

Appendix #19 to the decision
of the Board of Directors of IDGC of Centre, JSC
Minutes # 05/15 of 16.03.2015

**THE REGULATIONS ON THE AUDIT COMMITTEE OF
THE BOARD OF DIRECTORS OF IDGC OF CENTRE, JSC
in a new edition**

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1. The main definitions and abbreviations used in the Regulations

Company	- IDGC of Centre, JSC
SDC	- Subsidiaries and dependent companies of IDGC of Centre
Company's Board of Directors	- Board of Directors of IDGC of Centre, JSC
Regulation about the Company's Board of Directors	- Regulation about an order of convocation and carrying out of sessions of the Board of Directors of IDGC of Centre
Regulations on the Audit Committee, the Regulation	- Regulations on the Audit Committee of the Board of Directors of IDGC of Centre
Audit Committee, the Committee	- Audit Committee of the Board of Directors of IDGC of Centre
Chair of the Audit Committee, Chair of the Committee	- Chair of the Audit Committee of the Board of Directors of IDGC of Centre
Deputy Chair of the Audit Committee, Deputy Chair of the Committee	- Deputy Chair of the Audit Committee of the Board of Directors of IDGC of Centre
Secretary of the Committee	- Secretary of the Audit Committee of the Board of Directors of IDGC of Centre
Audit Committee's members	- Audit Committee's members of the Board of Directors of IDGC of Centre
Expert of the Audit Committee, the Expert of the Committee, the Expert	- An Expert of the Audit Committee of the Board of Directors of IDGC of Centre
Executive office of the Company	- Joint executive office - Company's Management Board; Chief Executive Officer - General Director of the Company, a managing organisation or a manager, manages the current activity of the Company, report to the Company's Board of Directors
Top managers	- Officials of the Company recognised as Top managers of the Company according to the internal document of the Company (the local statutory act), determining principles of material

stimulation of the Top managers of the Company/or according to a decision of the Board of Directors of the Company.

Internal audit

- Activity on representation of objective and independent guarantees and consultations directed on enhancement of the organization activity. Internal audit is urged to promote achievement of goals in view of the Company by the most effective and economically reasonable method, with use of the systematised and consecutive approach to estimation and increase of efficiency of risk management, internal control and corporate governance systems.
In the Regulation the term "Internal audit" also is used for determination of a corresponding function or a structural division which carries out the specified function, or an external organisation involved by the Company for realisation of an internal audit function.

Competence

- A set of legally established powers, functions, rights and obligations of a concrete body or an official

The external auditor, the auditor

- An organization, which is a member of one of self-regulating organisations of auditors, performing independent check of accounting (financial) statements of an audited person with a view of expression of opinion on reliability of such reporting

IFRS

- The International standards of financial reporting

RAS

- The Russian standards of business accounting

2. General provisions

2.1. This Regulation on the Audit Committee of the Board of Directors of IDGC of Centre is an internal document of the Company regulating activity of the Committee and determining questions of its competence, an order of forming of its composition and functioning, the right and obligation of the Committee's members, an order of interaction of the Committee with control and governance bodies of IDGC of Centre.

2.2. The Regulation on the Audit Committee is developed according to the legislation of the Russian Federation, the Company's Articles of Association, its internal documents, and also according to requirements of stock exchanges on which the Company's securities are traded and which are a condition of inclusion of stocks in quotation lists of stock exchanges.

2.3. By preparation of this Regulation the following is used:

- Federal law of the Russian Federation from 26.12.1995 №208-FZ «About joint stock companies»;
- Federal law of the Russian Federation from 06.12.2011 №402-FZ «About the business accounting»;
- Federal law of the Russian Federation from 30.12.2008 №307-FZ «About the auditor's activity»;
- The Code of Corporate Governance, approved 21.03.2014 by the Board of Directors of the Bank of Russia;
- Methodical recommendations about the organisation of work of the Board of Directors in a joint stock company, confirmed by Order of Rosimushchestvo from 21.11.2013 №357;
- Methodical recommendations about the organisation of work of the Committees on audit of the Board of Directors in a joint stock company with participation of the Russian Federation, confirmed by Order of Rosimushchestvo from 20.03.2014 № 86;
- Order of the FFMS of Russia from 30.07.2013 №13-62/pz-n «About the procedure of admission of securities to organised trades»;
- Methodical recommendations about the organisation of work of internal audit in joint stock companies with participation of the Russian Federation, confirmed by Order of Rosimushchestvo from 04.07.2014 № 249;
- Methodical recommendations about the internal audit function construction in holding structures with participation of the Russian Federation, confirmed by Order of Rosimushchestvo from 03.09.2014 № 330;
- The rules of listing confirmed by control bodies of a stock exchange and registered when due hereunder by the Bank of Russia.

2.4. The Audit Committee is created under the decision of the Board of Directors of the Company for preliminary profound consideration of the most important questions and preparation of recommendations to the Board of Directors for decision-making on questions which are within the competence of the Committee, and also for the decision of other questions, delegated to the Committee by the Company's Board of Directors.

2.5. By consideration of the questions assigned by the Board of Directors of the Company for consideration at a session of the Committee, not demanding the subsequent consideration by the Board of Directors, the Committee has the right to make decisions and to give out recommendations to executive bodies of the Company and the Internal Audit. The Audit Committee is accountable to the Board of Directors of the Company and is independent in the estimations on the Company's executive bodies.

2.6. The Committee is an auxiliary advisory - recommendatory body of the Board of Directors of the Company. The Committee is not a control and governance body of the Company and does not have the right to act on behalf of the Company.

2.7. At realisation of the activity the Committee is guided by the legislation and standard legal acts of the Russian Federation, the Company's Articles of Association, internal documents of the Company, decisions of the Board of Directors of the Company and this Regulation.

3. The purposes and the primary goals of the Committee

3.1. The Committee's purpose is assistance to effective accomplishment of functions of the Board of Directors of the Company regarding preliminary consideration of questions connected with the control of financial and economic activity of the Company.

3.2. The primary goals of the Committee:

- consideration of the accounting (financial) reporting of the Company and supervision of process of its preparation;
- supervision of risk management, internal control and corporate governance systems;
- supervision of carrying out of external audit and choice of the auditor;
- organisation and provision of independence and objectivity of realisation of an internal audit function;
- control over efficiency of functioning of a system of counteraction to unfair actions of employees of the Company and third parties.

The Committee is urged not to carry out a role of the guarantor of reliability of the reporting, efficiency of risk management, internal control and corporate governance systems, legislation observance, but to supervise accomplishment by executive bodies of the company of the obligations on provision of reliability of the reporting, construction of reliable and effective risk management, internal control and corporate governance systems, observance of the legislation and internal documents of the Company.

Many of the Committee's functions are stated in this Regulation in terms of realisation of "supervision", "control", "estimation", "analysis", "organisation", "development" concerning separate business functions. Thus, the Committee's obligation is not accomplishment of these functions, in which relation it performs actions of "supervision", "control", "estimation", "analysis", "organisation" and "development", the Committee does not participate in their direct accomplishment. Carrying out the supervising obligations, members of the Committee rely on conscientiousness of executive bodies and employees of the Company giving the information to the Committee. In case of doubts in reliability of the information, the Committee is obliged to inform on it other members of the Board of Directors of the Company.

4. The Committee's competence

4.1. The Committee's competence concerns:

4.1.1. In the field of the accounting (financial) reporting of the Company:

4.1.1.1. The control (supervision) of provision of completeness, accuracy and reliability of the annual and interim accounting (financial) reporting:

a) analysis of features of process of preparation of the accounting (financial) reporting, accepted by the Company, and essential changes in principles and procedures of its preparation;

b) analysis of conformity of the accounting (financial) reporting to the legislation and standard requirements to disclosing of the financial information;

c) consideration of conformity of used information systems for conducting the business accounting and preparation of the accounting (financial) reporting to requirements on handling of the accounting (financial) information, character of business, volume and complexity of the processed information;

d) consideration, together with the executive office of the Company and the external auditor, of results of the external audit, the essential adjustments brought by results of external audit, the remarks which are in the conclusion and the written information of the external auditor;

e) discussion with the external auditor and the Internal audit of validity and acceptability of methods of accounting of the areas most subject to risk of distortions applied by the Company, their consecutive use at conducting the business accounting and preparation of the accounting (financial) reporting;

f) carrying out of the analysis of level and reasons of errors revealed during external and internal audit, receipt of explanatories from the executive office on the revealed errors, including the measures taken by the Company by results of audit and-or on accomplishment of recommendations of auditors of the Company;

g) carrying out of the analysis of considerable fluctuations of results throughout a number of years, unusual changes in indicators/tendencies, differences of actual results from predicted or incorporated in the Company's business plan.

4.1.1.2. Carrying out of the analysis of essential aspects of the Company's accounting policy:

a) check of conformity of the accounting policy to norms and legislation requirements, rules (standards) of the business accounting, recommendations of the external auditor, consideration of validity and acceptability of used methods of conducting the business accounting;

b) analysis of the occurred and forthcoming changes of the accounting policy, discussion with the executive office and the external auditor of their reasons and influences on the accounting (financial) reporting of the Company in the current and subsequent accounting periods.

4.1.1.3. Participation in consideration of vital issues and judgements concerning the accounting (financial) reporting of the Company:

a) analysis of the presented by the executive office of the Company information on operations and events which are most subject to estimate judgements at recording in the accounting (financial) reporting and applied breakdown, or are essential and non-standard, in view of remarks of the external auditor;

b) discussion with the executive office and the external auditor of the most essential assumptions used by the Company by preparation of the accounting (financial) reporting, conformity of the accepted essential assumptions and estimations to rules (standards) of the business accounting;

c) discussion with the external auditor and the Internal audit of a question of use by the Company of any essential assumptions and estimations which could be directed on achievement of the planned financial result of the Company or increase in size of compensation to Chief Executive Officer and top managers of the Company.

4.1.1.4. Carrying out of the analysis of press releases of the Company on financial questions, any public statements concerning external and internal audit, a risk management and internal control system of the Company, and also the published financial information.

4.1.1.5. Consideration of any other questions which, according to the Committee, can affect completeness, reliability of the accounting (financial) reporting of the Company.

4.1.2. In the field of realisation of supervision of risk management, internal control and corporate governance systems:

4.1.2.1. Control over reliability and efficiency of risk management and internal control systems, practice of corporate governance of the Company:

a) consideration, at least 1 time a year, of estimation of efficiency of risk management and internal control systems, practice of corporate governance according to reports of the executive office of the Company on management of risks and the Internal audit about efficiency of risk management, internal control systems and corporate governance practice, to materials of checks of the Internal audit, conclusions of the external auditor of the Company, and also reports of external independent estimation, preparation of offers on enhancement of risk management, internal control systems, corporate governance practice;

b) carrying out, at least 1 time a quarter, meetings with the Company's executive office on discussion of availability/creation in the Company of the appropriate environment of the control, efficiency of accomplishment by the executive office of procedures of the internal control and management of risks, consideration of essential lacks of the internal control system and plans on their elimination;

c) carrying out, at least 1 time a year, the analysis of developed by executive bodies of the Company events for enhancement of the internal control, risk management and corporate governance system, and also results of their accomplishment, including following the results of the monitoring which has been conducted by the Internal audit;

d) consideration, discussion, with the executive office and the Internal audit, before representation of the annual report of the Company for preliminary approval to the Board of Directors of the Company, the text of a section of the annual report of the Company «the Internal control and management of risks» and conclusion forming on it.

