

## AUDIT COMMITTEE

### MINUTES OF THE COMMITTEE MEETING No. KA - 83 OAO IDGC of Urals

14 March 2018

Yekaterinburg

Meeting form:

in-absentia (by ballots)

#### Participants:

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

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

#### Committee Secretary:

Dmitry Vyacheslavovich Tikhanov      Head of Corporate Events Section of Corporate Governance and Stockholder Relations Department at OAO IDGC of Urals.

#### Agenda:

1. Preliminary examination of Internal Audit's information with regard to evaluation findings of FY2017 execution of the non-core asset sale program and non-core asset sale action plan.
2. Preliminary examination of the report with regard to key measures taken to eliminate or prevent violations/weaknesses and to implement recommendations of the Company's Board of Internal Auditors prepared after the audit of 1H 2017 financial and economic operations.

**Agenda item No.1: Preliminary examination of Internal Audit's information with regard to evaluation findings of FY2017 execution of the non-core asset sale program and non-core asset sale action plan.**

#### Resolution:

To recommend the Board of Directors to adopt the following resolution:

1. To take note of Auditor report No.2 dated 15.02.2018 "Audit of Non-core Asset Exposure and Sale Process", as stated by the Appendix hereof.
2. To recommend the Company's management:
  - 2.1. To enforce implementation of post-audit Internal Audit's recommendations.
  - 2.2. To enforce enhancement of efficiency of non-core asset exposure and sale process.

#### Voting results:

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

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

**PASSED UNANIMOUSLY.**

**Agenda item No.2:** Preliminary examination of the report with regard to key measures taken to eliminate or prevent violations/weaknesses and to implement recommendations of the Company's Board of Internal Auditors prepared after the audit of 1H 2017 financial and economic operations.

**Resolution:**

1. To recommend the Board of Directors to adopt the following resolution:

1. To take note of the report with regard to key measures taken to eliminate or prevent violations/weaknesses and to implement recommendations of the Company's Board of Internal Auditors prepared after the audit of 1H 2017 financial and economic operations, as stated in the Appendix hereof.

2. To entrust the sole executive body of the Company to enforce timely implementation of the measures in line with the remedial action plan (Company's Decree dated 29.12.2017 No.608).

**Voting results:**

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

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

**PASSED UNANIMOUSLY.**

Appendix No.1 Auditor report No.2 dated 15.02.2018 "Audit of Non-core Asset Exposure and Sale Process".

Appendix No.2 Report with regard to key measures taken to eliminate or prevent violations/weaknesses and to implement recommendations of the Company's Board of Internal Auditors prepared after the audit of 1H 2017 financial and economic operations.

The Chair

**A.V. Shevchuk**

The Secretary

**D.V. Tikhanov**