

## AUDIT COMMITTEE

### MINUTES OF THE COMMITTEE MEETING No.KA – 53 IDGC of Urals (OAO)

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**Meeting form** – in-presentia (videoconferencing).

**Meeting date:** Apr. 20, 2016.

**Minutes' date:** Apr. 21, 2016.

**Meeting started at:** 09:30 (Moscow time).

**Meeting ended at:** 10:40 (Moscow time).

**Meeting location:** Room A3-055, 4/1 Ulitsa Belovezhskaya, Moscow (Rosseti's office).

#### **Attendees:**

Yulia Vitalyevna Yascheritsyna	Director of Economic Planning and Budgeting Department at Rosseti (PAO), the Chair;
Sergey Mikhailovich Kataev	Director of Production Asset Management Department at Rosseti (PAO);

#### **Member who forwarded the ballot:**

Evgeny Rudolfovich Villevald	Project director at GK Renova.
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3 out of 3 members have participated in the meeting. A quorum for decision-making on agenda issues is duly constituted.

#### **Invitees:**

Natalya Sergeevna Lopatkina	Audit Director at RSM RUS;
Valentina Mikhailovna Scherbakova	Deputy General Director for Economics and Finance at IDGC of Urals (OAO);
Olga Mikhailovna Abrosimova	Chief Accountant at IDGC of Urals (OAO);
Aleksandr Alekseevich Ulyanov	Head of Internal Audit and Oversight Department at IDGC of Urals (OAO);
Yuri Timofeevich Belozertsev	Head of Sales and Metering Department at IDGC of Urals (OAO);

Andrey Evgenyevich Zhuykov Head of Capital Construction Department at IDGC of Urals (OAO);  
Aleksy Vladimirovich Sanin Head of Legal Department at IDGC of Urals (OAO);

**The Committee Secretary:**

Dmitry Vyacheslavovich Tikhanov Head of Corporate Events Section of Corporate Governance and Shareholder Relations Department

**The Agenda:**

1. Examination of the written information, prepared by the external auditor, with regard to key problems of FY2015 RAS and IFRS financial statements and of management information on post-audit adjustments.
2. Preview of FY2015 RAS and consolidated IFRS financial statements.
3. Preview of the internal audit's report with regard to efficiency of the Company's system of internal control and risk management in 2015.

**Issue 1: Examination of the written information, prepared by the external auditor, with regard to key problems of FY2015 RAS and IFRS financial statements and of management information on post-audit adjustments.**

**Report by:** Natalya Sergeevna Lopatkina, Audit Director at RSM RUS.

**Resolution:**

To note that there are no substantive remarks regarding 2015 RAS financial statements after debates with the external auditor over written information (auditor report) with regard to audited FY2015 RAS and consolidated IFRS financial statements.

**Voting results:**

"FOR" - 3 (Three) votes: Y.V. Yascheritsyna, S.M. Kataev, E.R. Villevald.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

**PASSED UNANIMOUSLY.**

**Issue 2: Preview of FY2015 RAS and consolidated IFRS financial statements.**

**Report by:** Valentina Mikhailovna Scherbakova, Deputy General Director for Economics and Finance at IDGC of Urals (OAO).

**Resolution:**

1. To recommend the Board of Directors to file FY2015 RAS financial statements with the Annual General Meeting for approval.
2. To take into account the consolidated financial statements for the period ended 31.12.2015.

**Voting results:**

"FOR" - 3 (Three) votes: Y.V. Yascheritsyna, S.M. Kataev, E.R. Villevald.

"AGAINST" - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

**PASSED UNANIMOUSLY.**

**Issue 3: Preview of the internal audit’s report with regard to efficiency of the Company’s system of internal control and risk management in 2015.**

**Report by:** Aleksandr Alekseevich Ulyanov, Head of Internal Audit and Oversight Department at IDGC of Urals (OAO).

**Resolution:**

1. To note that the maturity of the Company’s internal control system stepped up from interim Satisfactory/Moderate level (2014 evaluation) to Moderate/Optimal level (2015 evaluation).
2. To recommend the Board of Directors:
  - 2.1. To approve the report with regard to efficiency of the Company’s system of internal control and risk management in 2015.
  - 2.2. To entrust the Company’s SEB:
    - 2.2.1. To prepare (deadline - 30.05.2016) and implement a package of measures to improve the system of internal control and risk management procuring lifting of its maturity by the end of 2016.
    - 2.2.2. To file with the Board for review the relevant progress report accompanying the internal audit’s report with regard to efficiency of the system of internal control and risk management in 2016.  
Deadline: 01.04.2017.

**Voting results:**

“FOR” - 3 (Three) votes: Y.V. Yascheritsyna, S.M. Kataev, E.R. Villevald.

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

**PASSED UNANIMOUSLY.**

**Appendices:**

Appendix No.1	Examination of the written information, prepared by the external auditor, with regard to key problems of FY2015 RAS and IFRS financial statements and of management information on post-audit adjustments.
Appendix No.2	FY2015 RAS and consolidated IFRS financial statements.
Appendix No.3	Internal audit’s report with regard to efficiency of the Company’s system of internal control and risk management for 2015.

**The Chair**

**Y.V. Yascheritsyna**

**The Secretary**

**D.V. Tikhanov**