

AUDIT COMMITTEE

MINUTES OF THE COMMITTEE MEETING No. KA - 111 OAO IDGC of Urals

Meeting form: F2F (VC).

Meeting date: 29 November 2019.

Minutes date: 29 November 2019.

Meeting started at: 12:10 (Moscow time).

Meeting ended at: 13:00 (Moscow time).

Meeting location: 4/1 Ulitsa Belovezhskaya, Moscow (Rosseti HQ), Room A3-055, Yekaterinburg VC: IDGC of Urals HQ, 6th Floor.

Participants:

Aleksandr Viktorovich Shevchuk	Association of Institutional Investors' Executive Director, Chair of the Committee;
Yuri Vladimirovich Goncharov	PAO Rosseti's Chief Advisor
Roman Avgustovich Dmitrik	OOO ESIH's General Director;
Yury Kazbekovich Zafesov	PAO Rosseti's Procurement Department Director;
Tatyana Aleksandrovna Ivanova	PAO Rosseti's Tariff Department Deputy Director.

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

Invitees:

Irina Olegovna Posevina	PAO Rosseti's Internal Audit Department Director
Polina Vladimirovna Krivonogova	OAO IDGC of Urals Internal Audit Department Head;

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. Preliminary examination of the Internal Audit unit's action plan for 2020.
2. Preliminary examination of the Internal Audit unit's budget for 2020.
3. Preliminary examination of the Methodology for Calculation and Evaluation of Performance of KPIs set for the Internal Audit Department Head.
4. Examination of the 9M2019 Internal Audit unit's progress report.

Agenda item No.1: Preliminary examination of the Internal Audit unit's action plan for 2020.

Report by: Polina Vladimirovna Krivonogova, OAO IDGC of Urals Internal Audit Department Head.

Participants noted that:

- At the suggestion of R.A. Dmitrik, Committee member, audit of the production asset management system was acknowledged appropriate.
- R.A. Dmitrik and other stakeholders were to prepare audit specifications/program to help Internal Audit Department define the methodology for the audit of the PAMS.
- PAMS audit specifications/program should be examined and adopted in 2Q 2020 by the Audit Committee.

- Internal Audit Department's manpower and time budget to perform unscheduled audit of the PAMS in 3-4Q 2020 should be defined by the Audit Committee in 3Q 2020.

Resolution:

1. To adopt the Internal Audit unit's action plan for 2020, as stated in Appendix 1 hereof.
2. To recommend the Board of Directors to adopt the following resolution:
" To adopt the Internal Audit unit's action plan for 2020, as stated in Appendix _ hereof ".

Voting results:

"FOR" - 5 (Five) votes: T.A. Ivanova, Y.K. Zafesov, Y.V. Goncharov, A.V. Shevchuk, R.A. Dmitrik.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

PASSED UNANIMOUSLY.

Agenda item No.2: Preliminary examination of the Internal Audit unit's budget for 2020.

Report by: Polina Vladimirovna Krivonogova, OAO IDGC of Urals Internal Audit Department Head.

Resolution:

1. To adopt the Internal Audit unit's budget for 2020, as stated in Appendix 2 hereof.
2. To recommend the Board of Directors to adopt the following resolution:
"To adopt the Internal Audit unit's budget for 2020, as stated in Appendix _ hereof ".

Voting results:

"FOR" - 5 (Five) votes: T.A. Ivanova, Y.K. Zafesov, Y.V. Goncharov, A.V. Shevchuk, R.A. Dmitrik.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

PASSED UNANIMOUSLY.

Agenda item No.3: Preliminary examination of the Methodology for Calculation and Evaluation of Performance of KPIs set for the Internal Audit Department Head.

Report by: Polina Vladimirovna Krivonogova, OAO IDGC of Urals Internal Audit Department Head.

Resolution:

1. To adopt the Methodology for Calculation and Evaluation of Performance of KPIs set for the Internal Audit Department Head and target values of the KPIs, as stated in Appendix 3 hereof.
2. To recommend the Board of Directors to adopt the following resolution:
 1. To adopt the Methodology for Calculation and Evaluation of Performance of KPIs set for the Internal Audit Department Head, as stated in Appendix No._ hereof.
 2. To define target values of the functional KPIs set for the Internal Audit Department Head, as stated in Appendix No._ hereof.
 3. To entrust the General Director to adopt the Methodology for Calculation and Evaluation of Performance of KPIs set for the Internal Audit Department Head and target values of the functional KPIs, stated in clauses 1 and 2 hereof, in a manner, established in OAO IDGC of Urals.

Voting results:

"FOR" - 5 (Five) votes: T.A. Ivanova, Y.K. Zafesov, Y.V. Goncharov, A.V. Shevchuk, R.A. Dmitrik.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

PASSED UNANIMOUSLY.

Agenda item No.4: Examination of the 9M2019 Internal Audit unit's progress report.

Report by: Polina Vladimirovna Krivonogova, OAO IDGC of Urals Internal Audit Department Head.

Resolution:

To approve and take note of the 9M2019 Internal Audit unit's progress report, as stated in Appendix 4 hereof.

Voting results:

"FOR" - 5 (Five) votes: T.A. Ivanova, Y.K. Zafesov, Y.V. Goncharov, A.V. Shevchuk, R.A. Dmitrik.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

PASSED UNANIMOUSLY.

Appendix No.1	Internal Audit unit's action plan for 2020.
Appendix No.2	Internal Audit unit's budget for 2020.
Appendix No.3	Methodology for Calculation and Evaluation of Performance of KPIs set for the Internal Audit Department Head.
Appendix No.4	9M2019 Internal Audit unit's progress report.

The Chair A.V. Shevchuk

The Secretary D.V. Tikhanov