



Interregional Distribution Grid Company of Centre,
Public Joint-Stock Company
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MINUTES
of meeting of the Board of Directors of IDGC of Centre, PJSC
(in the form of absent voting)

«31» October 2018

Moscow

No. 36/18

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

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

Participants of the voting: **D.B. Akopyan, A.V. Varvarin, O.Y. Isaev, A.I. Kazakov, A.I. Pavlov, A.V. Rakov, L.A. Romanovskaya, M.M. Saukh, D.A. Spirin, R.A. Filkin, A.V. Shevchuk.**

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

The quorum **is present.**

Date of the minutes: **31.10.2018.**

AGENDA:

1. On consideration of the report of General Director «On the investment project implementation status in 3Q 2018 «Construction of smart grids».
2. On consideration of the report of General Director «On the course of implementation of investment projects of IDGC of Centre, PJSC in 3Q 2018, included in the list of priority facilities».
3. On consideration of the report of General Director of the Company «On implementation of the assignment of the Board of Directors, issued 21.09.2018 (Minutes # 34/18) regarding item # 1 (para. 2)».
4. On consideration of the report of General Director of the Company «On the work performed in 3Q 2018 to reduce costs of servicing the loan portfolio».
5. On the recognition of A.V. Shevchuk, a member of the Board of Directors of IDGC of Centre, as an independent director.
6. On joining the amendments to the Unified Standard of Purchases of PJSC «Rosseti» (the Regulation about purchases).

Item 1: On consideration of the report of General Director «On the investment project implementation status in 3Q 2018 «Construction of smart grids».

Decision:

To take into consideration the report of General Director «On the investment project implementation status in 3Q 2018 «Construction of smart grids» in accordance with Appendix # 1 to this decision of the Board of Directors of the Company.

Voting results:

1. Dmitry Borisovich Akopyan - «FOR»
2. Alexander Viktorovich Varvarin - «FOR»
3. Alexander Ivanovich Kazakov - «FOR»
4. Oleg Yuryevich Isaev - «FOR»
5. Alexey Igorevich Pavlov - «FOR»
6. Alexey Viktorovich Rakov - «FOR»
7. Larisa Anatolievna Romanovskaya - «FOR»

8. Maxim Mikhailovich Saukh - «FOR»
9. Denis Alexandrovich Spirin - «FOR»
10. Roman Alexeyevich Filkin - «FOR»
11. Alexander Viktorovich Shevchuk - «FOR»

Total:

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

Decision is taken.

Item 2: On consideration of the report of General Director «On the course of implementation of investment projects of IDGC of Centre, PJSC in 3Q 2018, included in the list of priority facilities».

Decision:

To take into consideration the report of General Director «On the course of implementation of investment projects of IDGC of Centre, PJSC in 3Q 2018, included in the list of priority facilities», in accordance with Appendix # 2 to this decision of the Board of Directors of the Company.

Voting results:

1. Dmitry Borisovich Akopyan - «FOR»
2. Alexander Viktorovich Varvarin - «FOR»
3. Alexander Ivanovich Kazakov - «FOR»
4. Oleg Yuryevich Isaev - «FOR»
5. Alexey Igorevich Pavlov - «FOR»
6. Alexey Viktorovich Rakov - «FOR»
7. Larisa Anatolievna Romanovskaya - «FOR»
8. Maxim Mikhailovich Saukh - «FOR»
9. Denis Alexandrovich Spirin - «FOR»
10. Roman Alexeyevich Filkin - «FOR»
11. Alexander Viktorovich Shevchuk - «FOR»

Total:

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

Decision is taken.

Item 3. On consideration of the report of General Director of the Company «On implementation of the assignment of the Board of Directors, issued 21.09.2018 (Minutes # 34/18) regarding item # 1 (para. 2)».

Decision:

To take into consideration the report of General Director of the Company «On implementation of the assignment of the Board of Directors, issued 21.09.2018 (Minutes # 34/18) regarding item # 1 (para. 2)» in accordance with Appendix # 3 to this decision of the Board of Directors of the Company.

