



Interregional Distribution Grid Company of Centre,
Public Joint-Stock Company
2nd Yamskaya, 4, Moscow, Russia, 127018
Tel.: +7 (495) 747-92-92, Fax: +7 (495) 747-92-95,
Power Engineers' Direct Line: 8-800-50-50-115,
Trust Line: +7 (495) 747-92-99,
e-mail: posta@mrsk-1.ru, www.mrsk-1.ru

MINUTES

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

«16» March 2016

Moscow

No. 06/16

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

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

Participants of the voting: **A.M. Branis, T.P. Dronova, O.Y. Isaev, D.A. Malkov, Y.N. Mangarov, Y.N. Pankstyanov, M.M. Saukh, R.A. Filkin, A.N. Kharin, A.V. Shevchuk, N.I. Erpsher.**

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

The quorum **is present.**

Date of the minutes: **17.03.2016.**

AGENDA:

1. On consideration of the report of General Director of the Company «On implementation of the decisions taken in 4Q 2015 at the meetings of the Board of Directors of the Company».
2. On consideration of the report of General Director of the Company «On the sale of non-core assets of the Company in 2015».
3. On approval of an internal document of the Company - the Risk Management Policy of IDGC of Centre, PJSC in a new edition.
4. On amending internal documents of the Company - the Regulation on the Strategy and Development Committee of the Board of Directors of the Company.
5. On approval of the Program of energy conservation and energy efficiency of IDGC of Centre, PJSC for 2016 – 2020.
6. On approval of the Program of long-term development of electricity metering systems in the retail market of IDGC of Centre, PJSC for 2016-2021.
7. On approval of an amendment to agreement dated 01.06.2010 №96/7700/00453/10, concluded between IDGC of Centre, PJSC and JSC Moscow Communication Center of the Electric Power Industry, which is a related party transaction.
8. On approval of the decision made by the Company of a transaction, involving the alienation of movable property, which is used for generation, transmission, and distribution of electric and heat energy, - redundant power supply sources (hereinafter - the Redundant power supply).
9. On election of General Director of the Company for a new term.

Item 1: On consideration of the report of General Director of the Company «On implementation of the decisions taken in 4Q 2015 at the meetings of the Board of

Directors of the Company».

Decision:

To take into consideration the report of General Director of the Company «On implementation of the decisions taken in 4Q 2015 at the meetings of the Board of Directors of the Company» in accordance with Appendices # 1 - 15 to this decision of the Board of Directors of the Company.

Voting results:

- | | |
|------------------------------------|---------|
| 1. Alexander Markovich Branis | - «FOR» |
| 2. Tatiana Petrovna Dronova | - «FOR» |
| 3. Oleg Yuryevich Isaev | - «FOR» |
| 4. Denis Alexandrovich Malkov | - «FOR» |
| 5. Yury Nikolayevich Mangarov | - «FOR» |
| 6. Yury Nikolayevich Pankstyanov | - «FOR» |
| 7. Maxim Mikhailovich Saukh | - «FOR» |
| 8. Roman Alexeyevich Filkin | - «FOR» |
| 9. Andrey Nikolayevich Kharin | - «FOR» |
| 10. Alexander Viktorovich Shevchuk | - «FOR» |
| 11. Natalia Ilyinichna Erpsher | - «FOR» |

Total:

«FOR»	- «11»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Item 2: On consideration of the report of General Director of the Company «On the sale of non-core assets of the Company in 2015».

Decision:

1. To take into consideration the report of General Director of the Company «On the sale of non-core assets of the Company in 2015» in accordance with Appendix # 16 to this decision of the Board of Directors of the Company.
2. To exclude the following facilities from the Registry of non-core assets of the Company: items 1.2.71, 1.7.138, 1.7.202-1.7.213, 3.2.1, in connection with their sale (write-off).
3. To set a new deadline to prepare a draft deal for submission to the Board of Directors to be considered in respect of the following facilities:
- items 1.5.1 – 3 Q 2016.
4. To set a new deadline to sell the following facilities:
- items – 1.2.40-1.2.46, 1.2.58, 1.2.59, 1.5.1, 1.7.80, 1.7.109, 1.7.123, 1.7.124, 1.7.131-1.7.137, 1.7.139-1.7.145, 2.1, 2.2, 2.3 - 4 Q 2016;
5. To amend the Registry of non-core assets of the Company in accordance with Appendix # 17 to this decision of the Board of Directors of the Company.

