

AUDIT COMMITTEE

MINUTES OF THE COMMITTEE MEETING No.KA-62 IDGC of Urals (OAO)

23 December 2016

Yekaterinburg

Meeting form:

in-absentia (by ballots)

Attending members:

Aleksandr Viktorovich Shevchuk	Executive Director of Association of Institutional Investors, Chair of the Committee;
Yulia Vitalyevna Yascheritsyna	Director of Economic Planning and Budgeting Department at Rosseti (PAO);
Vladimir Vladimirovich Sofyin	Director of Technological Development and Innovations Department at Rosseti (PAO);
Roman Avgustovich Dmitrik	General Director at RRSK (OOO).

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

The Committee Secretary:

Dmitry Vyacheslavovich Tikhanov	Head of Corporate Events Section of Corporate Governance and Stockholder Relations Department at IDGC of Urals (OAO)
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Agenda:

1. Examination and adoption of the Internal Audit Department structure and crew size.
2. Preview of the Head of Internal Audit nominee and related remunerations.
3. Preview of the Company's Internal Audit Department Bylaw.

Agenda item No. 1: Examination and adoption of the Internal Audit Department structure and crew size.

Resolution:

To pass the Internal Audit Department structure and crew size, as stated in Appendix No.1 hereof.

Voting results:

"FOR" - 3 (Three) votes: Y.V. Yascheritsyna, V.V. Sofyin, A.V. Shevchuk.

"AGAINST" - 0 (Zero) votes.

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

PASSED BY THE MAJORITY.

Agenda item No. 2: Preview of the Head of Internal Audit nominee and related remunerations.

Resolution:

1. To approve Aleksandr Alekseevich Ulyanov for the position of the Head of Internal Audit Department and Head's remunerations, as stated in Appendix No.2 hereof.
2. To recommend the Board of Directors to pass the following resolution:
 - 2.1. To approve Aleksandr Alekseevich Ulyanov for the position of the Head of Internal Audit Department and Head's remuneration, as stated in the Appendix hereof.
 - 2.2. To entrust the Company's General Director to appoint Aleksandr Alekseevich Ulyanov the Head of Internal Audit Department.

Voting results:

"FOR" - 3 (Three) votes: Y.V. Yascheritsyna, V.V. Sofyin, A.V. Shevchuk.

"AGAINST" - 0 (Zero) votes.

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

PASSED BY THE MAJORITY.

Agenda item No. 3: Preview of the Company's Internal Audit Department Bylaw.

Resolution:

1. To adopt the Company's Internal Audit Department Bylaw, as stipulated by Appendix No.3 hereof.
2. To recommend the Board of Directors to pass the following resolution:
 - 2.1. To adopt the Company's Internal Audit Department Bylaw, as stated in the Appendix hereof.
 - 2.2. To recommend the Company's General Director to adopt the Company's Internal Audit Department Bylaw in line with the Appendix hereof.

Voting results:

"FOR" - 3 (Three) votes: Y.V. Yascheritsyna, V.V. Sofyin, A.V. Shevchuk.

"AGAINST" - 0 (Zero) votes.

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

PASSED BY THE MAJORITY.

Appendix No.1	Internal Audit Department structure and crew size.
Appendix No.2	Calculation of the Head of Internal Audit remunerations.
Appendix No.3	Company's Internal Audit Department Bylaw.

The Chair

A.V. Shevchuk

The Secretary

D.V. Tikhanov

Minutes date: 23.12.2016.