

MINUTES
of the Board meeting of PJSC Rosseti South

Rostov-on-Don

04/13/2023

No. 519/2023

The meeting format: absentee (by poll)**Members of the Board of Directors who participated in the absentee voting:** Krainskiy D.V., Dokuchaeva M.A., Zarkhin V.Yu., Kazakov A.I., Klinkov O.Yu., Korotkova M.V., Kravchenko K.Yu., Nikitchanova E.V., Tikhonova M.G., Polinov A.A., Ebzeev B.B.**Persons who did not submit polling sheets and did not cast a vote:** no.**A quorum is present.****Date of the minutes:** 04/14/2023**AGENDA**

1. *On approval of the action plan of Rosseti South, PJSC for the reduction of overdue repayment of debts for electric power transmission services and the settlement of differences settled as of January 1, 2023.*
2. *On consideration of the internal audit report of Rosseti South, PJSC on the assessment of the effectiveness of internal control and risk management systems for 2022.*
3. *On consideration of the report on the organization, functioning and efficiency of the internal control system and the risk management system of the Company for 2022.*
4. *On consideration of the internal audit information on the estimate results of the identification and implementation progress of non-core assets of Rosseti South, PJSC in 2022.*
5. *On authorization of interested party transaction.*
6. *On authorization of interested party transaction.*
7. *On payment of a one-time bonus to General Director of Rosseti South, PJSC for the performance of a particularly important task.*

ITEM NO. 1: On approval of the action plan of Rosseti South, PJSC for the reduction of overdue repayment of debts for electric power transmission services and the settlement of differences settled as of January 1, 2023.**RESOLUTION:**

1. Approve the action plan of PJSC Rosseti South for the reduction of overdue repayment of debts for electric power transmission services and the settlement of differences settled as of January 1, 2023 in accordance with Appendix 1 to this resolution of the Board of Directors of the Company.
2. Take into consideration the report of PJSC Rosseti South on the implementation of the action plan for the reduction of overdue repayment of debts for electric power transmission services and the settlement of differences settled as of October 1, 2022 approved by the decision of the Board of Directors of the Company on December 20, 2022 (Minutes dated December 23, 2022 No. 507/2022) in accordance with Appendix 2 to this resolution of the Board of Directors of the Company.
3. Take into consideration the report on the work performed by Rosseti South, PJSC in the 4th quarter of 2022 in relation to the newly formed overdue receivables for electric power transmission services in accordance with Appendix 3 to this resolution of the Board of Directors of the Company.

4. Take into consideration the report on the repayment by Rosseti South, PJSC of overdue receivables settled as of January 1, 2022 within 12 months of 2022, in accordance with Appendix 4 to this resolution of the Board of Directors of the Company.

5. Take into consideration the report on repayment by JSC "VMES" of the overdue receivables settled as of January 1, 2022 within 12 months of 2022, in accordance with Appendix 5 to this resolution of the Board of Directors of the Company.

6. Put in charge of the single executive body of the Company:

6.1. Ensure repayment in 2023 of 1,516.5 million rubles of overdue receivables from the amount settled as of January 1, 2023, including in the I quarter of 2023 - 480.1 million rubles, in the II quarter of 2023 - 246.2 million rubles, in the III quarter of 2023 - 457.9 million rubles, in the IV quarter of 2023 - 332.3 million rubles.

6.2. Make provision for quarterly submission, within the issue in question, of information on the progress in implementing the order specified in cl. 6.1 of this resolution (on a cumulative total from the beginning of the year).

7. Put in charge of the single executive body of the Company to ensure the adoption of necessary corporate decisions on repayment by JSC VMES in 2023 of 418.4 million rubles of overdue receivables for electric power transmission services from the amount settled as of January 01, 2023, including in I quarter of 2023 – 105.4 million rubles, in II quarter of 2023 - 103.3 million rubles, in III quarter of 2023 – 100.0 million rubles, in IV quarter of 2023 – 109.7 million rubles and quarterly submission, within the issue in question, of information on the progress in implementing the order (on a cumulative total from the beginning of the year).

