

AUDIT COMMITTEE

MINUTES OF THE COMMITTEE MEETING No. KA - 84 OAO IDGC of Urals

Meeting form: F2F (videoconference).

Meeting date: 23 March 2018.

Minutes date: 26 March 2018.

Meeting started: 10:30 (Moscow time).

Meeting ended: 11:25 (Moscow time).

Meeting venue: 4/1 Ulitsa Belovezhskaya, Moscow (PAO Rosseti HQ), Room A2-017.

Attending members:

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

Members who filed ballots:

Aleksandr Nikolaevich Fadeev	PAO Rosseti's Chief Advisor.
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Meeting attendance: 5 / 5. A quorum for decision-making on agenda issues is duly constituted.

Invitees:

Marina Alekseevna Lelekova	PAO Rosseti's Oversight Department Director;
Anzhelika Aleksandrovna Zadorozhnaya	PAO Rosseti's Internal Audit Directorate Head;
Maksim Mikhailovich Saukh	PAO Rosseti's Head of Corporate Relations Directorate of Corporate Governance and Shareholder and Investor Relations Department;
Vladimir Anatolyevich Bolotin	OAO IDGC of Urals' First Deputy General Director – Chief Operating Officer;
Aleksandr Mikhailovich Krivyakov	OAO IDGC of Urals' Deputy General Director;
Sergey Vladimirovich Khomyakov	OAO IDGC of Urals' IT Director;
Polina Vladimirovna Krivonogova	OAO IDGC of Urals' Head of Internal Audit Department;
Evgeny Aleksandrovich Smyk	OAO IDGC of Urals' Head of Technological Connection Department

Antonina Yuryevna
Zmyvalova

OAo IDGC of Urals' Head of Internal Control and Risk Management
Section.

Committee Secretary:

Dmitry Vyacheslavovich
Tikhanov

OAo IDGC of Urals' Head of Corporate Events Section of Corporate
Governance and Stockholder Relations Department

Agenda:

1. Preliminary examination of the report prepared by the SEB and CEB with regard to roll-out and functioning of the internal control system, also covering progress in the ICS improvement during 2017.
2. Preliminary examination of an Internal Auditor's 2017 progress report with regard to efficiency of internal control, risk management and corporate governance systems.

Agenda item No.1: Preliminary examination of the report prepared by the SEB and CEB with regard to roll-out and functioning of the internal control system, also covering progress in the ICS improvement during 2017.

Report by: Aleksandr Mikhailovich Krivyakov, OAo IDGC of Urals' Deputy General Director.

Participants noted: In future examination of the report with regard to roll-out and functioning of the internal control and risk management systems should succeed examination of the 12M business plan progress report.

Resolution:

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

To take note of the report prepared by the SEB and CEB with regard to roll-out and functioning of the internal control system, also covering progress in the IC&RMS improvement during 2017, as stated in the Appendix hereof.

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 an Internal Auditor's 2017 progress report with regard to efficiency of internal control, risk management and corporate governance systems.

Report by: Polina Vladimirovna Krivonogova, OAo IDGC of Urals' Head of Internal Audit Department.

Resolution:

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

To take note of the Internal Auditor's 2017 progress report with regard to efficiency of internal control, risk management and corporate governance systems, as stated in the Appendix hereof.

Voting results:

"FOR" - 3 (Three) votes: Y.V. Yascheritsyna, A.N. Fadeev, A.Y. Serov.

"AGAINST" - 1 (One) vote: A.V. Shevchuk.

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

PASSED BY THE MAJORITY.

- Appendix No.1 Report prepared by the SEB and CEB with regard to roll-out and functioning of the internal control system, also covering progress in the IC&RMS improvement during 2017.
- Appendix No.2 Internal Auditor's 2017 progress report with regard to efficiency of internal control and risk management systems.
- Appendix No.3 Internal Auditor's 2017 progress report with regard to efficiency of corporate governance systems.
- Appendix No.4 Special opinion of the Board of Directors Audit Committee Chair A.V. Shevchuk.

The Chair

A.V. Shevchuk

The Secretary

D.V. Tikhanov