

Public Joint Stock Company Interregional Distribution

Grid Company of North-West

**MINUTES**

of the session of the Board of Directors of IDGC of North-West, PJSC

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| 31.03.2021 | Saint Petersburg | No. 391/27 |

Form of the meeting of the Board of Directors of IDGC of North-West, PJSC – absentee voting (polling).

Chairperson: Chairperson of the Board of Directors – K.A. Mikhailik

Members of the Board of Directors participating in the meeting:

1. M.A. Bychko
2. A.V. Golovtsov
3. Y.V. Goncharov
4. A.Y. Korneyev
5. D.D. Mikheyev
6. A.V. Morozov
7. A.Y. Pidnik
8. Y.G. Obrezkova
9. O.R. Fedorov
10. I.A. Shagina

The number of members of the Board of Directors participating in the meeting (vote) is 11 persons of the 11 elected members of the Board of Directors.

The quorum required for the meeting of the Board of Directors shall be at least one-half of the total number of elected members of the Company’s Board of Directors (Clause 18.11, Article 18 of the Charter of Interregional Distribution Grid Company of North-West, PJSC). A quorum was recorded as present.

**AGENDA:**

1. On Approval of IDGC of North-West, PJSC Schedule Plan of Measures for reduction of the outstanding debts for electricity transmission services and settlement of disputes existing as of 01.01.2021.
2. On determination of the person authorized to exercise employer’s rights and obligations with respect to the General Director of IDGC of North-West, PJSC.
3. On approval of entering into an interested party transaction: the Agreement for provision of services on arrangement of functioning and development of electricity grid industry between IDGC of North-West, PJSC and Rosseti, PJSC.

**Based on the voting results, the Board of Directors of IDGC of North-West, PJSC resolved as follows:**

**On Item No. 1 on the agenda:**

1. Approve IDGC of North-West, PJSC Schedule Plan of Measures for reduction of the outstanding debts for electricity transmission services and settlement of disputes existing as of 01.01.2021, in accordance with Appendix No. 1 to the decision of the Board of Directors of the Company.

2. Take under advisement the information on the Schedule Plan of Measures for reduction of the outstanding debts for electric energy transmission services and settlement of disputes existing in relation to indebtedness as of the beginning of the previous quarter, approved by the Board of Directors, in accordance with Appendix No. 2 to the decision of the Board of Directors of the Company.

3. Take note of fulfillment by the Company of the indicator “repayment/reduction of outstanding debts” based on the results of Q4, 2020 (with the plan of 889.2 million rubles, the actual value was 1,329.1 million rubles).

4. Take under advisement the information in accordance with Appendix No. 3 to the decision of the Board of Directors of the Company:

- execution of the order of the Board of Directors dated 31.03.2020 (Minutes No. 357/34) in relation to repayment in 2020 of the amount of outstanding debts from the amount of debts as of 01.01.2020;

- on work performed on new overdue debts and turnover of outstanding debts for electric energy transmission services in Q4 2020;

- on work performed with regard to the newly arisen outstanding debts among the debtors accounting for more than 10 % of the total newly arisen outstanding debts;

- on work performed with major debtors accompanied with assessment of non-payment risks, status and assessment of possibility of debt collection through enforcement proceedings.

5. Take note that the Company has fulfilled the planned indicator of repayment of outstanding debts out of the amount accumulated as of January 1, 2020 (with the plan of 1,653.6 mln rubles, 3,333.9 mln rubles were actually repaid) according to results of 2020.

6. Instruct the Sole Executive Body of the Company to:

6.1. Ensure redemption in 2021 of 2,269.1 mln rubles of outstanding debts out of the amount accumulated as of 01.01.2021 including 629.8 mln rubles in Q1 2021, 291.3 mln rubles in Q2 2021, 364.9 mln rubles in Q3 2021, 983.1 mln rubles in Q4 2021.

6.2. Ensure quarterly reporting on progress in executing the instruction as specified in Clause 6.1 of this decision (on a cumulative total from the beginning of the year).

