



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)

«28» November 2016

Moscow

No. 32/16

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

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

Participants of the voting: **A.E. Bogashov, O.Y. Isaev, D.A. Malkov, Y.N. Mangarov, I.B. Masaleva, M.M. Saukh, D.A. Spirin, R.A. Filkin, O.V. Shatokhina, A.V. Shevchuk, N.I. Erpsher**.

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

The quorum is **present**.

Date of the minutes: **29.11.2016**.

AGENDA:

1. On approval of the Schedule of activities of IDGC of Centre, PJSC to reduce overdue accounts receivable for the services of electric power transmission and settlement of disputes established by 01.10.2016.
2. On consideration of the report of General Director of the Company «On the credit policy of the Company in 3Q 2016».
3. On consideration of the report of General Director of the Company «On performed activities aimed at reducing the service costs of the Company's debt portfolio following the results of 9 months of 2016».
4. On amendment of the decision of the Board of Directors of the Company dated 28.08.2014 (Minutes # 19/14 of 29.08.2014) regarding item # 6 «On the Company's priority activity area: ensuring accessibility of energy infrastructure and quality of connection to the Company's electric grids».
5. On consideration of the report of General Director of the Company «On implementation of the decisions of the Board of Directors taken on 16.05.2016 (Minutes # 15/16 of 17.05.2016), regarding item # 4».
6. On approval of nomination of the Insurer of IDGC of Centre, PJSC.
7. On approval of the Program of insurance coverage of IDGC of Centre, PJSC for 2017.
8. On approval of a service agreement for provision of a range of resources for placing technological equipment, concluded between IDGC of Centre, PJSC and SO UES, which is a related party transaction.
9. On approval of the Agreement for provision of a range of communication services, concluded between IDGC of Centre, PJSC and JSC «FOCL-Conductor Administration», which is a related party transaction.
10. On coordination of holding paid positions in other organizations by members of the Management Board of IDGC of Centre, PJSC.

Item 1: On approval of the Schedule of activities of IDGC of Centre, PJSC to reduce overdue accounts receivable for the services of electric power transmission and

settlement of disputes established by 01.10.2016.

Decision:

1. To approve the Schedule of activities of IDGC of Centre, PJSC to reduce overdue accounts receivable for the services of electric power transmission and settlement of disputes established by 01.10.2016, in accordance with Appendix # 1 to this decision of the Board of Directors of the Company.
2. To take into consideration the report of General Director of the Company «On approval of the Schedule of activities of IDGC of Centre, PJSC to reduce overdue accounts receivable for the services of electric power transmission and settlement of disputes established by 01.07.2016, approved by the Company's Board of Directors on 31.08.2016 (Minutes # 24/16 of 01.09.2016), in accordance with Appendix # 2 to this decision of the Board of Directors of the Company.
3. To take into consideration the report of General Director of the Company «On the work performed by IDGC of Centre, PJSC in the III quarter of 2016 in relation to newly created overdue accounts receivable for the services of electric power transmission» in accordance with Appendix # 3 to this decision of the Board of Directors of the Company.
4. To take into consideration the report of General Director of the Company «On repayment of the overdue accounts receivable in the III quarter of 2016, established by 01.01.2016» in accordance with Appendix # 4 to this decision of the Board of Directors of the Company.

Voting results:

1. Alexander Evgenyevich Bogashov - «FOR»
2. Oleg Yuryevich Isaev - «FOR»
3. Denis Alexandrovich Malkov - «FOR»
4. Yury Nikolayevich Mangarov - «FOR»
5. Irina Borisovna Masaleva - «FOR»
6. Maxim Mikhailovich Saukh - «FOR»
7. Denis Alexandrovich Spirin - «FOR»
8. Roman Alexeyevich Filkin - «FOR»
9. Oxana Vladimirovna Shatokhina - «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 credit policy of the Company in 3Q 2016».

Decision:

1. To take into consideration the report of General Director of the Company «On the credit policy of the Company in 3Q 2016» in accordance with Appendix # 5 to this decision of the Board of Directors of the Company.
2. To agree upon a temporary excess of the target limit for debt coverage as at 30.09.2016.
3. To instruct General Director to ensure compliance with the requirements of the Regulation on credit policy, approved by the Company's Board of Directors.

