

ITEM № 11

ON PARTICIPATION OF IDGC OF CENTRE, PJSC IN ASSOCIATION SRO “CENTRE OF SURVEY”

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Explanatory information on the item

In accordance with paragraph 19 of Article 48 of the Federal Law “On Joint Stock Companies” and subparagraph 18 of paragraph 10.2 of Article 10 of the Articles of Association, the decision to participate in financial and industrial groups, associations and other unions of commercial organizations falls within the competence of the General Meeting of Shareholders.

In accordance with subparagraph 6 of paragraph 15.1 of Article 15 of the Articles of Association, submitting issues for consideration by the General Meeting of Shareholders of the Company as set forth in subparagraphs 2, 5, 7, 8, 12-20 of paragraph 10.2 of Article 10 of the Articles of Association are within the competence of the Board of Directors of the Company.

In accordance with paragraph 7 of Article 53 of the Federal Law “On Joint Stock Companies”, the Board of Directors of the Company acted as the initiator of the participation of IDGC of Centre in associations.

IDGC of Centre, being a developer, is a technical customer of engineering and geodesic, geological and environmental surveys.

Federal Law of 03.07.2016 № 372-FZ “On Amendments to the Urban Planning Code of the Russian Federation and Certain Legislative Acts of the Russian Federation”, which entered into force on 01.07.2017 (except for certain provisions), the functions of a technical customer can be performed only by a member of the corresponding self-regulating organizations in the field of engineering surveys, architectural and construction design, construction, reconstruction, overhaul of capital construction projects.

In accordance with Article 47 of the Town Planning Code of the Russian Federation Engineering surveys are carried out for preparation of project documentation, construction, reconstruction of capital construction facilities. The preparation of project documentation, as well as the construction, reconstruction of capital construction facilities in accordance with such project documentation are not allowed without the performance of relevant engineering surveys.

To confirm the possibility of performing the functions of a developer and a technical customer in capital construction when performing engineering surveys of IDGC of Centre, PJSC, it is necessary to ensure membership in the Association of the relevant SRO.

Association SRO “Centre of Survey” is a self-regulating organization based on the membership of legal entities and individual entrepreneurs to coordinate the business activities of its members, as well as to represent and protect common property interests in the field of engineering surveys.

The members of the Association include the largest design institutes of the country and engineering research trusts, including: State Budgetary Institution “Mosgorgeo Trust”, State Autonomous Institution “Research and Project Institute of General Planning for the city of Moscow», PIK Group of Companies, JSC “United Energy Company”, Institute of JSC Research Center of Construction, OJSC “Trust GRII”, OJSC “MOSTSTISIZ”, “LENTISIZ - Kaliningrad” LLC, JSC “Project and Research Institute “Hydroproject” named after S.Y. Zhuk”, Institute of Geoecology named after E.M. Sergeev of the Russian Academy of Sciences.

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The main functions of the Association:

- prevention of harm to life or health of individuals, property of individuals or legal entities, state or municipal property, the environment, life or health of animals and plants, cultural heritage objects (historical and cultural monuments) of the peoples of the Russian Federation (hereinafter referred to as harm) due to work deficiencies that affect the safety of capital construction projects and are carried out by members of the self-regulating organization;
- improving the quality of engineering surveys of capital construction projects;
- ensuring the fulfillment by members of the self-regulating organization of obligations under contracts for performance of engineering surveys in accordance with the legislation of the Russian Federation on the contract system in the field of procurement of goods, works, services to meet state and municipal needs, the legislation of the Russian Federation on the procurement of goods, works, services by certain types of legal entities, or in other cases according to the results of trades (tenders, auctions), if in accordance with the legislation of the Russian Federation the conduct of trades (tenders, auctions) for the conclusion of relevant agreements is mandatory;
- development and approval of documents stipulated by Article 55.5 of the Town Planning Code of the Russian Federation, as well as control over the compliance by members of the self-regulating organization with the requirements of these documents;
- maintaining the register of members of the self-regulating organization in accordance with the requirements established by the federal legislation;
- application of disciplinary measures stipulated by the federal legislation and internal documents of the Association in relation to members of the self-regulating organization.

Financing of membership fees is planned within the limits of operating expenses of the Company's Business Plan.

The participation of IDGC of Centre, PJSC in Association SRO “Centre of Survey” was tentatively approved and recommended to the Annual General Meeting of Shareholders of the Company by the Strategy and Development Committee on 19.04.2019 (Minutes No. 07/19) and the Board of Directors on 26.04.2019 (Minutes No. 16/19) on the following essential conditions :

- the size of the entrance (one-time) fee – 20 000 (twenty thousand) rubles;
- the size of current annual membership fees – 54 000 (fifty four thousand) rubles;
- one-time contribution to the compensation fund for securing contractual obligations – 150 000 (one hundred fifty thousand) rubles;
- the size of a single contribution to the harm compensation fund – 50 000 (fifty thousand) rubles;
- the form of payment of contributions – cash;
- the annual target contribution for transfer to the National Association of self-regulatory organizations based on the membership of engineering survey entities and self-regulatory organizations based on the membership of entities engaged in preparation of design documentation (hereinafter referred to as NOPRIZ) is the same for all members, and its size is set by the All-Russian Congress of self-regulatory organizations based on the membership of entities performing engineering surveys and self-regulatory organizations engaged in preparation of design documentation. At the same time, the first such fee is paid by all members of the Association for the current year in proportion to the annual fee, based on the time of entry;
- the size of regular membership fees is approved by the General Meeting of Members of Association SRO “Centre of Survey”.

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Draft resolution on item № 11

To approve the participation of IDGC of Centre, PJSC in the Association of the self-regulatory organization “Central Association of Engineering Survey Organizations for Construction “Centre of Survey” (Association SRO “Centre of Survey”) on the following essential conditions:

- the size of the entrance (one-time) fee – 20 000 (twenty thousand) rubles;
- the size of current annual membership fees – 54 000 (fifty four thousand) rubles;
- one-time contribution to the compensation fund for securing contractual obligations – 150 000 (one hundred fifty thousand) rubles;
- the size of a single contribution to the harm compensation fund – 50 000 (fifty thousand) rubles;
- the form of payment of contributions – cash;
- the annual target contribution for transfer to the National Association of self-regulatory organizations based on the membership of engineering survey entities and self-regulatory organizations based on the membership of entities engaged in preparation of design documentation (hereinafter referred to as NOPRIZ) is the same for all members, and its size is set by the All-Russian Congress of self-regulatory organizations based on the membership of entities performing engineering surveys and self-regulatory organizations engaged in preparation of design documentation. At the same time, the first such fee is paid by all members of the Association for the current year in proportion to the annual fee, based on the time of entry;
- the size of regular membership fees is approved by the General Meeting of Members of Association SRO “Centre of Survey”.