4.1.2.2. Consideration, before determination by the Board of Directors of the Company, of approaches to the organisation of risk management and internal control systems, the analysis and estimation of execution of the Company's policy in the field of management of risks, internal control and corporate governance:

a) preliminary consideration, before the approval by the Board of Directors, of internal documents of the Company determining strategy, organisation and development of risk management and internal control systems, practice of corporate governance and subsequent changes to them;

b) analysis, before presentation for approval to the Board of Directors of the Company, of the calculated by the executive office of the Company level of risk-appetite and level of tolerance to risks;

c) analysis of the list and structure of risks (registers of risks) of the Company, the control of assignment (appointment) in the Company of owners of risks, discussion with the executive office of essential (key) risks of the Company, their indicators, and also events developed by the executive office to manage essential (key) risks of the Company;

d) consideration, at least 2 times a year (following the results of a half-year and a year), of reports of the executive office on management of risks, results of the investigations conducted in the Company and statistics on implemented risks;

e) discussion with the executive office and the Internal audit of execution of the Company's policy in the field of management of risks, the internal control and corporate governance practice.

4.1.2.3. The control over observance by the Company of standard-legal requirements:

a) consideration of questions concerning procedures of provision by the Company of observance of requirements of the legislation of the Russian Federation, ethical standards, requirements of the Bank of Russia, stock exchanges;

b) analysis of measures of reaction reflected in the report of internal audit about realisation by the executive office of the Company of actions in reply to checks of regulating bodies;

4.1.3. In the field of supervision of carrying out of external audit and a choice of the auditor and provision of independence and objectivity of realisation of functions of the external auditor:

4.1.3.1. Consideration and development of recommendations for the Board of Directors of the Company which should be given to shareholders for approval at an annual Shareholders' general meeting of the Company concerning appointment, re-election and discharge of the external auditor.

4.1.3.2. Development for the Board of Directors of the Company of recommendations about determination of a term of rotation of the external auditor.

4.1.3.3. Realisation of general supervision of a choice of the external auditor:

a) participation in development and coordination of conditions of carrying out of a purchasing procedure to choose the external auditor, in particular determination of a set and importance of criteria of estimation of participants of the purchase and an order of estimation of bids of participants of the purchase;

b) supervision of conformity of the procedure the auditor of the Company to the legislation and internal documents of the Company by participation of the representative of the Audit Committee in work of the purchasing commission to choose the external auditor as a member of the commission or an independent observer;

c) estimation of independence, objectivity and absence of the conflict of interests of the external auditor of the Company, including the analysis of all relations between the external auditor and the Company (provision of services, besides auditor's, rate of commission on rendering of auditor's and non-audit services and others), for the purpose of determination of the circumstances, capable to affect independence of the external auditor;

d) preparation of recommendations for the Board of Directors on a nominee of the external auditor of the Company and a draft of the agreement concluded with the auditor, including concerning determination of the size of fee of the auditor, technical specifications on audit carrying out.

4.1.3.4. Supervision of carrying out of external audit and estimation of quality of accomplishment of audit inspection and auditor's reports:

a) estimation of volume of audit procedures and methods of carrying out of the check, offered by the external auditor;

b) discussion with the external auditor and the executive office of essential aspects of the accounting policy, the methods used at accounting of essential or extraordinary transactions when some approaches are allowed;

c) discussion with the external auditor and the executive office of the Company of questions of drawing up of the accounting (financial) reporting, check of clearness and completeness of disclosing of the information of the accounting (financial) reporting, and also determination of correctness of disclosing of the information;

d) discussion with the external auditor of any serious difficulties arising during carrying out of audit, including any restrictions on amount of work scope and-or on access to the information necessary for the external auditor;

e) consideration of conclusions of the external auditor and the written information to the executive office of the Company following the results of audit about the list of core solved and unresolved questions, check of the basic accounting and auditor's judgements, the analysis of level of errors revealed during the audit.

4.1.3.5. Carrying out, at least 1 time a year, estimation of efficiency of the process of external audit including:

- analysis of observance of the plan of carrying out of external audit, and also analysis of the reason of any deviations from it, including actions of the auditor undertaken in case of change of auditor's risk;

- consideration of opinion on work of the external auditor of key employees of the Company involved in process of carrying out of external audit, including the general accountant, Deputy General Director on economy and finance, the head of the structural division performing an internal audit function and others;

- analysis of understanding by the auditor of character of business of the Company and adequacy of given recommendations;

- estimation of the level of reaction and qualification in providing the information to the Audit Committee, recommendations concerning the internal control system;

- estimation of the auditor's report of the Company confirming reliability of the annual accounting (financial) reporting of the Company, conclusion preparation about the level of efficiency and quality of the external audit process which is a component of the information (materials) to the annual Shareholders' general meeting of the Company (appendix 9 to the Regulation).

4.1.3.6. Development and presentation for approval to the Board of Directors of the Company of a policy in the field of rendering by the external auditor of services of non-audit character, including determination of:

- character of admissible non-audit services;

- ratio of rate of commission on accomplishment of auditor's and non-audit services (as in a proportion, and cumulative rate of commission for an audit firm);

- requirements to independence provision at combination of kinds of auditor and non-audit services, including determinations of types of service to which accomplishment the external auditor is not allowed;

- determination of the list of services for which preliminary consideration and coordination of the Audit Committee is required.

4.1.3.7. Provision of effective interaction between external and internal auditors of the Company.

4.1.4. In the field of the organisation and provision of independence and objectivity of realisation of the internal audit function:

4.1.4.1. The organisation of realisation of the internal audit function:

- a) development of recommendations for the Company's Board of Directors on an optimal method of the organisation of internal audit (creation of division of internal audit / outsourcing / co-sourcing);

- b) consideration, before presentation for approval to the Board of Directors of the Company, of the Policy of internal audit, the Agreement with the external organisation involved for realisation of the internal audit function, other internal documents of the Company determining the purposes, tasks and functions of internal audit;

- c) coordination, prior to approval by Chief Executive Officer of the Company, of the Regulation about an internal audit division.

4.1.4.2. Provision of independence and objectivity of internal audit:

a) preliminary consideration of a nominee for a post of the head of the division of internal audit, and also decisions on its exemption from the post, essential conditions of the employment contract with him or her and changes brought in it;

b) in case of attraction of the external organisation on the internal audit function realisation:

- preliminary consideration of a nominee of such organisation to make sure in independence, objectivity, professionalism and competence of such organisation and its personnel involved in realisation of the Company's internal audit;

- preliminary consideration of essential conditions with him or her, including concerning paid compensation, to the plan of internal audits, periodicity of the reporting about internal audit results;

- preliminary consideration of drafts of amendments to the agreement with the external organisation on the internal audit function realisation;

c) consideration, at least 1 time a year, of a structure and staffing number of the division of the Company's internal audit, preliminary consideration and coordination of changes in them;

d) consideration, prior to approval by the Board of Directors of the Company, of the annual plan of activity of the Internal audit and changes in it;

e) consideration, at least 1 time a quarter, of the report of the Internal audit on execution of the annual plan and results of realisation of internal audit inspections;

f) analysis on a regular basis, but at least 1 time a year, of results of accomplishment by the executive office of the Company of the plan of measures on elimination of infringements and the lacks revealed by the Audit Commission of the Company, the Company's Internal audit.

4.1.4.3. Consideration of the restrictions capable negatively to affect execution of the internal audit function:

a) consideration and coordination of the budget of the division of internal audit and changes for it, the report of the price of the agreement with the external organisation involved in realisation of the internal audit function, and also changes for them;

b) consideration of essential restrictions of powers of the Internal audit, discussion with the Internal audit of any serious difficulties arising during carrying out of audit, including any restrictions on amount of work scope and-or on access to the information necessary for internal auditors.

4.1.4.4. Estimation of efficiency of realisation of the internal audit function:

a) carrying out, at least 1 time a year, an individual meeting with the head of the division of internal audit/an authorised representative of the external organization, performing internal audit functions, on questions concerning the internal audit function;

b) consideration, at least 1 time a year, of results of self-estimation of quality of work of the internal audit function which is conducted according to internal standards of activity of the internal audit, discussion with the head of the division of internal audit/an authorised representative of the external organization, performing internal audit functions, of the plan of measures on the function enhancement;

c) organisation, at least 1 time every five years, of carrying out of independent estimation of quality of the internal audit function, including coordination technical specifications, essential provisions of an agreement and nominees of appraisers of the function of external auditors, preliminary consideration of valuation reports, communicating results of such estimation to the Board of Directors of the Company.

4.1.5. In the field of control over efficiency of functioning of a system of counteraction to unfair actions of employees of the Company and third parties:

4.1.5.1. Control over efficiency of functioning of a system of notification about potential cases of unfair actions of employees of the Company (including unfair use of the insider or confidential information) and third parties, and also other infringements in the Company.

4.1.5.2. Control over realisation of measures accepted by the executive office of the Company on facts of informing on potential cases of unfair actions of employees, revealed infringements and results of conducted investigations.

4.2. Under a decision of the Board of Directors of the Company the Audit Committee can also take other questions concerning its competence for consideration.

5. Composition of the Committee and order of its forming

5.1. The quantity of the Committee's members constitutes not fewer than 3 (three) persons. The personal composition of the Committee is elected by the Board of Directors of the Company from among nominees presented by members of the Board of Directors of the Company. It is recommended to provide forming of a composition of the Audit Committee in time not later than 45 (forty five) calendar days from the moment of election of a new composition of the Board of Directors of the Company.

Members of the Committee can be elected in a composition of the Audit Committee for an unlimited quantity of times.

At promotion of a nominee to members of the Audit Committee for the following reporting period his participation in the Committee's sessions in the previous reporting period is considered. It is recommended not to include in the list of nominees for the Audit Committee in a following reporting period of a Committee member who participated in the previous reporting period less than in 75 percent of sessions.

5.2. For inclusion and maintenance of stocks of the Company in the quotation list of the second level the Audit Committee should consist of independent members of the Board of Directors and if it is impossible owing to objective reasons - members of the Board of Directors who are not Chief Executive Officer and (or) members of a joint executive office can enter into it, and also employees of the Company.

5.3. For inclusion and maintenance of stocks of the Company in the quotation list of the first (higher) level the Audit Committee should consist only of independent directors and if it is impossible owing to objective reasons - the majority of the Audit Committee's members should constitute independent directors, and other members of the Committee can be members of the Board of Directors of the Company who are not Chief Executive Officer and (or) members of a joint executive office, and also employees of the Company.

5.4. Criteria of independence of members of the Board of Directors are determined according to internal documents of the Company, and in case of absence in internal documents of such criteria - rules of listing of stock exchange on which the Company's securities are traded.

5.5. At promotion to members of the Audit Committee it is recommended to prefer those nominees:

- having higher education in the field of finance, jurisprudence, economy or management;
- having experience in the field of internal audit, internal control and management of risks, accounting (financial) reporting, financial management (nominees should understand principles of preparation of accounting (financial) reporting and to be able to "read" accounting (financial) reports), to possess skills of comparison and analysis);
- having base knowledge in the field of internal audit, control and management of risks;

– possessing knowledge of the company's activity (industry, characteristics of produced products, position in the market, competitive advantages, etc.) and understanding general laws of business dealing.

Members of the Audit Committee should also be reputed, which does not cause doubts that they will honestly carry out the obligations of the Committee's members and act in interests of the Company.

