 to be considered by the Board of Directors of the Company;

3.3. To submit until 05.15.2015 proposals for the optimization of the Investment program of the Company for 2015 and subsequent years with a view to ensuring the Investment program financing exclusively through the Company's own funds. If necessary, refer to the relevant federal and regional executive authorities with proposals for compensating adjustment (reduction of volume) of the Company's Investment program to be considered by the Board of Directors;

3.4. To refer to the relevant federal and regional executive authorities with suggestions for proper consideration as part of the required gross revenue for the purpose of setting the tariff for electric energy transmission for 2016 and subsequent years of uncompensated, including those previously not fully accounted for in the tariff-balance decisions, shortfall in the Company's income arising (arisen) in connection with the difference between the actual costs incurred by the Company in the implementation of grid connections of privileged categories of consumers and their paid fee for grid connection according to the regulations;

3.5. To submit until 31.06.2015 a report on the implementation of assignments according to para. 3.4. of this decision to be considered by the Board of Directors of the Company.

**Voting results under OPTION # 2 of the decision, announced at the meeting:**

- |                                  |             |
|----------------------------------|-------------|
| 1. Denis Viktorovich Kulikov     | - «FOR»     |
| 2. Maria Valeryevna Lazareva     | - «AGAINST» |
| 3. Maxim Mikhailovich Saukh      | - «AGAINST» |
| 4. Vladimir Vladimirovich Sofyin | - «AGAINST» |
| 5. Roman Alexeyevich Filkin      | - «FOR»     |
| 6. Oxana Vladimirovna Shatokhina | - «AGAINST» |
| 7. Natalia Ilyinichna Erpsher    | - «AGAINST» |

**Voting results by filling in the questionnaires:**

- |                                 |             |
|---------------------------------|-------------|
| 8. Alexander Markovich Branis   | - «FOR»     |
| 9. Yury Nikolayevich Mangarov   | - «AGAINST» |
| 10. Pavel Nikolayevich Snikkars | - «AGAINST» |

**Total:**

«FOR»	- «3»
«AGAINST»	- «7»
«ABSTAINED»	- «0»

**Decision under OPTION # 2 NOT TAKEN.**

**Item 2. On consideration of the Company's proposals to achieve the normative values of electric energy losses, established by Order of the Ministry of Energy dated 30.09.2014 № 674.**

**After the discussion the members of the Board of Directors proceeded to vote.**

**Decision (put for voting):**

1. To take into consideration the Company's proposals to achieve the normative values of electric energy losses, established by Order of the Ministry of Energy dated 30.09.2014 № 674, in accordance with Appendix # 2 to this decision of the Board of Directors of the Company.
2. To recognize achievement of the target on electric energy losses (under Order of the Ministry of Energy dated 30.09.2014 № 674) economically unviable (costs are estimated at more than 3,996 mln rubles with a payback period of more than 10 years) before making any changes to the regulations in accordance with this decision of the Board of Directors of the Company.
3. To consider the Program to reduce electric energy losses of IDGC of Centre (activities are provided with a source of financing in full) comprehensive to achieve the normative values of electric energy technological losses, approved by the Ministry of Energy in accordance with Order dated 30.12.2008 № 326.
4. To instruct General Director of IDGC of Centre O.Y. Isaev to send to JSC "Russian Grids" (within the development of legislative initiatives) proposals for amendments to the Government Resolution dated 29.12.2011 № 1178 "On pricing in the area of regulated prices (tariffs) in the electric power industry" in terms of accounting of norms of electric energy technological losses (approved in accordance with Order of the Ministry of Energy dated 30.12.2008 № 326) while restarting a long-term regulation period and (or) changing in long-term regulation parameters, in order to correct the formation of the required gross revenue of the Company.

