**MINUTES**

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

Rostov-on-Don

February 15, 2021 No. 414/2021

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

**Members of the Board of Directors who took part in absentee voting:** P.V. Grebtsov, D.L. Guryanov, V.Yu. Zarkhin, V.A. Kapitonov, A.S. Kolyada, M.V. Korotkova, K.A. Mikhailik, A.Yu.Perets, A.O. Romankov, L.V. Selivanova and B.B. Ebzeev.

**The polling forms were not provided and did not take part in the voting:** absent.

**A quorum is present.**

**Date of the minutes:** February 16, 2021

**AGENDA**

1. *On authorization of an interested party transaction.*
2. *On determination of the position of Rosseti South PJSC (representatives of Rosseti South PJSC) on ​​the agenda item of the meeting of the Board of Directors of VMES JSC “On authorization of major transaction”.*

**Item No.1: On authorization of an interested party transaction.**

**RESOLUTION:**

1. Determine that price of the Debt Restructuring Agreement between Rosseti South PJSC (Creditor) and JSC VMES (Debtor) (hereinafter referred to as the "Agreement"), which is an interested party transaction, consists of:

- the amount of the undisputed debt amount for the power transmission services of the Debtor to the Creditor under the Agreement for electric power transmission services No. 3470080501 dated December 29, 2008, which arose before the date of the Agreement signing for the period from December 2019 to July 2020, in the total amount of 1 642 098 607 (One billion six hundred forty-two million ninety-eight thousand six hundred and seven) roubles 96 kopecks;

- the interest amounts for the use of funds accrued on the amount of the undisputed debt of the Debtor specified in the Agreement, starting from the date of execution of the Agreement. The interest rate is set in the amount of the MOSPRIME 3M credit rate effective at the beginning of the accounting period (quarter), increased by 2,30 percentage points. The interest rate at the time of conclusion of the Agreement is 6.93%.

Determine that the price of the Debt Restructuring Agreement between Rosseti South PJSC and VMES JSC, which is an interested party transaction, amount to 10 or more percent of the book value of the assets of Rosseti South PJSC according to its financial statements as of the last reporting date.

2. Provide authorization of transaction - a Debt Restructuring Agreement between Rosseti South PJSC and VMES JSC (hereinafter referred to as the "Agreement"), which is an interested party transaction, on the following essentials:

**Parties to the Agreement:**

Rosseti South PJSC (Creditor);

VMES JSC - (Debtor);

**Scope of the Agreement:**

The Agreement shall determine the procedure and conditions for repayment of the debt owed by the Debtor to the Creditor for payment of the cost of electric power transmission services provided by the Creditor in the process of execution of the Agreement for electric power transmission services dated December 29, 2008 No. 3470080501, as well as the procedure and conditions for payment of interest for the use of another's funds.

**Agreement Price:**

The Agreement price consists of:

- the amount of the undisputed debt amount for the power transmission services of the Debtor to the Creditor under the Agreement for electric power transmission services No. 3470080501 dated December 29, 2008, which arose before the date of the Agreement signing for the period from December 2019 to July 2020, in the total amount of 1 642 098 607 (One billion six hundred forty-two million ninety-eight thousand six hundred and seven) roubles 96 kopecks;

- the interest amounts for the use of funds accrued on the amount of the undisputed debt of the Debtor specified in the Agreement, starting from the date of execution of the Agreement. The interest rate is set in the amount of the MOSPRIME 3M credit rate effective at the beginning of the accounting period (quarter), increased by 2,30 percentage points. The interest rate at the time of conclusion of the Agreement is 6.93%.

**Other terms and conditions of the Agreement:**

The interest amount shall be charged on a quarterly basis in respect of the part of the debt outstanding as of the beginning of each day from the date of signing the Agreement to the date of the actual repayment of the debt. When calculating interest, the Parties shall use the actual number of calendar days in the corresponding period (365 or 366 days, respectively). The actual amount of interest payable shall be determined depending on the actual debt during the interest period.

The rights and obligations of the Parties to the Agreement, including obligations of the Deptor to pay current charges arising after the date of conclusion of the Agreement, settlement of the size of indebtedness uncontested by the Parties that arose before the date of conclusion of the Agreement, settlement by the Parties of the issue of payment of penalty and interest for the use of another's funds, as well as other termsand conditions of the Agreement shall be defined in the Agreement (Annex to this Resolution).

The Agreement shall remain in effect until the Debtor fully fulfills its obligations under the Agreement.

