



"Interregional Distribution Grid Company of Centre", Joint-Stock Company

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MINUTES

of the meeting of the Committee for Audit
of the Board of Directors of IDGC of Centre
(in the form of joint presence)

November 29, 2013

Moscow

No. 14/13

Form of the meeting: joint presence.

Time of the meeting: 17 hours 10 minutes – 18 hours 20 minutes.

Total number of members of the Committee for Audit: 5 persons.

Participants of the voting: O.V. Shatokhina, M.M. Saukh, R.A. Filkin, A.V. Shevchuk.

The written opinion (questionnaire) of the following members was taken into account while defining the results: S.A. Demin.

Members who neither participated nor provided questionnaires: none.

The quorum is present.

Absence of objections concerning the materials and draft decisions from I.V. Shmakov, an expert of the Committee for Audit of the Board of Directors of the Company, was taken into account while drawing up the minutes.

Date of the minutes: 02.12.2013.

This meeting of the Committee for Audit was audiotaped (hereinafter – the Committee), which is stored in the materials to the meeting of the Committee.

The meeting of the Committee for Audit was chaired by Chairperson of the Committee for Audit Oxana Vladimirovna Shatokhina.

The following representatives of JSC Russian Grids (regarding all items) were present:

Nikolay Nikolayevich Varlamov – Deputy General Director for Control and Audit Activities (videoconference);

Marina Alexeyevna Lelekova - Director of Control and Internal Audit Department (videoconference);

Igor Vladimirovich Shmakov – an expert of the Audit Committee of IDGC of Centre, Head of Risk and Control Office of Internal Audit and Control Department.

The following representatives of the auditor of - ZAO KPMG (regarding item 1) were present:

Tatiana Evgenyevna Titova - Deputy Director;

Marina Zaurovna Siukaeva - Senior Manager.

The following representatives of the management of IDGC of Centre were present:

Sergey Yuryevich Rumyantsev - Member of the Management Board, Deputy General Director for Economy and Finance;

Lyudmila Alexeevna Sklyarova - Chief Accountant – Head of Financial and Tax Accounting and Reporting Department (regarding item 1);

Viktor Nikolayevich Startsun - Deputy General Director for Security

Olga Vladimirovna Tkacheva – Member of the Management Board, Deputy General Director for Corporate Governance;

Svetlana Valeryevna Shpakova – Head of Internal Audit and Risk Management Department.

At the beginning of the meeting the present members of the Committee were informed about the presence of a quorum for the meeting of the Committee, the meeting was opened and the adjusted agenda for the meeting was announced.

AGENDA:

1. On provision of comments to the Audit Committee made by the external auditor on the main issues of accounting (financial) statements of the Company for 9 months of 2013, prepared in accordance with RAS.
2. Consideration of the report of General Director of IDGC of Centre «On elimination of violations and actions taken on the facts of significant violations identified during inspections of IDGC of Centre and its subsidiaries for 2012».
3. Consideration of the report of Internal Audit and Risk Management Department of IDGC of Centre «On execution of the Work Plan in 3Q 2013».
4. On approval of the Work Plan of Internal Audit and Risk Management Department of IDGC of Centre for 2014.

Item 1: On provision of comments to the Audit Committee made by the external auditor on the main issues of accounting (financial) statements of the Company for 9 months of 2013, prepared in accordance with RAS.

Speaker - T.E. Titova - Deputy Director of ZAO KPMG.

The reports (presentations) on the item are stored in the materials for the meeting of the Committee.

In discussing the report the questions were received from R.A. Filkin, A.V. Shevchuk, O.V. Shatokhina, M.A. Lelekova.

The explanations and answers to the questions were given by: T.E. Titova, L.A. Sklyarova, S.Y. Rumyantsev, M.Z. Siukaeva.

After the discussion the members of the Committee proceeded to vote.

Decision:

1. To defer consideration of the item at a later date.
2. To recommend the external auditor – ZAO KPMG some detailed written information (report) on the main issues of accounting (financial) statements of the Company for 9 months of 2013, prepared in accordance with RAS.
3. To recommend the Company's management to present at the next meeting of the Committee for Audit some additional information to assess the collectability/uncollectability of receivables from retail companies.

Deadline: no later than 20.12.2013.

Voting results:

Oxana Vladimirovna Shatokhina	- «FOR»
Maxim Mikhailovich Saukh	- «FOR»
Roman Alexeyevich Filkin	- «FOR»
Alexander Viktorovich Shevchuk	- «FOR»

Total:

«FOR»	- «4»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Item 2: Consideration of the report of General Director of IDGC of Centre «On elimination of violations and actions taken on the facts of significant violations identified during inspections of IDGC of Centre and its subsidiaries for 2012».