5.6. Offers of members of the Board of Directors of the Company on nominees for election in the Committee should be constituted addressed to the Chair of the Board of Directors of the Company in writing and signed by the member of the Board of Directors of the Company, who presented the specified offers.

5.7. The offer on promotion of nominees to members of the Committee should contain the following data on the nominee:

- surname, name and patronymic of the nominee;
- place of work and post of the nominee at the moment of an offer direction;
- experience (qualification) over the last 5 years;
- consent of the nominee to promotion to members of the Audit Committee;
- information confirming conformity of the nominee to all requirements of section 5 of this Regulation;
- contact information (including preferable methods for communication with the nominee).

5.8. The member of the Board of Directors of the Company, elected to the Committee as independent, in a case if at approach of any events he ceases to meet the requirements, shown to independent directors, should declare loss of such status to the Board of Directors of the Company within 3 (three) working days since the moment when the member of the Board of Directors has learned about loss of the status of the independent director.

5.9. Members of the Committee are elected for a term up to election of a following composition of the Committee.

5.10. Powers of the Committee's members are terminated early in cases:

5.10.1. If the member of the Committee has sent the Chair of the Board of Directors of the Company the statement for voluntary early termination of the powers.

5.10.2. If powers of the member of the Committee as the member of the Board of Directors are terminated early.

5.10.3. If the Board of Directors of the Company by the decision releases the member of the Committee from execution of his or her obligations.

5.11. In case powers of the member of the Audit Committee are terminated early owing to item 5.10.1 and item 5.10.3, then the Board of Directors of the Company within 30 calendar days from the date of receipt of the statement of the member of the Committee specified in item 5.10.1, or the decision-making specified in item 5.10.3 conducts election of a new member of the Committee. Until that time the member of the Audit Committee continues to fulfil the obligations in full.

6. The rights and obligations of the Committee and its members

6.1. For realisation of the assigned functions the Audit Committee has the right:

6.1.1. On the instruction of the Board of Directors to perform the control over execution in the Company of decisions of the Board of Directors.

6.1.2. To make recommendations to executive bodies of the Company and the Board of Directors of the Company within the limits of the competence.

6.1.3. To investigate on questions within the limits of the assigned tasks and functions.

6.1.4. To enquire and receive from the executive office and officials of the Company, the Internal audit documents, reports, explanations, conclusions and other information, including data of confidential character. The specified information and materials should be presented in time not later than 5 (five) working days from the moment of inquiry receipt if the inquiry does not establish a longer term.

6.1.5. To form, in coordination with the executive office, working groups with participation of employees of the Company and involved experts (specialists) for the analysis of questions entering into the competence of the Committee, within the limits of the Committee's budget. The persons heading specified groups will organise their work and provide the analysis of the questions specified by the Committee, within terms established by the decision of the Committee.

6.1.6. To invite to sessions officials and employees of the Company and SDC, members of other Committees of the Board of Directors of the Company, the Chair/members of the Audit Commission of the Company, and also other persons for discussion of questions entering into the competence of the Committee (without voting power).

6.1.7. To hold meetings with the external auditor and the head of the division of internal audit/an authorised representative of the external organisation performing an internal audit function of the Company, without participation of the executive office of the Company.

6.1.8. As required to initiate and organise carrying out, within the limits of the competence and the Committee's budget, special checks, investigations, examinations, reviews, including with attraction of specialists in corresponding areas (law, economy, finance, the business accounting, management, corporate security and other areas of knowledge), not occupying posts in the Company, and also specialised organizations, to solicit the Company for conclusion of civil-law contracts with the specified specialists and organisations.

6.1.9. If necessary to involve in the work of the Experts, who do not occupy posts in the Company, to receive an independent, objective, professional opinion on the questions brought to the competence of the Committee, including, for preparation of materials and recommendations concerning the session agenda.

6.1.10. If necessary to develop and submit for approval by the Board of Directors of the Company drafts of documents regulating activity of the Audit Committee.

6.1.11. Within the competence and in the order provided by this Regulation to perform other powers specified by the Board of Directors.

6.2. The Committee is obliged:

6.2.1. To perform the functions assigned to the Committee according to requirements of the legislation of the Russian Federation, the Company's Articles of Association, this Regulation, other internal documents, local standard documents of the Company and decisions of the Board of Directors of the Company.

6.2.2. To give reasonable recommendations (conclusion) to the Board of Directors of the Company within the Committee's competence.

6.2.3. In due time to inform the Company's Board of Directors on risks connected with activity of the Company within the competence of the Committee.

6.2.4. To observe confidentiality requirements, not to disclose the information constituting commercial secret and (or) included in the list of the insider information of the Company.

6.3. Members of the Committee have the right:

6.3.1. To receive the necessary information on activity of the Company and its affiliated organisations, to get acquainted with constituent, registration, reporting, organizational-administrative and other documents of the Company and its affiliated organisations, including having confidential character, on the questions entering into the competence of the Committee.

6.3.2. To demand in written form convocation of the Committee's session.

6.3.3. To make offers on forming of the plan of work of the Committee, and also on bringing questions to sessions of the Committee which have been not included in the annual plan of work of the Committee, to discuss and vote concerning the agenda of the Committee's session.

6.3.4. To express in written form the opinion, including disagreement with the Committee's decisions, to bring it to the notice of the Chair of the Committee and to record in the report of the Committee's session.

6.3.5. Within the competence and in the order provided by this Regulation to perform other powers specified by the Board of Directors of the Company.

6.4. Members of the Committee are obliged:

6.4.1. At execution of the obligations to act in interests of the Company, to perform the rights and to fulfil obligations concerning the Company honesty and reasonably.

6.4.2. To take active part in the Committee's sessions.

6.4.3. In case they have the conflict of interests on a discussed question of the agenda to report about it to other members of the Committee.

6.4.4. Not to use and not to hand over to other persons the information, including confidential, they have become aware of about activity of the Company which in the hands of the third parties can affect the Company and its business reputation essentially.

6.4.5. In the course of realisation of the obligations to observe the requirements established by the current legislation of the Russian Federation, the Company's Articles of Association, the Regulation regulating the order of convocation and carrying out of sessions of the Board of Directors of the Company, this Regulation and other internal documents of the Company.

6.4.6. To abstain from actions which can:

- lead to conflict origin between interests of the member of the Committee and interests of the Company,
- affect reputation of the member of the Committee in such a manner that there can be doubts in diligent accomplishment of the obligations by him or her as a member of the Audit Committee and possibility to act in interests of the Company.

7. Chair of the Committee (the order of election, the rights and obligations)

7.1. The management of the Committee and the organisation of its activity is performed by Chair of the Committee who is elected by the Board of Directors of the Company from among elected members of the Committee of a new composition. The decision on election of Chair of the Committee is accepted by majority of votes of members of the Board of Directors who are taking part in session of the Board of Directors of the Company. The Company's Board of Directors has the right to re-elect at any time Chair of the Committee with majority of votes of the Board of Directors, taking part in session of the Board of Directors of the Company.

7.2. Chair of the Committee should conform as much as possible to the requirements established for members of the Committee in section 5 of this Regulation.

7.3. For absence of Chair of the Committee his or her obligations are performed by Deputy Chair of the Committee. Deputy Chair of the Committee is elected by members of the Committee from the members by majority of votes of the members of the Committee who are taking part in session of the Committee. Term for carrying out of such session - not later than 30 (thirty) calendar days from the date of election of a composition of the Committee and its Chair by the Board of Directors of the Company.

7.4. Chair of the Audit Committee:

7.4.1. Determines priorities in the Committee's activity, forms the Plan of work of the Committee taking into account the plan of work of the Board of Directors and orders of the Board of Directors, submits the specified Plan of work for approval to the Committee, and also supervises execution of the Plan of work and the Committee's decisions.

7.4.2. Convoques sessions of the Committee and presides over them.

7.4.3. Determines a date, time, a place, a form of carrying out and confirms the Agenda of sessions of the Committee.

7.4.4. Determines a list of the persons invited for participation in sessions of the Committee.

7.4.5. Organises discussion of questions at the Committee's sessions, hears opinions of all members of the Committee and persons invited for participation in session, conducts minutes of sessions of the Committee and signs minutes of sessions of the Committee.

7.4.6. Maintains constant contacts with the Company's executive office, the Company's Board of Directors, the external auditor, the Company's Audit Commission, and the Internal audit. Represents the Audit Committee at interaction with the specified bodies and officials, and also other bodies and persons.

7.4.7. Allocates obligations between members of the Audit Committee.

7.4.8. Reports to the Company's Board of Directors about activity of the Committee with the periodicity established by this Regulation.

7.4.9. Performs official correspondence of the Committee, signs inquiries, letters and documents on behalf of the Committee.

7.4.10. Provides, in the course of the Committee's activity, observance of requirements of the legislation of the Russian Federation, the Articles of Association of the Company, this Regulation, other internal documents of the Company.

7.4.11. Carries out other functions provided by the legislation of the Russian Federation, the Company's Articles of Association, this Regulation, other internal documents of the Company.

8. Secretary of the Committee

8.1. Technical (information, documentary, legal, secretarial) provision of current activity of the Audit Committee both in connection with preparation and carrying out of sessions, and during the period between the Committee's sessions, is performed by the Secretary of the Committee.

8.2. Offers on a nominee of the Secretary of the Committee can be in writing presented by a member of the Board of Directors of the Company and-or the Company's executive office. Secretary of the Committee is elected by majority of votes of the Committee's members participating in session. Secretary of the Committee, as a rule, is an employee of a structural division of the Company which carries out functions of the corporate secretary, or another division performing functions of corporate provision of activity of the Company. Secretary of the Committee may not be an employee of the

Company, in this case the Chief Executive Officer enters into an agreement on accomplishment of functions of the Secretary with him or her. Term of appointment of Secretary of the Audit Committee extends before carrying out of the first session of the Committee in a new composition. Powers of the Secretary of the Committee can be terminated early by the Committee's decision.

8.3. Secretary of the Committee is not a member of the Audit Committee and performs the activity according to this Regulation.

8.4. Secretary of the Committee performs the following functions:

8.4.1. Provides preparation and carrying out of sessions of the Committee;

8.4.2. Performs collection and ordering of materials to the Committee's sessions;

8.4.3. Performs interaction with the Expert of the Committee according to the Regulations on preparation of questions for consideration at the Committee's session (Appendix 3 to this Regulation);

8.4.4. Provides timely direction to members of the Committee and persons invited for participation in session of the Committee notifications of carrying out of sessions of the Committee, the agenda of sessions, materials concerning the Agenda and questionnaires, drafts of documents for familiarity, etc.;

8.4.5. Performs organizational and technical support of carrying out of voting at the Committee's session;

8.4.6. Provides interaction of the Committee with the Company's Board of Directors, other Committees of the Board of Directors, the Company's executive bodies, the external auditor, the Audit Commission of the Company and other bodies and persons;

8.4.7. Conducts minutes of sessions, organises preparation of drafts of decisions of the Committee;

8.4.8. On the instruction of the Committee performs mailing of inquiries, information and materials;

8.4.9. Performs registration of addressed to the Committee and-or members of the Committee correspondence (including inquiries, requests, petitions), provides receipt of necessary information by members of the Committee;

8.4.10. Provides storage of originals of minutes of sessions of the Committee with all appendices to it, dissenting opinions of the Committee's members (at availability), questionnaires at a session carrying out in the correspondence form and other documents and materials concerning activity of the Committee according to procedures of storage of the documentation, accepted in the Company;

8.4.11. Supervises the course of accomplishment of decisions of the Committee;

8.4.12. Carries out orders of Chair of the Committee within the limits of powers of Chair of the Committee;

8.4.13. Performs other functions according to this Regulation.

8.5. Secretary of the Committee has the right to enquire and receive the information necessary for work of the Committee, including according to inquiries of the Committee's members, from the Company divisions.

