

Appendix  
to Order of IDGC of Centre, PJSC  
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## **GUIDE**

### **INITIATION OF NEWLY ELECTED MEMBER (S) OF THE BOARD OF DIRECTORS, COMMITTEES OF THE BOARD OF DIRECTORS OF IDGC OF CENTRE, PJSC**

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## 1. Scope

This guide “Initiation of newly elected member (s) of the Board of Directors, Committees of the Board of Directors of IDGC of Centre, PJSC” (hereinafter – the Guide) is developed with a view of provision of effective work of the Board of Directors and committees of the Board of Directors of Interregional Distribution Grid Company of Centre, Public Joint-Stock Company (hereinafter – the Company), and also enhancement of practice of corporate governance of the Company according to the basic international principles of corporate governance, including provided by the Code of Corporate Governance.

The purpose of the Guide is as much as possible fast and effective integration for a newly elected member (s) of the Board of Directors, committee of the Board of Directors into the composition of the above-stated bodies, his or her (their) acquaintance with production and financial and economic activity of the Company, and also with corporate governance practice in the Company.

For achievement of this purpose the following tasks should be solved:

- forming of understanding by the member of the Board of Directors, committee of the Board of Directors of character of activity, specificity, strategy of the Company, and also the tasks facing the Company;
- acquaintance of the member of the Board of Directors, committee of the Board of Directors with key performance indicators of activity of the Company;
- forming of understanding by the member of the Board of Directors, committee of the Board of Directors of the role in the Company, principal duties, responsibility, rules and procedures according to which he should perform the activity;
- setting communications of the member of the Board of Directors, committee of the Board of Directors with the Company’s management;
- forming of understanding by the member of the Board of Directors, committee of the Board of Directors of the basic external relations of the Company, i.e. mutual relations with stakeholders (shareholders, investors).

## 2. Standard references

At development of this Guide requirements of the following normative documents were considered:

- Federal Law from 26.12.1995 № 208-FZ «About joint stock companies» (hereinafter – FZ «About joint stock companies»);
- Articles of Association of IDGC of Centre, PJSC;
- Regulation on the Board of Directors of IDGC of Centre, PJSC;
- Regulation on the Audit Committee of IDGC of Centre, PJSC;
- Regulation on the Strategy and Development Committee of IDGC of Centre, PJSC;
- Regulation on the Reliability Committee of IDGC of Centre, PJSC;
- Regulation on the Personnel and Remuneration Committee of IDGC of Centre, PJSC;
- Regulation on the Grid Connection Committee of IDGC of Centre, PJSC;
- Regulation on the Corporate Secretary of IDGC of Centre, PJSC;
- Regulation on the insider information of IDGC of Centre, PJSC;
- Code of Corporate Governance of IDGC of Centre, PJSC;

- Code of Corporate Ethics of IDGC of Centre, PJSC

### 3. Terms, definitions and abbreviations

3.1. In this Guide the following terms and definitions are applied:

Term	Definition
Corporate secretary of the Company	The authorised person, whose primary goal is provision of observance by controls and office holders of the Company of the procedural requirements ensuring realisation of the rights and legitimate interests of shareholders of the Company
Company's management	The office holders of the Company recognised as senior managers of the Company according to the internal document of the Company (the local regulation), determining principles of material stimulation of the senior managers of the Company/or according to the decision of the Board of Directors of the Company
Key performance indicators	The limited set of key parameters, which are used by the top management for monitoring and diagnostics of results of activity of the company and the subsequent accepting on their basis of management decisions. KPI is a criterion of goal achievement, a measure of efficiency of a business process and work of each employee

3.2. In this Guide the following abbreviations and meanings are applied:

Abbreviation	Meaning
Committee	Audit Committee, Personnel and Remuneration Committee, Reliability Committee, Strategy and Development Committee, Grid Connection Committee.
Company	IDGC of Centre, PJSC
Board of Directors	Board of Directors of IDGC of Centre, PJSC

## 4. The procedure of initiation of newly elected member (s) of the Board of Directors, committees of the Board of Directors of IDGC of Centre, PJSC

### 4.1. General provisions

The Corporate secretary of the Company provides acquaintance of newly elected member (s) of the Board of Directors, committee of the Board of Directors of IDGC of Centre, PJSC with the Guide and assists the specified persons in the course of acquaintance and program passage.

Recommended terms of initiation of newly elected member (s) of the Board of Directors, committees of the Board of Directors of IDGC of Centre, PJSC: from one to two months from the moment of election, except for visiting of electric grid facilities of the Company, which can be conducted within a year from the moment of election of the member of the Board of Directors, committee of the Board of Directors.

### 4.2. The procedure of initiation of newly elected member (s) of the Board of Directors

The initiation of newly elected member (s) of the Board of Directors consists of four basic parts:

*4.1.1. Acquaintance to activity of the Company, Board of Directors.*

4.1.1.1. Carrying out of a meeting with the chairperson of the Board of Directors of the Company.

The meeting with the chairperson of the Board of Directors of the Company is conducted for the purpose of acquaintance, experience communication, discussion of a role of the Board of Directors in the Company, a role for a newly elected member (s) of the Board of Directors in the Board of Directors of the Company and its committees.

