

AUDIT COMMITTEE

MINUTES OF THE COMMITTEE MEETING No.KA – 58 IDGC of Urals (OAO)

Meeting form – in-presentia (VC).

Meeting date: 27 September 2016.

Minutes prepared on: 29 September 2016.

Meeting started at: 10:00 (Moscow time).

Meeting ended at: 10:45 (Moscow time)

Meeting location: 4/1 Ulitsa Belovezhskaya, Moscow (Rosseti HQ, Room A2-017)

In-presentia Participants:

Yulia Vitalyevna	Director of Economic Planning and Budgeting Department at
Yascheritsyna	Rosseti (PAO), the Chair;
Roman Avgustovich	General Director at RRSK (OOO).
Dmitrik	
Aleksandr Viktorovich	Executive Director of Professional Investor Association;
Shevchuk	

In-absentia Participant (by ballot):

Vladimir Vladimirovich	Director of Technological Development and Innovations
Sofyin	Department at Rosseti (PAO);

4 out of 4 members have participated in the meeting. A quorum for decision-making on agenda issues is duly constituted.

Invitees:

Yury Vyacheslavovich	First Deputy General Director – Chief Operating Officer at IDGC
Lebedev	of Urals (OAO);
Valentina Mikhailovna	Deputy General Director for Economics and Finance at IDGC of
Shcherbakova	Urals (OAO);
Aleksandr Aleekseevich	Head of Internal Audit and Oversight Department at IDGC of
Ulyanov	Urals (OAO);
Anton Gennadyevich	Deputy General Director for Investments at IDGC of Urals (OAO);
Dyachkov	
Evgeny Aleksandrovich	Acting Head of Technological Connection Department at IDGC of
Smyk	Urals (OAO).

Secretary:

Dmitry Vyacheslavovich	Head of Corporate Events Section of Corporate Governance
Tikhanov	Department at IDGC of Urals (OAO).

Agenda:

1. Examination of management's information with regard to implementation of the Company's Internal Control Policy.
2. Examination of management's information with regard to: i) progress in the remedial action plan to eliminate weaknesses, exposed by the Company's Board of Internal Auditors, internal audit, external oversight bodies (watchdogs), ii) progress in measures, taken after whistleblowing on potential unethical practices of employees and relevant investigations.

Agenda item No. 1: Examination of management's information with regard to implementation of the Company's Internal Control Policy.

Report by: Yury Vyacheslavovich Lebedev, First Deputy General Director – Chief Operating Officer at IDGC of Urals (OAO).

Resolution:

1. To take note of management's information with regard to implementation of the Company's Internal Control Policy.
2. To take note that the Company has created a package of measures, intended to enhance the maturity of the internal control system.

Voting results:

"FOR" - 4 (Four) votes: Y.V. Yascheritsyna, V.V. Sofyin, A.V. Shevchuk, R.A. Dmitrik.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

PASSED UNANIMOUSLY.

Agenda item No. 2: Examination of management's information with regard to: i) progress in the remedial action plan to eliminate weaknesses, exposed by the Company's Board of Internal Auditors, internal audit, external oversight bodies (watchdogs), ii) progress in measures, taken after whistleblowing on potential unethical practices of employees and relevant investigations.

Report by: Yury Vyacheslavovich Lebedev, First Deputy General Director – Chief Operating Officer at IDGC of Urals (OAO).

Resolution:

To take note of management's information with regard to: i) progress in the remedial action plan to eliminate weaknesses, exposed by the Company's Board of Internal Auditors, internal audit, external oversight bodies (watchdogs), ii) progress in measures, taken after whistleblowing on potential unethical practices of employees and relevant investigations in line with Appendix No.1. hereof.

Voting results:

"FOR" - 4 (Four) votes: Y.V. Yascheritsyna, V.V. Sofyin, A.V. Shevchuk, R.A. Dmitrik.

"AGAINST" - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

PASSED UNANIMOUSLY.

Appendix No.1 Management’s information with regard to: i) progress in the remedial action plan to eliminate weaknesses, exposed by the Company’s Board of Internal Auditors, internal audit, external oversight bodies (watchdogs), ii) progress in measures, taken after whistleblowing on potential unethical practices of employees and relevant investigations.

The Chair

Y.V. Yascheritsyna

The Secretary

D.V. Tikhanov