8.6. Secretary of the Committee bears responsibility:

- for timeliness of mailing to members of the Committee of notifications of the Committee's session and materials to sessions;

- for quality of registration and reliability of the information contained in minutes of the Committee;

- for timeliness of direction of minutes to members of the Committee and the Company's executive office.

9. Attraction of Experts to the Committee's work

9.1. The Audit Committee has the right to involve if necessary for rendering of assistance to work to members of the Committee of the Expert (Experts), not occupying posts in the Company, for receipt of independent, objective, professional opinion on questions under the competence of the Committee, including, for preparation of materials and recommendations concerning the agenda of the Committee's session.

9.2. Recommended quantity of Experts - no more than 2 (two) persons.

9.3. The decision on necessity of attraction of the Expert (Experts) is accepted by members of the Committee at the first start-up session of the Audit Committee of the Company and is arranged by the minutes of the Committee's session. The Expert (Experts) of the Committee is elected by majority of votes of the Committee's members participating in the session.

9.4. Offers on a nominee (nominees) of the Expert (Experts) can be in writing presented by a member of the Board of Directors of the Company and-or Chief Executive Officer of the Company.

9.5. Only physical persons meeting the following criteria can act as the Experts:

- availability of higher economic (financial), legal or other specialized education received in Russian institutions of higher education, having the state accreditation, accepted by foreign institutions of higher education;

- having experience (not fewer than 5 years) in the field of internal audit, internal control or management of risks, or in the field of accounting (financial) reporting, financial management;

- possessing knowledge of the company's activity (industry, characteristics of manufactured products, position in the market, competitive advantages, etc.).

9.6. The Expert of the Committee forms written conclusions and drafts of decisions concerning the agenda of the Committee's session, personally participates in sessions of the Audit Committee, conducted in the form of joint presence, has the right to express the opinion on the substance of questions of the agenda of the Committee's session, on the invitation of Chair of the Committee participates in conducted, according to the Committee's competence, meetings with internal and external auditors, officials of the Company.

The Expert of the Committee is not a member of the Audit Committee and performs the activity according to this Regulation

9.7. Term of appointment of the Expert of the Audit Committee extends before carrying out of the first session of the Committee in a new composition. Powers of the Expert of the Committee can be terminated early by the Committee's decision.

10. The Committee's operating procedure.

10.1. Forming of the plan of work of the Committee.

10.1.1. A draft of the Plan of work for the period of powers of the Committee is formed by Chair of the Committee according to the purposes, tasks and the Committee's competence, under the form stated in Appendix 1 to this Regulation.

10.1.2. The draft of the Plan of work of the Committee is formed on the basis of the plan of work of the Board of Directors of the Company confirmed by the Board of Directors, decisions of the Board of Directors of the Company, decisions of the Committee, offers of the Committee's members and the Internal audit of the Company with application of Sample questions for forming of the Plan of work of the Committee and recommended terms of carrying out of sessions listed in Appendix 2 to this Regulation.

10.2. Terms and order of convocation of regular sessions of the Committee.

10.2.1. Each first session of the Committee in a new composition is conducted not later than 30 (thirty) calendar days from the date of carrying out of the first session of the Board of Directors in a new composition at which members of the Committee have been elected.

10.2.2. The Committee's sessions are conducted according to the Plan, confirmed by the Committee, but at least once a quarter, and also on request of the persons specified in item 10.3.1. of this Regulation.

10.2.3. The decision on convocation of the next session of the Committee, date, time and venue of session and agenda items, and also the decision on the list of persons invited for participation in session, is accepted by Chair of the Committee according to the Plan of work of the Committee.

10.2.4. The decision on convocation of an extraordinary meeting of the Audit Committee, a date, time and a venue of session and agenda items, and also the decision on the list of the persons invited for participation in session, is accepted by Chair of the Committee on the basis of offers of the persons specified in item 10.3.1. of this Regulation.

10.2.5. The notification of carrying out of sessions of the Committee with attached materials under the form given in Appendix 4 to this Regulation should be arranged by the Secretary of the Committee and is directed to persons who are taking part in session, according to the Regulations of preparation of questions for consideration at a session, being Appendix 3 to this Regulation.

10.2.6. The notification of the Committee's members of session carrying out can be done:

- in the location of the organisation - employer of the member of the Committee;
- in other place specified by the member of the Committee, including by e-mail.

10.2.7. Preparation of the Committee's session is performed by the Secretary of the Committee under the direction of Chair of the Committee.

10.2.8. Features of convocation of an extraordinary meeting of the Audit Committee are established in item 10.3 of this Regulation.

10.3. The Committee's extraordinary meetings.

10.3.1. The Committee's extraordinary meeting is conducted under the decision of Chair of the Committee, on request of any member of the Committee, the Company's Board of Directors, as required by the executive office of the Company, the Audit Commission of the Company, external and-or internal auditors.

10.3.2. Within 5 (five) working days from the date of presentation of the requirement or receipt of the request about convocation of an extraordinary meeting of the Committee, Chair of the Committee makes the decision on carrying out of an extraordinary meeting of the Committee and its form, appointment of date, time and a session place, or on refusal in convocation of an extraordinary meeting of the Committee. The reasoned decision on the refusal in convocation of an extraordinary meeting of the Committee goes to the person or the body of the Company who have directed the request about convocation of such session, within 2 (two) working days from the moment of accepting by Chair of the Committee of the decision on the refusal in the session convocation.

10.3.3. The decision of Chair of the Committee on the refusal in convocation of an extraordinary meeting of the Committee can be accepted in the following cases:

- a question (questions), offered for inclusion in the agenda of an extraordinary meeting of the Committee, do not refer to its competence;

- the question, contained in the requirement/request about convocation of an extraordinary meeting of the Committee, is already included in the agenda of the nearest regular session convoked according to the decision of Chair of the Committee, accepted before receipt of the above-stated requirement/request, or according to the confirmed Plan of work of the Committee;

- the order of presentation of requirements/requests established by this Regulation about the session convocation is not observed.

10.3.4. In case of address of the Board of Directors of the Company with the requirement about convocation of an extraordinary meeting of the Committee, Chair of the Committee is obliged to convoke an extraordinary meeting within 5 (five) working days.

10.4. The order of carrying out of sessions of the Committee.

10.4.1. Chair of the Committee presides over sessions of the Committee. In case of his or her absence Deputy Chair of the Committee presides over a session.

10.4.2. The Committee's session is competent (has quorum) if not fewer than half of the Committee's members have taken part in it, but not fewer than 2 (two) members of the Committee. Availability of quorum is determined by Chair of the Committee at a session opening. In the absence of quorum for carrying out of the Committee's session a repeated session of the Committee should be held within 5 (five) working days with the same agenda.

10.4.3. The Committee's sessions can be conducted in the form of joint presence of the Committee's members or in the form of correspondence voting in the order provided by the Regulation about the Board of Directors of the Company.

10.4.4. At determination of availability of quorum for carrying out of the Committee's session in the form of joint presence and results of voting on it a written opinion concerning the Agenda items of the member of the Committee who is absent at a session of the Committee is considered. The written opinion of the member of the Committee is constituted under the form contained in Appendix 5 to this Regulation, and is sent in the order provided by the Regulation about the Board of Directors of the Company.

10.4.5. The session of the Committee which is conducted in the correspondence form is competent, if prior to the beginning of session written opinions (questionnaires) concerning the agenda items of the Committee's session of not fewer than half from the total number of members of the Company's Audit Committee, but not fewer than 2 (two) members of the Committee have been received.

10.4.6. A member of the Committee can participate in a session of the Committee, which is conducted in the form of joint presence, by phone or using a video conference. Participation in the session by means of the specified methods of communication is equal to personal presence at the session.

10.4.7. The Expert of the Committee is present at the Committee's sessions, and both employees of the Company, and third parties can also be present under the invitation of Chair of the Committee. The invited persons have no voting power concerning the Agenda items of the Committee's session.

10.5. Order of decision-making by the Committee.

10.5.1. At voting by questions each member of the Committee possesses one vote.

10.5.2. Transfer of voting power by the member of the Committee to other persons, including other members of the Committee, is not allowed.

10.5.3. In case of equality of voices of the Committee's members the vote of Chair/Presiding Person at a session is solving.

10.5.4. The Committee's decisions are accepted by simple majority of votes from the total number of all members of the Committee.

10.6. Minutes of the Committee's session.

10.6.1. The Committee's session is arranged by Minutes of the Committee's session (hereinafter - the Minutes) under the form given in Appendix 6 to this Regulation, which are signed by Chair of the Committee and Secretary of the Committee within 2 (two) working days after date of carrying out of the session. Storage of the original of the Minutes with all appendices to it, "dissenting opinions" of the Committee's members (at availability), questionnaires at a session carrying out in the correspondence form, is provided by Secretary of the Committee according to item 8.4.10.

10.6.2. Secretary of the Committee before signing the Minutes directs its draft to the Expert of the Committee. The Expert of the Committee considers the draft of the Minutes within 1 (one) working day.

10.6.3. Secretary of the Committee within one working day after the Minutes signing directs its copy together with all appendices, "dissenting opinions" of the Committee's members (at availability) to Chief Executive Officer of the Company, members of the Committee, and the Expert of the Committee.

11. Interaction with bodies of the Company and other persons

11.1. Interaction with the Company's Board of Directors is performed:

11.1.1. Regarding accomplishment by the Committee of orders of the Board of Directors on providing conclusions on individual questions. The Board of Directors in its order should establish reasonable terms of its execution by the Committee;

11.1.2. At direction by the Committee of recommendations to the Board of Directors on any question of a subject of activity of the Committee, including initiation to the Board of Directors of the Company of a question on carrying out of off-schedule checks. The question on expediency of consideration of recommendations of the Committee, directed to the Board of Directors, is considered at a session of the Board of Directors;

11.1.3. In case of immediate communication to the Board of Directors of the information on negative deviations on any aspects of process of preparation of the accounting (financial) reporting;

11.1.4. At providing to the Board of Directors of the Report of the Committee about the done work in a reporting corporate year at least once a year in time not later than 45 (forty five) calendar days before carrying out of the annual Shareholders' general meeting;

11.1.5. By providing on demand of the Board of Directors at any time within a year of the report on current activity of the Committee. Terms of preparation and provision of such report are determined by the decision of the Board of Directors of the Company;

11.1.6. In case of immediate communication to the Board of Directors of the information on illegal and unfair actions, and also infringements (risks), capable to lead to a considerable damage to the Company;

11.1.7. On other questions which are within the competence of the Committee.

11.2. Interaction with the Company's executive bodies is performed:

11.2.1. On lines of activity regarding provision of information and materials necessary for members of the Committee for decision-making concerning the competence of the Committee (according to the «Regulations of preparation of questions for consideration at a session of the Audit Committee of the Board of Directors of the Company» - Appendix 3 to this Regulation);

11.2.2. On the Committee's request about necessity of creation of working groups formed of employees of the Company and involved experts (specialists) within the limits of consideration of individual questions, entering into the Committee's competence;

11.2.3. Regarding provision by the Committee of consultations on cases in point during the period between sessions or before them;

11.2.4. At forming of inquiries about receipt of additional information on cases in point, arranged in a written form signed by Chair of the Committee and directed to Chief Executive Officer of the Company.