The meeting is conducted only in case of receipt from a newly elected member (s) of the Board of Directors of the Company of a separate inquiry about carrying out of an individual meeting.

Date, time and venue of a meeting in coordination with the chairperson of the Board of Directors of the Company and the newly elected member (s) of Company's Board of Directors are determined by the corporate secretary of the Company and is conducted in the terms specified in point 4.1 of this Guide, but not earlier than carrying out of the first session of the Board of Directors elected in a new composition.

The corporate secretary of the Company is responsible for carrying out of meetings for a newly elected member (s) of the Board of Directors with the chairperson of the Board of Directors.

4.1.1.2. Carrying out of a meeting with General Director of the Company.

The meeting with General Director of the Company is conducted for the purpose of acquaintance, experience communication, receipt of the essential information on the Company's activity, about current problems and plans for the future.

The meeting is conducted only in case of receipt from a newly elected member of the Board of Directors of the Company of a separate inquiry about carrying out of an individual meeting.

Date, time and venue of a meeting in coordination with General Director of the Company and the newly elected member (s) of the Board of Directors are determined by the corporate secretary of the Company.

The corporate secretary of the Company is responsible for carrying out of meetings for a newly elected member (s) of the Board of Directors with General Director of the Company.

4.1.1.3. Carrying out of a meeting with the Company's management.

Meeting carrying out for a newly elected member (s) of the Board of Directors with the Company's management is performed in a format of one-day fact-finding presentation (hereinafter – the Presentation).

The Presentation includes the information of Deputies General Director of the Company on lines of business, heads of direct submission concerning strategic development of the Company, characteristics of grid assets, geography of activity of the Company, the basic production and financial indicators of the Company, debt policy, the Company's securities market, risk management in the Company, corporate governance, and also social responsibility.

The Presentation venue is the Company's location.

Date and time of carrying out of a presentation in coordination with newly elected member (s) of the Board of Directors and the Company's management are determined by the corporate secretary of the Company.

The corporate secretary of the Company is responsible for carrying out of meetings for a newly elected member (s) of the Board of Directors with the Company's management.

#### *4.1.2. Acquaintance with the Company's documents.*

The corporate secretary of the Company during the presentation carrying out performs transfer for newly elected member (s) of the Board of Directors of documents of the Company on the electronic carrier according to appendix # 1 to this Guide.

#### *4.1.3. Visiting of electric grid facilities of the Company.*

Visiting of electric grid facilities of the Company is possible only in case of receipt from a newly elected member (s) of the Board of Directors of the Company of a separate inquiry about their visiting.

The list of electric grid facilities, which are subject to visiting for a newly elected member (s) of the Board of Directors, in coordination with First Deputy General Director - Chief Engineer of the Company includes one of electric grid facilities located in one of branches of the Company.

Date and time of visiting of an electric grid facility in coordination with a newly elected member (s) of the Company's Board of Directors, First Deputy General Director - Chief Engineer of the Company and other responsible persons are determined by the corporate secretary of the Company.

First Deputy General Director - Chief Engineer of the Company is responsible for visiting of electric grid facilities of the Company.

#### *4.1.4. Receipt of detailed answers to all interesting questions.*

For the first time elected member (s) of the Board of Directors in case of availability of questions on which he or she has not received answers during carrying out of meetings with the chairperson of the Board of Directors, General Director, the Company's management has the right not later than two weeks after meeting carrying out to direct an addressed to the chairperson of the Board of Directors / General Director of the Company (a copy to the corporate secretary of the Company) inquiry, concerning to the Company's activity.

The Company's management provides granting of answers to all interesting questions, concerning to the Company's activity, for a newly elected member (s) of the Board of Directors not later than two weeks from the moment of receipt of the specified inquiry.

The corporate secretary of the Company is responsible for timely receipt of detailed answers to interesting questions for a newly elected member (s) of the Company's Board of Directors.

### ***4.3. The procedure of initiation of a newly elected member (s) of a committee of the Board of Directors***

Initiation of a newly elected member (s) of a committee of the Company's Board of Directors consists of two basic parts:

#### *4.2.1. Acquaintance to activity of the Company, a committee of the Board of Directors.*

4.2.1.1. Carrying out of a meeting with the chairperson of a committee of the Company's Board of Directors.

The meeting with the chairperson of a committee of the Company's Board of Directors is conducted for the purpose of acquaintance, experience communication, discussion of a role of a committee of the Board of Directors in the Company, a role for a newly elected member (s) of a committee of the Board of Directors in the committee.

The meeting is conducted only in case of receipt from a newly elected member (s) of a committee of the Board of Directors of the Company of a separate inquiry about carrying out of an individual meeting.

Date, time and venue of a meeting in coordination with the chairperson of a committee of the Board of Directors of the Company and the newly elected member (s) of a committee of the Company's Board of Directors are determined by the corporate secretary of the Company and is conducted in the terms specified in point 4.1 of this Guide, but not earlier than carrying out of the first committee meeting of the Board of Directors, elected in a new composition.

