



Interregional Distribution Grid Company of Centre,
Public Joint-Stock Company
2nd Yamskaya, 4, Moscow, Russia, 127018
Tel.: +7 (495) 747-92-92, Fax: +7 (495) 747-92-95,
Power Engineers' Direct Line: 8-800-50-50-115,
Toll Free Line: (000) 747-92-92

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

23 April 2018

Moscow

No. 05/18

Form of the meeting: absent voting.

Total number of members of the Strategy and Development Committee: 10 persons.

Participants of the voting: A.N. Zharikov, D.S. Kapustin, E.A. Olkhovich, S.V. Podlutsky, S.Y. Rummyantsev, Y.A. Savvin, R.A. Filkin, I.A. Shagina, A.V. Shevchuk.

Members who did not provide questionnaires: P.N. Snikkars.

The quorum is present.

Date of the minutes: 24.04.2018.

AGENDA:

1. On the recommendation to the Board of Directors of IDGC of Centre regarding the item «On consideration of the report of General Director of the Company «On the implementation in 2017 of the Innovative Development Program of IDGC of Centre, PJSC for the period of 2016-2020 with a perspective up to 2025», and the Medium-term plan for the implementation of the Innovative Development Program of IDGC of Centre, PJSC for 2018-2020».
2. On consideration of the Company's management report «On the monitoring of economic performance indicators of investment projects carried out in 2017 (power centres of 35-110 kV with an increase in installed capacity) included in the Company's Investment Program».
3. On preliminary review of the draft of the Articles of Association of the Company in a new edition.
4. On preliminary review of the draft of the internal document of the Company: the Regulation on the Board of Directors of the Company in a new edition.
5. On preliminary review of the draft of the internal document of the Company: the Regulation on the Management Board of the Company in a new edition.
6. On preliminary review of the draft of the internal document of the Company: the Regulation on the payment of remuneration and compensation to members of the Audit Commission of IDGC of Centre, PJSC in a new edition.
7. On the Report of the Strategy and Development Committee to the Board of Directors of the Company «On the work performed in the 2017-2018 corporate year».
8. On the recommendation to the Board of Directors of the Company regarding the item «On purchase of placed certificated interest payable to bearer unconvertible Exchange-traded bonds of series BO-02 of IDGC of Centre, PJSC».

Item 1. On the recommendation to the Board of Directors of IDGC of Centre regarding the item «On consideration of the report of General Director of the Company «On the implementation in 2017 of the Innovative Development Program of IDGC of Centre, PJSC for the period of 2016-2020 with a perspective up to

2025», and the Medium-term plan for the implementation of the Innovative Development Program of IDGC of Centre, PJSC for 2018-2020».

Decision:

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

«1. To take into consideration the report of General Director of the Company «On the implementation in 2017 of the Innovative Development Program of IDGC of Centre, PJSC for the period of 2016-2020 with a perspective up to 2025» in accordance with the Appendix.

2. To approve the Medium-term plan for the implementation of the Innovative Development Program of IDGC of Centre, PJSC for 2018-2020, including a plan of measures for research and (or) development work in accordance with the Appendix».

Voting results:

- | | |
|--|---------------|
| 1. Alexey Nikolayevich Zharikov | - «ABSTAINED» |
| 2. Dmitry Sergeevich Kapustin | - «FOR» |
| 3. Evgeny Alexandrovich Olkhovich | - «FOR» |
| 4. Sergey Vasilyevich Podlutsky | - «FOR» |
| 5. Sergey Yuryevich Rumyantsev | - «FOR» |
| 6. Yury Alexandrovich Savvin | - «FOR» |
| 7. Roman Alexeyevich Filkin | - «FOR» |
| 8. Irina Alexandrovna Shagina | - «FOR» |
| 9. Alexander Viktorovich Shevchuk | - «ABSTAINED» |

Total:

«FOR»	- «7»
«AGAINST»	- «0»
«ABSTAINED»	- «2»

Decision is taken.

A dissenting opinion on the given item was received from a member of the Strategy and Development Committee, A.V. Shevchuk: *«The approval of an appropriate KPI, evidencing the effectiveness of the program (not only by the criterion of development), taking into account generally accepted international practice, is required».*

Item 2. On consideration of the Company's management report «On the monitoring of economic performance indicators of investment projects carried out in 2017 (power centres of 35-110 kV with an increase in installed capacity) included in the Company's Investment Program».

