

AUDIT COMMITTEE

MINUTES OF THE COMMITTEE MEETING No.KA-72 IDGC of Urals (OAO)

Meeting form: F2F (VC).

Meeting date: 27 July 2017.

Minutes prepared on: 27 July 2017.

Meeting started at: 16:00 (Moscow time).

Meeting ended at: 16:40 (Moscow time).

Meeting location: 4/1 Ulitsa Belovezhskaya, Moscow (Room A3-055, Rosseti HQ).

F2F participants:

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);
Roman Avgustovich Dmitrik	General Director at RRSK (OOO).

Members who filed ballots:

Aleksandr Nikolaevich Fadeev	Chief Advisor at Rosseti (PAO);
Aleksey Yuryevich Serov	Director of Finance Department at Rosseti (PAO).

5 out of 5 members have participated in the meeting. A quorum for decision-making on agenda issues is duly constituted.

Invitees:

Anzhelika Aleksandrovna Zadorozhnaya	Head of Oversight and Analysis Directorate of Oversight Department at Rosseti (PAO), Committee's expert;
Valentina Mikhailovna Shcherbakova	Deputy General Director for Economics and Finance at IDGC of Urals (OAO);
Olga Mikhailovna Abrosimova	Chief Accountant at IDGC of Urals (OAO);
Elena Dmitrievna Khodaleva	Deputy Head of Legal Affairs Department at IDGC of Urals (OAO);
Sergey Anatolyevich Gusak	Head of Corporate Governance and Stockholder Relations Department at IDGC of Urals (OAO).

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 of the Company's 6M2017 interim accounting (financial) statements, prepared under RAS.
2. Adoption of the Board of Directors Audit Committee activity plan for 2017-2018 corporate year.
3. Preliminary examination of the Committee's 2H 2017 and 1H 2018 budget.

Agenda item No.1: Examination of the Company's 6M2017 interim accounting (financial) statements, prepared under RAS.

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

Participants noted that:

The Committee members required additional information with regard to 6M 2017 overdue receivables.

Resolution:

1. To take note of the Company's 6M2017 interim accounting (financial) statements, prepared under RAS.
2. The Company's 6M2017 RAS interim accounting (financial) statements examined, the following instances should be taken into account:
 - 12% increase of bad debt provision;
 - 29.7% hike of overdue receivables.
3. The Secretary of the Committee shall inform the Company's Board of Directors of trends of the Company's 6M2017 interim accounting (financial) statements, prepared under RAS, as stated by the Appendix hereof.

Voting results:

"FOR" - 5 (Five) votes: Y.V. Yascheritsyna, A.V. Shevchuk, A.N. Fadeev, A.Y. Serov, R.A. Dmitrik.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

PASSED UNANIMOUSLY.

Agenda item No.2: Adoption of the Board of Directors Audit Committee activity plan for 2017-2018 corporate year.

Report by: Aleksandr Viktorovich Shevchuk, Chair of the Committee.

Resolution:

To adopt the Board of Directors Audit Committee activity plan for 2017-2018 corporate year, as stated in Appendix No.1 hereof.

Voting results:

"FOR" - 5 (Five) votes: Y.V. Yascheritsyna, A.V. Shevchuk, A.N. Fadeev, A.Y. Serov, R.A. Dmitrik.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

PASSED UNANIMOUSLY.

Agenda item No.3: Preliminary examination of the Committee's 2H 2017 and 1H 2018 budget.

Report by: Aleksandr Viktorovich Shevchuk, Chair of the Committee.

Resolution:

To recommend the Company's Board of Directors to adopt the Committee's 2H 2017 and 1H 2018 budget, as stated in Appendix No.2 hereof.

Voting results:

"FOR" - 5 (Five) votes: Y.V. Yascheritsyna, A.V. Shevchuk, A.N. Fadeev, A.Y. Serov, R.A. Dmitrik.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

PASSED UNANIMOUSLY.

Appendix No.1 Board of Directors Audit Committee activity plan for 2017-2018 corporate year.

Appendix No.2 Committee's 2H 2017 and 1H 2018 budget.

The Chair

A.V. Shevchuk

The Secretary

D.V. Tikhanov