

AUDIT COMMITTEE

MINUTES OF THE COMMITTEE MEETING No. KA. 77 OAO IDGC of Urals

Meeting form: F2F (videoconference).

Meeting date: 06 December 2017.

Minutes prepared on: 07 December 2017.

Meeting started: 10:00 (Moscow time).

Meeting ended: 10:55 (Moscow time).

Meeting venue in Moscow: Room A2-017, 4/1 Ulitsa Belovezhskaya.

Meeting venue in Yekaterinburg: 4th Floor Conference Room, Ulitsa Mamina Sibiryaka.

Attendees:

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| Aleksandr Viktorovich Shevchuk | Executive Director of Association of Institutional Investors, Chair of the Committee; |
| Yulia Vitalyevna Yascheritsyna | PAO Rosseti's Economic Planning and Budgeting Department Director; |
| Aleksandr Nikolaevich Fadeev | PAO Rosseti's Chief Advisor; |
| Aleksey Yuryevich Serov | PAO Rosseti's Finance Department Director. |
| Roman Avgustovich Dmitrik | OOO RRSK's General Director. |

Meeting attendance: 5 / 5. A quorum for decision-making on agenda issues is duly constituted.

Invitees:

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| Marina Alekseevna Lelekova | PAO Rosseti's Audit and Oversight Department Director. |
| Aleksandr Valeryevich Mazikov | OAO IDGC of Urals' Deputy Chief Operating Officer for Exploitation; |
| Dmitry Vladimirovich Vyalkov | OAO IDGC of Urals' Deputy General Director for Development and Sales; |
| Polina Vladimirovna Krivonogova | OAO IDGC of Urals' Internal Audit Department Chief; |
| Ilya Igorevich Khaet | OAO IDGC of Urals' Capital Construction Department Chief. |

Committee Secretary:

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| 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 9M 2017 Internal Audit's progress report.
2. Preliminary examination of the Internal Audit Department activity plan for 2018.
3. Preliminary examination of the Internal Audit Department budget for 2018.
4. Preliminary examination of the Internal Audit Chief's KPIs for 2018.

Agenda item No. 1: Examination of the 9M 2017 Internal Audit's progress report.

Report by: Polina Vladimirovna Krivonogova, OAO IDGC of Urals' Internal Audit Department Chief.

Resolution:

To adopt the 9M 2017 Internal Audit's progress report, 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. 2: Preliminary examination of the Internal Audit Department activity plan for 2018.

Report by: Polina Vladimirovna Krivonogova, OAO IDGC of Urals' Internal Audit Department Chief.

Resolution:

1. To approve the Internal Audit Department activity plan for 2018, as stated in Appendix No.2 hereof.
2. To recommend the Board of Directors to adopt the following resolution on the agenda item: "To adopt the Internal Audit Department activity plan for 2018", as stated in 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. 3: Preliminary examination of the Internal Audit Department budget for 2018.

Report by: Polina Vladimirovna Krivonogova, OAO IDGC of Urals' Internal Audit Department Chief.

Resolution:

1. To approve the Internal Audit Department budget for 2018, as stated in Appendix No.3 hereof.
2. To recommend the Board of Directors to adopt the following resolution on the agenda item: "To adopt the Internal Audit Department budget for 2018", as stated in 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. 4: Preliminary examination of the Internal Audit Chief's KPIs for 2018.

Report by: Polina Vladimirovna Krivonogova, OAO IDGC of Urals' Internal Audit Department Chief.

Resolution:

To recommend the Board of Directors to adopt the following resolution on the agenda item:

1. To approve the Internal Audit's Chief KPI Calculation and Evaluation Methodology, as stated in Appendix No.4 hereof.
2. To specify the Internal Audit Chief's target KPIs in line with the ones, stated in Appendix No.5 hereof.
3. To entrust the Company's sole executive body:
 - 3.1. To approve Internal Audit's Chief KPI Calculation and Evaluation Methodology and target KPIs, stated in clause 1 and 2 hereof in a manner, established by the Company.

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.

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| Appendix No.1 | 9M 2017 Internal Audit's progress report. |
| Appendix No.2 | Internal Audit Department activity plan for 2018. |
| Appendix No.3 | Internal Audit Department budget for 2018. |
| Appendix No.4 | Internal Audit's Chief KPI Calculation and Evaluation Methodology. |
| Appendix No.5 | Internal Audit Chief's KPIs. |

The Chair

A.V. Shevchuk

The Secretary

D.V. Tikhanov