Decision:

To take into consideration the Company's management report «On the monitoring of economic performance indicators of investment projects carried out in 2017 (power centres of 35-110 kV with an increase in installed capacity) included in the Company's Investment Program» in accordance with Appendix # 1 to this decision of the Strategy and Development Committee.

Voting results:

- | | |
|--|---------------|
| 1. Alexey Nikolayevich Zharikov | - «FOR» |
| 2. Dmitry Sergeevich Kapustin | - «FOR» |
| 3. Evgeny Alexandrovich Olkhovich | - «FOR» |
| 4. Sergey Vasilyevich Podlutsky | - «FOR» |
| 5. Sergey Yuryevich Rumyantsev | - «FOR» |
| 6. Yury Alexandrovich Savvin | - «FOR» |
| 7. Roman Alexeyevich Filkin | - «ABSTAINED» |
| 8. Irina Alexandrovna Shagina | - «FOR» |
| 9. Alexander Viktorovich Shevchuk | - «AGAINST» |

Total:

«FOR»	- «7»
«AGAINST»	- «1»
«ABSTAINED»	- «1»

Decision is taken.

A dissenting opinion on the given item was received from a member of the Strategy and Development Committee, A.V. Shevchuk: *«I consider it extremely useful to consider such questions internally, since there are many methodological questions to the presented models of efficiency calculation in terms of accounting and allocation for the purposes of calculating operating expenses, revenue side. Both indicators seriously affect the payback and the IRR».*

Item 3. On preliminary review of the draft of the Articles of Association of the Company in a new edition.**Decision:**

To recommend to the Board of Directors of the Company to take the following decision:
«To propose to the Annual General Meeting of Shareholders of the Company to approve the Articles of Association of IDGC of Centre, PJSC in a new edition in accordance with the Appendix».

Voting results:

1. Alexey Nikolayevich Zharikov	- «FOR»
2. Dmitry Sergeevich Kapustin	- «FOR»
3. Evgeny Alexandrovich Olkhovich	- «FOR»
4. Sergey Vasilyevich Podlutsky	- «FOR»
5. Sergey Yuryevich Rumyantsev	- «FOR»
6. Yury Alexandrovich Savvin	- «FOR»
7. Roman Alexeyevich Filkin	- «ABSTAINED»
8. Irina Alexandrovna Shagina	- «FOR»
9. Alexander Viktorovich Shevchuk	- «ABSTAINED»

Total:

«FOR»	- «7»
«AGAINST»	- «0»
«ABSTAINED»	- «2»

Decision is taken.**Item 4. On preliminary review of the draft of the internal document of the Company: the Regulation on the Board of Directors of the Company in a new edition.****Decision:**

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

«To propose to the Annual General Meeting of Shareholders of the Company to approve the Regulation on the Board of Directors of IDGC of Centre, PJSC in a new edition in accordance with the Appendix».

Voting results:

1. Alexey Nikolayevich Zharikov	- «FOR»
2. Dmitry Sergeevich Kapustin	- «FOR»
3. Evgeny Alexandrovich Olkhovich	- «FOR»
4. Sergey Vasilyevich Podlutsky	- «FOR»
5. Sergey Yuryevich Rumyantsev	- «FOR»
6. Yury Alexandrovich Savvin	- «FOR»
7. Roman Alexeyevich Filkin	- «ABSTAINED»

8. Irina Alexandrovna Shagina - «FOR»
9. Alexander Viktorovich Shevchuk - «ABSTAINED»

Total:

«FOR»	- «7»
«AGAINST»	- «0»
«ABSTAINED»	- «2»

Decision is taken.

Item 5. On preliminary review of the draft of the internal document of the Company: the Regulation on the Management Board of the Company in a new edition.

Decision:

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

«To propose to the Annual General Meeting of Shareholders of the Company to approve the Regulation on the Management Board of IDGC of Centre, PJSC in a new edition in accordance with the Appendix».

