



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)

«30» March 2017

Moscow

No. 07/17

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

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

Participants of the voting: **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: **A.E. Bogashov.**

The quorum **is present.**

Date of the minutes: **31.03.2017.**

AGENDA:

- 1.** On consideration of the report of General Director of the Company «On the level of reliability and quality of the Company's services provided (broken down by the branches), subject to rate regulation based on long-term activity regulation parameters, for 2016».
- 2.** On consideration of the report of General Director of the Company «On the credit policy of the Company in 4Q 2016».
- 3.** On consideration of the report of General Director of the Company «On the management of key operational risks of the Company for 2016».
- 4.** On consideration of the report of General Director of the Company «On the organization and functioning of the internal control system, including the implementation of measures to improve the internal control system and the risk management system, which ensure raising the maturity level of the internal control system and the risk management system in 2016».
- 5.** On consideration of the Report of the Company's internal audit «On the effectiveness of the Company's internal control and risk management system in 2016».
- 6.** On consideration of the Report of the Company's Internal Audit Department «On the implementation of the Work Plan and the results of internal audit activities for 2016, including the results of self-assessment of the quality of internal audit activities for 2016 and the action plan for improving the internal audit function».
- 7.** On approval of the adjusted Innovative Development Program of IDGC of Centre, PJSC for the period of 2016-2020 with an outlook until 2025.
- 8.** On approval of the target Program of development of an automated process control system (ACS) of IDGC of Centre, PJSC in a new edition.
- 9.** On approval of the adjusted Action Plan to increase the efficiency of the activity and improve the financial and economic situation of IDGC of Centre, PJSC for 2017 and beyond.
- 10.** On approval of the Program of measures to reduce electric energy losses at grid facilities of IDGC of Centre, PJSC for 2017.
- 11.** On approval of the target Program to reduce electric energy losses in power grids of IDGC of Centre, PJSC for 2017 and the period until 2021.
- 12.** On approval of the Program of long-term development of electricity metering systems in the retail market of IDGC of Centre, PJSC for 2017 and the period until 2022.

13. On approval of the Method of calculation and assessment of key performance indicators of General Director of IDGC of Centre, PJSC for application from 2017.

Item 1. On consideration of the report of General Director of the Company «On the level of reliability and quality of the Company's services provided (broken down by the branches), subject to rate regulation based on long-term activity regulation parameters, for 2016».

Decision:

1. To take into consideration the report of General Director of the Company «On the level of reliability and quality of the Company's services provided (broken down by the branches), subject to rate regulation based on long-term activity regulation parameters, for 2016» in accordance with Appendix # 1 to this decision of the Board of Directors of the Company.

2. To instruct General Director of the Company to send to executive authorities of subjects of the Russian Federation in the field of state regulation of tariffs the actual values for 2016 of indicators of the level of reliability and quality of the Company's services provided, as specified in paragraph 1 of this decision.

Deadline: until 01.04.2017.

Voting results:

- | | | |
|-----|--------------------------------|---------|
| 1. | Oleg Yuryevich Isaev | - «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 | - «FOR» |
| 7. | Roman Alexeyevich Filkin | - «FOR» |
| 8. | Oxana Vladimirovna Shatokhina | - «FOR» |
| 9. | Alexander Viktorovich Shevchuk | - «FOR» |
| 10. | Natalia Ilyinichna Erpsher | - «FOR» |

Total:

«FOR»	- «10»
«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 4Q 2016».

Decision:

1. To take into consideration the report of General Director of the Company «On the credit policy of the Company in 4Q 2016» in accordance with Appendix # 2 to this decision of the Board of Directors of the Company.

2. To agree upon a temporary excess of the target limit for the coverage of debt servicing as of 31.12.2016.

3. To instruct General Director of the Company to ensure compliance with the requirements of the Regulation on Credit Policy approved by the Board of Directors of the Company.