11.3. Interaction with the Expert of the Committee is performed:

11.3.1. Regarding provision of participation of the Expert of the Committee in a session of the Committee and giving him or her possibility of issue of recommendations concerning the Agenda items;

11.3.2. To agree upon the session Agenda, on provision of the Expert opinion concerning the Agenda items, to agree upon the Minutes of the Committee's session (Appendix 3 to this Regulation).

11.4. Interaction with the Internal audit is performed:

11.4.1. On quality of realisation of the internal audit function with consideration by the Committee of a quarterly report on results of activity of the Internal audit:

- about accomplishment of the plan of work of the Internal audit;
- about results of realisation of the internal audit function;
- about the most essential revealed infringements leading to essential risks for the Company;

- about revealed essential lacks of the internal control and risk management system;
- about facts of unreasonable restrictions of activity of the Internal audit.

11.4.2. According to conformity of activity of the Internal audit of the Company to the Definition of Internal Auditing, the International professional standards of internal audit and to the Code of ethics of the internal auditor (the program of guarantees and internal audit quality improvement) and its results - at consideration by the Committee of a quarterly report on results of activity of the Internal audit. Periodicity of provision by the Internal audit of results of such estimation for the Committee's consideration is established:

- upon completion of external and periodic internal estimations as a part of a quarterly report of the Internal audit;
- at least once a year for current monitoring.

11.4.3. By annual consideration of the information prepared by the Internal audit about estimation of the internal control and risk management system effectiveness of the Company;

11.4.4. On provision by the Committee of participation of the internal audit in joint presence sessions of the Committee;

11.4.5. Regarding carrying out on a constant basis (at least once a quarter, including by consideration of questions within items 11.4.1 - 11.4.3 of this Regulation) of individual meetings with the head of the division of internal audit/an authorised representative of the external organisation performing the internal audit function on questions, concerning the internal audit function. Meetings can bear insular nature and be conducted both at the initiative of Chair of the Committee, and at the initiative of the head of the division of internal audit/an authorised representative of the external organisation performing the internal audit function;

11.4.6. Regarding accepting of measures by the Committee on elimination of unreasonable restrictions, including in volume and resources interfering with the internal audit to perform the activity;

11.4.7. On provision by the Committee of effective interaction between internal and external auditors of the Company.

11.5. Interaction with the external auditor of the Company is performed:

11.5.1. At discussion with the auditor of the Company of volumes and terms of carrying out of an audit of the Company;

11.5.2. By preliminary consideration and approval of admissible kinds and volumes of non-audit services rendered by the auditor of the Company, and the fee paid by the Company for such services;

11.5.3. In the course of carrying out of meetings with the auditor and the Company's executive bodies with the purpose:

- to discuss questions of drawing up of the accounting (financial) reporting, check of clearness and completeness of disclosing of the information in the accounting (financial) reporting;

- to discuss essential aspects of the accounting policy, methods used at accounting of essential or unusual transactions when several approaches are allowed.

11.5.4. At receipt from the auditor of the Company and consideration of an official written report (written information) of the Company's auditor upon completion of each stage of audit;

11.5.5. Regarding forming of opinion on independence of the auditor of the Company, development of recommendations to the Board of Directors on accepting of measures providing independence of the auditor of the Company;

11.5.6. By consideration of the audit opinion confirming reliability of the annual accounting (financial) reporting of the Company, made under RAS and IFRS;

11.5.7. Regarding estimation of the audit opinion conducted by the Committee on the annual accounting (financial) reporting of the Company under RAS which is a component of the information (materials) to the annual Shareholders' general meeting of the Company.

11.6. Interaction with the Company's Audit Commission is performed:

11.6.1. Regarding consideration of the conclusion of the Audit Commission on the results of checking financial and economic activity of the Company for a year;

11.6.2. Regarding consideration of the information presented by the Audit Commission on individual questions of financial and economic activity of the Company;

11.6.3. At assessment of work of executive bodies of the Company on execution of instructions of the Audit Commission of the Company;

11.6.4. At discussion with members of the Audit Commission of questions of the control system effectiveness over financial and economic activity of the Company;

11.6.5. At consideration of requirements of the Audit Commission about convocation of an extraordinary Shareholders' general meeting and presentation to the Board of Directors of recommendations about possibility of satisfaction of this requirement.

12. Provision of activity of the Committee

12.1. For provision of activity of the Committee the Committee's Budget is formed. The Committee's Budget, being a component of the budget of the Company, should provide proper financing of activity of the Committee, including expenses on attraction of Experts and specialists.

12.2. Chair of the Committee together with Secretary of the Committee prepares offers on the general size of the Budget (with item-by-item disclosing of the information) for discussion by members of the Committee at the first session of the Committee after their election. The offers (adjustments) accepted by the Committee on the general size of the Budget go for approval to the Company's Board of Directors.

12.3. Results of execution of the annual Budget of the Committee are discussed by members of the Committee and presented to the Board of Directors of the Company within the annual report on the Committee's activity.

12.4. Payment of remunerations and compensations for participation in the Committee is made to members of the Committee, Chair and Deputy Chair of the Committee according to the Regulation about payment of remunerations and compensations to members of the Audit Committee of the Board of Directors of IDGC of Centre, confirmed by the decision of the Board of Directors of the Company.

12.5. Payment of compensation to the Secretary of the Committee is performed according to the Regulation about payment of remunerations and compensations to members of the Audit Committee of the Board of Directors of the Company. The Secretary of the Committee is compensated with expenses connected with participation in a session of the Committee, based on acting at the moment of carrying out of the session norms of compensation of travelling and living expenses, established in the Company.

12.6. With a view of carrying out of sessions and working meetings of the Committee the Company gives premises and provides an unimpeded access to them for the Committee's members and invited persons, and also takes other measures for organizational support of sessions and-or meetings of the Committee.

13. Confidentiality

13.1. In execution of the obligations, and also for 3 (three) years after the termination of a term of appointment in the Committee, the persons, being (were) members of the Committee, the Secretary of the Committee and the third parties employed in the Committee, are obliged to observe a mode of protection of the information constituting commercial secret of the Company and a mode of confidentiality of the insider information of the Company concerning the information, received by them in connection with their activity in the Committee. The list of the information constituting commercial secret of the Company and the insider information of the Company is established by the decision of the authorised body of the Company.

13.2. Members of the Committee, the Secretary of the Committee and the third parties, employed in the Committee, have the right to receive the information specified in item 13.1 of the Regulation under the condition of conclusion of the Agreement on confidentiality by them with the Company (Appendix 7 to the Regulation).

13.3. All documents, connected with activity of the Committee, should be stored in the Company's location according to the order of storage of documents established in the Company. The Secretary of the Committee is responsible for storage of the specified documents.

14. The reporting and estimation of activity of the Committee

14.1. Annually Chair of the Committee gives to the Board of Directors of the Company the Report of the Committee on the done work (Appendix 10 to the Regulation).

14.2. Chair of the Committee has the right to give to the Company's Board of Directors separate reports by results of carrying out of investigations on the questions entering into the competence of the Committee.

14.3. The Board of Directors of the Company has the right to demand at any time from the Committee the Report on the current activity of the Committee. Terms of preparation and presentation of such report are determined by the decision of the Board of Directors of the Company.

14.4. The Company's Board of Directors provides carrying out of estimation of quality of work of the Committee directed on determination of degree of overall performance of the Committee, conformity of results of its work to requirements of development of the Company and to revealing of areas in which its activity can be improved.

14.5. The assessment of work of the Committee and its members should be performed on a regular basis at least once a year.

14.6. For carrying out of an independent estimation of quality of work of the Audit Committee, periodically, at least once in 3 years, an external organisation (an adviser) is involved.

14.7. At carrying out by the external organisation (adviser) of an individual estimation of activity of the Audit Committee's members special attention is given to the following factors:

- competence of the questions entering into sphere of responsibility of the Audit Committee;
- knowledge of the industry and features of business dealing of the company;
- readiness to allocate time for preparation and participation in the committee's sessions;
- level of preparation for the committee's sessions;
- degree of participation in discussion at the committee's sessions;
- readiness to set thorny questions;
- constructivism and aiming at search of decisions.

14.8. Results of the estimation of activity of the Committee are presented to the Board of Directors for discussion.

14.9. Results of an individual estimation of each member of the Committee are brought to the notice of Chair of the Committee and the corresponding member of the Committee and are of confidential character.

15. Final provisions

15.1. This Regulation, and also all appendices and changes to the Regulation, are approved by the Company's Board of Directors.

15.2. The questions, which have been not covered by this Regulation, are regulated by the Company's Articles of Association, internal documents, local statutory acts of the Company, including regulating the order of convocation and carrying out of sessions of the Board of Directors of the Company and other internal documents of the Company, the current legislation of the Russian Federation and decisions of the Board of Directors of the Company.

15.3. If as a result of change of the legislation or standard legal acts of the Russian Federation separate points (articles) of the Regulation conflict to them, these points (articles) of the Regulation shall become invalid, and till the moment of modification of the Regulation members of the Committee are guided by laws and standard legal acts of the Russian Federation.

15.4. This Regulation, the Committee's composition, information on separate decisions of the Committee are published on the Company's site on the Internet. The

Secretary of the Committee bears responsibility for the organisation of placing of the data specified in this point.

The form of the Plan of work of the Audit Committee of the Board of Directors of IDGC of Centre

CONFIRMED BY
the Audit Committee of the Board of Directors
of IDGC of Centre, JSC
from __. __. 20 __ year (Minutes # __)

**The Plan of work of the Audit Committee of the Board of Directors of IDGC of Centre
for 20 __ - 20 __ corporate year**

Expected date of carrying out of session	Carrying out form	Items of the agenda of the Committee's session	Responsible officer	Structural division responsible for preparation of a question
<i>3 quarter 20 __ year</i>				
	Correspondence voting (by poll) / voting in person (joint presence)	1.		
		2.		
		3.		
		4.		
		1.		
		2.		
		3.		
		4.		

