

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

«29» September 2020

Moscow

No. 45/20

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: **29.09.2020.**

**AGENDA:**

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

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

*In accordance with Article 81 of the Federal Law «On Joint Stock Companies», the deal between IDGC of Centre, PJSC and IDGC of Center and Volga Region, PJSC is a related party transaction of:*

*1) the controlling entity of the Company – PJSC Rosseti, simultaneously being the controlling entity of IDGC of Center and Volga Region, PJSC - a legal entity, which is a party to the deal;*

*2) members of the Board of Directors of the Company, A.V. Mayorov, A.I. Kazakov, A.V. Golovtsov, V.Y. Zarkhin, A.V. Shevchuk, simultaneously being 2) members of the Board of Directors of IDGC of Center and Volga Region, PJSC - a legal entity, which is a party to the deal;*

*3) General Director, Chairman of the Management Board, a member of the Board of Directors of the Company, I.V. Makovskiy, simultaneously being Acting General Director, Chairman of the Management Board, a member of the Board of Directors of IDGC of Center and Volga Region, PJSC - a legal entity, which is a party to the deal;*

*4) members of the Management Board of the Company, A.V. Pilyugin, V.O. Akulichev, V.V. Rezakova, simultaneously being members of the Management Board of IDGC of Center and Volga Region, PJSC - a legal entity, which is a party to the deal.*

**Decision:**

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

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

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

The constant component of the remuneration:

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

For 2021 and subsequent years, the amount of remuneration to the Managing Organization is

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

The variable component of the remuneration:

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

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

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

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

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

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

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

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

**Parties of the Agreement:**

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

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

**Subject of the Agreement:**

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

**Price of the Agreement:**

The remuneration of the Managing Organization consists of:

- Constant component of remuneration - paid to the Managing Organization for the provision

of services for the exercise of the powers of the sole executive body;

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

The constant component of the remuneration:

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

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

The variable component of the remuneration:

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

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

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

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

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

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

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

#### **Duration of the Agreement:**

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

The term of the Agreement is until 31.12.2023 inclusive.

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

#### **Other essential terms of the Agreement:**

**Responsibility of the Parties:**

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

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

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

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

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

**Voting results:**

1. Daniil Vladimirovich Krainskiy - «FOR»

2. Konstantin Alexandrovich Mikhailik - «FOR»
3. Alexey Igorevich Pavlov - «FOR»
4. Vasiliy Vladimirovich Rozhkov - «FOR»
5. Larisa Anatolievna Romanovskaya - «FOR»

**Total:**

|             |       |
|-------------|-------|
| «FOR»       | - «5» |
| «AGAINST»   | - «0» |
| «ABSTAINED» | - «0» |

**Decision is taken.**

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

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

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

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

**Appendix:** The dissenting opinion of the members of the Board of Directors of the Company, V.Y. Zarkhin and A.V. Shevchuk, regarding the agenda item of the Board of Directors of the Company (Appendix # (Appendix #1).

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

**A.V. Mayorov**

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

**S.V. Lapinskaya**