Voting results:

Krainski D.V.	-	"IN FAVOR"	Klinkov O. Yu.	-	"IN FAVOR"
Dokuchaeva M.A.	-	"IN FAVOR"	Kravchenko K.Yu.	-	"IN FAVOR"
Zarkhin V.Yu.	-	"ABSTRAINED"	Nikitchanova E.V.	-	"IN FAVOR"
Korotkova M.V.	-	"IN FAVOR"	Tikhonova M.G.	-	"IN FAVOR"
Kazakov A.I.	-	"IN FAVOR"	Ebzeev B.B.	-	"IN FAVOR"
Polinov A.A.	-	"IN FAVOR"			

The resolution was carried.

ITEM NO. 2: On consideration of the internal audit report of Rosseti South, PJSC on the assessment of the effectiveness of internal control and risk management systems for 2022.

RESOLUTION:

1. Take into consideration the report dated 02/20/2023 No. 1040-07/2023/3 summarizing the results of the estimation of efficiency of the internal control system of Rosseti South, PJSC for 2022, the report dated 02/20/2023 No. 1040-07/2023/4 summarizing the results of the estimation of efficiency of the risk management system of PJSC Rosseti South for 2022 according to Appendices 6, 7 to this resolution of the Board of Directors of the Company.

2. Recommend to the single executive body of the Company to include the conclusion of the internal auditor of Rosseti South, PJSC based on the results of reliability and efficiency evaluation of the internal control system and the risk management system, efficiency of corporate management of the Company into the list of materials provided to persons entitled to attend and vote the Annual General Meeting of Shareholders of the Company.

Voting results:

Krainski D.V.	-	"IN FAVOR"	Klinkov O. Yu.	-	"IN FAVOR"
Dokuchaeva M.A.	-	"IN FAVOR"	Kravchenko K.Yu.	-	"IN FAVOR"
Zarkhin V.Yu.	-	"IN FAVOR"	Nikitchanova E.V.	-	"IN FAVOR"
Korotkova M.V.	-	"IN FAVOR"	Tikhonova M.G.	-	"IN FAVOR"
Kazakov A.I.	-	"IN FAVOR"	Ebzeev B.B.	-	"IN FAVOR"
Polinov A.A.	-	"IN FAVOR"			

The resolution was carried.

ITEM NO. 3: On consideration of the report on the organization, functioning and efficiency of the internal control system and the risk management system of the Company for 2022.

RESOLUTION:

Take into consideration the report on the organization, functioning and efficiency of the internal control system and the risk management system of the Company for 2022 in accordance with Appendix 8 to this resolution of the Board of Directors of the Company.

Voting results:

Krainski D.V.	-	"IN FAVOR"	Klinkov O. Yu.	-	"IN FAVOR"
Dokuchaeva M.A.	-	"IN FAVOR"	Kravchenko K.Yu.	-	"IN FAVOR"
Zarkhin V.Yu.	-	"IN FAVOR"	Nikitchanova E.V.	-	"IN FAVOR"
Korotkova M.V.	-	"IN FAVOR"	Tikhonova M.G.	-	"IN FAVOR"
Kazakov A.I.	-	"IN FAVOR"	Ebzeev B.B.	-	"IN FAVOR"
Polinov A.A.	-	"IN FAVOR"			

The resolution was carried.

ITEM NO. 4: On consideration of the internal audit information on the estimate results of the identification and implementation progress of non-core assets of Rosseti South, PJSC in 2022.

RESOLUTION:

Take into consideration the estimation report dated February 17, 2023 No. 1040-07/2023/1 "Estimate of the identification and implementation progress of non-core assets of Rosseti South, PJSC in 2022" according to Appendix 9 to this resolution of the Board of Directors of the Company.

Voting results:

Krainski D.V.	-	"IN FAVOR"	Klinkov O. Yu.	-	"IN FAVOR"
Dokuchaeva M.A.	-	"IN FAVOR"	Kravchenko K.Yu.	-	"IN FAVOR"
Zarkhin V.Yu.	-	"ABSTRAINED"	Nikitchanova E.V.	-	"IN FAVOR"
Korotkova M.V.	-	"IN FAVOR"	Tikhonova M.G.	-	"IN FAVOR"
Kazakov A.I.	-	"IN FAVOR"	Ebzeev B.B.	-	"IN FAVOR"
Polinov A.A.	-	"IN FAVOR"			

The resolution was carried.

ITEM NO. 5: On authorization of interested party transaction.