**Sample questions for forming of the Plan of work of the Committee and
recommended terms of carrying out of sessions**

Item #	Item of the agenda of session of the Audit Committee	Recommended term for carrying out of session of the Audit Committee
1	About election of Deputy Chair of the Audit Committee	not later than 30 days from the date of approval by the Board of Directors of the Audit Committee composition and its Chair
2	About election of the secretary of the Audit Committee	not later than 30 days from the date of approval by the Board of Directors of the Audit Committee composition and its Chair
3	About attraction of the expert for participation in activity of the Audit Committee	not later than 30 days from the date of approval by the Board of Directors of the Audit Committee composition and its Chair
4	About the approval of the Plan of work of the Audit Committee for 20 __-20 __ corporate year	not later than 30 days from the date of approval by the Board of Directors of the Audit Committee composition and its Chair
5	About consideration of the budget of the Audit Committee for the 2 half-year 20 __ year and the 1 half-year 20 __ year	not later than 30 days from the date of approval by the Board of Directors of the Audit Committee composition and its Chair
6	About consideration of agreement provisions with the external auditor performing audit of the accounting (financial) reporting for 20 __ year, prepared under RAS, and on audit of the consolidated financial reporting for 20 __ year, prepared under IFRS	before the conclusion of the Agreement with the external auditor
7	About consideration of the interim accounting (financial) reporting of the Company for 6 months 20 __ year, prepared under RAS ¹	not later than 60 days after the reporting period completion
8	About results of realisation of events for observance of requirements of the legislation for the control over the insider information in the Company for the 2nd quarter 20 __ year	not later than 60 days after the reporting period completion

¹ The format of the Sample explanatory note is specified in Appendix 11 to this Regulation

9	About consideration of the interim consolidated financial reporting of the Company for 6 months 20 __ year, prepared under IFRS	not later than 60 days after the reporting period completion
10	About consideration of the Management and governance letter presented by the external auditor on the main problems of the accounting (financial) reporting of the Company for the interim period (6 months or 9 months) 20 __ year, prepared under RAS	According to agreement provisions with the external auditor, but not later than 15 days from approach of term of preparation of the Management and governance letter
11	About consideration of the Management and governance letter presented by the external auditor on the main problems of the consolidated financial reporting of the Company for the interim period of 6 months 20 __ year, prepared under IFRS	According to agreement provisions with the external auditor, but not later than 15 days from approach of term of preparation of the Management and governance letter
12	About consideration of the report of the structural division performing the internal audit and control function, about accomplishment of the plan of work in the 2nd quarter 20 __ year and results of activity of internal audit	not later than 60 days after the reporting period completion
13	About consideration of the report of the Chief Executive Officer about risks of the Company for the 1st half-year 20 __ year	not later than 75 days after the reporting period completion
14	About the Regulation coordination about the structural division performing the internal audit function of the Company, in a new edition	as required
15	About consideration and coordination of the organizational structure and budget of the structural division performing the internal audit and control function of the Company	as required
16	About results of realisation of events for observance of requirements of the legislation for the control over the insider information in the Company for the 3rd quarter 20 __ year	not later than 60 days after the reporting period completion
17	About consideration of the report of the structural division performing the internal audit and control function, about accomplishment of the plan of work in the 3rd quarter 20 __ year and results of activity of internal audit	not later than 60 days after the reporting period completion
18	About consideration of the accounting (financial) reporting of the Company for 9 months 20 __ year, prepared under RAS	not later than 60 days after the reporting period completion
19	About preliminary consideration of the plan of work of the structural division performing the internal audit function, for 20 __ year	not later than November, 30th of the year previous the planned

20	About consideration of essential aspects of the accounting policy of the Company and planned changes for the coming year	not later than December, 25th of the year previous the planned
21	About coordination of the documentation for carrying out of purchasing procedures to choose the external auditor on the right of the conclusion of the agreement on rendering of audit services	not later than December, 25th of the year previous the planned
22	About consideration of the report of the Company's management about accomplishment of Plans of correcting events for elimination of lacks revealed by the Audit Commission of the Company, the Company's internal audit	not later than two months from the date of the reporting period completion
23	About consideration of the information of the Company's management on non-standard operations and events, and also on forming of a reserve of doubtful debts and estimate obligations	not later than February, 28th of the year following the reporting
24	About consideration of the report of the Company's internal audit about effectiveness of the internal control and risk management system for 20 __ year	not later than February, 28th of the year following the reporting
25	About consideration of the report of the structural division performing the internal audit and control function, about accomplishment of the plan of work in the 4th quarter 20 __ year and for 20 __ year and results of activity of internal audit	not later than 90 days after the reporting period completion
26	About consideration of the report of the Chief Executive Officer about management of key operational risks of the Company for 20 __ year	not later than 90 days after the reporting period completion
27	About consideration and coordination of contents of the section of the annual report of the Company "Internal control and risk management"	not later than 120 days after the reporting period completion
28	About consideration of the accounting (financial) reporting of the Company for 20 __ year, prepared under RAS	not later than 120 days after the reporting period completion (before bringing to consideration by the Board of Directors)
29	About consideration of the Management and governance letter presented by the external auditor on the main problems of the accounting (financial) reporting of the Company for 20 __ year, prepared under RAS, and information of the Company's management on essential adjustments brought by results of carrying out of external audit of the accounting (financial) reporting	According to agreement provisions with the external auditor, but not later than 15 days from approach of term of preparation of the Management and governance letter
30	About results of realisation of events for observance of requirements of the legislation for the control over the insider information in the Company for 20 __ year	not later than 60 days after the reporting period completion

31	About consideration of the report of the structural division performing the internal audit and control function, about accomplishment of the plan of work in the 1st quarter 20 __ year and results of activity of internal audit	not later than 60 days after the reporting period completion
32	About consideration of a nominee of the external auditor of the Company for carrying out of audit of accounting statements of the Company for 20 __ year, prepared under RAS, and audit of the consolidated financial reporting for a year ended 31.12.20 __ year, prepared under IFRS	not later than 120 days after the reporting period beginning (following the results of end of purchasing procedure)
33	About consideration of the accounting (financial) reporting of the Company for the 1st quarter 20 __ year, prepared under RAS	but not later than 60 days after the reporting period completion
34	About results of realisation of events for observance of requirements of the legislation for the control over the insider information in the Company for the 1st quarter 20 __ year	not later than 60 days after the reporting period completion
35	About the draft of the financial (accounting) reporting of the Company for 20 __ year, prepared under IFRS	not later than 120 days after the reporting period beginning (before bringing to consideration by the Board of Directors)
36	About estimation of quality of work of the external auditor, including about an auditor's report estimation under the accounting (financial) reporting of the Company for 20 __ year, prepared under RAS	April-May 20 __ (before bringing to consideration by the Board of Directors)
37	About consideration of the Management and governance letter presented by the external auditor on the main problems of the consolidated financial reporting of the Company for 20 __ year, prepared under IFRS, and information of the Company's management on the essential adjustments brought by results of carrying out of external audit of the consolidated financial reporting	According to agreement provisions with the external auditor, but not later than 15 days from approach of term of preparation of the Management and governance letter
38	About recommendations to the Company's Board of Directors on the size of fee of the external auditor on audit of the accounting (financial) reporting for 20 __ year, prepared under RAS, and on audit of the consolidated financial reporting for 20 __ year, prepared under IFRS	not later 30.06.20 __
39	About the report of the Audit Committee to the Company's Board of Directors about the done work	not later than June, 30th of a reporting corporate year

Note: the List of Sample questions for forming of the Plan of work of the Audit Committee is not complete and is formed according to point 10.1.2. of the Regulation on the Committee.

Regulations
of preparation of questions for consideration at a session
of the Audit Committee of the Board of Directors of IDGC of Centre

1. General provisions

1.1. The Regulations of preparation of questions for consideration at a session of the Audit Committee of the Board of Directors of IDGC of Centre (hereinafter - the Regulations) are developed for consideration according to the Regulation on the Audit Committee of the Board of Directors of IDGC of Centre (hereinafter - the Company).

1.2. These Regulations determine the procedure of preparation of questions for consideration at the Committee's session, including an order and terms of preparation and bringing to consideration of the Committee of the plan of work for the election period, agendas of sessions of the Committee, materials, and expert judgements.

2. Order of preparation of the Agenda of the Committee's session

2.1. The Secretary of the Committee according to the confirmed Plan of work forms the Agenda of a planned session of the Committee (hereinafter - the Agenda) with an expected date, the form of carrying out of session and indication of officials (of the level not below Deputy General Director of the Company or a head of direct reporting to General Director of the Company), responsible for materials preparation.

2.2. At forming of the Agenda the Secretary of the Committee should consider the list of questions included in the confirmed Plan of work of the Committee, earlier given out orders of the Committee and the Board of Directors of the Company which are within the competence of the Committee.

2.3. Before signing the Agenda draft with Chair of the Committee it is communicated to the Head of the structural division performing the internal audit function.

2.4. The Agenda can be added with questions at the initiative of Chair of the Committee, on request of any member of the Committee, the Board of Directors of the Company, the Management Board of the Company, the Audit Commission of the Company, the auditor of the Company, the head of the structural division performing the internal audit function, under a letter of inquiry of General Director of the Company.

2.5. The offer on inclusion of an additional item (items) into the Agenda should be presented by the Initiator to Chair of the Committee (the letter addressed to Chair of the Committee with a copy to the Secretary of the Committee) with attachment of a draft of the decision, the explanatory note with the justification of necessity of consideration of the question at the session and other reference materials not later than 8 (eight) working days prior to the session date, and taking into account the terms provided by item 4.1 of these Regulations.

2.6. The control over observance of terms of presentation of offers on inclusion of questions into the Agenda (including the explanatory note and materials) is performed by the Secretary of the Committee.

2.7. The additional items, submitted to the Secretary of the Committee with infringement of the terms established by item 2.5 of these Regulations, are included into the Agenda of a following session, or under the decision of Chair taking into account importance and urgency, can be included into the agenda of an extraordinary meeting of the Committee which terms are determined by Chair taking into account requirements of item 4.1 of these Regulations.

2.8. The Secretary of the Committee directs the draft of the Agenda to the Expert of the Committee 12 (twelve) working days prior to carrying out of the session for the coordination of the list of questions. The Expert of the Committee considers the Draft of the Minutes within 1 (one) working day and prepares the Conclusion on forming of the Agenda of the Committee.

2.9. The Conclusion prepared by the Expert on forming of the Agenda of the Committee goes to the Secretary of the Committee for further approval of the Agenda by Chair of the Committee.

2.10. The Secretary of the Committee informs Chair of the Committee on all facts of non-observance of terms of provision of offers on inclusion into the Agenda (including the explanatory note and materials) for accepting by Chair of the Committee the decision on the Agenda approval.

2.11. The notification of carrying out of the Committee's session, including the Agenda, should be directed by the Secretary to members of the Committee and persons, invited for participation in the Committee's session, not later than 10 (ten) working days prior to date of carrying out of the Committee's session, and about the session carrying out, with inclusion of additional items, not later than 7 (seven) working days before the date of carrying out of the Committee's session.

2.12. Materials for voting under the Agenda questions, including the notification of carrying out of the Committee's session, the Agenda, the Expert judgement, should be directed by the Secretary to members of the Committee not later than 3 (three) working days prior to date of carrying out of the Committee's session.

3. Order of preparation of materials concerning the Agenda of the Committee's session

3.1. Materials concerning the Agenda without fail should include:

- drafts of decisions of the Committee on the questions included into the Agenda;
- explanatory notes to directed materials and drafts of decisions of the Committee on the questions included into the Agenda;
- materials accompanying and confirming data, stated in drafts of decisions and explanatory notes;
- the expert judgement on the questions included into the agenda of the Committee's session;
- other information materials on the questions included into the Agenda.

3.2. Materials concerning the Agenda, explanatory notes and drafts of decisions (signed by Deputy General Director of the Company or the head of direct reporting to General Director of the Company) are prepared by the structural divisions of the Company responsible for preparation of questions within the limits of the approved Plan of work, and also initiators of inclusion of additional items into the Agenda, specified in item 2.5 of these Regulations.

3.3. In case of bringing questions covering area of expertise of several structural divisions/lines of activity of the Company, the responsible division provides the

preliminary coordination of materials according to requirements of the Company's document workflow.

3.4. The set of documents, prepared according to requirements of this section, is sent by the Secretary of the Committee to the Expert of the Committee not later than 8 (eight) working days prior to date of carrying out of the session.