Voting results:

1. Dmitry Borisovich Akopyan - «FOR»
2. Alexander Viktorovich Varvarin - «FOR»
3. Alexander Ivanovich Kazakov - «FOR»
4. Oleg Yuryevich Isaev - «FOR»
5. Alexey Igorevich Pavlov - «FOR»
6. Alexey Viktorovich Rakov - «FOR»

7. Larisa Anatolievna Romanovskaya - «FOR»
8. Maxim Mikhailovich Saukh - «FOR»
9. Denis Alexandrovich Spirin - «FOR»
10. Roman Alexeyevich Filkin - «FOR»
11. Alexander Viktorovich Shevchuk - «FOR»

Total:

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

Decision is taken.

Item 4. On consideration of the report of General Director of the Company «On the work performed in 3Q 2018 to reduce costs of servicing the loan portfolio».

Decision:

To take into consideration the report of General Director of the Company «On the work performed in 3Q 2018 to reduce costs of servicing the loan portfolio» in accordance with Appendix # 4 to this decision of the Board of Directors of the Company.

Voting results:

1. Dmitry Borisovich Akopyan - «FOR»
2. Alexander Viktorovich Varvarin - «FOR»
3. Alexander Ivanovich Kazakov - «FOR»
4. Oleg Yuryevich Isaev - «FOR»
5. Alexey Igorevich Pavlov - «FOR»
6. Alexey Viktorovich Rakov - «FOR»
7. Larisa Anatolievna Romanovskaya - «FOR»
8. Maxim Mikhailovich Saukh - «FOR»
9. Denis Alexandrovich Spirin - «FOR»
10. Roman Alexeyevich Filkin - «FOR»
11. Alexander Viktorovich Shevchuk - «FOR»

Total:

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

Decision is taken.

Item 5. On the recognition of A.V. Shevchuk, a member of the Board of Directors of IDGC of Centre, as an independent director.

Decision:

In accordance with the conducted assessment of compliance of Alexander Viktorovich Shevchuk with the independence criteria of members of a board of directors and the Recommendations of the Personnel and Remuneration Committee of Board of Directors of IDGC of Centre, taken on 12.10.2018 (Minutes # 13/18):

1. To take into consideration the preliminary results of the assessment of the compliance of Alexander Viktorovich Shevchuk with the independence criteria set out in the Listing Rules of PJSC Moscow Exchange (Appendix 4.1) (hereinafter referred to as the Rules), in accordance with Appendix # 5 to this decision of the Board of Directors of the Company.
2. To note that the decision to recognize the member of the Board of Directors A.V. Shevchuk as an independent director is motivated and is exceptional.
3. To establish that the criteria of relation of A.V. Shevchuk with a significant counterparty of the Company, a competitor of the Company and with the state (the Russian Federation, a subject of the Russian Federation) or a municipal entity have not been revealed.

4. Guided by Articles 109-110 of the Bank of Russia's Corporate Governance Code and Paragraph 2 of Section 2.19 of Appendix 2, Appendix 4.1 to the Rules, to recognize Alexander Viktorovich Shevchuk as an independent director despite his formal criteria of relation:

4.1. with the Company:

- A.V. Shevchuk holds the position of a member of the Board of Directors in the organizations (IDGC of Centre and Volga Region, IDGC of Urals, IDGC of North-West), controlled by the entity that controls the Company (PJSC Rosseti);
- A.V. Shevchuk has held the position of a member of the Board of Directors of the Company (including participation in the Board of Directors of legal entities, subsequently reorganized) in aggregate for more than 7 (seven) but less than 12 years in the following periods: from June 2005 to June 2006 (OJSC "Bryanskenergo"), in the Company - from June 2011 to June 2012, from June 2012 to August 2012, from August 2012 to June 2013, from June 2013 to June 2014, from June 2015 to June 2016, from June 2016 to June 2017, with June 2017 to June 2018, from June 2018 to the present.