RESOLUTION:

1. Determine that the price of the agreement concerning the termination of the fee-based service contract for the implementation of engineering supervision dated 12/29/2017 No. 23 for the period from 01/01/2018 to 12/31/2022 consists of:

- the cost of the Contractor's services in the amount of 142,684,980 (one hundred and forty-two million six hundred and eighty-four thousand nine hundred and eighty) rubles 00 kopecks, as well as VAT calculated in accordance with the legislation of the Russian Federation in the amount of 27,966,256 (Twenty-seven million nine hundred and sixty-six thousand two hundred and fifty-six) rubles 08 kopecks 00 kopecks, as well as VAT, calculated in accordance with the legislation of the Russian Federation, in the amount of 27,966,256 (Twenty-seven million nine hundred and sixty-six thousand two hundred and fifty-six) rubles 08 kopecks.

- the cost of the Customer's services in the amount of 8,203,008 (Eight million two hundred three thousand and eight) rubles 00 kopecks, as well as VAT calculated in accordance with the legislation of the Russian Federation in the amount of 2,624.962 (Two million six hundred and twenty-four thousand nine hundred and sixty-two) rubles 56 kopecks.

2. Provide authorization of transaction – the agreement concerning the termination of the fee-based service contract for the implementation of engineering supervision dated 12/29/2017 No. 23 (hereinafter – the Agreement), being the interested party transaction, under the following conditions:

Parties to the Agreement:

PJSC Rosseti South (Customer);

PJSC Rosseti (Contractor).

Subject of the Agreement:

The termination of the fee-based service contract for the implementation of engineering supervision dated 12/29/2017 No. 23 (hereinafter - the Contract) from 01/01/2023.

Contract price:

The Agreement price for the period from 01/01/2018 to 12/31/2022 consists of:

- the cost of the Contractor's services in the amount of 142,684,980 (one hundred and forty-two million six hundred and eighty-four thousand nine hundred and eighty) rubles 00 kopecks, as well as VAT calculated in accordance with the legislation of the Russian Federation in the amount of 27,966,256 (Twenty-seven million nine hundred and sixty-six thousand two hundred and fifty-six) rubles 08 kopecks 00 kopecks, as well as VAT, calculated in accordance with the legislation of the Russian Federation, in the amount of 27,966,256 (Twenty-seven million nine hundred and sixty-six thousand two hundred and fifty-six) rubles 08 kopecks.

- the cost of the Customer`s services in the amount of 8,203,008 (Eight million two hundred three thousand and eight) rubles 00 kopecks, as well as VAT calculated in accordance with the legislation of the Russian Federation in the amount of 2,624.962 (Two million six hundred and twenty-four thousand nine hundred and sixty-two) rubles 56 kopecks.

Persons who hold stake in making the transaction and privity:

Related Party	Person privity in making the transaction
PJSC Rosseti	Controlling person of PJSC Rosseti South who is also the transaction party.
Krainski Daniil Vladimirovich	A member of the Board of Directors of PJSC Rosseti South who is also a member of of the Board of Directors, ¹ a member of Management Board, being a transaction party
Polinov Aleksei Aleksandrovich	A member of the Board of Directors of PJSC Rosseti South who is also a member of of the Board of Directors, ² a member of Management Board, being a transaction party

Pursuant to clause 3, Article 83 of the Federal Law "On Joint-Stock Companies", the decision on this issue shall be made by the Company's Board of Directors by a majority vote of the directors who have no interest in the transaction.

When making the decision, votes of Chairman of the Board of Directors Daniil Vladimirovich Krainski, the member of the Board of Directors Aleksei Aleksandrovich Polinov, as related parties, are not taken into account. In addition, the vote of Ebzeev Boris Borisovich, a member of the Board of Directors, who is the person performing the functions of the sole executive body (General Director) and a member of the collegial executive body (Chairman of the Management Board) of the Company during one year, is not counted.

Voting results:

Dokuchaeva M.A.	-	"IN FAVOR"	Klinkov O. Yu.	-	"IN FAVOR"
Zarkhin V.Yu.	-	"AGAINST"	Kravchenko K.Yu.	-	"IN FAVOR"
Korotkova M.V.	-	"IN FAVOR"	Nikitchanova E.V.	-	"IN FAVOR"
Kazakov A.I.	-	"IN FAVOR"	Tikhonova M.G.	-	"IN FAVOR"

The resolution was carried.

