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MINUTES
of meeting of the Strategy and Development Committee
of the Board of Directors of IDGC of Centre, PJSC

12 April 2016

Moscow

No. 08/16

Form of the meeting: joint presence.

Time of the meeting: 16 hours 30 minutes – 17 hours 40 minutes.

Venue: Moscow, 2nd Yamskaya, 4, Floor 5, Room 507.

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

Total number of members of the Strategy and Development Committee: 16 persons.

Participants of the voting: D.M. Andropov, S.V. Belevantsev, A.N. Goncharov, A.N. Zharikov, Y.N. Pankstyanov, S.V. Podlutsky, S.V. Pokrovsky, S.Y. Rumyantsev, N.V. Sedyikh.

The written opinion (questionnaire) of the following members was taken into account while defining the results: E.V. Bogach, S.Y. Lebedev, A.V. Gritsenko, M.M. Saukh, O.R. Fedorov, R.A. Filkin.

Members who neither participated nor provided questionnaires: K.V. Zavizenov.

The quorum is present.

Date of the minutes: 13.04.2016.

The meeting of the Strategy and Development Committee was audiotaped (hereinafter – the Committee), which is stored in the materials to the meeting of the Committee.

The meeting of the Strategy and Development Committee was chaired by Chairperson of the Strategy and Development Committee, Y.N. Pankstyanov.

The following representatives of the management of IDGC of Centre, PJSC were present:

A.K. Akhmedova - Legal Director of Legal Groundwork 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

K.A. Mikhailik – First Deputy General Director

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

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

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 - Deputy General Director for Corporate Governance

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

At the beginning of the meeting Chairperson of the Strategy and Development Committee, Y.N. Pankstyanov, informed the audience about the presence of a quorum for the meeting of the Committee, opened the meeting and announced the agenda for the meeting.

AGENDA:

1. On the recommendation to the Board of Directors of the Company regarding the item «On approval of the report of General Director of the Company «On execution of the Business Plan of the Company, including the Investment Program and information about key operational risks, in 4Q 2015 and in 2015»».
2. On the recommendation to the Board of Directors of the Company regarding the item «On approval of the adjusted Business Plan of IDGC of Centre, PJSC, including the Investment Program and information about key operational risks, for 2016 and forecast for 2017-2020».

Item 1: On the recommendation to the Board of Directors of the Company regarding the item «On approval of the report of General Director of the Company «On execution of the Business Plan of the Company, including the Investment Program and information about key operational risks, in 4Q 2015 and in 2015»».

Speaker *in terms of execution of the Business Plan and information about key operational risks* – S.Y. Rumyantsev

Co-Speaker *in terms of execution of the Investment Program* – R.P. Mitrofanov.

The reports (presentations) on the item are stored in the materials for the meeting of the Committee.

In discussing the reports the questions were received from the following members of the Committee: A.N. Goncharov, S.V. Podlutsky, N.V. Sedyikh, S.V. Pokrovsky.

The explanations and answers to the questions were given by: S.Y. Rumyantsev, E.V. Kabanova, D.V. Sklyarov.

During the item discussion a member of the Committee A.N. Goncharov gave a proposal to include in the presentation materials to the report "On execution of the Business Plan", submitted to members of the Company's Board of Directors, in addition to the actual, and planned receivables indicators.

Decision (put for voting):

To recommend to the Board of Directors of the Company to take the following decision:

«1. To approve the report of General Director of the Company «On execution of the Business Plan of the Company, including the Investment Program and information about key operational risks, in 4Q 2015 and in 2015» in accordance with the Appendices.

2. To mark:

2.1 the failure to perform the Investment Program of IDGC of Centre - Orelenergo division:

- *the volume of capital investments amounted to 376 million rubles (execution of 59% of the amount approved);*
- *the volume of financing amounted to 492 million rubles (execution of 66% of the amount approved);*
- *the scope of commissioning of fixed assets amounted to 375 million rubles (execution of 57% of the amount approved);*
- *the scope of commissioning of transformer capacity amounted to 10 MVA (execution of 34% of the amount approved);*
- *the scope of commissioning of power lines amounted to 144 km (execution of 71% of the amount approved).*

2.2 the excess of the funding over the net book value of approved 15 titles of the Investment Program for a total amount of 180 million rubles VAT included;

2.3 the excess of the scope of commissioning of fixed assets over the total approved cost of construction on 28 titles of the Investment Program for a total amount of 144 million rubles without VAT;

2.4 the failure to perform the approved financing plan for 62 facilities totalling 382 million

rubles (the deviation from the approved plan is more than 15%).

3. To mark the implementation in 2015 of the key operational risk KOR-007 «Risk of deviation in overdue receivables from the set in the business plan».

4. To instruct General Director of the Company to submit to the next meeting of the Board of Directors a report on the causes of the deviations specified in para. 2, established in the implementation of the approved Investment Program of IDGC of Centre, PJSC.