4. Order of preparation of the Expert judgement concerning the agenda of the Committee's session

4.1. The Expert of the Committee considers the arrived materials under the Agenda within 4 (four) working days and 3 (three) working days prior to carrying out of the Committee's session directs the Expert judgement concerning the agenda of the Committee's session (hereinafter - the Expert judgement) to the Secretary of the Committee (Appendix 8 to the Regulation).

4.2. The Expert of the Committee analyzes submitted materials on completeness, reliability and urgency of presented information for decision-making. The Expert of the Committee through the Secretary of the Committee has the right to enquire necessary additional materials and explanations on the questions included into the Agenda. Responsible officials are obliged immediately to provide enquired by the Expert of the Committee materials.

4.3. The Expert of the Committee following the results of consideration of the given materials prepares the Expert judgement.

4.4. The Expert judgement should contain names of questions of the Agenda, an information part with recording the basic conclusions made by the Expert of the Committee while considering the materials on questions, with indication of confirming facts and offered drafts of the decision of the Committee.

4.5. In case of untimely provision of materials concerning the Agenda, the Expert of the Committee has the right to draw the conclusion about carrying over of consideration of this point in question for a following session with indication of reasons of carrying over.

4.6. The Secretary of the Committee on the basis of offered by the Expert of the Committee drafts of decisions prepares summary drafts of decisions of the Committee concerning the Agenda.

**The form of notification of carrying out of session of the Audit Committee
of IDGC of Centre, JSC**

**Audit Committee
of the Board of Directors of IDGC of Centre, JSC**

To members of the Audit Committee
of the Board of Directors
of IDGC of Centre, JSC

DEAR MEMBERS OF THE AUDIT COMMITTEE!

This is to notify on carrying out «___» _____ 201_ session of the Audit Committee of IDGC of Centre with the following items of **the AGENDA:**

<i>Item #</i>	<i>Item name</i>	<i>Responsible person for preparation of materials concerning the agenda</i>
1		
2		
...		
...		
i		

Session of the Audit Committee is conducted in _____.
in person (by personal presence) / correspondence form (by poll)

Place and time of carrying out of session/end date and time of acceptance of questionnaires for voting _____.

- Appendices: 1. The Agenda on _____ page;
2. Materials concerning the agenda on _____ page;
3. The questionnaire for voting on _____ page (*for sessions, conducted in the correspondence form (by poll)*).

Chair of the Audit Committee
of the Board of Directors
of IDGC of Centre, JSC

(_____)

**The form of the questionnaire for voting by agenda items
of correspondence session of the Audit Committee
of IDGC of Centre, JSC**

**Audit Committee
of the Board of Directors of IDGC of Centre, JSC**

THE QUESTIONNAIRE

for voting by the agenda items of correspondence session
of the Audit Committee of the Board of Directors of IDGC of Centre, JSC
conducted " __ " _____ 201_

Item:

1.

Decision:

1.

FOR

AGAINST

ABSTAINED

(Leave not crossed out your variant of the answer)

Item:

2. _____

Decision:

2. _____

FOR

AGAINST

ABSTAINED

(Leave not crossed out your variant of the answer)

Item i:

i. _____

Decision:

i. _____

FOR

AGAINST

ABSTAINED

(Leave not crossed out your variant of the answer)

The filled and signed questionnaire is sent by fax _____, or to the electronic address _____, or is transferred in the original to the Secretary of the Audit Committee in time not later _____.
/date, time/

The questionnaire which has arrived after the above-stated term, is nullified, does not participate in the quorum determination, is not considered at determination of results of voting.

Please, sent the original of the questionnaire to the address: _____

**Member of the Audit Committee
of the Board of Directors of IDGC of Centre** _____/ _____/
(signature) (Full name)

**THE QUESTIONNAIRE IS VOID UNLESS SIGNED BY THE MEMBER OF
THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

**The form of the minutes of session
of the Audit Committee of the Board of Directors of IDGC of Centre, JSC**

**Audit Committee
of the Board of Directors of IDGC of Centre, JSC**

**MINUTES
_____ OF SESSION OF THE AUDIT COMMITTEE
IN PERSON /CORRESPONDENCE
OF THE BOARD OF DIRECTORS OF IDGC OF CENTRE, JSC**

_____ «___» _____ 201__

The form of carrying out of session:

In person (by personal presence)/correspondence (by poll)

Date, place, time of carrying out of session/ End date and time of acceptance of questionnaires:

Members of the Committee who are present at a session/participating in correspondence, in person-correspondence voting:

_____;
_____;
_____;
_____.

Invited persons (for sessions which are conducted in person):

_____;
_____;
_____.

The quorum is available.

The agenda:

1. _____;
2. _____;
- ... _____;
- i. _____.

Concerning item 1: _____.

DECISION:

1.1. _____

Voting results: _____.

Concerning item 2: _____.

DECISION:

2.1 _____

Voting results: _____.

Concerning item i: _____.

DECISION:

i.1 _____

Voting results: _____.

Dissenting opinions of members of the Audit Committee

(Full name of the member of the Committee)
 attached/not available.

Questionnaires are attached.

(For session in the correspondence form)

Chair of the Audit Committee _____ (_____)

Secretary of the Audit Committee _____ (_____)

**The form of the agreement on confidentiality of the Audit Committee
of the Board of Directors of IDGC of Centre, JSC**

THE AGREEMENT ON CONFIDENTIALITY

Moscow

«__» _____ 201__

Interregional Distribution Grid Company of Centre, Joint-Stock Company (hereinafter – IDGC of Centre), on behalf of _____, acting on the basis of _____, on the one hand, and _____, elected in the Audit Committee of the Board of Directors of IDGC of Centre by the decision of the Board of Directors from «__» _____ 201__ (Minutes # ____ from _____), on the other hand, hereinafter referred to as "Receiver", jointly referred to as Parties, have entered into this Agreement as follows.

With a view of provision of assistance to the Board of Directors of IDGC of Centre to perform its obligations, the Board of Directors of IDGC of Centre forms the Audit Committee as a consulting-advisory body, acting according to the Regulation on the Audit Committee of the Board of Directors of IDGC of Centre.

In connection with realisation of the rights and performance of duties the Receiver gets access to the confidential information which is transferred to the Receiver under a signature stamp "commercial secret". Within the limits of this Agreement on confidentiality (hereinafter - the Agreement) the Parties agree with the conditions, concerning restrictions to use and further disclose such information.

Confidentiality and Limited Use

1. With a view of this Agreement the concept «Confidential Information» as a whole and in particular means all or any information of any sort, in oral, written or in the electronic form, concerning IDGC of Centre, JSC (hereinafter referred to as «the Informing party») and concerning its activity which has the valid or potential commercial value owing to its being unknown to the third parties, and disclosed by the Informing party to the Receiver according to this Agreement, together with all archival records or copies of the given information or extracts from such information, contained on carriers of any sort.

The Receiver is obliged to store the Confidential Information, using the same level of carefulness which is used by him for storage of the own confidential information, being its property, and such Confidential Information should not be used or reproduced, and the Receiver must not refer to it for any purpose. The Confidential Information must not be disclosed by the Receiver to any third party, both physical, and legal.

2. The Receiver has no right to give the Confidential Information to other persons using or able to use it for the purposes which have resulted or possibly can lead to its disclosure or other wrongful or prohibited under the legislation and this Agreement use, including use of such information with a view of personal enrichment or contribution to enrichment of other persons irrespective of, whether such person is affiliated with it or not.

The Receiver is obliged to notify the Committee on all planned and-or made by it transactions with equity securities of IDGC of Centre and affiliated companies of IDGC of Centre.

3. The Receiver bears responsibility according to the legislation of the Russian Federation for actions of its affiliated persons, including, but not limited, spouses, parents, children, full and not full brothers and sisters, adoptive fathers and the adopted, other persons recognised as affiliated under the current legislation, concerning the Confidential Information obtained from the Receiver, which have resulted or possibly can lead to its disclosure or other misuse, including use of such information with a view of personal enrichment or contribution to enrichment of other persons or incurring losses to IDGC of Centre.

4. This Agreement should not be considered as the document giving to the Receiver any licence rights or any other rights concerning the Confidential Information and its further use.

Return of the confidential information

5. According to the requirement of the Informing Party, or at the sole discretion of the Informing Party, all and any Confidential Information in any form, which the Receiver has received or has acquired from the Informing Party or for the Informing Party, should be returned or if it is not obviously possible, should be destroyed within 7 (seven) days from the moment of receipt of such requirement, and any copies of such information or the data, concerning such information, or extracts from it (in any form), should not remain at the Receiver, and the Receiver should not after that use or reproduce such information entirely or partially for any purpose.

Period of validity and termination of the Agreement

6. This Agreement should enter into force from the moment of signing and will remain in force in the period of performance of duties of the person, being (was) a member of the Audit Committee, the Secretary of the Audit Committee and the third parties employed to work at the Audit Committee, and also within three years after the termination of powers in the Audit Committee and the third parties employed to work at the Audit Committee.

Governing law

7. This Agreement is governed according to the legislation of the Russian Federation.

Any claims and disagreements arising from this Agreement or in connection with this Agreement, or concerning this Agreement or the legal relations established by this Agreement, should be transferred by the Parties to a corresponding court in the location of IDGC of Centre.

Other conditions

8. Starting from the signature date, this Agreement will be made as complete agreement between the Parties concerning the subject considered in it and after its execution will replace with itself and cancels any previous arrangements, documents,

minutes and contacts, both in oral, and in writing, between the Parties, concerning the subject of this Agreement.

Any changes and-or additions to this Agreement will be valid only in the event that they will be executed in writing and signed by both Parties.

This Agreement is made in two identical copies, one for each Party.

Legal addresses and details of the parties:

The Informing Party:

The Receiver:

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

_____ (_____)

_____ (_____)

**The form of the Expert judgement concerning the session agenda
of the Audit Committee of the Board of Directors of IDGC of Centre**

**THE EXPERT JUDGEMENT
concerning the session agenda
of the Audit Committee of the Board of Directors of IDGC of Centre,
planned for __. __. 20 __ year**

To members of the Audit
Committee
of the Board of Directors
of IDGC of Centre, JSC

I recommend to vote “FOR” accepting the following decisions concerning the session agenda of the Audit Committee of the Board of Directors of IDGC of Centre, planned to be held on __. __. 20 __ year:

Regarding item # 1: (the question name according to the Agenda).

THE INFORMATION:

Contains the basic conclusions made by the Expert of the Committee while reviewing materials, with indication of confirming facts.

THE DECISION DRAFT:

Regarding item # 2:

THE INFORMATION:

THE DECISION DRAFT:

Regarding item # i:

THE INFORMATION:

THE DECISION DRAFT:

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

(Full name)
(signature)

The form of estimation of quality of work of the external auditor of IDGC of Centre, JSC

Estimation of quality of work of the external auditor

1. IDGC of Centre, JSC (hereinafter - the Company) entered into agreement from ____ . ____ . 20 ____ # ____ with _____
(name of the Auditor)

on rendering of services in carrying out of audit of the accounting (financial) reporting for 20 ____ year, prepared under RAS (hereinafter - the Agreement) according to which the Company is "Customer", and _____ is "Contractor".
(name of the Auditor)

According to item ____ of the Agreement the term of provision of an audit opinion is established - not later ____ . ____ . 20 ____ . Actually the audit opinion has been given ____ . ____ . 20 ____ that corresponds/ does not correspond to the Agreement provisions.