Voting results:

- | | | |
|----|----------------------------|---------|
| 1. | Oleg Yuryevich Isaev | - «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 | - «FOR» |

- | | | |
|-----|--------------------------------|---------|
| 7. | Roman Alexeyevich Filkin | - «FOR» |
| 8. | Oxana Vladimirovna Shatokhina | - «FOR» |
| 9. | Alexander Viktorovich Shevchuk | - «FOR» |
| 10. | Natalia Ilyinichna Erpsher | - «FOR» |

Total:

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

Decision is taken.

Item 3. On consideration of the report of General Director of the Company «On the management of key operational risks of the Company for 2016».

Decision:

1. To take into consideration the report of General Director of the Company «On the management of key operational risks of the Company for 2016» in accordance with Appendix # 3 to this decision of the Board of Directors of the Company.
2. To instruct General Director of the Company to take measures to establish the responsibility of owners of risks in case of deviation of the level of actual consequences of the implementation of key operational risks from the planned ones. Measures taken are to be informed to the authorized Committee under the Board of Directors of the Company.

Voting results:

- | | | |
|-----|--------------------------------|---------|
| 1. | Oleg Yuryevich Isaev | - «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 | - «FOR» |
| 7. | Roman Alexeyevich Filkin | - «FOR» |
| 8. | Oxana Vladimirovna Shatokhina | - «FOR» |
| 9. | Alexander Viktorovich Shevchuk | - «FOR» |
| 10. | Natalia Ilyinichna Erpsher | - «FOR» |

Total:

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

Decision is taken.

Item 4. On consideration of the report of General Director of the Company «On the organization and functioning of the internal control system, including the implementation of measures to improve the internal control system and the risk management system, which ensure raising the maturity level of the internal control system and the risk management system in 2016».

Decision:

To take into consideration the report of General Director of the Company «On the organization and functioning of the internal control system and the implementation of measures to improve the internal control system and the risk management system» in accordance with Appendix # 4 to this decision of the Board of Directors of the Company.

Voting results:

- | | | |
|----|----------------------------|---------|
| 1. | Oleg Yuryevich Isaev | - «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 | - «FOR» |
| 7. | Roman Alexeyevich Filkin | - «FOR» |
| 8. | Oxana Vladimirovna Shatokhina | - «FOR» |
| 9. | Alexander Viktorovich Shevchuk | - «FOR» |
| 10. | Natalia Ilyinichna Erpsher | - «FOR» |

Total:

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

Decision is taken.

Item 5. On consideration of the Report of the Company's internal audit «On the effectiveness of the Company's internal control and risk management system in 2016».

Decision:

1. To approve the Report of the Company's internal audit «On the effectiveness of the internal control and risk management systems of IDGC of Centre, PJSC following the results of 2016» in accordance with Appendix # 5 to this decision of the Board of Directors of the Company.

2. To note that the measures implemented by the Company's management in 2016 to improve the internal control and risk management systems did not ensure growth of the level of maturity of the internal control system, the risk management system.

3. To instruct General Director of the Company:

3.1. To develop no later than 30.04.2017 and to implement a set of measures to improve the internal control and risk management systems with the implementation of additional measures to develop the components of the internal control system "Monitoring", the risk management system "Identification of events" and "Implementation of risk management measures", having ensured the increase of the level of maturity of the internal control system, the risk management system following the results of 2017 up to "Optimal".

3.2. To submit for consideration of the Company's Board of Directors the report on the implementation of the measures, specified in paragraph 3.1 of this decision, together with the report on the organization and functioning of the internal control system and the report of the Company's internal audit on the effectiveness of the internal control system and the risk management system following the results of 2017.

Deadline: not later than 01.04.2018.

Voting results:

- | | | |
|-----|--------------------------------|---------|
| 1. | Oleg Yuryevich Isaev | - «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 | - «FOR» |
| 7. | Roman Alexeyevich Filkin | - «FOR» |
| 8. | Oxana Vladimirovna Shatokhina | - «FOR» |
| 9. | Alexander Viktorovich Shevchuk | - «FOR» |
| 10. | Natalia Ilyinichna Erpsher | - «FOR» |

Total:

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

Decision is taken.

Item 6. On consideration of the Report of the Company's Internal Audit Department «On the implementation of the Work Plan and the results of internal audit activities for 2016, including the results of self-assessment of the quality of internal audit activities for 2016 and the action plan for improving the internal audit function».

