



IDGC OF CENTRE

"INTERREGIONAL DISTRIBUTION GRID COMPANY OF CENTRE", JOINT-STOCK COMPANY

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## MINUTES

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

«20» August 2014

Moscow

No. 18/14

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

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

Participants of the voting: **A.M. Branis, D.V. Kulikov, O.Y. Isaev, M.V. Lazareva, Y.N. Mangarov, M.M. Saukh, P.N. Snikkars, V.V. Sofyin, R.A. Filkin, O.V. Shatokhina, N.I. Erpsher.**

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

The quorum is **present.**

**Absence of objections concerning the materials and draft resolutions from V.G. Korolev, the observer of the Federal Antimonopoly Service of the Russian Federation, was taken into account at drawing up of the minutes.**

Date of the minutes: **22.08.2014.**

### AGENDA:

1. On approval of the Schedule of activities of IDGC of Centre to reduce overdue accounts receivable for the services of electric power transmission and settlement of disputes established by 01.07.2014.
2. On the priority activity areas of the Company: on improvement of the internal control and risk management system, development of the internal audit function.
3. On approval of an internal document of the Company - the Risk Management Policy of the Company in a new edition.
4. On approval of an internal document of the Company - the Internal Audit Policy of the Company.
5. On the budget approval of the Audit Committee of the Board of Directors of IDGC of Centre for 2H 2014.
6. On approval of an agreement for maintenance of electric grid equipment, concluded between IDGC of Centre (IDGC of Centre - Yarenergo division) and OJSC «YarEGC», which is a related party transaction.
7. On approval of the corporate structure of the Executive Office of IDGC of Centre.

**Item 1: On approval of the Schedule of activities of IDGC of Centre to reduce overdue accounts receivable for the services of electric power transmission and settlement of disputes established by 01.07.2014.**

#### Decision:

To approve the Schedule of activities of IDGC of Centre to reduce overdue accounts receivable for the services of electric power transmission and settlement of disputes established by 01.07.2014, in accordance with Appendix # 1 to this decision of the Board of Directors of the Company.

#### Voting results:

1. **Alexander Markovich Branis** - «FOR»

- |  |               |
|--|---------------|
| <b>2. Oleg Yuryevich Isaev</b>           | - «FOR»       |
| <b>3. Denis Viktorovich Kulikov</b>      | - «FOR»       |
| <b>4. Maria Valeryevna Lazareva</b>      | - «FOR»       |
| <b>5. Yury Nikolayevich Mangarov</b>     | - «FOR»       |
| <b>6. Maxim Mikhailovich Saukh</b>       | - «FOR»       |
| <b>7. Pavel Nikolayevich Snikkars</b>    | - «ABSTAINED» |
| <b>8. Vladimir Vladimirovich Sofyin</b>  | - «FOR»       |
| <b>9. Roman Alexeyevich Filkin</b>       | - «FOR»       |
| <b>10. Oxana Vladimirovna Shatokhina</b> | - «FOR»       |
| <b>11. Natalia Ilyinichna Erpsher</b>    | - «FOR»       |

**Total:**

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

**Decision is taken.**

**Item 2: On the priority activity areas of the Company: on improvement of the internal control and risk management system, development of the internal audit function.**

**Decision:**

1. To determine improvement of the internal control and risk management system, development of the internal audit function as a priority activity area of the Company.

2.1. To approve the Internal Control Policy of IDGC of Centre in a new edition in accordance with Appendix # 2 to this decision of the Board of Directors of the Company.

2.2. To instruct General Director of the Company:

- To ensure compliance with the requirements of the Internal Control Policy of IDGC of Centre.

- To ensure submission for consideration of the Board of Directors of the Company of the item: «Consideration of the Report on the effectiveness of the Company's internal control system in 2014».

Deadline: no later 31.03.2015.

- To ensure submission for consideration of the Board of Directors of the Company of the item: «Consideration of the Report on the effectiveness of the Company's internal control and risk management system».

Deadline: annually no later 31 March, beginning with the report for 2015.