**Persons interested in the transaction and grounds for interest:**

|  |  |
| --- | --- |
| **Stakeholder** | **Grounds for the person's interest** **in the transaction** |
| PJSC Rosseti | controlling entity of Rosseti South PJSC and at the same time controlling entity of VMES JSC |
| Boris Borisovich Ebzeev | General Director, Chairman of the Management Board, member of the Board of Directors of Rosseti South PJSC, who is also a member of the Board of Directors of VMES JSC |
| Alexey Alexandrovich Rybin | Member of the Management Rosseti South PJSC, who is also a member of the Board of Directors of VMES JSC |
| Oleg Valerievich Musinov | Member of the Management Rosseti South PJSC, who is also a member of the Board of Directors of VMES JSC |

*In accordance with Clause 3 of Article 83 of the Federal Law "On Joint-Stock Companies", a resolution on this item shall be adopted by the Company's Board of Directors by a majority of votes of directors not interested in the transaction. The vote of a member of the Board of Directors Boris Borisovich Ebzeev, who is a person interested in the transaction shall not be taken into account adopting a resolution.*

**Result of the vote:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| P.V. Grebtsov | **-** | **"FOR"** | K.A. Mikhailik | **-** | **"FOR"** |
| D.L. Guryanov | **-** | **"FOR"** | A.O. Romankov | **-** | **"FOR"** |
| V.Yu. Zarkhin | **-** | **"AGAINST"** | L.V. Selivanova | **-** | **"FOR"** |
| V.A. Kapitonov | **-** | **"FOR"** | A.Yu. Perets | **-** | **"FOR"** |
| A.S. Kolyada | **-** | **"FOR"** | M.V. Korotkova | **-** | **"FOR"** |

**The resolution was adopted.**

**Item No/ 2: On determination of the position of Rosseti South PJSC (representatives of Rosseti South PJSC) on ​​the agenda item of the meeting of the Board of Directors of
VMES JSC “On authorization of major transaction”.**

**RESOLUTION:**

Instruct the representatives of Rosseti South PJSC on the item agenda of the meeting of the Board of Directors of VMES JSC "On authorization of major transaction" to vote FOR the adoption of the following resolution:

"Provide authorization of major transaction - a Debt Restructuring Agreement between Rosseti South PJSC and VMES JSC (hereinafter referred to as the "Agreement"), on the following essentials:

**Parties to the Agreement:**

Rosseti South PJSC (Creditor);

VMES JSC - (Debtor);

**Scope of the Agreement:**

The Agreement shall determine the procedure and conditions for repayment of the debt owed by the Debtor to the Creditor for payment of the cost of electric power transmission services provided by the Creditor in the process of execution of the Agreement for electric power transmission services dated December 29, 2008 No. 3470080501, as well as the procedure and conditions for payment of interest for the use of another's funds.

**Agreement Price:**

The Agreement price consists of:

- the amount of the undisputed debt amount for the power transmission services of the Debtor to the Creditor under the Agreement for electric power transmission services No. 3470080501 dated December 29, 2008, which arose before the date of the Agreement signing for the period from December 2019 to July 2020, in the total amount of 1 642 098 607 (One billion six hundred forty-two million ninety-eight thousand six hundred and seven) roubles 96 kopecks;

- the interest amounts for the use of funds accrued on the amount of the undisputed debt of the Debtor specified in the Agreement, starting from the date of execution of the Agreement. The interest rate is set in the amount of the MOSPRIME 3M credit rate effective at the beginning of the accounting period (quarter), increased by 2,30 percentage points. The interest rate at the time of conclusion of the Agreement is
6.93%.

**Other terms and conditions of the Agreement:**

The interest amount shall be charged on a quarterly basis in respect of the part of the debt outstanding as of the beginning of each day from the date of signing the Agreement to the date of the actual repayment of the debt. When calculating interest, the Parties shall use the actual number of calendar days in the corresponding period (365 or 366 days, respectively). The actual amount of interest payable shall be determined depending on the actual debt during the interest period.

The rights and obligations of the Parties to the Agreement, including obligations of the Deptor to pay current charges arising after the date of conclusion of the Agreement, settlement of the size of indebtedness uncontested by the Parties that arose before the date of conclusion of the Agreement, settlement by the Parties of the issue of payment of penalty and interest for the use of another's funds, as well as other termsand conditions of the Agreement shall be defined in the Agreement (Annex to this Resolution).

The Agreement shall remain in effect until the Debtor fully fulfills its obligations under the Agreement".

**Result of the vote:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| P.V. Grebtsov | **-** | **"FOR"** | K.A. Mikhailik | **-** | **"FOR"** |
| D.L. Guryanov | **-** | **"FOR"** | A.O. Romankov | **-** | **"FOR"** |
| V.Yu. Zarkhin | **-** | **"AGAINST"** | L.V. Selivanova | **-** | **"FOR"** |
| V.A. Kapitonov | **-** | **"FOR"** | B.B. Ebzeev | **-** | **"FOR"** |
| A.S. Kolyada | **-** | **"FOR"** | M.V. Korotkova | **-** | **"FOR"** |
| A.Yu. Perets | **-** | **"FOR"** |  |  |  |

**The resolution was adopted.**

|  |  |  |
| --- | --- | --- |
| **Chairman of the Board of Directors** |  | **P.V. Grebtsov** |
| **Corporate Secretary** | **E.N. Pavlova**  |