Voting results at the meeting:

- | | |
|-------------------------------------|---------|
| 1. Dmitry Mikhailovich Andropov | - «FOR» |
| 2. Sergey Vsevolodovich Belevantsev | - «FOR» |
| 3. Alexey Nikolayevich Goncharov | - «FOR» |
| 4. Alexey Nikolayevich Zharikov | - «FOR» |
| 5. Yury Nikolayevich Pankstyanov | - «FOR» |
| 6. Sergey Vasilyevich Podlutsky | - «FOR» |
| 7. Sergey Vladimirovich Pokrovsky | - «FOR» |
| 8. Sergey Yuryevich Rumyantsev | - «FOR» |
| 9. Nadezhda Vitalyevna Sedyikh | - «FOR» |

Voting results by filling in the questionnaires:

- | | |
|----------------------------------|---------------|
| 10. Elena Viktorovna Bogach | - «FOR» |
| 11. Andrey Vitalyevich Gritsenko | - «FOR» |
| 12. Sergey Yuryevich Lebedev | - «FOR» |
| 13. Maxim Mikhailovich Saukh | - «FOR» |
| 14. Oleg Romanovich Fedorov | - «FOR» |
| 15. Roman Alexeevich Filkin | - «ABSTAINED» |

Total:

«FOR»	- «14»
«AGAINST»	- «0»
«ABSTAINED»	- «1»

Decision is taken.

Item 2: On the recommendation to the Board of Directors of the Company regarding the item «On approval of the adjusted Business Plan of IDGC of Centre, PJSC, including the Investment Program and information about key operational risks, for 2016 and forecast for 2017-2020».

Speaker in terms of the Business Plan – S.Y. Rumyantsev

The report (presentation) on the item is stored in the materials for the meeting of the Committee.

In discussing the reports the questions were received from the following members of the Committee: Y.N. Pankstyanov, S.V. Podlutsky, N.V. Sedyikh, S.V. Pokrovsky, A.N. Zharikov.

The explanations and answers to the questions were given by: S.Y. Rumyantsev, S.V. Shpakova, E.V. Kabanova.

During the item discussion Chair of the Committee Y.N. Pankstyanov gave an instruction to the management to present to all the members of the Committee the key operational risk certificate of the Company «Risk of deviation in overdue receivables from the set in the Business Plan» (KOR-007), as well as the guideline «Evaluation of operational risks».

Decision (put for voting):

To recommend to the Board of Directors of the Company to take the following decision:

«1. To approve the adjusted Business Plan of IDGC of Centre, PJSC for 2016 and take into

consideration the predicted indicators for 2017-2020 in accordance with the Appendix.
2. To instruct General Director of the Company to ensure the implementation of measures for management of key operational risks of the Company planned for 2016».

Voting results at the meeting:

- | | |
|-------------------------------------|---------------|
| 1. Dmitry Mikhailovich Andropov | - «FOR» |
| 2. Sergey Vsevolodovich Belevantsev | - «FOR» |
| 3. Alexey Nikolayevich Goncharov | - «FOR» |
| 4. Alexey Nikolayevich Zharikov | - «ABSTAINED» |
| 5. Yury Nikolayevich Pankstyanov | - «FOR» |
| 6. Sergey Vasilyevich Podlutsky | - «FOR» |
| 7. Sergey Vladimirovich Pokrovsky | - «FOR» |
| 8. Sergey Yuryevich Rummyantsev | - «FOR» |
| 9. Nadezhda Vitalyevna Sedyikh | - «FOR» |

Voting results by filling in the questionnaires:

- | | |
|----------------------------------|---------------|
| 10. Elena Viktorovna Bogach | - «FOR» |
| 11. Andrey Vitalyevich Gritsenko | - «FOR» |
| 12. Sergey Yuryevich Lebedev | - «FOR» |
| 13. Maxim Mikhailovich Saukh | - «FOR» |
| 14. Oleg Romanovich Fedorov | - «ABSTAINED» |
| 15. Roman Alexeevich Filkin | - «AGAINST» |

Total:

«FOR»	- «12»
«AGAINST»	- «1»
«ABSTAINED»	- «2»

Decision is taken.

A dissenting opinion of a member of the Strategy and Development Committee of the Board of Directors of the Company, O.R. Fedorov, was received under this agenda item:
«as for para. 1. the amount of the planned three-year Investment Program is not consistent with the practice of tariff decisions and may impair the financial stability of the Company. as for para. 2. no comments, I fully support it».

The agenda of the meeting of the Strategy and Development Committee of the Board of Directors of the Company on 12.04.2016 was exhausted.

The meeting of the Strategy and Development Committee was adjourned.

**Chairperson
of the Strategy and Development Committee
of the Board of Directors of IDGC of Centre, PJSC**

Y.N. Pankstyanov

**Secretary
of the Strategy and Development Committee
of the Board of Directors of IDGC of Centre, PJSC**

S.V. Lapinskaya