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**MINUTES**

**of the meeting of the Board of Directors of IDGC of the South, PJSC**

Rostov-on-Don

07.02.2020 №357/2020

**Meeting format:** in absentia (by poll)

**Members of the Board of Directors who took part in absentee voting:** Sergeeva O.A., Grebtsov P.V., Dobin A.A., Zarkhin V.Yu., Kolyada A.S., Morozov A.V., Perets A.Yu., Selivanova L.V., Shaydullin F G., Ebzeev B.B., Yuriev A.V.

**The polling forms were not provided and did not take part in the voting:** none.

**A quorum is present.**

**Date of the minutes:** 10.02.2020.

**AGENDA**

1. *On consideration of the report on results of power sales activity of IDGC of the South, PJSC, including the report on work with accounts receivable for 9 months of 2019.*
2. *On the implementation of paragraph 2 of the Resolution of the Board of Directors of IDGC of the South PJSC of 10.10.2018 (Minutes of 15.10.2018 No. 289/2018) on item No. 2 "On recommendations to the executive bodies of the Company on the conclusion of Compensation Agreements (monetary and property form)".*
3. *On determining the position of the Company on the agenda of the meeting of the Board of Directors of VMES JSC: "On approval of the cost estimate of VMES JSC for the 1st quarter of 2020".*
4. *On approval of the Standard for the implementation of transactions with third party bills of exchange by IDGC of the South PJSC.*
5. *On consideration of the results of the external independent assessment of the quality of internal audit activities.*

**Item No.1: On consideration of the report on results of power sales activity of IDGC of the South, PJSC, including the report on work with accounts receivable for 9 months of 2019.**

**RESOLUTION:**

1. Take in consideration the report on the results of energy sales activities of IDGC of the South PJSC, including the report on work with receivables for 9 months of 2019 in accordance with Annex No. 1 to this Resolution of the Company's Board of Directors.
2. Note the results of the energy sales activities of IDGC of the South PJSC based on the results of 9 months of 2019 in accordance with Annex No. 2 to this Resolution of the Company's Board of Directors.

**Result of the vote:**

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| --- | --- | --- | --- | --- | --- |
| Sergeyeva O.A. | **-** | **"FOR"** | Perets A.Yu. | **-** | **"FOR"** |
| Grebtsov P.V. | **-** | **"FOR"** | Selivanova L.V. | **-** | **"FOR"** |
| Dobin A.A. | **-** | **"ABSTAINED"** | Shaidullin F.G. | **-** | **"FOR"** |
| Zarkhin V.Yu. | **-** | **"ABSTAINED"** | Ebzeev B.B. | **-** | **"FOR"** |
| Kolyada A.S. | **-** | **"FOR"** | Yuriev A.V. | **-** | **"FOR"** |
| Morozov A.V. | **-** | **"ABSTAINED"** |  |  |  |

**The resolution was carried.**

**Item No.2: On the implementation of paragraph 2 of the Resolution of the Board of Directors of IDGC of the South PJSC of 10.10.2018 (Minutes of 15.10.2018 No. 289/2018) on item No. 2 "On recommendations to the executive bodies of the Company on the conclusion of Compensation Agreements (monetary and property form)".**

**RESOLUTION:**

Take in consideration the report on the monetary and property compensation agreements concluded by the Company in accordance with Annex No. 3 to this Resolution of the Company's Board of Directors.

**Result of the vote:**

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| --- | --- | --- | --- | --- | --- |
| Sergeyeva O.A. | **-** | **"FOR"** | Perets A.Yu. | **-** | **"FOR"** |
| Grebtsov P.V. | **-** | **"FOR"** | Selivanova L.V. | **-** | **"FOR"** |
| Dobin A.A. | **-** | **"ABSTAINED"** | Shaidullin F.G. | **-** | **"FOR"** |
| Zarkhin V.Yu. | **-** | **"ABSTAINED"** | Ebzeev B.B. | **-** | **"FOR"** |
| Kolyada A.S. | **-** | **"FOR"** | Yuriev A.V. | **-** | **"FOR"** |
| Morozov A.V. | **-** | **"FOR"** |  |  |  |

**The resolution was carried.**

**Item No.3: On determining the position of the Company on the agenda of the meeting of the Board of Directors of VMES JSC: "On approval of the cost estimate of VMES JSC for the 1st quarter of 2020".**

**RESOLUTION:**

Instruct the representatives of IDGC of the South PJSC in the Board of Directors of VMES JSC on the agenda of the meeting "On approval of the cost estimate of VMES JSC for the 1st quarter of 2020" to vote FOR the adoption of the following decision:

"1. Approve the cost estimate of VMES JSC for the 1st quarter of 2020 in accordance with the Annex to this Resolution of the Company's Board of Directors".