4.2. with the significant shareholder of the Company:

- A.V. Shevchuk holds the position of a member of the board of directors in more than two legal entities controlled by the substantial shareholder of the Company (PJSC Rosseti), and also under the indirect control of the Russian Federation - the entity controlling the significant shareholder of the Company (IDGC of Centre, IDGC of Centre and Volga Region, IDGC of Urals, IDGC of North-West, PJSC "OGK-2").

4.3. with a significant counterpart of the Company (JSC "IEC "Energoefficiency technologies") (the relation was revealed in the third quarter of 2018):

- A.V. Shevchuk holds the position of a member of the Board of Directors of IDGC of Centre and Volga Region, which is the controlling entity of a significant counterpart of the Company - JSC "IEC "Energoefficiency technologies", the amount of fulfilled obligations of which to IDGC of Centre, PJSC exceeds 2% of the book value of assets and 2% of revenue (income) of JSC "IEC "Energoefficiency technologies" for 2017.

5. To recognize that such relation with the Company, with the substantial shareholder of the Company and the significant counterpart of the Company will not affect the ability of A.V. Shevchuk to represent independent, objective and honest judgments, decisions made by him, his work in the Board of Directors and Committees under the Board of Directors of the Company, proceeding from the following:

- A.V. Shevchuk was nominated as a candidate to the Board of Directors of IDGC of Centre by a non-controlling shareholder. This shareholder is not the significant shareholder, and an entity controlled by PJSC Rosseti.

- Long period of work of A.V. Shevchuk in the Board of Directors of the Company is his advantage. Having studied various aspects of the Company's activities, having acquired the necessary professional competence in the field of the electric power industry and extensive knowledge of the Company's business, detailed knowledge of the specifics of the Company's business processes, A.V. Shevchuk can make honest judgments on the substance of matters considered by the Board of Directors and the Committees under the Board of Directors of the Company.

- JSC "IEC "Energoefficiency technologies" provides the Company with services to conduct mandatory energy audits required by Federal Law No. 261-FZ of November 23, 2009 "On Energy Saving and Energy Efficiency Improvement and Amendments to Certain Legislative Acts of the Russian Federation". Commercial relations between the Company and JSC "IEC "Energoefficiency technologies" are based on market conditions (JSC "IEC "Energoefficiency technologies" was recognized as the winner of the tender (Minutes No. 0521-IA-17-2 dated November 27, 2017). Moreover, when deciding whether to give consent to the Company's transaction with JSC "IEC "Energoefficiency technologies" as a

related party transaction, A.V. Shevchuk abstained from voting. JSC “IEC “Energoefficiency technologies” does not influence and cannot influence decisions made by IDGC of Centre, the influence of JSC “IEC “Energoefficiency technologies” on financial and economic activities of IDGC of Centre is limited only by the agreement scope.

- During his time of work at the Board of Directors of the Company and being an independent director A.V. Shevchuk:

- takes an active part in the work of the Committees of the Board of Directors of the Company: the Audit Committee, the Strategy and Development Committee, the Personnel and Remuneration Committee. In the previous periods he was elected Chairperson of the Audit Committee and the Grid Connection Committee;

- faithfully performs the functions of a member of the Board of Directors and the Committees under the Board of Directors of the Company. In preparation for the meetings, he proposed alternative draft decisions, asked for additional information and explanations, required the management to answer difficult and critical questions, in some cases sent a dissenting opinion on the agenda issues;

- in the performance of his duties he demonstrates independent conduct, votes on the agenda of the meetings of the Board of Directors and the Committees under the Board of Directors of the Company independently and at his own discretion, based solely on his professional experience and knowledge, his expert judgments, makes decisions that were not aimed at meeting the interests of certain groups of shareholders, third parties or the management, but at the long-term interests of the very Company in accordance with its development strategy.