Voting results:

1. Alexey Nikolayevich Zharikov - «FOR»
2. Dmitry Sergeevich Kapustin - «FOR»
3. Evgeny Alexandrovich Olkhovich - «FOR»
4. Sergey Vasilyevich Podlutsky - «FOR»
5. Sergey Yuryevich Rummyantsev - «FOR»
6. Yury Alexandrovich Savvin - «FOR»
7. Roman Alexeyevich Filkin - «FOR»
8. Irina Alexandrovna Shagina - «FOR»
9. Alexander Viktorovich Shevchuk - «ABSTAINED»

Total:

«FOR»	- «8»
«AGAINST»	- «0»
«ABSTAINED»	- «1»

Decision is taken.

Item 6. On preliminary review of the draft of the internal document of the Company: the Regulation on the payment of remuneration and compensation to members of the Audit Commission of IDGC of Centre, PJSC in a new edition.

Decision:

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

«1. To propose to the Annual General Meeting of Shareholders of the Company to approve the Regulation on the payment of remuneration and compensation to members of the Audit Commission of IDGC of Centre, PJSC in a new edition in accordance with the Appendix.

2. To establish that this Regulation on the payment of remuneration and compensation to members of the Audit Commission of the Company in a new edition is applicable to members of the Company's Audit Commission elected at this and subsequent General Meetings of Shareholders of the Company».

Voting results:

1. Alexey Nikolayevich Zharikov - «FOR»
2. Dmitry Sergeevich Kapustin - «FOR»
3. Evgeny Alexandrovich Olkhovich - «FOR»

- | | |
|--|---------------|
| 4. Sergey Vasilyevich Podlutsky | - «FOR» |
| 5. Sergey Yuryevich Rumyantsev | - «FOR» |
| 6. Yury Alexandrovich Savvin | - «FOR» |
| 7. Roman Alexeyevich Filkin | - «FOR» |
| 8. Irina Alexandrovna Shagina | - «FOR» |
| 9. Alexander Viktorovich Shevchuk | - «ABSTAINED» |

Total:

«FOR»	- «8»
«AGAINST»	- «0»
«ABSTAINED»	- «1»

Decision is taken.

The following dissenting opinion was received from a member of the Strategy and Development Committee, A.V. Shevchuk, on items ## 3-6: *«I still believe that the current work and motivation system of the Company's Board of Directors is not effective. The Boards are overloaded with formal issues, but they do not solve important strategic issues of development. The motivation of the members of the Board, committees, and management is not effective. The formal changes proposed in many respects do not solve these problems. The proposals of independent directors and minority shareholders are, unfortunately, have not heard yet.*

It is proposed to discuss the possibility of excluding consideration of numerous quarterly reports. In the Articles of Association, the disclosure of materials for the meeting must be fixed for a period of not less than 30 days. Signs of qualification of controlled companies that fall within the competence of the Board of Directors are to be reconsidered. The quorum of members of the Board of Directors for consideration of relate-party transactions is to be revised (paragraph 11). Risks of the information system associated with providing information to members of the Board of Directors and processing the results of their will are to be discussed. The expediency of leaving the clause on storage of the documents of the Company in the Articles of Association is to be considered. The quality of information disclosure to general meetings is to be expanded in accordance with the requirements of the Code. To supplement the competence of the Board of Directors to approve the text of the terms of the confidentiality agreement entered into with shareholders requiring information, including with regard to the definition of confidential information».

Item 7. On the Report of the Strategy and Development Committee to the Board of Directors of the Company «On the work performed in the 2017-2018 corporate year».

Decision:

To recommend to members of the Board of Directors of IDGC of Centre, PJSC to approve the Report of the Strategy and Development Committee «On the work performed in the 2017-2018 corporate year» in accordance with Appendix # 2 to this decision of the Strategy and Development Committee of the Board of Directors of the Company.

Voting results:

- | | |
|--|---------|
| 1. Alexey Nikolayevich Zharikov | - «FOR» |
| 2. Dmitry Sergeevich Kapustin | - «FOR» |
| 3. Evgeny Alexandrovich Olkhovich | - «FOR» |
| 4. Sergey Vasilyevich Podlutsky | - «FOR» |
| 5. Sergey Yuryevich Rumyantsev | - «FOR» |
| 6. Yury Alexandrovich Savvin | - «FOR» |
| 7. Roman Alexeyevich Filkin | - «FOR» |
| 8. Irina Alexandrovna Shagina | - «FOR» |
| 9. Alexander Viktorovich Shevchuk | - «FOR» |

Total:

«FOR»	- «9»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Item 8. On the recommendation to the Board of Directors of the Company regarding the item «On purchase of placed certificated interest payable to bearer unconvertible Exchange-traded bonds of series BO-02 of IDGC of Centre, PJSC».