Voting results:

- | | |
|----------------------------------|---------|
| 1. Alexander Markovich Branis | - «FOR» |
| 2. Tatiana Petrovna Dronova | - «FOR» |
| 3. Oleg Yuryevich Isaev | - «FOR» |
| 4. Denis Alexandrovich Malkov | - «FOR» |
| 5. Yury Nikolayevich Mangarov | - «FOR» |
| 6. Yury Nikolayevich Pankstyanov | - «FOR» |

- | | |
|---|---------|
| 7. Maxim Mikhailovich Saukh | - «FOR» |
| 8. Roman Alexeyevich Filkin | - «FOR» |
| 9. Andrey Nikolayevich Kharin | - «FOR» |
| 10. Alexander Viktorovich Shevchuk | - «FOR» |
| 11. Natalia Ilyinichna Erpsher | - «FOR» |

Total:

«FOR»	- «11»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Item 3: On approval of an internal document of the Company - the Risk Management Policy of IDGC of Centre, PJSC in a new edition.

Decision:

To approve the Risk Management Policy of IDGC of Centre, PJSC in a new edition in accordance with Appendix # 18 to this decision of the Board of Directors of the Company.

Voting results:

- | | |
|---|---------|
| 1. Alexander Markovich Branis | - «FOR» |
| 2. Tatiana Petrovna Dronova | - «FOR» |
| 3. Oleg Yuryevich Isaev | - «FOR» |
| 4. Denis Alexandrovich Malkov | - «FOR» |
| 5. Yury Nikolayevich Mangarov | - «FOR» |
| 6. Yury Nikolayevich Pankstyanov | - «FOR» |
| 7. Maxim Mikhailovich Saukh | - «FOR» |
| 8. Roman Alexeyevich Filkin | - «FOR» |
| 9. Andrey Nikolayevich Kharin | - «FOR» |
| 10. Alexander Viktorovich Shevchuk | - «FOR» |
| 11. Natalia Ilyinichna Erpsher | - «FOR» |

Total:

«FOR»	- «11»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Item 4: On amending internal documents of the Company - the Regulation on the Strategy and Development Committee of the Board of Directors of the Company.

Decision:

1. To amend paragraph 2.2. of section 2 «Goals and tasks of the Committee» of the Regulation for the Strategy and Development Committee of the Board of Directors of the Company (hereinafter referred to as the Regulation for the Committee), with subparagraph 5 in the following edition:

«5) control over organization and functioning of the risk management system».

2. To amend paragraph 3.1. of section 3 «Competence of the Committee» of the Regulation for the Committee, with subparagraph 12 in the following edition:

«12. in the risk management area:

- a) consideration, before submission to the Board of Directors, of reports of the Company's executive bodies on organization, functioning and effectiveness of the risk management system;
- b) preliminary review, prior to approval by the Board of Directors, of the Company's internal documents defining the strategy of organization and development of the risk management system of the Company, the Risk Management Policy and proposals for their improvement;
- c) preliminary review, prior to approval by the Board of Directors, and preparation of an opinion on the text section of the annual report of the Company «The internal control and risk management system» in part relating to;
- d) timely reporting to the Board of Directors of risks associated with the Company's activities within the competence of the Committee;
- e) consideration of the half-yearly report of the Company's executive body on management of operational risks in accordance with established procedures;
- f) interaction with the committees on internal audit and internal control regarding issues on the functioning in the Company Risk Management System and its effectiveness, the organization of taking action on identified and potential significant shortcomings of the risk management system;
- g) consideration of proposals to specify the list and structure of risks (risk registers) of the Company, assignment (appointment) of risk owners in the Company;
- h) review of proposals on improvement of the risk management system, including identification of risks and adjustment of risk parameters; discussion with the executive body of essential (key) risks of the Company, their indicators;
- i) assessment of completeness, effectiveness and impact of activities developed by the executive body for the management of essential (key) risks of the Company».
- j) participation in the nomination for positions in the Company, related to risk management».

Voting results:

- | | |
|---|---------|
| 1. Alexander Markovich Branis | - «FOR» |
| 2. Tatiana Petrovna Dronova | - «FOR» |
| 3. Oleg Yuryevich Isaev | - «FOR» |
| 4. Denis Alexandrovich Malkov | - «FOR» |
| 5. Yury Nikolayevich Mangarov | - «FOR» |
| 6. Yury Nikolayevich Pankstyanov | - «FOR» |
| 7. Maxim Mikhailovich Saukh | - «FOR» |
| 8. Roman Alexeyevich Filkin | - «FOR» |
| 9. Andrey Nikolayevich Kharin | - «FOR» |
| 10. Alexander Viktorovich Shevchuk | - «FOR» |
| 11. Natalia Ilyinichna Erpsher | - «FOR» |

Total:

«FOR»	- «11»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Item 5: On approval of the Program of energy conservation and energy efficiency of IDGC of Centre, PJSC for 2016 – 2020.