Voting results:

1. Alexander Evgenyevich Bogashov - «ABSTAINED»
2. Oleg Yuryevich Isaev - «FOR»
3. Denis Alexandrovich Malkov - «FOR»
4. Yury Nikolayevich Mangarov - «FOR»

5. Irina Borisovna Masaleva - «FOR»
6. Maxim Mikhailovich Saukh - «FOR»
7. Denis Alexandrovich Spirin - «FOR»
8. Roman Alexeyevich Filkin - «FOR»
9. Oxana Vladimirovna Shatokhina - «FOR»
10. Alexander Viktorovich Shevchuk - «FOR»
11. Natalia Ilyinichna Erpsher - «FOR»

Total:

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

Decision is taken.

Item 3: On consideration of the report of General Director of the Company «On performed activities aimed at reducing the service costs of the Company's debt portfolio following the results of 9 months of 2016».

Decision:

To take into consideration the report of General Director of the Company «On performed activities aimed at reducing the service costs of the Company's debt portfolio following the results of 9 months of 2016» in accordance with Appendix # 6 to this decision of the Board of Directors of the Company.

Voting results:

1. Alexander Evgenyevich Bogashov - «FOR»
2. Oleg Yuryevich Isaev - «FOR»
3. Denis Alexandrovich Malkov - «FOR»
4. Yury Nikolayevich Mangarov - «FOR»
5. Irina Borisovna Masaleva - «FOR»
6. Maxim Mikhailovich Saukh - «FOR»
7. Denis Alexandrovich Spirin - «FOR»
8. Roman Alexeyevich Filkin - «FOR»
9. Oxana Vladimirovna Shatokhina - «FOR»
10. Alexander Viktorovich Shevchuk - «FOR»
11. Natalia Ilyinichna Erpsher - «FOR»

Total:

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

Decision is taken.

Item 4: On amendment of the decision of the Board of Directors of the Company dated 28.08.2014 (Minutes # 19/14 of 29.08.2014) regarding item # 6 «On the Company's priority activity area: ensuring accessibility of energy infrastructure and quality of connection to the Company's electric grids».

Decision:

To defer consideration of the item at a later date.

Voting results:

1. Alexander Evgenyevich Bogashov - «FOR»
2. Oleg Yuryevich Isaev - «FOR»
3. Denis Alexandrovich Malkov - «FOR»
4. Yury Nikolayevich Mangarov - «FOR»
5. Irina Borisovna Masaleva - «FOR»

6. Maxim Mikhailovich Saukh - «FOR»
7. Denis Alexandrovich Spirin - «FOR»
8. Roman Alexeyevich Filkin - «FOR»
9. Oxana Vladimirovna Shatokhina - «FOR»
10. Alexander Viktorovich Shevchuk - «FOR»
11. Natalia Ilyinichna Erpsher - «FOR»

Total:

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

Decision is taken.

Item 5: On consideration of the report of General Director of the Company «On implementation of the decisions of the Board of Directors taken on 16.05.2016 (Minutes # 15/16 of 17.05.2016), regarding item # 4».

Decision:

1. To take into consideration the report of General Director of the Company «On implementation of the decisions of the Board of Directors taken on 16.05.2016 (Minutes # 15/16 of 17.05.2016), regarding item # 4», in accordance with Appendix # 7 to this decision of the Board of Directors of the Company.

2. To instruct General Director of the Company on the basis of the approved Investment Program of IDGC of Centre, PJSC for 2017 to provide the Board of Directors of IDGC of Centre, PJSC with offers to make appropriate changes in the Program of long-term development of electricity metering systems in the retail market of IDGC of Centre, PJSC. In the absence of funding sources at the approval of the Investment Program for 2017 to implement measures on modernization of electricity metering, to ensure their implementation by conclusion of energy service contracts.

Deadline: 1 quarter 2017.

Voting results:

1. Alexander Evgenyevich Bogashov - «FOR»
2. Oleg Yuryevich Isaev - «FOR»
3. Denis Alexandrovich Malkov - «FOR»
4. Yury Nikolayevich Mangarov - «FOR»
5. Irina Borisovna Masaleva - «FOR»
6. Maxim Mikhailovich Saukh - «FOR»
7. Denis Alexandrovich Spirin - «ABSTAINED»
8. Roman Alexeyevich Filkin - «ABSTAINED»
9. Oxana Vladimirovna Shatokhina - «FOR»
10. Alexander Viktorovich Shevchuk - «FOR»
11. Natalia Ilyinichna Erpsher - «FOR»

Total:

«FOR»	- «9»
«AGAINST»	- «0»
«ABSTAINED»	- «2»

Decision is taken.