According to item ____ of the Agreement in addition to the audit opinion the Contractor gives to the Customer the Management and governance letter (audit report) on the main problems of accounting and reporting, concerning any essential lacks noticed by the Contractor in the accounting and reporting drawing up, in the internal control system, deviations while making financial and economic operations from requirements of the legislation of the Russian Federation. Terms of provision of the Management and governance letter (audit report) by the Contractor to the Customer on the main problems of accounting and reporting are specified in item ____ of the Agreement:

- on the first stage – not later ____ ____ 20 ____ year,
- on the second stage – not later ____ ____ 20 ____ year,
- on the third stage – not later ____ ____ 20 ____ year.

Preliminary edition of the Management and governance letter (audit report) on the main problems of accounting and reporting is sent by the Contractor to the Customer not later than 10 working days prior to the term specified in item ____ of the Agreement.

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

- on the first stage – ____ . ____ . 20 ____ year,
- on the second stage – ____ . ____ . 20 ____ year,
- on the third stage – ____ . ____ 20 ____ year.

Provision by the Auditor of the Management and governance letter corresponds/does not correspond to the Agreement provisions.

2. Independence and objectivity of the Auditor are confirmed by the following data given by (the name of the Auditor):

- (the name of the Auditor) has implemented activity standards according to which the given company aspires to be an independent auditor and to be reputed as an independent auditor;

- according to provisions on ethics and independence (the name of the Auditor), all partners and employees (the name of the Auditor) annually confirm observance of these provisions, including absence in the investment portfolio of prohibited financial

investments.

Besides, it is necessary to notice that independence of the external auditor is confirmed by absence at (the name of the Auditor) of a long period of rendering of external audit services in the Company. (The name of the Auditor) performed audit of the accounting (financial) reporting of the Company for 20 __ year/years. (The name of the Auditor) rendered/did not render other services to the Company in 20 __ year.

3. The information of the Auditor on availability / absence of any difficulties was disclosed during cooperation with the management of the company during carrying out of audit inspection and any disagreements with the management of the Company concerning conducting the business accounting and reporting preparation were not arisen.

4. All necessary information according to requirements of item 10 of the Rule (Standard) № 22 «Reporting information received by results of audit, to the management of an audited entity and to representatives of its proprietor» is reflected in the Management and governance letter (audit report) of the external auditor by results of a stage of audit of the accounting (financial) reporting of the Company.

5. According to the Audit opinion, (the name of the Auditor) has come to a conclusion that the accounting (financial) reporting authentically reflects a financial position of the Company and results of its financial and economic activity, clean/qualified (to be specified at availability).

Proceeding from the stated, it is recommended to the Audit Committee of the Board of Directors of IDGC of Centre:

1. To recognise the audit opinion and the procedures which were conducted by (the name of the Auditor), during audit of the accounting (financial) reporting of the Company for 20 __ year, corresponding to the Agreement provisions and requirements of the legislation of the Russian Federation.

2. To confirm the Estimation of the audit opinion which has been given out by (the name of the Auditor), under the accounting (financial) reporting of the Company for 20 __ year, constituted according to the Russian standards of business accounting, pursuant to Appendix __ to these Minutes.

**The form of the report of the Audit Committee of the Board of Directors
of IDGC of Centre, JSC about results of activity of the Audit Committee of the Board
of Directors of IDGC of Centre in the corporate year**

**The report of the Audit Committee of the Board of Directors of IDGC of Centre
about the work done in 20 __-20 __ corporate year**

The Audit Committee of the Board of Directors of the Company (hereinafter – the Committee) is created under the decision of the Board of Directors of the Company of 30.04.2008 (Minutes # 09/08 from 04.05.2008).

Activity of the Audit Committee is governed by the Regulation on the Audit Committee of the Board of Directors of IDGC of Centre, confirmed by the decision of the Board of Directors from __. __. 20 __ (Minutes # __) (hereinafter – the Regulation about the Committee).

Activity of the Audit Committee in an accounting period was performed according to the Plan of work of the Committee for 20 __-20 __ years, confirmed by the Audit Committee of the Company __. __. 20 __ year (Minutes # __).

The quantitative and personal composition of each Committee is determined by the decision of the Board of Directors of the Company.

For accepting of more detailed and reasonable decisions in the field of internal audit and management of risks the Committee has the right to involve experts (advisers).

**Personal composition of the Audit Committee and participation
of members of the Committees in sessions**

The acting personal composition of the Audit Committee is elected by the decision of the Board of Directors __. __. 20 __ (Minutes # __):

#	FULL NAME	Post at the moment of election
1	_____ Chair of the Audit Committee	
2		
3		
4		
5		
6		
7		

Full name is elected as Deputy Chair of the Committee, Full mname - (the post at the moment of election) is elected as the secretary of the Committee (Minutes of the Committee's session from _____ # ____).

According to item 6.1.9 of the Regulation on the Audit Committee, for realisation of assigned tasks, accepting of weighed decisions the Audit Committee has the right to involve experts (advisers). At the session of the Audit Committee __. __. 20 __ (Minutes #

___) the decision was accepted to involve Full name - (the post at the moment of attraction) in activity of the Audit Committee of the Board of Directors of IDGC of Centre as an expert.

Degree of participation of the Committee's members at the Committee's sessions is displayed in the table:

FULL NAME	Total number of sessions / quantity of sessions in which the member of the Committee participated	participation %
___ Chair of the Committee	11 / 10	90,9 %
___ Deputy Chair		

The Committee's Plan provided for carrying out ___ sessions of the Committee with the agendas including ___ questions. Actually in 20 ___-20 ___ corporate year ___² sessions of the Audit Committee were conducted at which ___ questions were considered. The questions, included in the Plan of work, were considered by the Audit Committee in completely /not in full.

The discrepancy in number of planned and actual sessions of the Audit Committee is connected with the following factors:

Compensation for participation in sessions of the Audit Committee

Kinds, size and order of payment of remunerations and compensations to members of the Committee is regulated by the Regulation about payment of remunerations and compensations to members of the Audit Committee of the Board of Directors of IDGC of Centre, confirmed by the Board of Directors of the Company from __. __. 20 __ (Minutes # __).

According to article 7 of the Regulation about Committee for provision of activity of the Committee the Committee's Budget for the 1st half-year 20 __ and for the 2nd half-year 20 __ is agreed upon at the Committee's session (Minutes from __. __. 20 __ #, Minutes from __. __. 20 __ # __). The Committee's Budget is confirmed by the Board of Directors of IDGC of Centre (Minutes from ____ # __, Minutes from ____ # __) in the following volume:

Planning period	Session	Budget, thous. RUB*
II half-year 20 __	Minutes from ____ # __	____
I half-year 20 __	Minutes from ____ # __	____

* for calculation of compensation for participation in the Committee's sessions the minimum monthly wage rate was applied from __. __. 20 __ - __ RUB, from __. __. 20 __ - __ RUB.

² Data is presented taking into account a session of the Audit Committee at which the given report is considered.

Results of execution of the budget of the Committee in 20 __ - 20 __ corporate year are reflected in the table:

Planning period	Budget, thous. RUB		
	Plan	Fact	Saving (+)/ over-expenditure (-)
II half-year 2013	_____	_____	_____
I half-year 2014	_____	_____	_____

The Committee's Budget was disbursed in full.

1. Saving/over-expenditure of the budget for __ half-year 20 __ is caused by the following factors:

- carrying out of fewer/more sessions of the Committee;
- carrying out of fewer/more internal sessions of the Committee;
- and others.

2. Saving/over-expenditure of the budget for __ half-year 20 __ is caused by the following factors:

- carrying out of fewer/more sessions of the Committee;
- carrying out of fewer/more internal sessions of the Committee;
- and others.

The main directions of work of the Audit Committee

In 20 __-20 __ corporate year the Committee conducted __ sessions (__ were planned) and considered __ questions.

Calendar of sessions of the Committee during 2013-2014 corporate years:

	July	August	September	October	November	December	January	February	March	April	May	June
Committee's sessions												

The Committee made recommendations to the Board of Directors on a number of directions:

1. In terms of

–

–

2. In terms of

–

–

3. In terms of

–

**The sample explanatory note on the question
«About consideration of interim accounting (financial) reporting of IDGC of Centre
for ___ months 20 __, prepared under RAS»**

According to item ___ of article ___ of the Regulation on the Audit Committee of the Board of Directors of IDGC of Centre (hereinafter - the Committee), confirmed by the Board of Directors of IDGC of Centre (hereinafter - the Company) __. __. 20 __ (Minutes # ____), the Committee's competence concerns consideration and analysis of interim accounting (financial) reporting under RAS.

During the analysis of indicators of the accounting (financial) reporting of the Company prepared under RAS for ___ months 20 __, the following basic tendencies in change of a financial position of the Company were revealed:

1. The Company's total assets and liabilities increased (have decreased) by ____ million RUB or ___ % and as of __. __. 20 __ constituted ____ million roubles.

2. Major factors of change of the Company's assets were:

– increase/growth (article name) by ____ million RUB or ___ % (___ % from overall growth of total assets);

– reduction/decrease (article name) by ____ million RUB or ___ % (___ % from overall growth of total assets) ...

3. Major factors of change of the Company's capital and obligations were:

– increase/growth (article name) by ____ million RUB or ___ % (___ % from overall growth of cumulative change of the capital and obligations);

– reduction/decrease (article name) by ____ million RUB or ___ % (___ % from overall growth of cumulative change of the capital and obligations) ...

4. The Company's revenue for ___ months 20 __ in comparison with the similar period of 20 __ grew up by ____ million RUB or ___ % and constituted ____ million roubles.

Major factors of change of the Company's revenue were:

– revenue growth/decrease for rendering of services in transmission of electric energy by ____ million RUB or ___ %;

– revenue growth/decrease from resale of electric energy (power) by ____ million RUB or ___ % that is connected with (a reason).

5. The Company's cost of sales for ___ months 20 __ in comparison with the similar period of 20 __ grew up by ____ million RUB or ___ %. The Company's expenses (including commercial and administrative) for ___ months 20 __ increased/decreased by ____ million RUB or ___ % and constitute ____ million RUB and do not exceed the rate of increase of the revenue (exceed the rate of increase of the revenue by ___ %).

6. The Company's sales profit for ___ months 20 __ constituted ____ million RUB or ___ % more than for the similar period of 20 __ (____ million RUB);

7. The Company's other income for ___ months 20 __ constituted ____ million RUB or ___ % more /less than for the similar period of 20 __, which is connected mainly with (a reason).

8. The Company's miscellaneous cost for ___ months 20 __ constituted ____ million RUB, which is ___ % more /less than for the similar period of 20 __, which is connected mainly with (*explanatories of reasons of changes*).

The Company's net profit/loss for __ months 20 __ constituted/made up __ million RUB (net profit/loss for the similar period of 20 __ year __ million RUB).

The list of obligatory appendices to the explanatory note:

- 1) Turnover balance sheet for an accounting period.
- 2) Itemization of accounts receivable as of the accounting period beginning and end (including with indication of debt under which the reserve is created, defaulting debt volume, with indication of the largest debtors and breakdown of change of their indebtedness).
- 3) Breakdown of other income and expenses.
- 4) Explanatories of reasons of considerable fluctuations under reporting articles, results of activity, unusual/non-standard changes in indicators/tendencies.