Decision:

To defer consideration of the item at a later date.

Voting results:

- | | |
|------------------------------------|---------|
| 1. Alexander Markovich Branis | - «FOR» |
| 2. Tatiana Petrovna Dronova | - «FOR» |
| 3. Oleg Yuryevich Isaev | - «FOR» |
| 4. Denis Alexandrovich Malkov | - «FOR» |
| 5. Yury Nikolayevich Mangarov | - «FOR» |
| 6. Yury Nikolayevich Pankstyanov | - «FOR» |
| 7. Maxim Mikhailovich Saukh | - «FOR» |
| 8. Roman Alexeyevich Filkin | - «FOR» |
| 9. Andrey Nikolayevich Kharin | - «FOR» |
| 10. Alexander Viktorovich Shevchuk | - «FOR» |
| 11. Natalia Ilyinichna Erpsher | - «FOR» |

Total:

«FOR»	- «11»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Item 6: On approval of the Program of long-term development of electricity metering systems in the retail market of IDGC of Centre, PJSC for 2016-2021.

Decision:

1. To defer consideration of the item at a later date.
2. To instruct General Director of the Company to prepare and submit to the Board of Directors of the Company proposals for sources of financing (tariff and non-tariff), necessary for achievement of the targets corresponding to the scenario conditions of formation of programs to increase operating efficiency and reduce expenses of the Company.

Deadline: May 2016.

Voting results:

- | | |
|------------------------------------|---------|
| 1. Alexander Markovich Branis | - «FOR» |
| 2. Tatiana Petrovna Dronova | - «FOR» |
| 3. Oleg Yuryevich Isaev | - «FOR» |
| 4. Denis Alexandrovich Malkov | - «FOR» |
| 5. Yury Nikolayevich Mangarov | - «FOR» |
| 6. Yury Nikolayevich Pankstyanov | - «FOR» |
| 7. Maxim Mikhailovich Saukh | - «FOR» |
| 8. Roman Alexeyevich Filkin | - «FOR» |
| 9. Andrey Nikolayevich Kharin | - «FOR» |
| 10. Alexander Viktorovich Shevchuk | - «FOR» |
| 11. Natalia Ilyinichna Erpsher | - «FOR» |

Total:

«FOR»	- «11»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Item 7: On approval of an amendment to agreement dated 01.06.2010 №96/7700/00453/10, concluded between IDGC of Centre, PJSC and JSC Moscow Communication Center of the Electric Power Industry, which is a related party transaction.

In accordance with paragraph 1 of Article 81 of the Federal Law «On Joint Stock Companies» the transaction between IDGC of Centre, PJSC and JSC Moscow Communication Center of the Electric Power Industry is recognized as a related party transaction of the shareholder of IDGC of Centre, PJSC - PJSC «Rosseti», which holds more than 20% of voting shares of the Company, whose affiliate is a party to the transaction.

Decision:

To approve the amendment to agreement dated 01.06.2010 №96/7700/00453/10, concluded between IDGC of Centre, PJSC and JSC Moscow Communication Center of the Electric Power Industry, which is a related party transaction (in accordance with Appendix # 19 to this decision of the Board of Directors of the Company), on the following essential conditions:

Parties of the Amendment:

Customer – IDGC of Centre, PJSC;

Operator – JSC Moscow Communication Center of the Electric Power Industry.

Scope of the Amendment:

To add the Agreement with Appendix # 11 «Form of work and service completion certificate» and read it in the edition of Appendix # 1 to the Amendment.

Duration of the Amendment:

The Amendment shall enter into force upon signature by the Parties and shall be valid for the entire term of the Agreement.

Voting results:

O.Y. Isaev, a member of the Board of Directors of IDGC of Centre, PJSC, did not take part in the voting on this item as recognized as a dependent director in accordance with paragraph 3 of Article 83 of the Federal Law «On Joint Stock Companies».

- | | |
|-----------------------------------|---------------|
| 1. Alexander Markovich Branis | - «AGAINST» |
| 2. Tatiana Petrovna Dronova | - «FOR» |
| 3. Denis Alexandrovich Malkov | - «FOR» |
| 4. Yury Nikolayevich Mangarov | - «FOR» |
| 5. Yury Nikolayevich Pankstyanov | - «FOR» |
| 6. Maxim Mikhailovich Saukh | - «FOR» |
| 7. Roman Alexeyevich Filkin | - «AGAINST» |
| 8. Andrey Nikolayevich Kharin | - «FOR» |
| 9. Alexander Viktorovich Shevchuk | - «ABSTAINED» |
| 10. Natalia Ilyinichna Erpsher | - «FOR» |

Total:

«FOR»	- «7»
«AGAINST»	- «2»
«ABSTAINED»	- «1»

Decision is taken.