Item 6: On approval of nomination of the Insurer of IDGC of Centre, PJSC.

Decision:

To approve the following insurance company as the Company's Insurer:

Type of insurance	Insurance company	Period of insurance (period of issue of
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		policies of insurance)
Compulsory insurance of civil liability of the owner of a dangerous facility for injury in an accident at the hazardous facility	AlfaStrakhovanie	01.01.2017-31.12.2017

Voting results:

1. Alexander Evgenyevich Bogashov - «FOR»
2. Oleg Yuryevich Isaev - «FOR»
3. Denis Alexandrovich Malkov - «FOR»
4. Yury Nikolayevich Mangarov - «FOR»
5. Irina Borisovna Masaleva - «FOR»
6. Maxim Mikhailovich Saukh - «FOR»
7. Denis Alexandrovich Spirin - «FOR»
8. Roman Alexeyevich Filkin - «FOR»
9. Oxana Vladimirovna Shatokhina - «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 the Program of insurance coverage of IDGC of Centre, PJSC for 2017.

Decision:

To approve the Program of insurance coverage of IDGC of Centre, PJSC for 2017 in accordance with Appendix # 8 to this decision of the Board of Directors of the Company.

Voting results:

1. Alexander Evgenyevich Bogashov - «FOR»
2. Oleg Yuryevich Isaev - «FOR»
3. Denis Alexandrovich Malkov - «FOR»
4. Yury Nikolayevich Mangarov - «FOR»
5. Irina Borisovna Masaleva - «FOR»
6. Maxim Mikhailovich Saukh - «FOR»
7. Denis Alexandrovich Spirin - «AGAINST»
8. Roman Alexeyevich Filkin - «AGAINST»
9. Oxana Vladimirovna Shatokhina - «FOR»
10. Alexander Viktorovich Shevchuk - «ABSTAINED»
11. Natalia Ilyinichna Erpsher - «FOR»

Total:

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

Decision is taken.

Item 8: On approval of a service agreement for provision of a range of resources for placing technological equipment, concluded between IDGC of Centre, PJSC and SO UES, which is a related party transaction.

In accordance with paragraph 1 of Article 81 of the Federal Law «On Joint Stock Companies» the deal between IDGC of Centre, PJSC and SO UES is recognized as a related party transaction of the shareholder of the Company - PJSC «Rosseti», which holds more than 20% of voting shares of the Company, whose affiliated persons (B.I. Ayuev, A.S. Kalinin, V.M. Kravchenko and A.E. Murov) are members of the Board of Directors of SO UES.

Decision:

1. To determine in accordance with the Memorandum of agreement of the price of the Services (Appendix #2 to the Agreement) the value of the services for provision of a range of resources for placing technological equipment, concluded between IDGC of Centre, PJSC and SO UES, which is a related party transaction, in the amount of 39 149,16 (Thirty-nine thousand one hundred forty-nine) rubles 16 kopecks, including VAT (18%) 5 971,91 (Five thousand nine hundred seventy-one) rubles 91 kopecks per month.

The total cost under the Agreement for the year amounts to 469 789,92 (Four hundred sixty-nine thousand seven hundred eighty-nine) rubles 92 kopecks, including VAT (18%) in the amount of 71 662,87 (Seventy one thousand six hundred sixty-two) rubles 87 kopecks.

2. To approve the service agreement for provision of a range of resources for placing technological equipment, concluded between IDGC of Centre, PJSC and SO UES, which is a related party transaction, on the following essential conditions:

Parties of the Agreement:

Customer - Joint-Stock Company «System Operator of the Unified Energy System» (a branch of SO UES «Regional Transmission Control Centre of power systems of the Kursk and Orel regions»);

Contractor - Interregional Distribution Grid Company of Centre, Public Joint-Stock Company (IDGC of Centre - Kurskenergo division).

Subject of the Agreement: Contractor undertakes to provide Customer with the services to provide a range of resources for placing technological equipment of Customer, and Customer undertakes to pay for the services rendered in accordance with the terms and conditions of the agreement.

The scope of the technological equipment is specified in Appendix #1 to the Agreement.

The features of the location allocated to «Customer» for the equipment placement are listed in Appendix #4 to the Agreement.

Turnaround time: 01.07.2016 – 30.06.2017.

Duration of the Agreement: The Agreement shall enter into force upon signature by both Parties and shall cover the relations between the Parties arisen from 01.07.2016 and is valid until 30.06.2017, subject to full implementation of the commitments by the Parties under the Agreement.