**On Item No. 2 on the agenda:**

Authorize Andrei Valerievich Ryumin, exercising the powers of the Sole Executive Body of Rosseti, PJSC, to exercise on behalf of IDGC of North-West, PJSC (hereinafter referred to as the “Company”) the rights and duties of the employer with regard to General Director of the Company, inclusive of determination of the conditions of the employment contract with General Director of the Company and signature of such employment contract, supplementary agreements thereto and agreements dealing with dissolution of the employment contract.

**On Item No. 3 on the agenda:**

1. Determine that the Service Price under the Agreement for provision of services on arrangement of functioning and development of electricity grid industry between IDGC of North-West, PJSC and Rosseti, PJSC (hereinafter referred to as the “Agreement”), being the interested party transaction, for 2021 is no more than 95,291,162 (ninety five million two hundred ninety one thousand one hundred sixty two) rubles 38 kopecks, plus VAT (20 %) in the amount of 19,058,232 (nineteen million fifty eight thousand two hundred thirty two) rubles 48 kopecks, total Service Price with VAT is no more than 114,349,394 (one hundred fourteen million three hundred forty nine thousand three hundred ninety four) rubles 86 kopecks.

Specify that the Service Price under the Agreement shall not be equal to or in excess of 10 per cent of the balance sheet assets of IDGC of North-West, PJSC according to their accounting statements as of the most recent reporting date.

2. Provide consent to entering into an interested party transaction: the Agreement for organization of functioning and development of electricity grid industry between IDGC of North-West, PJSC and Rosseti, JSC, on the following essential terms and conditions:

**Parties to the Agreement:**

IDGC of North-West, PJSC – the Customer;

Rosseti, PJSC – the Executor.

**Subject Matter of the Agreement:**

The Executor undertakes to provide to the Customer the service for functional organization and development of the Customer’s electricity grid industry (hereinafter referred to the “Service”) in accordance with the terms and conditions of the Agreement while the Customer undertakes to accept and pay for the service in accordance with the terms and conditions of the Agreement.

**Price of the Agreement:**

The Service Price under the Agreement for 2021 is no more than 95,291,162 (ninety five million two hundred ninety one thousand one hundred sixty two) rubles 38 kopecks, plus VAT (20 %) in the amount of 19,058,232 (nineteen million fifty eight thousand two hundred thirty two) rubles 48 kopecks, total Service Price with VAT is no more than 114,349,394 (one hundred fourteen million three hundred forty nine thousand three hundred ninety four) rubles 86 kopecks.

**The period of provision of Service under the Agreement:**

Services provision commencement: 01.01.2021;

Services provision completion: 31.12.2021.

**Validity term of the Agreement:**

The Agreement shall take effect immediately upon signature by the Parties and remain valid till 31.12.2021 (to the extent of accounts settlement – until complete discharge of the obligations assumed by the Parties).

The Agreement shall cover the Parties’ relationship having originated since 01.01.2021.

Party having interest in the transaction and grounds of interest:

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| Interested party | Grounds for the person’s interest  in the transaction |
| Rosseti, PJSC | Controlling person of IDGC of North-West, PJSC which is also a party to the transaction |

For reference.

Appended to these Minutes are:

- statement of special opinion of a member of the Board of Directors of the Company O.R. Fedorov on the agenda item No. 1 of the meeting of the Board of Directors (Appendix No. 4 to these Minutes);

- statement of special opinion of members of the Board of Directors of the Company A.V. Golovtsov, A.V. Morozov, O.R. Fedorov on the agenda item No. 2 of the meeting of the Board of Directors (Appendix No. 5 to these Minutes);

- statement of special opinion of member of the Board of Directors A.V. Golovtsov on the agenda item No. 3 of the meeting of the Board of Directors (Appendix No. 6 to these Minutes).

*Minutes compilation date: 02.04.2021*

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| **Chairperson of the Board of Directors** | K.A. MIKHAILIK |
| **Corporate Secretary** | L.Y. NAZARENKO |