**Voting results:**

- |  |             |
|--|-------------|
| <b>1. Alexander Markovich Branis</b>     | - «FOR»     |
| <b>2. Oleg Yuryevich Isaev</b>           | - «FOR»     |
| <b>3. Denis Viktorovich Kulikov</b>      | - «FOR»     |
| <b>4. Maria Valeryevna Lazareva</b>      | - «FOR»     |
| <b>5. Yury Nikolayevich Mangarov</b>     | - «FOR»     |
| <b>6. Maxim Mikhailovich Saukh</b>       | - «FOR»     |
| <b>7. Pavel Nikolayevich Snikkars</b>    | - «AGAINST» |
| <b>8. Vladimir Vladimirovich Sofyin</b>  | - «FOR»     |
| <b>9. Roman Alexeyevich Filkin</b>       | - «FOR»     |
| <b>10. Oxana Vladimirovna Shatokhina</b> | - «FOR»     |
| <b>11. Natalia Ilyinichna Erpsher</b>    | - «FOR»     |

**Total:**

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

**Decision is taken.**

### **Item 3: On approval of an internal document of the Company - the Risk Management Policy of the Company in a new edition.**

#### **Decision:**

1. To approve the Risk Management Policy of IDGC of Centre in a new edition in accordance with Appendix # 3 to this decision of the Board of Directors of the Company.

2. To instruct General Director of the Company:

2.1. To ensure compliance with the requirements of the Risk Management Policy of IDGC of Centre.

2.2. To ensure inclusion in the job descriptions of employees of the Company and (or) the organizational and administrative documents of the Company, defining the powers of Deputies General Director of the Company and heads of structural subdivisions of the Company reporting directly to General Director of the Company, of the following functions:

- organization of an effective control environment of supervised processes (activities of the Company);
- ensuring effective achievement of operational goals of supervised processes (activities of the Company);
- ensuring systematic monitoring of the state of risks of supervised processes (activities of the Company);
- ensuring the timely updating of risks of supervised processes (activities of the Company);
- ensuring the quarterly analysis and ranking of the factors contributing to the realization of risks of supervised processes (activities of the Company);
- organization of the development and adoption of risk management measures of supervised processes (activities of the Company).

2.3. To ensure submission for consideration of the Board of Directors of the Company of the item: «On approval of the registry of key operational risks of the Company», with fixing risk owners (with prior review and agreement of the Register at a meeting of the Audit Committee of the Board of Directors of the Company).

Deadline: no later 30.09.2014.

2.4. To ensure approval in the Company of «the Registry of operational risks of the main business processes of the Company», with fixing risk owners at the level no lower than Deputy General Director of the Company and (or) a department head of the Company reporting directly to General Director of the Company (with prior review and agreement of the risk owners at a meeting of the Audit Committee of the Board of Directors of the Company).

Deadline: no later 30.09.2014.

2.5. To ensure approval in the Company of «the Registry of operational risks of other business processes of the Company», with fixing risk owners at the level no lower than Deputy General Director of the Company and (or) a department head reporting directly to General Director of the Company (with prior review and agreement of the Registry at a meeting of the Audit Committee of the Board of Directors of the Company).

Deadline: no later 31.12.2014.

2.6. To provide preparation and quarterly submission to the Management Board of the Company of the item «Consideration of the Report of risk owners to manage operational risks of the Company ».

Deadline: on a quarterly basis, no later the 30th day of the month following the reporting quarter.

2.7. To provide preparation and ensure submission to the Audit Committee of the Board of Directors of the Company of the item: «Consideration of the Report of the Sole executive body of the Company to manage key operational risk of the Company for the 1st half of the reporting year».

Deadline: annually, no later 31 August.

2.8. To provide preparation and ensure submission for consideration of the Board of Directors of the Company of the item: «Consideration of the Report of the Sole executive body of the Company to manage key operational risk of the Company for a year» (with prior review of the Report at a meeting of the Audit Committee of the Board of Directors of the Company).

Deadline: annually, no later 31 March.

3. To declare null and void item 3 of the decision of the Board of Directors of the Company, taken on 30.04.2013 (Minutes # 11/13 of 30.04.2013) regarding item # 2.

Deadline: beginning with the report for the 2nd half of 2014.

**Voting results:**

- |                                   |             |
|-----------------------------------|-------------|
| 1. Alexander Markovich Branis     | - «FOR»     |
| 2. Oleg Yuryevich Isaev           | - «FOR»     |
| 3. Denis Viktorovich Kulikov      | - «FOR»     |
| 4. Maria Valeryevna Lazareva      | - «FOR»     |
| 5. Yury Nikolayevich Mangarov     | - «FOR»     |
| 6. Maxim Mikhailovich Saukh       | - «FOR»     |
| 7. Pavel Nikolayevich Snikkars    | - «AGAINST» |
| 8. Vladimir Vladimirovich Sofyin  | - «FOR»     |
| 9. Roman Alexeyevich Filkin       | - «FOR»     |
| 10. Oxana Vladimirovna Shatokhina | - «FOR»     |
| 11. Natalia Ilyinichna Erpsher    | - «FOR»     |

**Total:**

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

**Decision is taken.**

**Item 4: On approval of an internal document of the Company - the Internal Audit Policy of the Company.**

**Decision:**

1. To approve the Internal Audit Policy of IDGC of Centre in accordance with Appendix # 4 to this decision of the Board of Directors of the Company.

