

AUDIT COMMITTEE

MINUTES OF THE COMMITTEE MEETING No. KA - 102 OAO IDGC of Urals

22 May 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;
Yuri Vladimirovich Goncharov	PAO Rosseti's Chief Advisor;
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.
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Agenda:

1. Examination of the 1Q 2019 Internal Audit Department's progress report and performance results.
2. Examination of the report regarding execution of assignments of the Audit Committee in CY2018-2019.
3. Preliminary examination of the outcomes of the external independent evaluation of the Company's internal control system efficiency.
4. CY2018-2019 Committee progress report.

Agenda item No.1: Examination of the 1Q 2019 Internal Audit Department's progress report and performance results.

Resolution:

To approve the 1Q 2019 Internal Audit Department's progress report and performance results, as stated in Appendix No.1 hereof.

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: Examination of the report regarding execution of assignments of the Audit Committee in CY2018-2019.

Resolution:

To take note of the report regarding execution of assignments of the Audit Committee in CY2018-2019, as stated in Appendix No.2 hereof.

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 outcomes of the external independent evaluation of the Company's internal control system efficiency.

Resolution:

1. To recommend the Board of Directors to adopt the following resolution:
 - 1.1. To take note of the report by OOO RSM RUS and acknowledgement of the internal control system efficiency by the independent expert (Appendix hereof).
 - 1.2. To entrust the sole executive body of the Company to enforce development of measures on maintenance of the efficiency of the internal control system and its development, its filing with the Board of Directors for approval, with the focus on:
 - enhancement of the efficiency of the "Evaluation of Risks" component and its complete integration into the internal control system,
 - elimination of weaknesses in the architecture of some oversight procedures, stipulated by the report with regard to several business processes,
 - Synchronization between implementation of automated control procedures and automation of business processes,
 - Complete integration of anti-corruption risk management into the business processes.

Deadline: by 31.07.2019.

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: CY2018-2019 Committee progress report.

Resolution:

1. To recommend the Board of Directors to take note of the CY2018-2019 Committee progress report, as stated in Appendix No.3 hereof.
2. When signing the report by the Committee Chair, the Committee secretary should update the report in terms of attendance of the Committee members at the present meeting and at any additional meetings (if any).

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	1Q 2019 Internal Audit Department's progress report and performance results.
Appendix No.2	Report regarding execution of assignments of the Audit Committee in CY2018-2019.
Appendix No.3	CY2018-2019 Committee progress report.

The Chair **A.V. Shevchuk**

The Secretary **D.V. Tikhanov**