Item 8: On approval of the decision made by the Company of a transaction,

involving the alienation of movable property, which is used for generation, transmission, and distribution of electric and heat energy, - redundant power supply sources (hereinafter - the Redundant power supply).

Decision:

To approve the gratuitous transfer by the Company of movable property, which is used for generation, transmission, and distribution of electric and heat energy - redundant power supply sources (hereinafter - the Redundant power supply) on the following essential conditions:

- composition and book value of assets disposed are shown in Appendices # 20 - 21 to this decision of the Board of Directors of the Company;
- method of disposal of the property is given in Appendix # 22 to this decision of the Board of Directors of the Company.

Voting results:

- | | |
|------------------------------------|---------------|
| 1. Alexander Markovich Branis | - «AGAINST» |
| 2. Tatiana Petrovna Dronova | - «ABSTAINED» |
| 3. Oleg Yuryevich Isaev | - «FOR» |
| 4. Denis Alexandrovich Malkov | - «FOR» |
| 5. Yury Nikolayevich Mangarov | - «FOR» |
| 6. Yury Nikolayevich Pankstyanov | - «FOR» |
| 7. Maxim Mikhailovich Saukh | - «FOR» |
| 8. Roman Alexeyevich Filkin | - «AGAINST» |
| 9. Andrey Nikolayevich Kharin | - «ABSTAINED» |
| 10. Alexander Viktorovich Shevchuk | - «ABSTAINED» |
| 11. Natalia Ilyinichna Erpsher | - «FOR» |

Total:

«FOR»	- «6»
«AGAINST»	- «2»
«ABSTAINED»	- «3»

Decision is taken.

Item 9: On election of General Director of the Company for a new term.

Decision:

To elect Oleg Yuryevich Isaev as General Director of IDGC of Centre, PJSC for a new term from 02.04.2016 to 01.04.2019 inclusive.

Voting results:

- | | |
|------------------------------------|---------------|
| 1. Alexander Markovich Branis | - «ABSTAINED» |
| 2. Tatiana Petrovna Dronova | - «FOR» |
| 3. Oleg Yuryevich Isaev | - «FOR» |
| 4. Denis Alexandrovich Malkov | - «FOR» |
| 5. Yury Nikolayevich Mangarov | - «FOR» |
| 6. Yury Nikolayevich Pankstyanov | - «FOR» |
| 7. Maxim Mikhailovich Saukh | - «FOR» |
| 8. Roman Alexeyevich Filkin | - «ABSTAINED» |
| 9. Andrey Nikolayevich Kharin | - «FOR» |
| 10. Alexander Viktorovich Shevchuk | - «ABSTAINED» |
| 11. Natalia Ilyinichna Erpsher | - «FOR» |

Total:

«FOR»	- «8»
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«AGAINST»	- «0»
«ABSTAINED»	- «3»

Decision is taken.

A dissenting opinion of a member of the Board of Directors of the Company, A.V. Shevchuk, was received on this item:

«I draw the attention of members of the Board of Directors and Chair of the Board of Directors, the said item should be reviewed in the form of joint presence with the mandatory approval of the terms of the employment contract with General Director and the motivation system, including the long-term for the period of the proposed term of powers of the sole executive body. The Personnel and Remuneration Committee was not carried out in the form of in-person meeting either, and the most important question of the essential conditions of the employment contract was not raised. I regret to state that the approach to the organization of work of the Board of Directors has extremely negative impact on the level of corporate governance of the company and the majority shareholder in its intention to "improve the manageability" seriously impairs the very manageability, and productivity, forgetting that companies under control are independent public entities».

Appendices:

1. The report of General Director of the Company «On implementation of the decisions taken in 4Q 2015 at the meetings of the Board of Directors of the Company» (Appendices ## 1-15).
2. The report of General Director of the Company «On the sale of non-core assets of the Company in 2015» (Appendix # 16).
3. The changes to the Registry of non-core assets of the Company (Appendix # 17).
4. The Risk Management Policy of IDGC of Centre, PJSC in a new edition (Appendix # 18).
5. Amendment to agreement dated 01.06.2010 №96/7700/00453/10, concluded between IDGC of Centre, PJSC and JSC Moscow Communication Center of the Electric Power Industry (Appendix # 19).
6. The composition and book value of assets disposed (Appendices ## 20-21).
7. The method of disposal of the property (Appendix #22).
8. The dissenting opinion of the member of the Board of Directors of the Company, A.V. Shevchuk, regarding item # 9 of the agenda (Appendix #23).

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

Y.N. Mangarov

**Corporate Secretary
of IDGC of Centre, PJSC**

S.V. Lapinskaya