**Voting results at the meeting:**

- |                                  |               |
|----------------------------------|---------------|
| 1. Denis Viktorovich Kulikov     | - «ABSTAINED» |
| 2. Maria Valeryevna Lazareva     | - «FOR»       |
| 3. Maxim Mikhailovich Saukh      | - «FOR»       |
| 4. Vladimir Vladimirovich Sofyin | - «FOR»       |
| 5. Roman Alexeyevich Filkin      | - «ABSTAINED» |
| 6. Oxana Vladimirovna Shatokhina | - «FOR»       |
| 7. Natalia Ilyinichna Erpsher    | - «FOR»       |

**Voting results by filling in the questionnaires:**

- |                                 |               |
|---------------------------------|---------------|
| 8. Alexander Markovich Branis   | - «ABSTAINED» |
| 9. Yury Nikolayevich Mangarov   | - «FOR»       |
| 10. Pavel Nikolayevich Snikkars | - «AGAINST»   |

**Total:**

«FOR»	- «6»
«AGAINST»	- «1»
«ABSTAINED»	- «3»

**Decision is taken.**

**Item 3. On prior approval of a transaction, concluded between IDGC of Centre and LLC «Infrastructure investments-3» on movable property lease (with further purchase), which constitutes fixed assets that are used for transmission and distribution of electric energy.**

**Decision (put for voting):**

1. To determine that the total value of obligations of the Lessee under the Lease Agreement cannot exceed 5 372 620 721,00 (Five billion three hundred seventy two million six hundred and twenty thousand hundred twenty and one) ruble 00 kopecks, including VAT 819 552 313,37 (Eight hundred nineteen million five hundred fifty-two thousand three hundred and thirteen) rubles 37 kopecks for the period from the date specified in the Acceptance and Transfer Certificate for each specific piece of the Equipment, up to the last calendar day of the month in which the expiry date falls of 8 (eight) years with one of the following dates, depending on whichever is earlier: (i) the date of commissioning of 100% of the total number of pieces of the Equipment under the Agreement, or (ii) January 1, 2017.
2. To approve the concluded between IDGC of Centre and LLC «Infrastructure investments-3» agreement on movable property lease (with further purchase), which constitutes fixed assets that are used for transmission and distribution of electric energy in accordance with Appendix #

3 to this decision of the Board of Directors of the Company.

3. To instruct General Director of IDGC of Centre to ensure conclusion with LLC «Infrastructure investments-3» of the Agreement for lease of movable property (sole source procurement) in the edition of Appendix # 3 to this decision of the Board of Directors of the Company.

**Voting results at the meeting:**

- |                                  |             |
|----------------------------------|-------------|
| 1. Denis Viktorovich Kulikov     | - «AGAINST» |
| 2. Maria Valeryevna Lazareva     | - «FOR»     |
| 3. Maxim Mikhailovich Saukh      | - «FOR»     |
| 4. Vladimir Vladimirovich Sofyin | - «FOR»     |
| 5. Roman Alexeyevich Filkin      | - «AGAINST» |
| 6. Oxana Vladimirovna Shatokhina | - «FOR»     |
| 7. Natalia Ilyinichna Erpsher    | - «FOR»     |

**Voting results by filling in the questionnaires:**

- |                                 |             |
|---------------------------------|-------------|
| 8. Alexander Markovich Branis   | - «AGAINST» |
| 9. Yury Nikolayevich Mangarov   | - «FOR»     |
| 10. Pavel Nikolayevich Snikkars | - «FOR»     |

**Total:**

«FOR»	- «7»
«AGAINST»	- «3»
«ABSTAINED»	- «0»

**Decision is taken.**

In accordance with the Regulations on the procedure for convening and holding meetings of the Board of Directors of the Company while holding a meeting in person the Corporate Secretary of the Company presented information on the implementation of decisions of the Board of Directors, taken at previous meetings of the Board of Directors of the Company from 01.01.2015 to 31.03.2015.

The agenda of the meeting of the Board of Directors of IDGC of Centre on 31.03.2015 was exhausted.

The meeting of the Board of Directors of the Company was adjourned.

**Appendices:**

1. The draft of the adjusted Business plan of the Company, including the Investment program, for 2015 and the forecast for 2016-2019 (Appendix #1).
2. The Company's proposals to achieve the normative values of electric energy losses, established by Order of the Ministry of Energy dated 30.09.2014 № 674 (Appendix #2).
3. The draft of the movable property lease agreement (with further purchase), which constitutes fixed assets that are used for transmission and distribution of electric energy, concluded between IDGC of Centre and LLC «Infrastructure investments-3» (Appendix #3).

**Chairperson of the Board of Directors  
of IDGC of Centre**

**O.V. Shatokhina**

**Corporate Secretary  
of IDGC of Centre**

**S.V. Lapinskaya**