



"INTERREGIONAL DISTRIBUTION GRID COMPANY OF CENTRE", JOINT-STOCK COMPANY

EXTRACT FROM MINUTES

of the meeting of the Audit Committee of the Board of Directors of IDGC of Centre
(in the form of absent voting)

31 March 2015

Moscow

No. 06/15

Form of the meeting: absent voting.

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

Participants of the voting: D.V. Kulikov, Y.N. Mangarov, V.V. Sofyin, R.A. Filkin, O.V. Shatokhina.

Members who did not provide questionnaires: none.

The quorum is present.

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

Date of the minutes: 01.04.2015.

Item 3: On assessment by the Audit Committee of the Auditor of the Company for the accounting (financial) statements of the Company for 2014, prepared in accordance with Russian Accounting Standards.

Decision:

1. To recognize the auditor's report and the procedures carried out by Ernst and Young LLC in the course of the audit of accounting (financial) statements of the Company for 2014 correspond to the provisions of the Agreement and the requirements of the legislation of the Russian Federation.
2. To approve the Assessment of the auditor's report issued by Ernst and Young LLC on the accounting (financial) statements of the Company for 2014, prepared in accordance with Russian Accounting Standards.
3. To recommend to include the Assessment of the Audit Committee of the auditor's report issued by Ernst and Young LLC into the information (materials) to the Annual General Meeting of Shareholders in accordance with Appendix # 3 to this decision of the Audit Committee of the Board of Directors of the Company.

Decision is taken.

Appendices:

Assessment of the auditor's report issued by Ernst and Young LLC on accounting (financial) statements of the Company for 2014, prepared in accordance with Russian Accounting Standards (Appendix # 3).

Minutes signed by:

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

O.V. Shatokhina

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

S.V. Lapinskaya

Extract is correct:

**Secretary of the Audit Committee
of the Board of Directors of IDGC of Centre
01.04.2015.**

S.V. Lapinskaya

**Assessment of the quality of work of the external auditor
of IDGC of Centre**

Assessment of the quality of work of the external auditor

1. IDGC of Centre (hereinafter - the Company) signed agreement on 25.08.2014 № 7700/00296/14 with Ernst and Young LLC to provide services for the audit of financial (accounting) statements for 2014 prepared under Russian Accounting Standards (hereinafter - the Agreement), under which the Company is "Customer" and Ernst and Young LLC - "Contractor".

In accordance with paragraph 3.2 of the Agreement the term of the auditor's report is set not later than 03.02.2014. In fact, the auditor's report was given 02.03.2014, which corresponds to the terms of the Agreement.

In accordance with paragraph 4.3.10 of the Agreement in addition to the audit report the Contactor provides the Customer with the Management and governance letter (audit report) on the main accounting and reporting issues relating to any observed by the Contractor significant weaknesses in accounting and reporting, internal control, deviations in the order of fulfillment of financial and economic transactions from the requirements of the legislation of the Russian Federation. Terms of the provision by the Contractor to the Customer of the Management and governance letter (audit report) on the main issues of accounting and reporting are specified in section 3.4. of the Agreement:

- under the first stage - no later than 28.11 2014;
- under the second stage - no later than 03.02.2015.

Provisional edition of the Management and governance letter (audit report) on the main issues of accounting and reporting is sent to the Customer by the Contractor not later than 10 working days before the date specified in paragraph 4.3.10 of the Agreement.

Actually the Management and governance letter (audit report) was given in the following terms:

- under the first stage - 28.11.2014,
- under the second stage - 02.03.2015.

Provision by the Auditor of the Management and governance letter corresponds to the terms and conditions of the Agreement.

2. Independence and objectivity of the Auditor was confirmed with the following information provided by Ernst and Young LLC:

- Ernst and Young LLC has implemented standards of activity, according to which this company aims to be an independent auditor and to have a reputation as an independent auditor;
- in accordance with the regulations of ethics and independence of Ernst and Young LLC, all partners and employees of Ernst and Young LLC annually confirm compliance with these regulations, including the absence of prohibited investments in its investment portfolio.

In addition, it should be noted that the independence of the external auditor was confirmed by the absence with Ernst and Young LLC of an extended period of services for external audit of the Company. Ernst and Young LLC carried out an audit of accounting (financial) statements of the Company for 2014. Ernst and Young LLC did not provide other services to the Company in 2014.

3. The Auditor disclosed about the absence of any difficulties in the course of interaction with the Company's management at the time of the audit, and any disagreements with the Company's management for the accounting and reporting.

4. All the necessary information in accordance with the requirements of paragraph 10 of the Rule (Standard) № 22 "Communication of information, obtained by the results of the audit, to the management of

the audited entity and representatives of its owner" is reflected in the Management and governance letter (audit report) of the external auditor on the results of the audit of the accounting (financial) statements of the Company.

5. According to the Auditor's Report Ernst and Young LLC came to the conclusion that the financial (accounting) statements present fairly the financial position of the Company and the results of its financial and economic activities, without reservations.

Based on the above, the Audit Committee of the Board of Directors of IDGC of Centre has recommended:

1. To recognize the auditor's report and the procedures carried out by Ernst and Young LLC in the course of the audit of accounting (financial) statements of the Company for 2014 correspond to the terms and conditions of the Agreement and the requirements of the legislation of the Russian Federation.

To approve the assessment of the auditor's report, issued by Ernst and Young LLC, on the accounting (financial) statements of the Company for 2014, prepared in accordance with Russian Accounting Standards.