

AUDIT COMMITTEE

MINUTES OF THE COMMITTEE MEETING No. KA - 100 OAO IDGC of Urals

12 April 2019
Meeting form:

Yekaterinburg
in-absentia (by ballots)

Participants:

Aleksandr Viktorovich Shevchuk	Association of Institutional Investors' Executive Director, Chair of the Committee;
Yury Kazbekovich Zafesov	PAO Rosseti's Procurement Department Director;
Roman Avgustovich Dmitrik	OOO ESIH's General Director;
Aleksey Yuryevich Serov	PAO Rosseti's Finance Department Director.
Sergey Ivanovich Miromanov	PAO Rosseti's Head of Grid Asset Consolidation Directorate of Network Perspective Development and Connection Department.

Meeting attendance: 5 / 5. A quorum for decision-making on agenda issues is duly constituted.

Committee Secretary:

Dmitry Vyacheslavovich
Tikhanov

OAO IDGC of Urals' Head of Corporate Events Section of Corporate Governance
and Stockholder Relations Department.

Agenda:

1. Examination of the written information, submitted by the external auditor, regarding key problems of the FY2018 RAS financial statements, consolidated FY2018 IFRS financial statements and management's information on the post-audit adjustments.
2. Preliminary examination of the FY2018 RAS financial statements.
3. Preliminary examination of the FY2018 IFRS financial statements.
4. Examination of the management's information on irregular transactions and events, formation of bad debt reserves and provisions.
5. Evaluation of the efficiency of the external audit of the Company's FY2018 financial statements.
6. Preliminary examination of the external auditor nominee to conduct the audit of the Company's FY2019 financial statements.
7. Examination and approval of the content of the Company's annual report section "Internal Control System".

Agenda item No.1: Examination of the written information, submitted by the external auditor, regarding key problems of the FY2018 RAS financial statements, consolidated FY2018 IFRS financial statements and management's information on the post-audit adjustments.

Resolution:

To take note of the Company's information on the independent evaluation of the efficiency of the Company's internal control system, conducted by the consortium of OOO Ernst & Young – Evaluation and Consulting and OOO RSM RUS.

Voting results:

"FOR" - 5 (Five) votes: S.I. Miromanov, Y.K. Zafesov, A.Y. Serov, A.V. Shevchuk, R.A. Dmitrik.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

PASSED UNANIMOUSLY.

Agenda item No.2: Preliminary examination of the FY2018 RAS financial statements.

Resolution:

To recommend the Board of Directors to file the Company's FY2018 RAS financial statements with the Annual General Meeting of Stockholders for approval.

Voting results:

"FOR" - 5 (Five) votes: S.I. Miromanov, Y.K. Zafesov, A.Y. Serov, A.V. Shevchuk, R.A. Dmitrik.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

PASSED UNANIMOUSLY.

Agenda item No.3: Preliminary examination of the FY2018 IFRS financial statements.

Resolution:

To take note of the FY2018 IFRS consolidated financial statements.

Voting results:

"FOR" - 5 (Five) votes: S.I. Miromanov, Y.K. Zafesov, A.Y. Serov, A.V. Shevchuk, R.A. Dmitrik.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

PASSED UNANIMOUSLY.

Agenda item No.4: Examination of the management's information on irregular transactions and events, formation of bad debt reserves and provisions.

Resolution:

To take note of the management's information on irregular transactions and events, formation of bad debt reserves and provisions in 2018.

Voting results:

"FOR" - 5 (Five) votes: S.I. Miromanov, Y.K. Zafesov, A.Y. Serov, A.V. Shevchuk, R.A. Dmitrik.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

PASSED UNANIMOUSLY.

Agenda item No.5: Evaluation of the efficiency of the external audit of the Company's FY2018 financial statements.

Resolution:

1. To adopt the conclusion of the Company's Board of Directors Audit Committee on the outcomes of the evaluation of the external audit and auditor report on FY2018 financial statements, prepared by OOO Ernst & Young (hereinafter referred to as the conclusion of the Audit Committee), as stated in Appendix 1 hereof.
2. To recommend to include the conclusion of the Audit Committee into the AGM materials.

Voting results:

"FOR" - 5 (Five) votes: S.I. Miromanov, Y.K. Zafesov, A.Y. Serov, A.V. Shevchuk, R.A. Dmitrik.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

PASSED UNANIMOUSLY.

Agenda item No.6: Preliminary examination of the external auditor nominee to conduct the audit of the Company's FY2019 financial statements.

Resolution:

To recommend the Company's Board of Directors to propose the Company's Annual General Meeting to approve OOO Ernst & Young (77/1 Sadovnicheskaya Naberezhnaya, Moscow, 115035, Russia), acknowledged as the winner of the open tender without preliminary qualification selection (Minutes of the Tender Commission dated as of 16.04.2018 No.13/595r), as the Company's auditor.

Voting results:

"FOR" - 5 (Five) votes: S.I. Miromanov, Y.K. Zafesov, A.Y. Serov, A.V. Shevchuk.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 1 (One) vote: R.A. Dmitrik.

PASSED BY THE MAJORITY.

Agenda item No.7: Examination and approval of the content of the Company's annual report section "Internal Control System".

Resolution:

1. Following the Board of Directors' examination of the evaluation of internal audit and external independent evaluation of the efficiency of the Company's internal control system, to update the annual report's section "Internal Control System" in terms of the system maturity level and evaluation of its efficiency in 2018 as well as management's plans regarding its further development.
2. To approve the content of the Company's annual report section "Internal Control System", as stated in Appendix 2 hereof, provided that clause 1 hereof is executed.

Voting results:

"FOR" - 5 (Five) votes: S.I. Miromanov, Y.K. Zafesov, A.Y. Serov, A.V. Shevchuk, R.A. Dmitrik.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

PASSED UNANIMOUSLY.

Appendix No.1	Conclusion of the Company's Board of Directors Audit Committee on the evaluation of the external audit and auditor report on FY2018 financial statements, prepared by OOO Ernst & Young.
Appendix No.2	Company's annual report section "Internal Control System".

The Chair **A.V. Shevchuk**

The Secretary **D.V. Tikhanov**