



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 presentia-absentia)

«25» February 2016

Moscow

No. 03/16

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

Place of the meeting: **Moscow, 2nd Yamskaya, 4, floor 5, office 507.**

Video conference A5-048 at the address: Moscow, Belovezhskaya str., 4

Time of the meeting: **10 hours 10 minutes – 12 hours 30 minutes.**

Participants of the meeting: **O.Y. Isaev, T.P. Dronova, D.A. Malkov (video conference call), Y.N. Mangarov (video conference call), Y.N. Pankstyanov (video conference call), M.M. Saukh (video conference call), R.A. Filkin, A.N. Kharin, A.V. Shevchuk, N.I. Erpsher (video conference call).**

The written opinion (questionnaire) of the following members was taken into account while defining the results: **A.M. Branis.**

Members who neither participated nor provided questionnaires: **none.**

The quorum **is present.**

Date of the minutes: **25.02.2016.**

The meeting of the Board of Directors of IDGC of Centre, PJSC was led by Chairperson of the Board of Directors of IDGC of Centre, Yury Nikolayevich Mangarov.

### **The following invited persons – the management of IDGC of Centre were present:**

A.K. Akhmedova - Legal Director of Legal Provision Department.

I.V. Gromova – Deputy General Director for Human Resources and Organizational Design.

E.V. Kabanova – Deputy General Director for Development and Sale of Services.

R.P. Mitrofanov - Deputy General Director for Capital Construction.

K.A. Mikhailik – First Deputy General Director.

A.V. Pilyugin – First Deputy General Director – Chief Engineer.

S.Y. Rummyantsev – Deputy General Director for Economy and Finance.

D.V. Sklyarov – Deputy General Director for Investment.

L.A. Sklyarova - Chief Accountant - Head of Financial and Tax Accounting and Reporting Department.

S.N. Sharapov - Acting Deputy General Director for Corporate Governance.

S.V. Shpakova – Head of Internal Audit and Control Department.

After the announcement of a quorum regarding the agenda items by Chairperson of the Board of Directors of the Company, Y.N. Mangarov, the meeting was called to order.

### **AGENDA:**

1. On consideration of the report of General Director of the Company «About the ongoing management activities aimed at collecting receivables for supplied electricity and delivery of electricity».
2. On consideration of a draft of the adjusted Investment Program of IDGC of Centre, PJSC for 2016 and the period of 2017-2021.

**Item 1. On consideration of the report of General Director of the Company «About the ongoing management activities aimed at collecting receivables for supplied electricity and delivery of electricity».**

**Speaker** – E.V. Kabanova – Deputy General Director for Development and Sale of Services.

**In discussing the report the questions were received from** R.A. Filkin, A.V. Shevchuk, A.N. Kharin, Y.N. Mangarov.

**The explanations and answers to the questions were given by:** O.Y. Isaev, E.V. Kabanova, V.V. Ozhkalo, L.A. Sklyarova.

During the discussion of the report on the agenda item members of the Board of Directors of the Company proposed to present the following information to the members of the Board of Directors of the Company:

- statistics of reviews of the Company's appeals to the law enforcement bodies of the Russian Federation in 2015;

- dynamics of collection of receivables for supplied electricity (during the execution of the functions of a supplier of last resort) by the Company and sales companies.

**After the discussion the members of the Board of Directors proceeded to vote.**

**Decision, taken at the meeting:**

To take into consideration the report of General Director of the Company «About the ongoing management activities aimed at collecting receivables for supplied electricity and delivery of electricity» in accordance with Appendix # 1 to this decision of the Board of Directors of the Company in terms of information about the work with receivables for services on electric power transmission.

**Voting results under the decision draft, announced at the meeting:**

- |            |                                       |         |
|------------|---------------------------------------|---------|
| <b>1.</b>  | <b>Oleg Yuryevich Isaev</b>           | - «FOR» |
| <b>2.</b>  | <b>Tatiana Petrovna Dronova</b>       | - «FOR» |
| <b>3.</b>  | <b>Denis Alexandrovich Malkov</b>     | - «FOR» |
| <b>4.</b>  | <b>Yury Nikolayevich Mangarov</b>     | - «FOR» |
| <b>5.</b>  | <b>Yury Nikolayevich Pankstyanov</b>  | - «FOR» |
| <b>6.</b>  | <b>Maxim Mikhailovich Saukh</b>       | - «FOR» |
| <b>7.</b>  | <b>Roman Alexeyevich Filkin</b>       | - «FOR» |
| <b>8.</b>  | <b>Andrey Nikolayevich Kharin</b>     | - «FOR» |
| <b>9.</b>  | <b>Alexander Viktorovich Shevchuk</b> | - «FOR» |
| <b>10.</b> | <b>Natalia Ilyinichna Erpsher</b>     | - «FOR» |

**Voting results by filling in the questionnaires:**

- |            |                                   |         |
|------------|-----------------------------------|---------|
| <b>11.</b> | <b>Alexander Markovich Branis</b> | - «FOR» |
|------------|-----------------------------------|---------|

**Total:**

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

**Decision is taken.**

**Item 2: On consideration of a draft of the adjusted Investment Program of IDGC of Centre, PJSC for 2016 and the period of 2017-2021.**

**Speaker** – D.V. Sklyarov – Deputy General Director for Investment.

**In discussing the report the questions were received from** R.A. Filkin, A.V. Shevchuk, T.P. Dronova.

**The explanations and answers to the questions were given by:** O.Y. Isaev, K.A. Mikhailik, A.V. Pilyugin, S.Y. Rummyantsev, D.V. Sklyarov.

