

AUDIT COMMITTEE

MINUTES OF THE COMMITTEE MEETING No. KA-124 OAO IDGC of Urals

Meeting date:	26 October 2020
Minutes date:	27 October 2020
Meeting form:	in-absentia (absentee ballot)

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;
Vladislav Albertovich Kapitonov	PAO Rosseti's Corporate Finance Director;
Irina Aleksandrovna Shagina	PAO Rosseti's Head of Tariff Department.

Meeting participation: 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 Company's 6M2020 RAS accounting (financial) statements.
2. Examination of the written information (auditor report) on key problems of accounting and reporting, prepared by the external auditor after the review of the consolidated interim condensed IFRS financial statements for 3 and 6 months ended 30 June 2020.
3. Examination of the management's information on the execution of the Company's Anticorruption Policy, incl. 6M2020 anticorruption monitoring outcomes.

Agenda item No.1: Examination of the Company's 6M2020 RAS accounting (financial) statements.

Resolution:

1. To take note of the Company's 6M2020 RAS accounting (financial) statements.
2. Company's 6M2020 RAS accounting (financial) statements examined, to note:
 - a RUB 1,457 million (or 75%) YoY reduction of the net profit (1H2019 net profit: RUB 1,949 million, 1H2020 net profit: RUB 492 million);
 - a RUB 16,691 million (or 31%) YoY reduction of the 6M2020 revenues (30 June 2020: RUB 37,193 million);
 - a RUB 2,428 million (or 17%) increase of the long-term loans (30 June 2020: RUB 16,719 million);
 - a RUB 83 million (or 5%) increase of the short-term loans (1H2020: 1,694 million);
 - a RUB 665 million (or 4%) increase of the receivables (30 June 2020: RUB 17,519 million);
 - a RUB 335 million (or 3%) YTD increase of the overdue receivables (30 June 2020: RUB 11,823 million);
 - a RUB 708 million (or 7%) YTD increase of the bad debt reserve (1H2020 bad debt reserve totaled RUB 10,317 million).

Voting results:

"FOR" - 4 (Four) votes: Y.V. Goncharov, V.A. Kapitonov, I.A. Shagina, A.V. Shevchuk.

"AGAINST" - 0 (Zero) votes.

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

PASSED BY THE MAJORITY.