ITEM NO. 6: On authorization of interested party transaction.**RESOLUTION:**

1. Determine that the price of services under the fee-based service contract (hereinafter – the Contract) consists of:

– the cost of the Contractor`s services under the Contract for a calendar year in the amount

¹ At the time of decision making, a member of the Board of Directors of the Company, D.V. Krainski is not the member of the Board of Directors of PJSC Rosseti

² At the time of decision making, a member of the Board of Directors of the Company, A.A. Polinov is not the member of the Board of Directors of PJSC Rosseti

of 36,309,134 (Thirty-six million three hundred and nine thousand one hundred and thirty-four) rubles 64 kopecks, as well as 20% VAT in the amount of 7,261,826 (Seven million two hundred and sixty-one thousand eight hundred and twenty-six) rubles 88 kopecks, total, including VAT (20 %) - 43,570,961 (Forty-three million five hundred and seventy thousand nine hundred and sixty-one) rubles 52 kopecks.

– the cost of the Customer`s services under the Contract for a calendar year in the amount of 1,641,000 (One million six hundred and forty-one thousand) rubles 00 kopecks, as well as VAT (20%) in the amount of 328,200 (Three hundred and twenty-eight thousand two hundred) rubles 00 kopecks, total including VAT (20%) - 1,969,200 (One million nine hundred and sixty-nine thousand two hundred) rubles 00 kopecks.

The total price of services under the Contract for the entire term of the Contract, taking into account its prolongation, shall not exceed 10 (Ten) percent of the book value of PJSC Rosseti South assets according to its accounting statements as of the last reporting date.

2. Provide authorization of transaction – the fee-based service contract (hereinafter – the Contract), being the interested party transaction, under the following conditions:

Parties to the Contract:

PJSC Rosseti South (Customer);

PJSC Rosseti (Contractor).

Subject of the Contract:

The Customer agrees to assign and the Contractor agrees to perform engineering supervision at the power supply network facilities of the Customer, including new construction, reconstruction and technical re-equipment facilities (hereinafter - Facilities), providing methodological and organizational support for the Facility operation with regard to ensuring labor protection, industrial, fire and ecological safety (hereinafter - Services) and the Customer is obliged to accept and pay the Services.

In order to create the necessary conditions for activities of the Contractor`s personnel directly rendering the Services at the Customer`s Facilities, the Customer provides the Contractor on a fee basis throughout the period of validity of the Contract with workplaces (rooms) with furniture, computer and managerial aids, office equipment, means of communication, services of fixed communication and Internet, office goods.

The Facilities, in respect of which the Services are rendered, are agreed by the Parties as of the date of signing the Contract in Appendix 1 to the Contract (Appendix 10 to this resolution).

The list of the Customer's Facilities, in respect of which the Services are rendered, can be corrected on a quarterly basis initiated by each of the Parties without the need for conclusion of an additional agreement to the Contract.

The Party (initiator of correction) sends proposals to the other Party on approval of correction no later than 2 months prior to the corresponding quarter. The approved correction of the list of the Customer`s Facilities, in respect of which the Services are rendered, or the written substantiated objections are sent to the Party (initiator of correction) no later than 1 month prior to the quarter.

The direct implementation of the Contract is carried out by a branch of PJSC Rosseti - the Center of engineering supervision.

Contract price:

The price of services under the Contract consists of:

– the cost of the Contractor`s services under the Contract for a calendar year in the amount of 36,309,134 (Thirty-six million three hundred and nine thousand one hundred and thirty-four) rubles 64 kopecks, as well as 20% VAT in the amount of 7,261,826 (Seven million two hundred and sixty-one thousand eight hundred and twenty-six) rubles 88 kopecks, total, including VAT (20 %) - 43,570,961 (Forty-three million five hundred and seventy thousand nine hundred and sixty-one) rubles 52 kopecks.

– the cost of the Customer`s services under the Contract for a calendar year in the amount of 1,641,000 (One million six hundred fourty-one thousand) rubles 00 kopecks, as well as VAT (20 %) in the amount of 328,200 (Three hundred twenty-eight thousand two hundred) rubles 00 kopecks, total including VAT (20%) - 1,969,200 (One million nine hundred sixty-nine thousand two hundred) rubles 00 kopecks.