2. Note the violation of the terms of approval of the business plan of VMES JSC for 2020-2024, provided for in the Business Planning Regulations of VMES JSC (Minutes of the Board of Directors of 26.12.2018 No. 10/2018).

3. The General Director of VMES JSC to ensure that the Company's business plan for 2020-2024, formed taking into account the positive financial result for the period 2020-2024, is submitted to the Board of Directors of VMES JSC no later than 14.02.2020".

**Result of the vote:**

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| --- | --- | --- | --- | --- | --- |
| Sergeyeva O.A. | **-** | **"FOR"** | Perets A.Yu. | **-** | **"FOR"** |
| Grebtsov P.V. | **-** | **"FOR"** | Selivanova L.V. | **-** | **"FOR"** |
| Dobin A.A. | **-** | **"ABSTAINED"** | Shaidullin F.G. | **-** | **"FOR"** |
| Zarkhin V.Yu. | **-** | **"AGAINST"** | Ebzeev B.B. | **-** | **"FOR"** |
| Kolyada A.S. | **-** | **"FOR"** | Yuriev A.V. | **-** | **"FOR"** |
| Morozov A.V. | **-** | **"ABSTAINED"** |  |  |  |

**The resolution was carried.**

**Item No.4: On approval of the Standard for implementation of transactions with third party bills of exchange by IDGC of the South PJSC.**

**RESOLUTION:**

1. Approve the Standard for implementation of transactions with third party bills of exchange by IDGC of the South PJSC in accordance with Annex No. 4 to this Resolution of the Company's Board of Directors.

2. Declare to be no longer in force the Standard for implementation of transactions with third party bills of exchange by IDGC of the South OJSC approved by the Resolution of the Company's Board of Directors on 05.02.2014 (Minutes of 10.02.2014 No. 124/2014).

**Result of the vote:**

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| Sergeyeva O.A. | **-** | **"FOR"** | Perets A.Yu. | **-** | **"FOR"** |
| Grebtsov P.V. | **-** | **"FOR"** | Selivanova L.V. | **-** | **"FOR"** |
| Dobin A.A. | **-** | **"ABSTAINED"** | Shaidullin F.G. | **-** | **"FOR"** |
| Zarkhin V.Yu. | **-** | **"ABSTAINED"** | Ebzeev B.B. | **-** | **"FOR"** |
| Kolyada A.S. | **-** | **"FOR"** | Yuriev A.V. | **-** | **"FOR"** |
| Morozov A.V. | **-** | **"AGAINST"** |  |  |  |

**The resolution was carried.**

**Item No.5: On consideration of the results of the external independent assessment of the quality of internal audit activities.**

**RESOLUTION:**

1. Take in consideration the report of the independent expert of KPMG JSC and assessment of the organization and activities of the internal audit of IDGC of the South PJSC in general in accordance with the International Professional Standards for Internal Audit, the Code of Ethics developed by the Institute of Internal Auditors, the Company's Internal Audit Policy (Annex No. 5 to this Resolution).

2. Instruct the Director of the Internal Audit Department of IDGC of the South PJSC to ensure the development and submission for approval by the Board of Directors of the Company of an action plan for the development and improvement of internal audit activities.

Deadline: no later than 01.03.2020.

**Result of the vote:**

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| --- | --- | --- | --- | --- | --- |
| Sergeyeva O.A. | **-** | **"FOR"** | Perets A.Yu. | **-** | **"FOR"** |
| Grebtsov P.V. | **-** | **"FOR"** | Selivanova L.V. | **-** | **"FOR"** |
| Dobin A.A. | **-** | **"ABSTAINED"** | Shaidullin F.G. | **-** | **"FOR"** |
| Zarkhin V.Yu. | **-** | **"FOR"** | Ebzeev B.B. | **-** | **"FOR"** |
| Kolyada A.S. | **-** | **"FOR"** | Yuriev A.V. | **-** | **"FOR"** |
| Morozov A.V. | **-** | **"ABSTAINED"** |  |  |  |

**The resolution was carried.**

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| **Chairman of the Board of Directors** |  | **O.A. Sergeeva** |
| **Corporate Secretary** | **E.N. Pavlova** |