- A.V. Shevchuk does not have an obligation to vote in accordance with directives or another position established by the Russian Federation - the entity controlling the substantial shareholder of the Company (PJSC Rosseti), since the Russian Federation exercises only indirect control over IDGC of Centre;

- A.V. Shevchuk, holding the main position in the nonprofit organization Association of Institutional Investors, possesses the necessary professional competencies in the field of protecting the rights and legitimate interests of shareholders and investors, a generally recognized reputation that demonstrates his ability to independently form an independent position, is an active representative of minority shareholders and is always open for direct communication with shareholders of the Company;

- A.V. Shevchuk signed the Declaration of a member of the Board of Directors, recognized independent, in the form recommended by PJSC Moscow Exchange.

6. To recommend A.V. Shevchuk:

6.1. to refrain from committing acts, as a result of which he may cease to be independent;

6.2. immediately to notify the Board of Directors of the Company in the event of circumstances, as a result of which he ceases to be independent.

Voting results:

- | | | |
|-----|---------------------------------|---------|
| 1. | Dmitry Borisovich Akopyan | - «FOR» |
| 2. | Alexander Viktorovich Varvarin | - «FOR» |
| 3. | Alexander Ivanovich Kazakov | - «FOR» |
| 4. | Oleg Yuryevich Isaev | - «FOR» |
| 5. | Alexey Igorevich Pavlov | - «FOR» |
| 6. | Alexey Viktorovich Rakov | - «FOR» |
| 7. | Larisa Anatolievna Romanovskaya | - «FOR» |
| 8. | Maxim Mikhailovich Saukh | - «FOR» |
| 9. | Denis Alexandrovich Spirin | - «FOR» |
| 10. | Roman Alexeyevich Filkin | - «FOR» |

Total:

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

Decision is taken.

In accordance with the methodological recommendations of PJSC Moscow Exchange, A.V. Shevchuk abstained from voting on the question to recognize his candidacy as an independent director.

Item 6. On joining the amendments to the Unified Standard of Purchases of PJSC «Rosseti» (the Regulation about purchases).

Decision:

To join the amendments to the Unified Standard of Purchases of PJSC «Rosseti» (the Regulation about purchases), approved by the decision of the Board of Directors of PJSC Rosseti on 04.10.2018 (Minutes of 05.10.2018 # 324), in accordance with Appendix # 6 to this decision of the Board of Directors of the Company.

Voting results:

1. Dmitry Borisovich Akopyan - «FOR»
2. Alexander Viktorovich Varvarin - «FOR»
3. Alexander Ivanovich Kazakov - «FOR»
4. Oleg Yuryevich Isaev - «FOR»
5. Alexey Igorevich Pavlov - «FOR»
6. Alexey Viktorovich Rakov - «FOR»
7. Larisa Anatolievna Romanovskaya - «FOR»
8. Maxim Mikhailovich Saukh - «FOR»
9. Denis Alexandrovich Spirin - «AGAINST»
10. Roman Alexeyevich Filkin - «AGAINST»
11. Alexander Viktorovich Shevchuk - «ABSTAINED»

Total:

«FOR»	- «8»
«AGAINST»	- «2»
«ABSTAINED»	- «1»

Decision is taken.

Appendices:

1. The report «On the investment project implementation status in 3Q 2018 «Construction of smart grids» (Appendix # 1).
2. The report «On the course of implementation of investment projects of IDGC of Centre, PJSC in 3Q 2018, included in the list of priority facilities» (Appendix # 2).
3. The report «On implementation of the assignment of the Board of Directors, issued 21.09.2018 (Minutes # 34/18) regarding item # 1 (para. 2)» (Appendix # 3).
4. The report «On the work performed in 3Q 2018 to reduce costs of servicing the loan portfolio» (Appendix # 4).
5. The results of the assessment of the compliance of Alexander Viktorovich Shevchuk with the independence criteria set out in the Listing Rules of PJSC Moscow Exchange (Appendix 4.1) (Appendix # 5).
6. The amendments to the Unified Standard of Purchases of PJSC «Rosseti» (the Regulation about purchases), approved by the decision of the Board of Directors of PJSC Rosseti on 04.10.2018 (Minutes of 05.10.2018 # 324), (Appendix # 6).

Chairperson of the Board of Directors

of IDGC of Centre, PJSC

A.I. Kazakov

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

S.V. Lapinskaya