Decision:

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

«1. To purchase certificated interest payable to bearer unconvertible Exchange-traded bonds of series BO-02 with obligatory centralised storage IDGC of Centre, PJSC (hereinafter – the Issuer) (identification number of the issue 4B02-02-10214-A dated from 25.06.2013), placed by public offering (hereinafter – the Bonds), by agreement with their owners on the basis of the Public Irrevocable Offer (Appendix # __ to this decision) (hereinafter – the Offer) with the possibility of their subsequent circulation in accordance with clause 10.2 of the Decision on the issue of securities approved by the decision of the Board of Directors of IDGC of Centre, PJSC on 15.05.2013 (Minutes No. 12/13 of 20.05.2013), taking into account changes in the Decision on the issue of securities approved by the decision of the Board of Directors of IDGC of Centre, PJSC on 15.09.2014 (Minutes No. 20/14 of 18.09.2014) (hereinafter – the Decision on the issue of the Bonds).

2. To approve the following parameters for purchasing the Bonds:

- the number of the Bonds purchased under the Offer: up to 5 000 000 (Five million) pieces inclusive;
- the procedure for acquiring bonds, including the procedure for the issuer to send a proposal for the purchase of bonds, the procedure and deadline for the acceptance of such an offer by bondholders: as specified in the Public Irrevocable Offer, which is the Appendix to this decision;
- the period of putting the Bonds under the Offer – consists of the date of the beginning of the period of putting the Bonds under the Offer, the date of the end of the period of putting the Bonds under the Offer and the time of the period of putting the Bonds under the Offer;
- the date of the beginning of the period of putting the Bonds under the Offer – 15.05.2018;
the end date of the period for the presentation of the Bonds under the Offer – 21.05.2018 (inclusive);
- the time of the Period of putting the Bonds under the Offer – from 9:00 am to 5:00 pm Moscow time;
- the date of acquisition under the Offer – 22.05.2018;
- the purchase price of the Bonds is defined as the sum of the following two values:
 - 1) 100 (One hundred) percent of the nominal value of the Bonds;
 - 2) accumulated coupon yield on the Bonds calculated on the date of acquisition under the Offer in accordance with the procedure determined by the Decision on the issue of the Bonds;
- currency in which the Bonds are purchased: rubles of the Russian Federation;
- form of payment: funds transferred in a non-cash order;
- full and abbreviated company names, the location of the agent for purchasing the Bonds by agreement with their owners; the number, date of issue and period of validity of a license for brokerage activities, the authority that issued the license:
 - full company name: Gazprombank (Joint Stock Company);
 - abbreviated company name – GPB Bank (JSC);
 - location: Moscow.

- *license for brokerage activities № 177-04229-100000 dated from 27.12.2000, issued by the FCSM of Russia without limitation of the validity period».*

Voting results:

- | | |
|--|---------|
| 1. Alexey Nikolayevich Zharikov | - «FOR» |
| 2. Dmitry Sergeevich Kapustin | - «FOR» |
| 3. Evgeny Alexandrovich Olkhovich | - «FOR» |
| 4. Sergey Vasilyevich Podlutsky | - «FOR» |
| 5. Sergey Yuryevich Rumyantsev | - «FOR» |
| 6. Yury Alexandrovich Savvin | - «FOR» |
| 7. Roman Alexeyevich Filkin | - «FOR» |
| 8. Irina Alexandrovna Shagina | - «FOR» |
| 9. Alexander Viktorovich Shevchuk | - «FOR» |

Total:

«FOR»	- «9»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Appendices:

1. The report «On the monitoring of economic performance indicators of investment projects carried out in 2017 (power centres of 35-110 kV with an increase in installed capacity) included in the Company's Investment Program» (Appendix # 1).
2. The report of the Strategy and Development Committee «On the work performed in the 2017-2018 corporate year» (Appendix # 2).

**Chairperson
of the Strategy and Development Committee**

E.A. Olkhovich

**Secretary
of the Strategy and Development Committee**

S.V. Lapinskaya