

AUDIT COMMITTEE

MINUTES OF THE COMMITTEE MEETING No.KA-70 IDGC of Urals (OAO)

30 May 2017

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

1. Examination of the Company's 1Q2017 interim accounting (financial) statements, prepared under RAS.
2. Examination of the Internal Audit's 1Q2017 progress report.
3. Preliminary examination of the Company's 2017-2019 Development and Improvement of Internal Audit Action Plan.
4. Examination of the progress report regarding assignments of the Board of Directors' Audit Committee during 2016-2017 corporate year.
5. Examination of the Audit Committee's 2016-2017 corporate year progress report.

Agenda item No. 1: Examination of the Company's 1Q2017 interim accounting (financial) statements, prepared under RAS.

Resolution:

1. After examination of the Company's 1Q2017 interim accounting (financial) statements, prepared under RAS, to note:
 - rise of overdue liabilities;
 - increase of bad debt reserves;
 - growth of red balance of miscellaneous income and expenses.
2. To entrust the management to file with the Audit Committee explanations regarding compliance of growth of incomplete construction with the Company's adopted investment program, when bringing

up the item "Examination of the Company's 6M2017 interim accounting (financial) statement, prepared under RAS".

3. The Committee Secretary should inform the Company's Board of Directors of primary trends depicted in the Company's 1Q2017 interim accounting (financial) statements, prepared under RAS, as stated by 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.

Agenda item No. 2: Examination of the Internal Audit's 1Q2017 progress report.

Resolution:

To adopt the Internal Audit's 1Q2017 progress report and take note of the Internal Audit's progress, as stated in Appendix No.2 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.

Agenda item No. 3: Preliminary examination of the Company's 2017-2019 Development and Improvement of Internal Audit Action Plan.

Resolution:

1. To adopt the Company's 2017-2019 Development and Improvement of Internal Audit Action Plan, as stated by Appendix No.3 hereof.
2. To recommend the Board of Directors to adopt the Company's 2017-2019 Development and Improvement of Internal Audit Action Plan, as stated by Appendix No.3 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.

Agenda item No. 4: Examination of the progress report regarding assignments of the Board of Directors' Audit Committee during 2016-2017 corporate year.

Resolution:

To take note of the progress report regarding assignments of the Board of Directors' Audit Committee during 2016-2017 corporate year, as stated by Appendix No.4 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.

Agenda item No. 5: Examination of the Audit Committee's 2016-2017 corporate year progress report.

Resolution:

1. To recommend the Board of Directors to take note of the Audit Committee's 2016-2017 corporate year progress report, as stated by Appendix No.5 hereof.
2. The Committee Secretary should update the Audit Committee's 2016-2017 corporate year progress report, factoring this meeting, prior to signing the report by the Audit Committee Chair.

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	Primary trends depicted in the Company's 1Q2017 interim accounting (financial) statements, prepared under RAS.
Appendix No.2	Internal Audit's 1Q2017 progress report.
Appendix No.3	Company's 2017-2019 Development and Improvement of Internal Audit Action Plan.
Appendix No.4	Progress report regarding assignments of the Board of Directors' Audit Committee during 2016-2017 corporate year.
Appendix No.5	Audit Committee's 2016-2017 corporate year progress report.

The Chair

A.V. Shevchuk

The Secretary

D.V. Tikhanov

Minutes date: 31.05.2017.