

**MINUTES**

**of the Meeting of the Board of Directors, Rosseti South PJSC**

Rostov-on-Don

28.05.2020 №379/2020

**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:** 29.05.2020.

**AGENDA**

1. *On approval of the Regulation on corporate identity management of Rosseti South PJSC in the new edition.*
2. *On consideration of the report on the acquisition of electric power facilities, the approval of the acquisition of which is not required by the Board of Directors, for 2018.*
3. *On consideration of the report on the acquisition of electric power facilities, the approval of the acquisition of which is not required by the Board of Directors, for the 4th quarter of 2019.*
4. *On consideration of the report of the Single Executive Body and the Company’s Management Board on the organization and functioning of the internal control system and the report of the Single Executive Body and the Company’s Management Board on the organization, functioning and effectiveness of the risk management system, including information on the implementation of measures to improve and develop these systems.*
5. *On the volume of contracts concluded by the Company with organizations of the military-industrial complex of the Russian Federation for the purchase of civilian products (works, services) that are not related to the state defense order.*
6. *On management of key operational risks of the Company for 2019.*
7. *On review of the Company's business plan performance report for 2019.*
8. *On approval of the report on the results of the Company's investment program for 2019.*

**Item No.1: On approval of the Regulation on corporate identity management of Rosseti South PJSC in the new edition.**

**RESOLUTION:**

1. Approve the Regulation on corporate identity management of Rosseti South PJSC in the new edition in accordance with Annex No. 1 to this Resolution of the Company's Board of Directors.

2. Declare to be no longer in force the Regulation on corporate identity management of IDGC of the South PJSC, approved by the Resolution of the Company's Board of Directors on 28.06.2019 (Minutes No. 326/2019 dated 01.07.2019).

**Result of the vote:**

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

**The resolution was carried.**

**Item No.2: On consideration of the report on the acquisition of electric power facilities, the approval of the acquisition of which is not required by the Board of Directors, for 2018.**

**RESOLUTION:**

Take in consideration the report on the acquisition of electric power facilities, the approval of which is not required by the Board of Directors, for 2018 in accordance with Annex No. 2 to this Resolution of the Company's Board of Directors.

**Result of the vote:**

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

**The resolution was carried.**

**Item No.3: On consideration of the report on the acquisition of electric power facilities, the approval of the acquisition of which is not required by the Board of Directors, for the 4th quarter of 2019.**

**RESOLUTION:**

1. Take in consideration the report on the acquisition of electric power facilities, the approval of the acquisition of which is not required by the Board of Directors, for the 4th quarter of 2019 in accordance with Annex No. 3 to this Resolution of the Company's Board of Directors.

2. Note the non-compliance of Rosseti South PJSC with the principles of market value assessment when consolidating electric grid assets.

3. The Single Executive Body of the Company to strengthen control over the implementation of work on the assessment of market value when consolidating electric grid assets.

**Result of the vote:**

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

**The resolution was carried.**

**Item No.4: On consideration of the report of the Single Executive Body and the Company’s Management Board on the organization and functioning of the internal control system and the report of the Single Executive Body and the Company’s Management Board on the organization, functioning and effectiveness of the risk management system, including information on the implementation of measures to improve and develop these systems.**

**RESOLUTION:**

1. Take note of the Report of the Single Executive Body and the Management Board of the Company on the organization and functioning of the internal control system following the results of 2019, including the implementation of measures to maintain an effective internal control system of Rosseti South PJSC and its development, Report of the Company's Single Executive Body and Management Board on the organization, functioning and effectiveness of the risk management system, including information on the implementation of measures to improve the risk management system, in accordance with Annexes No. 4, 5 to this Resolution of the Company's Board of Directors.

2. Note that the initial assessment of the materiality of risks, the risk owners did not fully take into account the relevant risk factors, insufficient measures have been taken to manage individual risks.

3. Evaluate management's risk management actions when considering the annual Report on the management of key operational risks of the Company for 2019.

**Result of the vote:**

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

**The resolution was carried.**

**Item No.5: On the volume of contracts concluded by the Company with organizations of the military-industrial complex of the Russian Federation for the purchase of civilian products (works, services) that are not related to the state defense order.**

**RESOLUTION:**

Take in consideration the information of the Single Executive Body on the volume of contracts concluded by Rosseti South PJSC in 2019 with organizations of the military-industrial complex of the Russian Federation for the purchase of civilian products (works, services) that are not related to the state defense order.

**Result of the vote:**

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

**The resolution was carried.**

**Item No.6: On management of key operational risks of the Company for 2019.**

**RESOLUTION:**

1. Take in consideration the report of the General Director on the management of key operational risks of the Company for 2019 in accordance with Annex No. 6 to this Resolution of the Company’s Board of Directors (hereinafter - the Report).

2 According to the results of the Report analysis:

2.1. Mark realization of risks in accordance with Annex No. 7 to this Resolution of the Company's Board of Directors.

2.2. Note that the initial assessment of the materiality of individual risks, the risk owners did not fully take into account the factors of their occurrence, insufficient measures have been taken to manage them.

3. To the Single Executive Body of the Company:

3.1 Ensure that risk owners increase the efficiency and effectiveness of the risk management process.

3.2 Ensure the development of effective measures to prevent the realization of risks that have a "significant" and "critical" level of materiality.

**Result of the vote:**

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

**The resolution was carried.**

**Item No.7: On review of the Company's business plan performance report for 2019.**

**RESOLUTION:**

1. Take in consideration the report on the implementation of the business plan of Rosseti South PJSC for 2019 in accordance with Annex No. 8 to this Resolution of the Company's Board of Directors.
2. Note following the results of the Company's work for 2019 the non-fulfillment of planned indicators in accordance with Annex No. 9 to this Resolution of the Company's Board of Directors.
3. Entrust the Single Executive Body of the Company to:
	1. provide the Company's Board of Directors with information on the measures taken by the Company to ensure that the planned level of payment for the provided electric power transmission services is achieved in 2019, as well as information on the measures taken against the responsible persons who have failed to fulfill the measures planned to provide the planned indicator.

Due date - July 01, 2020.

3.2. ensure the achievement of planned indicators regarding the registration of property rights, taking into account the volumes outstanding for 2018 and 2019.

**Result of the vote:**

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

**The resolution was carried.**

**Item No.8: On approval of the report on the results of the Company's investment program for 2019.**

**RESOLUTION:**

1. Take in consideration the report on the results of the Company's investment program for 2019 in accordance with Annex No. 10 to this Resolution of the Company's Board of Directors.
2. Note:
	1. Deviations from the planned parameters of the investment program of Rosseti South PJSC, approved by order of the Ministry of Energy of Russia dated 15.11.2018 No. 11 @ (taking into account the changes made by Order of the Ministry of Energy of Russia dated 02.12.2019 No. 15 @), following the results of 2019 in accordance with Annex No. 11 to this Resolution of the Company's Board of Directors.
	2. The risk that regional regulatory authorities will apply a negative adjustment to the required gross revenue due to changes (non-execution) in the investment program when implementing unscheduled investment projects.
3. Entrust the Single Executive Body of the Company to:
	1. Submit to the regular meeting of the Company's Board of Directors information on the reasons for deviations from the planned parameters of the investment program.
	2. Ensure the issue of the Company's local organizational-administrative document aimed at limiting the implementation of unscheduled facilities and reducing the risk specified in clause 2.2. of the present Resolution.

**Result of the vote:**

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

**The resolution was carried.**

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