Decision:

1. To approve the reports «On the implementation of the Internal Audit Activity Plan of IDGC of Centre, PJSC for 2016» and take into consideration the results of self-assessment of the quality of internal audit activities for 2016 in accordance with Appendices # 6, 7 to this decision of the Board of Directors of the Company.

2. To instruct the internal audit of IDGC of Centre, PJSC to finalize the plan of measures for the development and improvement of the internal audit activity, taking into account the remarks set forth in Appendix # 8 to this decision of the Board of Directors of the Company.

Voting results:

- | | | |
|-----|--------------------------------|---------|
| 1. | Oleg Yuryevich Isaev | - «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 | - «FOR» |
| 7. | Roman Alexeyevich Filkin | - «FOR» |
| 8. | Oxana Vladimirovna Shatokhina | - «FOR» |
| 9. | Alexander Viktorovich Shevchuk | - «FOR» |
| 10. | Natalia Ilyinichna Erpsher | - «FOR» |

Total:

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

Decision is taken.

Item 7. On approval of the adjusted Innovative Development Program of IDGC of Centre, PJSC for the period of 2016-2020 with an outlook until 2025.

Decision:

To approve the adjusted Innovative Development Program of IDGC of Centre, PJSC for the period of 2016-2020 with an outlook until 2025 in accordance with Appendix # 9 to this decision of the Board of Directors of the Company.

Voting results:

- | | | |
|-----|--------------------------------|---------------|
| 1. | Oleg Yuryevich Isaev | - «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 | - «ABSTAINED» |
| 10. | Natalia Ilyinichna Erpsher | - «FOR» |

Total:

«FOR»	- «7»
«AGAINST»	- «0»

«ABSTAINED»

- «3»

Decision is taken.

Item 8. On approval of the target Program of development of an automated process control system (ACS) of IDGC of Centre, PJSC in a new edition.

Decision:

To approve the target Program of development of an automated process control system (ACS) of IDGC of Centre, PJSC in a new edition in accordance with Appendix # 10 to this decision of the Board of Directors of the Company.

Voting results:

- | | | |
|-----|--------------------------------|---------------|
| 1. | Oleg Yuryevich Isaev | - «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 | - «FOR» |
| 7. | Roman Alexeyevich Filkin | - «FOR» |
| 8. | Oxana Vladimirovna Shatokhina | - «FOR» |
| 9. | Alexander Viktorovich Shevchuk | - «ABSTAINED» |
| 10. | Natalia Ilyinichna Erpsher | - «FOR» |

Total:

«FOR»

- «9»

«AGAINST»

- «0»

«ABSTAINED»

- «1»

Decision is taken.

Item 9. On approval of the adjusted Action Plan to increase the efficiency of the activity and improve the financial and economic situation of IDGC of Centre, PJSC for 2017 and beyond.

Decision:

To approve the Action Plan to increase the efficiency of the activity and improve the financial and economic situation of the branch of IDGC of Centre, PJSC - Tverenergo for 2017 and beyond, in accordance with Appendix # 11 to this decision of the Board of Directors of the Company.

Voting results:

- | | | |
|-----|--------------------------------|---------------|
| 1. | Oleg Yuryevich Isaev | - «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 | - «FOR» |
| 7. | Roman Alexeyevich Filkin | - «FOR» |
| 8. | Oxana Vladimirovna Shatokhina | - «FOR» |
| 9. | Alexander Viktorovich Shevchuk | - «ABSTAINED» |
| 10. | Natalia Ilyinichna Erpsher | - «FOR» |

Total:

«FOR»

- «9»

«AGAINST»

- «0»

«ABSTAINED»

- «1»

Decision is taken.

Item 10. On approval of the Program of measures to reduce electric energy losses at grid facilities of IDGC of Centre, PJSC for 2017.

Decision:

To defer consideration of the item at a later date.