Voting results:

1. Alexander Evgenyevich Bogashov - «FOR»
2. Denis Alexandrovich Malkov - «FOR»
3. Yury Nikolayevich Mangarov - «FOR»
4. Irina Borisovna Masaleva - «FOR»
5. Maxim Mikhailovich Saukh - «FOR»
6. Denis Alexandrovich Spirin - «ABSTAINED»
7. Roman Alexeyevich Filkin - «ABSTAINED»
8. Oxana Vladimirovna Shatokhina - «FOR»
9. Alexander Viktorovich Shevchuk - «AGAINST»
10. Natalia Ilyinichna Erpsher - «FOR»

Total:

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

Member of the Board of Directors of IDGC of Centre, PJSC O.Y. Isaev 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».

Decision is taken.

Item 9: On approval of the Agreement for provision of a range of communication services, concluded between IDGC of Centre, PJSC and JSC «FOCL-Conductor Administration», which is a related party transaction.

In accordance with paragraph 1 of Article 81 of the Federal Law «On Joint Stock Companies» the deal between IDGC of Centre, PJSC and JSC «FOCL-Conductor Administration» is recognized as a related party transaction of the shareholder of the Company – PJSC «Rosseti», which holds more than 20% of voting shares of the parties to the transaction.

Decision:

1. To determine in accordance with the decision of the tender commission (Minutes №9/57r dated 05.09.2016) the maximum value of the Agreement for provision of a range of communication services, concluded between IDGC of Centre, PJSC and JSC «FOCL-Conductor Administration», which is a related party transaction, in the amount of 159 795 771,66 (One hundred and fifty nine million seven hundred and ninety-five thousand seven hundred seventy-one) rubles 66 kopecks, including VAT (18%) 24 375 626,19 (Twenty-four million three hundred and seventy-five thousand six hundred twenty-six) rubles 19 kopecks. The maximum value of the Services under the Agreement for each Branch of Customer is specified in Appendix #10 to the Agreement.

2. To approve the Agreement for provision of a range of communication services, concluded between IDGC of Centre, PJSC and JSC «FOCL-Conductor Administration», which is a related party transaction, on the following essential conditions:

Parties of the Agreement:

Customer - IDGC of Centre, PJSC

Operator - JSC «FOCL-Conductor Administration»

Subject of the Agreement: Operator shall render Customer services to provide communication channels and VPN for the needs of branches of IDGC of Centre, PJSC ("Bryanskenergo", "Voronezhenergo", "Kostromaenergo", "Kurskenergo", "Lipetskenergo", "Orelenergo", "Tverenergo", "Yarenergo"), and Customer undertakes to accept and pay for the Services rendered to him in accordance with the terms and conditions of the Agreement. The scope and the list of the Services, as well as the additional rights and obligations of the Parties, are determined by supplementary agreements and Order forms for the provision of the Services to the given supplementary agreements.

The agreement between the Parties for the provision of a particular service is considered to be achieved at the time of the signing of the Supplementary Agreement to the Agreement. In the case where the Supplementary Agreement provides for the signing of the Order Form thereto, the agreement between the Parties for the provision of a particular service is considered to be achieved at the time of signing of this Order Form to the Supplementary Agreement.

Price of the Agreement: The maximum value of the Agreement for provision of a range of communication services is 159 795 771,66 (One hundred and fifty nine million seven hundred and ninety-five thousand seven hundred seventy-one) rubles 66 kopecks, including VAT (18%) 24 375 626,19 (Twenty-four million three hundred and seventy-five thousand six hundred twenty-six) rubles 19 kopecks.

The maximum value of the Services under the Agreement for each Branch of Customer is specified in Appendix #10 to the Agreement.

Operator is obliged to ensure the reduction of the total payments for services rendered by 1-3% per year by optimizing the cost of unit prices specified in Appendix # 10 to the

Agreement.

Payment for the Services is made independently by each Branch of Customer in accordance with Operator's then current tariffs specified in the Supplementary Agreements to the Agreement (corresponding Order Forms for the provision of services). Amounts due to Operator for the services rendered are increased by the amount of VAT (in accordance with the Russian Federation legislation on a payment date for the Services). The amount of VAT is indicated separately in the invoice.