The corporate secretary of the Company is responsible for carrying out of meetings for a newly elected member (s) of a committee of the Board of Directors with the chairperson of a committee of the Board of Directors.

#### 4.2.1.2. Carrying out of a meeting with the Company's management.

A meeting carrying out of a newly elected member (s) of a committee of the Board of Directors with the Company's management is performed in a presentation format.

The Presentation includes the information of Deputies General Director of the Company on lines of business, heads of direct submission concerning strategic development of the Company, characteristics of grid assets, geography of activity of the Company, the basic production and financial indicators of the Company, debt policy, the Company's securities market, risk management in the Company, corporate governance, and also social responsibility.

The presentation venue is the Company's location.

Date and time of carrying out of the presentation in coordination with a newly elected member (s) of a committee of the Board of Directors and the Company's management are determined by the corporate secretary of the Company.

The corporate secretary of the Company is responsible for carrying out of meetings for a newly elected member (s) of a committee of the Board of Directors with the Company's management.

#### 4.2.2. Acquaintance with the Company's documents.

The corporate secretary of the Company during the presentation carrying out performs transfer for a newly elected member (s) of a committee of the Board of Directors of documents of the Company on the electronic carrier according to appendix # 1 to this Guide.

## 5. The control over implementation of the Guide

The control over implementation of the Guide is performed by the corporate secretary of the Company.



**The list of the documents given for a newly elected member (s) of the Board of  
Directors of IDGC of Centre, PJSC /  
of a Committee of the Board of Directors of IDGC of Centre, PJSC**

1. The Company's Articles of Association.
2. Internal documents of the Company:
  - Regulation on the General Meeting of Shareholders;
  - Regulation on the Board of Directors;
  - Regulation on the Management Board;
  - Regulation on the Audit Commission;
  - Regulation on the Corporate secretary;
  - Regulation on the dividend policy;
  - Regulation on the payment of remuneration and compensation to members of the Board of Directors of the Company;
  - Regulation on the payment of remuneration and compensation to members of the Audit Commission of the Company;
  - Regulation on the insider information;
  - Regulation on the Audit Committee;
  - Regulation on the Personnel and Remuneration Committee;
  - Regulation on the Strategy and Development Committee;
  - Regulation on the Reliability Committee;
  - Regulation on the Grid Connection Committee;
  - Regulation on Remuneration and Compensation Payment to Members of the Audit Committee;
  - Regulation on Remuneration and Compensation Payment to Members of the Personnel and Remuneration Committee;
  - Regulation on Remuneration and Compensation Payment to Members of the Strategy and Development Committee;
  - Regulation on Remuneration and Compensation Payment to Members of the Reliability Committee;
  - Regulation on Remuneration and Compensation Payment to Members of the Grid Connection Committee;
  - Regulation on the information disclosure;
  - Regulation on the credit policy;
  - Regulation on cash flow management;
  - Internal Audit Policy;
  - Internal Control Regulation;
  - Risk Management Policy;
  - Regulation on the Internal Audit Department;
  - Regulation on the procedure of formation and use of sponsorship and charity fund;
  - Unified Standard of purchases (Regulation about purchases);
  - Regulation on the investment activity;
  - Regulations on formation, adjustment of the Investment Program and reporting

preparation on its performance in IDGC of Centre, PJSC;

- The uniform technical policy in the electric grid complex;
- The Standard. «The Technical Policy. Electricity metering systems with remote data collection of wholesale and retail electricity markets at facilities of the Company»;
- Regulation on the internal technical control system in IDGC of Centre, PJSC;
- Quality standards of customer service;
- The Method of calculation and assessment of key performance indicators of General Director;
- Regulation on material incentives to General Director;
- Regulation on material incentives and social benefits of senior managers;
- The Code of Corporate Governance;
- The Code of Conduct;
- The Anti-corruption policy;
- Policy in the field of handling and protection of personal data in IDGC of Centre, PJSC.

3. The annual report and annual accounting statements of the Company for last accounting year.

4. Quarterly reports of General Director of the Company for last accounting year.

5. Minutes of regular and extraordinary general meetings of shareholders for last two corporate years.

6. Minutes of sessions of the Board of Directors for last corporate year.

7. The Business Plan of the Company, confirmed by the Board of Directors for current year.

8. Target values of annual and quarterly key performance indicators for General Director of the Company, confirmed by the Board of Directors for current year.

9. Minutes of committees of the Board of Directors for last corporate year.

10. A short biography of members of the Board of Directors with contact details (phone, e-mail address).

11. Contact details (phone, e-mail address) of members of a committee of the Board of Directors.

12. A short biography of the corporate secretary, contact details of the corporate secretary (phone, e-mail address).

Appendix # 2  
to RK BP 1/06-01/2016

### The record of changes and additions

Indexing number of the change/ addition	Change/ addition of a point	Contents of the change/addition	Reason (reference to organizational and executive documentation)	Date of entering of the change/ addition	Employee who has entered the change/addition	
					surname, initials, post	signature