In the process of consideration of materials on the item the management of the Company was requested to prepare and submit to the Strategy and Development Committee under the Board of Directors of the Company explanations / justifying calculations of economic benefit of reduction of expenses when performing work with own forces and non-contracting.

**After the discussion the members of the Board of Directors proceeded to vote.**

**Decision, taken at the meeting:**

1. To approve a draft of the long-term Investment Program of IDGC of Centre, PJSC for the period from 2016 for the purposes of public discussion in accordance with paragraph 7 of the Rules of approval of investment programs of electric power industry entities, approved by Resolution of the Government of the Russian Federation dated 01.12.2009 №977 «On investment programs of electric power industry entities».
2. To assign General Director of IDGC of Centre, PJSC on the results of public discussion to submit for consideration of the Board of Directors of the Company the draft of the long-term Investment Program of IDGC of Centre, PJSC for the period from 2016 with attachment of the summary of proposals received in accordance with paragraph 8 of the Rules of approval of investment programs of electric power industry entities, approved by Resolution of the Government of the Russian Federation dated 01.12.2009 №977 «On investment programs of electric power industry entities» indicating for each of them a motivated position containing information on whether the draft of the Investment Program takes into account such a proposal, or not.  
Deadline: 04.04.2016.

**Voting results under the decision draft, announced at the meeting:**

- |                                   |               |
|-----------------------------------|---------------|
| 1. Oleg Yuryevich Isaev           | - «FOR»       |
| 2. Tatiana Petrovna Dronova       | - «ABSTAINED» |
| 3. Denis Alexandrovich Malkov     | - «FOR»       |
| 4. Yury Nikolayevich Mangarov     | - «FOR»       |
| 5. Yury Nikolayevich Pankstyanov  | - «FOR»       |
| 6. Maxim Mikhailovich Saukh       | - «FOR»       |
| 7. Roman Alexeyevich Filkin       | - «AGAINST»   |
| 8. Andrey Nikolayevich Kharin     | - «ABSTAINED» |
| 9. Alexander Viktorovich Shevchuk | - «AGAINST»   |
| 10. Natalia Ilyinichna Erpsher    | - «FOR»       |

**Voting results by filling in the questionnaires:**

- |                                |             |
|--------------------------------|-------------|
| 11. Alexander Markovich Branis | - «AGAINST» |
|--------------------------------|-------------|

**Total:**

«FOR»	- «6»
«AGAINST»	- «3»
«ABSTAINED»	- «2»

**Decision is taken.**

A dissenting opinion of a member of the Board of Directors of the Company, A.V.

Shevchuk, was received on this item:

*«I vote Against with the following remarks:*

*In the current economic conditions, the use of debt financing is inappropriate, since long-term parameters of RAB-regulation and the index of growth of tariffs under the index method allow for return on invested capital lower than the market interest rate on new loans.*

*According to the proposed draft of the Investment Program, the Company plans to borrow about 3.8 bln RUB in 2016 to implement the Investment Program.*

*To balance the Company's cash flow it is necessary to reduce the Investment Programs by 2.58 bln RUB.*

*A considerable amount of the Investment Program of IDGC of Centre is due to a large volume of grid connection, including preferential, and a large amount of upgrade and new construction and expansion, including facilities not related to 35/110 kV facilities to unlock capacity and ensure system reliability.*

*Shortfall in income at preferential grid connection (up to 15 kW and from 15 to 150 kW) due to the difference between the actual expenses of completion of work and the cost paid by the applicant, are included in the tariff for electric energy transmission not completely. The part that is included in the rates, for the most part is not included in the tariff RGR of a relevant year and carried over to the following year by applying the smoothing mechanism.*

*In addition, the Investment Program has also a considerable amount of facilities related to grid connection, including non-emergency and non-major facilities urgently needed to ensure the regulatory system reliability, or facilities to transfer equipment entirely at the expense of the applicant. For such facilities it is required to rescheduling the start of construction (commissioning).*

*The Company is currently investing more than comparable IDGCs, an average of 1.5 times per conditional unit of equipment and 1 kWh of transmission. At the same time, other IDGCs have practically stopped using debt financing».*

**Appendices:**

1. The report of General Director of the Company «About the ongoing management activities aimed at collecting receivables for supplied electricity and delivery of electricity» (Appendix # 1).
2. The draft of the long-term Investment Program of IDGC of Centre, PJSC for the period from 2016 (Appendix #2).

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

**Y.N. Mangarov**

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

**S.V. Lapinskaya**