

AUDIT COMMITTEE

MINUTES OF THE COMMITTEE MEETING No. KA - 99 OAO IDGC of Urals

Meeting form: F2F (VC).

Meeting date: 28 March 2019.

Minutes date: 29 March 2019.

Meeting started: 13:45 (Moscow time).

Meeting ended: 14:15 (Moscow time).

Meeting location: 4/1 Ulitsa Belovezhskaya, Moscow (PAO Rosseti's HQ, Room A4-069), videoconference with Yekaterinburg (OAO IDGC of Urals' HQ, 6th Floor Conference Room).

Attendees:

Aleksandr Viktorovich Shevchuk	Association of Institutional Investors' Executive Director, Chair of the Committee;
Roman Avgustovich Dmitrik	OOO ESIH's General Director;
Sergey Ivanovich Miromanov	PAO Rosseti's Head of Grid Asset Consolidation Directorate of Network Perspective Development and Connection Department.

Ballots filed:

Aleksey Yuryevich Serov, PAO Rosseti's Finance Department Director;

Yury Kazbekovich Zafesov, PAO Rosseti's Procurement Department Director.

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

Invitees:

Elena Borisovna Sinitsyna	PAO Rosseti's Head of Oversight and Expert Directorate of Oversight Department, Committee's expert;
Aleksandr Mikhailovich Krivyakov	OAO IDGC of Urals' Deputy General Director;
Polina Vladimirovna Krivonogova	OAO IDGC of Urals' Internal Audit Department Director;
Anna Sergeevna Sycheva	OAO IDGC of Urals' Head of Internal Control and Risk Management Section

Committee Secretary:

Dmitry Vyacheslavovich Tikhonov	OAO IDGC of Urals' Head of Corporate Events Section of Corporate Governance and Stockholder Relations Department.
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Agenda:

1. Preliminary examination of the report, prepared by the SEB and Executive Board, with regard to roll-out and functioning of the internal control system in 2018, incl. information on the progress in activities to improve the internal control system.
2. Preliminary examination of the 2018 Internal Audit's report with regard to evaluation of efficiency of the internal control and risk management systems.

Agenda item No.1: Preliminary examination of the report, prepared by the SEB and Executive Board, with regard to roll-out and functioning of the internal control system in 2018, incl. information on the progress in activities to improve the internal control system.

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

Resolution:

1. To finalize the report, prepared by the SEB and Executive Board, with regard to roll-out and functioning of the internal control system in 2018, incl. information on the progress in activities to improve the internal control system by adding information on the influence of the internal control system on the Company's 2018 performance.
2. To recommend the Board of Directors to adopt the following resolution, provided that assignment from clause 1 hereof is executed:
 - "1. To take note of the report, prepared by the SEB and Executive Board, with regard to roll-out and functioning of the internal control system in 2018, incl. information on the progress in activities to improve the internal control system, as stated in Appendix No. __ hereof.
 2. To prepare assignments for the Company's management regarding further strategy on the development of the internal control system after examination of the outcomes of independent external evaluation of the Company's internal control system".

Voting results:

"FOR" - 5 (Five) votes: A.V. Shevchuk, R.A. Dmitrik, Y.K. Zafesov, S.I. Miromanov, A.Y. Serov.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

PASSED UNANIMOUSLY.

Agenda item No.2: Preliminary examination of the 2018 Internal Audit's report with regard to evaluation of efficiency of the internal control and risk management systems.

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

Resolution:

To recommend the Board of Directors to take note of the 2018 Internal Audit's report with regard to evaluation of efficiency of the internal control and risk management systems, as stated in the Appendix hereof.

Voting results:

"FOR" - 5 (Five) votes: A.V. Shevchuk, R.A. Dmitrik, Y.K. Zafesov, S.I. Miromanov, A.Y. Serov.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

PASSED UNANIMOUSLY.

Appendix No.1	Report, prepared by the SEB and Executive Board, with regard to roll-out and functioning of the internal control system in 2018, incl. information on the progress in activities to improve the internal control system.
Appendix No.2	2018 Internal Audit's report with regard to evaluation of efficiency of the internal control and risk management systems.

The Chair A.V. Shevchuk

The Secretary D.V. Tikhanov