Speaker - S.V. Shpakova - Head of Internal Audit and Risk Management Department of IDGC of Centre.

The report (presentation) on the item is stored in the materials for the meeting of the Committee.

In discussing the report the questions were received from O.V. Shatokhina, M.A. Lelekova.

Following the hearing of the materials regarding the agenda item Chairperson of the Committee for Audit O.V. Shatokhina emphasized the obligation to provide a report on such items at a meeting by the Company's management and not the division, performing internal audit.

Without discussion the members of the Committee proceeded to vote.

Decision:

1. To defer consideration of the item at a later date.
2. To recommend the Company's management to finalize and submit to the next meeting of the Committee for Audit a detailed report on elimination of violations and actions taken on the facts of significant violations identified during inspections of IDGC of Centre and its subsidiaries for 2012, and identified following the results of 9 months of 2013 as well.

Deadline: no later than 31.12.2013.

Voting results:

Oxana Vladimirovna Shatokhina	- «FOR»
Maxim Mikhailovich Saukh	- «FOR»
Roman Alexeyevich Filkin	- «FOR»
Alexander Viktorovich Shevchuk	- «FOR»

Total:

«FOR»	- «4»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Item 3: Consideration of the report of Internal Audit and Risk Management Department of IDGC of Centre «On execution of the Work Plan in 3Q 2013».

Speaker - S.V. Shpakova - Head of Internal Audit and Risk Management Department of IDGC of Centre.

The report (presentation) on the item is stored in the materials for the meeting of the Committee.

The report was discussed by A.V. Shevchuk, O.V. Shatokhina, I.V. Shmakov, N.N. Varlamov.

The explanations and answers to the questions were given by: S.V. Shpakova

Following the hearing of the materials Chairperson of the Committee for Audit O.V. Shatokhina recommended the Company's management:

1. In connection with significant excess of the repair costs in the tariff and balance decisions approved as part of the business plan for 2013 over the repair costs of Kurskenergo, to prepare and submit to the members of the Committee for Audit some detailed information on the comparative analysis of controllable and uncontrollable costs in the business plan and tariff and balance decisions.

2. Further during inspections to pay attention not only to violations, but also on causes and consequences of such violations.

3. To prepare a report on the made by the Company's executive bodies work to execute orders and eliminate the violations identified by the Audit Commission of the Company in the course of the inspections performed in 2013.

Deadline: no later than 15.03.2014.

After the discussion the members of the Committee proceeded to vote.

Decision:

To take into consideration the report of Internal Audit and Risk Management Department of IDGC of Centre «On execution of the Work Plan in 3Q 2013» in accordance with Appendix # 1 to this decision of the Committee for Audit of the Board of Directors of the Company.

Voting results:

Oxana Vladimirovna Shatokhina - «FOR»

Maxim Mikhailovich Saukh - «FOR»

Roman Alexeyevich Filkin - «FOR»

Alexander Viktorovich Shevchuk - «FOR»

Total:

«FOR» - «4»

«AGAINST» - «0»

«ABSTAINED» - «0»

Decision is taken.

Item 4: On approval of the Work Plan of Internal Audit and Risk Management Department of IDGC of Centre for 2014.

Explanations of the reasons to reschedule the item review were presented by an expert at the Committee for Audit I.V. Shmakov

Following the report of the expert of the Committee for Audit I.V. Shmakov the reasons to reschedule the item review, the member of the Committee for Audit A.V. Shevchuk recommended the Company's management to submit the Work Plan of Internal Audit and Risk Management Department of IDGC of Centre for 2014 with reference to the human resources of Internal Audit and Risk Management Department.

Without discussion the members of the Committee proceeded to vote.

Decision:

To defer consideration of the item at the meeting of the Committee for Audit, scheduled to be held in the form of absentee voting not later than 13.12.2013.

Voting results:

Oxana Vladimirovna Shatokhina - «FOR»

Maxim Mikhailovich Saukh - «FOR»

Roman Alexeyevich Filkin - «FOR»

Alexander Viktorovich Shevchuk - «FOR»

Total:

«FOR» - «4»

«AGAINST» - «0»

«ABSTAINED» - «0»

Decision is taken.

Appendix:

The report of Internal Audit and Risk Management Department of IDGC of Centre «On execution of the Work Plan in 3Q 2013» (Appendix # 1).

The agenda of the meeting of the Committee for Audit of the Board of Directors of the Company 29.11.2013 was exhausted.

The meeting of the Committee for Audit was adjourned.

**Chairperson of the Committee for Audit
of the Board of Directors of IDGC of Centre**

O.V. Shatokhina

**Secretary of the Committee for Audit
of the Board of Directors of IDGC of Centre**

S.V. Lapinskaya