2. To instruct General Director of the Company:

2.1. To ensure compliance with the requirements of the Internal Audit Policy of IDGC of Centre.

2.2. To provide preparation and ensure submission for consideration of the Board of Directors of the Company of the results of evaluating the performance of the internal audit function within the consideration of the Report on the effectiveness of the internal control and risk management system of the Company.

Deadline: annually no later 31 March, beginning with the report for 2015.

**Voting results:**

- |                                  |               |
|----------------------------------|---------------|
| 1. Alexander Markovich Branis    | - «ABSTAINED» |
| 2. Oleg Yuryevich Isaev          | - «FOR»       |
| 3. Denis Viktorovich Kulikov     | - «AGAINST»   |
| 4. Maria Valeryevna Lazareva     | - «FOR»       |
| 5. Yury Nikolayevich Mangarov    | - «FOR»       |
| 6. Maxim Mikhailovich Saukh      | - «FOR»       |
| 7. Pavel Nikolayevich Snikkars   | - «AGAINST»   |
| 8. Vladimir Vladimirovich Sofyin | - «FOR»       |
| 9. Roman Alexeyevich Filkin      | - «ABSTAINED» |

10. Oxana Vladimirovna Shatokhina - «FOR»  
 11. Natalia Ilyinichna Erpsher - «FOR»

**Total:**

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

**Decision is taken.**

**Item 5: On the budget approval of the Audit Committee of the Board of Directors of IDGC of Centre for 2H 2014.**

**Decision:**

To approve the budget of the Audit Committee of the Board of Directors of IDGC of Centre for 2H 2014 in accordance with Appendix # 5 to this decision of the Board of Directors of the Company.

**Voting results:**

1. Alexander Markovich Branis - «FOR»  
 2. Oleg Yuryevich Isaev - «FOR»  
 3. Denis Viktorovich Kulikov - «FOR»  
 4. Maria Valeryevna Lazareva - «FOR»  
 5. Yury Nikolayevich Mangarov - «FOR»  
 6. Maxim Mikhailovich Saukh - «FOR»  
 7. Pavel Nikolayevich Snikkars - «AGAINST»  
 8. Vladimir Vladimirovich Sofyin - «FOR»  
 9. Roman Alexeyevich Filkin - «FOR»  
 10. Oxana Vladimirovna Shatokhina - «FOR»  
 11. Natalia Ilyinichna Erpsher - «FOR»

**Total:**

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

**Decision is taken.**

**Item 6: On approval of an agreement for maintenance of electric grid equipment, concluded between IDGC of Centre (IDGC of Centre - Yarenergo division) and OJSC «YarEGC», which is a related party transaction.**

**Decision:**

1. To determine in accordance with the Agreement on the negotiated price (Appendix #3 to the Agreement) the monthly cost to provide maintenance of electric grid equipment under the agreement, concluded between IDGC of Centre (IDGC of Centre - Yarenergo division) and OJSC «YarEGC», which is a related party transaction, in the amount of 11 708,62 (Eleven thousand seven hundred and eight) rubles 62 kopecks.

The total cost of the services is 140 503,39 (One hundred forty thousand five hundred three) rubles 39 kopecks per year.

2. To approve the agreement for maintenance of electric grid equipment, concluded between IDGC of Centre (IDGC of Centre - Yarenergo division) and OJSC «YarEGC», which is a related party transaction, on the following essential conditions:

**Parties of the agreement:**

«Customer» - OJSC «YarEGC»;

«Contractor» - IDGC of Centre (IDGC of Centre - Yarenergo division);

**Scope of the agreement:**

Contractor undertakes in the period from the date of signing the agreement until 31 March

2015 to provide maintenance of electric grid equipment, specified in Appendix # 1 to the Agreement, in accordance with the requirements of Appendix # 4 to the Agreement (Memo to the consumer-owner of existing electrical installations up to 220 kV).

Customer undertakes to create the necessary conditions to Contractor to provide services, to accept their results and to pay the price specified in the Agreement and its annexes.