The total price of services under the Contract for the entire term of the Contract, taking into account its prolongation, shall not exceed 10 (Ten) percent of the book value of PJSC Rosseti South assets according to its accounting statements as of the last reporting date.

The term of rendering services under the Contract:

The total term of rendering services under the Contract: from 01/01/2023 to 12/31/2023.

Contract validity period:

The Contract shall take effect after signed by both Parties and shall remain in force until the termination of due performance of the Parties` obligations based on the Contract. Based on cl. 2 art. 425 of the Civil Code of the Russian Federation, the Parties have agreed to extend the Contract to the Parties` relations appeared since 01/01/2023.

In the event that 30 (thirty) calendar days before the expiry date of the service period under the Contract specified in cl. 1.4 of the Contract none of the Parties does not inform the other Party on the termination of the Contract, the service period under the Contract prolongs for 1 (one) calendar year, without limiting the number of these prolongations.

Persons who hold stake in making the transaction and privity:

Related Party	Person privity in making the transaction
PJSC Rosseti	The controlling person of PJSC Rosseti South who is also the transaction party
Krainski Daniil Vladimirovich	A member of the Board of Directors of PJSC Rosseti South who is also a member of of the Board of Directors, ³ a member of Management Board, being a transaction party
Polinov Aleksei Aleksandrovich	A member of the Board of Directors of PJSC Rosseti South who is also a member of of the Board of Directors, ⁴ a member of Management Board, being a transaction party

Pursuant to clause 3, Article 83 of the Federal Law "On Joint-Stock Companies", the decision on this issue shall be made by the Company's Board of Directors by a majority vote of the directors who have no interest in the transaction.

When making the decision, votes of Chairman of the Board of Directors Daniil Vladimirovich Krainski, the member of the Board of Directors Aleksei Aleksandrovich Polinov, as related parties, are not taken into account. In addition, the vote of Ebzhev Boris Borisovich, a member of the Board of Directors, who is the person performing the functions of the sole executive body (General Director) and a member of the collegial executive body (Chairman of the Management Board) of the Company during one year, is not counted.

Voting results:

Dokuchaeva M.A.	-	"IN FAVOR"	Klinkov O. Yu.	-	"IN FAVOR"
Zarkhin V.Yu.	-	"AGAINST"	Kravchenko K.Yu.	-	"IN FAVOR"
Korotkova M.V.	-	"IN FAVOR"	Nikitchanova E.V.	-	"IN FAVOR"
Kazakov A.I.	-	"IN FAVOR"	Tikhonova M.G.	-	"IN FAVOR"

The resolution was carried.

³ At the time of decision making, a member of the Board of Directors of the Company, D.V. Krainski is not the member of the Board of Directors of PJSC Rosseti

⁴ At the time of decision making, a member of the Board of Directors of the Company, A.A. Polinov is not the member of the Board of Directors of PJSC Rosseti

ITEM NO. 7: On payment of a one-time bonus to General Director of PJSC Rosseti South for the performance of a particularly important task.

RESOLUTION:

In accordance with cl. 4.3.3 of Regulation on material incentives of General Director of PJSC Rosseti South, pay a single bonus for 2022 to Boris Borisovich Ebzeev - General Director of PJSC Rosseti South for performance of particularly important task - procedure of the High-level Open Corporate Championship of professional skills of Rosseti Group of Companies "Young Professionals" by WorldSkills procedure held in 2022 according to Appendix 11 to this resolution of the Board of Directors of the Company.

Voting results:

Krainski D.V.	-	"IN FAVOR"	Klinkov O. Yu.	-	"IN FAVOR"
Dokuchaeva M.A.	-	"IN FAVOR"	Kravchenko K.Yu.	-	"IN FAVOR"
Zarkhin V.Yu.	-	"AGAINST"	Nikitchanova E.V.	-	"IN FAVOR"
Korotkova M.V.	-	"IN FAVOR"	Tikhonova M.G.	-	"IN FAVOR"
Kazakov A.I.	-	"IN FAVOR"	Ebzeev B.B.	-	"IN FAVOR"
Polinov A.A.	-	"IN FAVOR"			

The resolution was carried.

Chairman of the Board of Directors

D.V. Krainski

Corporate Secretary

E.N. Pavlova