Voting results:

- | | | |
|-----|--------------------------------|---------|
| 1. | Oleg Yuryevich Isaev | - «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 | - «FOR» |
| 7. | Roman Alexeyevich Filkin | - «FOR» |
| 8. | Oxana Vladimirovna Shatokhina | - «FOR» |
| 9. | Alexander Viktorovich Shevchuk | - «FOR» |
| 10. | Natalia Ilyinichna Erpsher | - «FOR» |

Total:

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

Decision is taken.

Item 11. On approval of the target Program to reduce electric energy losses in power grids of IDGC of Centre, PJSC for 2017 and the period until 2021.

Decision:

To defer consideration of the item at a later date.

Voting results:

- | | | |
|-----|--------------------------------|---------|
| 1. | Oleg Yuryevich Isaev | - «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 | - «FOR» |
| 7. | Roman Alexeyevich Filkin | - «FOR» |
| 8. | Oxana Vladimirovna Shatokhina | - «FOR» |
| 9. | Alexander Viktorovich Shevchuk | - «FOR» |
| 10. | Natalia Ilyinichna Erpsher | - «FOR» |

Total:

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

Decision is taken.

Item 12. On approval of the Program of long-term development of electricity metering systems in the retail market of IDGC of Centre, PJSC for 2017 and the period until 2022.

Decision:

To defer consideration of the item at a later date.

Voting results:

- | | | |
|----|----------------------------|---------|
| 1. | Oleg Yuryevich Isaev | - «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 | - «FOR» |
| 7. | Roman Alexeyevich Filkin | - «FOR» |
| 8. | Oxana Vladimirovna Shatokhina | - «FOR» |
| 9. | Alexander Viktorovich Shevchuk | - «FOR» |
| 10. | Natalia Ilyinichna Erpsher | - «FOR» |

Total:

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

Decision is taken.

Item 13. On approval of the Method of calculation and assessment of key performance indicators of General Director of IDGC of Centre, PJSC for application from 2017.

Decision:

To approve the Method of calculation and assessment of key performance indicators of General Director of IDGC of Centre, PJSC in accordance with Appendix # 12 to this decision of the Board of Directors of the Company for use in the system of motivation from 01.01.2017.

Voting results:

- | | | |
|-----|--------------------------------|-------------|
| 1. | Oleg Yuryevich Isaev | - «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 | - «AGAINST» |
| 10. | Natalia Ilyinichna Erpsher | - «FOR» |

Total:

«FOR»	- «7»
«AGAINST»	- «3»
«ABSTAINED»	- «0»

Decision is taken.

Appendices:

1. The report of General Director of the Company «On the level of reliability and quality of the Company's services provided (broken down by the branches), subject to rate regulation based on long-term activity regulation parameters, for 2016» (Appendix # 1).
2. The report of General Director of the Company «On the credit policy of the Company in 4Q 2016» (Appendix # 2).
3. The report of General Director of the Company «On the management of key operational risks of the Company for 2016» (Appendix # 3).
4. The report of General Director of the Company «On the organization and functioning of the internal control system and the implementation of measures to improve the internal control system and the risk management system» (Appendix # 4).
5. The Report of the Company's internal audit «On the effectiveness of the internal control and risk management systems of IDGC of Centre, PJSC following the results of 2016» (Appendix # 5).
6. The reports of the Company's Internal Audit Department «On the implementation of the Internal Audit Activity Plan of IDGC of Centre, PJSC for 2016» and the results of self-assessment of the quality of internal audit activities for 2016 (Appendices ## 6-7).

7. The remarks to the plan of measures for the development and improvement of the internal audit activity (Appendix # 8).
8. The adjusted Innovative Development Program of IDGC of Centre, PJSC for the period of 2016-2020 with an outlook until 2025 (Appendix # 9).
9. The target Program of development of an automated process control system (ACS) of IDGC of Centre, PJSC in a new edition (Appendix # 10).
10. The Action Plan to increase the efficiency of the activity and improve the financial and economic situation of the branch of IDGC of Centre, PJSC - Tverenergo for 2017 and beyond (Appendix # 11).
11. The Method of calculation and assessment of key performance indicators of General Director of IDGC of Centre, PJSC for use in the system of motivation from 01.01.2017 (Appendix # 12).

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

Y.N. Mangarov

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

S.V. Lapinskaya