Maintenance of electric grid equipment is a complex of organizational and technical measures of preventive nature to maintain the equipment in good working condition and meeting the requirements of the technical documentation on it for the entire duration of the operation and includes:

- travel to the location of the electric grid equipment of Customer;
- inspection of the equipment, check of the proper functioning and control of the operation mode, determination of suitability for further use, troubleshooting;
- for Conductors: replacement of insulators, wires on the results of an inspection, restoration of permanent signs and posters on the results of inspections;
- for package transformer substations: cleaning, lubrication and tightening of terminal connections;
- filling with oil level in the oil-filled devices;
- greasing locking devices;
- analysis and summary of the results, development of measures to improve the forms and methods of maintenance.

The services are provided with materials of Customer.

**Price of the agreement:** In accordance with the Agreement on the negotiated price (Appendix #3 to the Agreement) the monthly cost to provide maintenance of electric grid equipment is 13 816,17 (Thirteen thousand eight hundred and sixteen) rubles 17 kopecks, including VAT (18%) in the amount of 2 107,55 (Two thousand one hundred seven) rubles 55 kopecks.

The total amount of the agreement is 165 794,00 (One hundred sixty-five thousand seven hundred ninety-four) rubles 00 kopecks per year, including VAT – 25 290,61 (Twenty five thousand two hundred ninety) rubles 61 kopecks.

**Duration of the agreement:**

The Agreement shall enter into force from the date of its signature and is valid till 31 March 2015.

If within 15 calendar days prior to the expiration of the Agreement, neither party notifies the other party of its termination, the effect of the Agreement each time shall be extended (prolonged) for the same terms and conditions.

**Voting results:**

Member of the Board of Directors of IDGC of Centre, 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».

**Voting results:**

- |                                  |         |
|----------------------------------|---------|
| 1. Alexander Markovich Branis    | - «FOR» |
| 2. Denis Viktorovich Kulikov     | - «FOR» |
| 3. Maria Valeryevna Lazareva     | - «FOR» |
| 4. Yury Nikolayevich Mangarov    | - «FOR» |
| 5. Maxim Mikhailovich Saukh      | - «FOR» |
| 6. Pavel Nikolayevich Snikkars   | - «FOR» |
| 7. Vladimir Vladimirovich Sofyin | - «FOR» |
| 8. Roman Alexeyevich Filkin      | - «FOR» |
| 9. Oxana Vladimirovna Shatokhina | - «FOR» |
| 10. Natalia Ilyinichna Erpsher   | - «FOR» |

**Total:**

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

**Decision is taken.**

**Item 7: On approval of the corporate structure of the Executive Office of IDGC of Centre.**

**Decision:**

1. To approve the corporate structure of the Executive Office of the Company in accordance with Appendix # 6 to this decision of the Board of Directors and put it into effect with the time frame stipulated by the legislation of the Russian Federation while amending and terminating employment agreements with employees.
2. From the date of the corporate structure of the Executive Office of the Company entry into force in accordance with Appendix # 6 to this decision of the Board of Directors to consider the corporate structure of the Executive Office of the Company, approved by the decision of the Board of Directors of IDGC of Centre on 31.07.2013 (Minutes # 18/13 of 01.08.2013) to have lost its force.

**Voting results:**

- |                                   |               |
|-----------------------------------|---------------|
| 1. Alexander Markovich Branis     | - «ABSTAINED» |
| 2. Oleg Yuryevich Isaev           | - «FOR»       |
| 3. Denis Viktorovich Kulikov      | - «FOR»       |
| 4. Maria Valeryevna Lazareva      | - «FOR»       |
| 5. Yury Nikolayevich Mangarov     | - «FOR»       |
| 6. Maxim Mikhailovich Saukh       | - «FOR»       |
| 7. Pavel Nikolayevich Snikkars    | - «ABSTAINED» |
| 8. Vladimir Vladimirovich Sofyin  | - «FOR»       |
| 9. Roman Alexeyevich Filkin       | - «ABSTAINED» |
| 10. Oxana Vladimirovna Shatokhina | - «FOR»       |
| 11. Natalia Ilyinichna Erpsher    | - «FOR»       |

**Total:**

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

**Decision is taken.**

**Appendices:**

1. The Schedule of activities of IDGC of Centre to reduce overdue accounts receivable for the services of electric power transmission and settlement of disputes established by 01.07.2014 (Appendix # 1).
2. The Internal Control Policy of IDGC of Centre in a new edition (Appendix # 2).
3. The Risk Management Policy of IDGC of Centre in a new edition (Appendix # 3).
4. The Internal Audit Policy of IDGC of Centre (Appendix # 4).
5. The budget of the Audit Committee of the Board of Directors of IDGC of Centre for 2H 2014 (Appendix # 5).
6. The corporate structure of the Executive Office of IDGC of Centre (Appendix # 6).

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

**O.V. Shatokhina**

**Corporate Secretary**