Customer makes payment for services rendered and accepted during the Reporting period, no later than the last day of the Settlement period. The basis for payment is the Acceptance and Transfer Certificate of performed work (rendered services);

Turnaround time: The term of the Services provision under the Agreement is three calendar years from the date of signing of the Certificate of the start of provision of services.

Duration of the Agreement: The Agreement shall enter into force from the date of its signing by both Parties and is valid until the Parties fulfill their obligations.

The term of the Services provision shall be automatically extended for each subsequent year within the period of validity of the Agreement as long as Customer or Operator notifies the other Party of termination of the next one-year term of the Services provision 30 (thirty) calendar days prior to the expected termination date of the Services provision.

Upon reaching the total cost of the Services under the value of the Agreement, specified in paragraph 5.1. of the Agreement, before the end of the calendar date of the Services provision completion, the Agreement shall be terminated.

Voting results:

1. Alexander Evgenyevich Bogashov - «FOR»
2. Denis Alexandrovich Malkov - «FOR»
3. Yury Nikolayevich Mangarov - «FOR»
4. Irina Borisovna Masaleva - «FOR»
5. Maxim Mikhailovich Saukh - «FOR»
6. Denis Alexandrovich Spirin - «AGAINST»
7. Roman Alexeyevich Filkin - «AGAINST»
8. Oxana Vladimirovna Shatokhina - «FOR»
9. Alexander Viktorovich Shevchuk - «ABSTAINED»
10. Natalia Ilyinichna Erpsher - «FOR»

Total:

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

Member of the Board of Directors of IDGC of Centre, PJSC O.Y. Isaev 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».

Decision is taken.

Item 10: On coordination of holding paid positions in other organizations by members of the Management Board of IDGC of Centre, PJSC.

Decision:

1. To coordinate holding the position of Advisor to General Director of IDGC of Centre and Volga Region, PJSC by Konstantin Alexandrovich Mikhailik, a member of the Management Board of the Company.
2. To coordinate holding the position of Advisor to General Director of IDGC of Centre and Volga Region, PJSC by Alexander Viktorovich Pilyugin, Deputy Chair of the Management Board of the Company.
3. To coordinate holding the position of a member of the Supervisory Board of JSC "NPF of

the electric power industry" by Inna Vitalievna Gromova, a member of the Management Board of IDGC of Centre, PJSC.

Voting results:

1. Alexander Evgenyevich Bogashov - «ABSTAINED»
2. Oleg Yuryevich Isaev - «FOR»
3. Denis Alexandrovich Malkov - «FOR»
4. Yury Nikolayevich Mangarov - «FOR»
5. Irina Borisovna Masaleva - «FOR»
6. Maxim Mikhailovich Saukh - «FOR»
7. Denis Alexandrovich Spirin - «AGAINST»
8. Roman Alexeyevich Filkin - «AGAINST»
9. Oxana Vladimirovna Shatokhina - «FOR»
10. Alexander Viktorovich Shevchuk - «FOR»
11. Natalia Ilyinichna Erpsher - «FOR»

Total:

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

Decision is taken.

Appendices:

1. The Schedule of activities of IDGC of Centre, PJSC to reduce overdue accounts receivable for the services of electric power transmission and settlement of disputes established by 01.10.2016 (Appendix # 1).
2. The report of General Director of the Company «On approval of the Schedule of activities of IDGC of Centre, PJSC to reduce overdue accounts receivable for the services of electric power transmission and settlement of disputes established by 01.07.2016, approved by the Company's Board of Directors on 31.08.2016 (Minutes # 24/16 of 01.09.2016) (Appendix # 2).
3. The report of General Director of the Company «On the work performed by IDGC of Centre, PJSC in the III quarter of 2016 in relation to newly created overdue accounts receivable for the services of electric power transmission» (Appendix # 3).
4. The report of General Director of the Company «On repayment of the overdue accounts receivable in the III quarter of 2016, established by 01.01.2016» (Appendix # 4).
5. The report of General Director of the Company «On the credit policy of the Company in 3Q 2016» (Appendix # 5).
6. The report of General Director of the Company «On performed activities aimed at reducing the service costs of the Company's debt portfolio following the results of 9 months of 2016» (Appendix # 6).
7. The report of General Director of the Company «On implementation of the decisions of the Board of Directors taken on 16.05.2016 (Minutes # 15/16 of 17.05.2016), regarding item # 4» (Appendix # 7).
8. The Program of insurance coverage of IDGC of Centre, PJSC for 2017 (Appendix # 8).

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

Y.N. Mangarov

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

S.V. Lapinskaya