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MINUTES

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

16 March 2017

Moscow

No. 03/17

Form of the meeting: absent voting.

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

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

Members who did not provide questionnaires: none.

The quorum is present.

The Expert conclusion of the expert of the Audit Committee of the Board of Directors of IDGC of Centre, PJSC M.A. Lelekova was taken into account at drawing up of the minutes. **Date of the minutes:** 16.03.2017.

AGENDA:

1. On preliminary consideration of the report of General Director of the Company and the Management Board «On the organization and functioning of the internal control system, including the implementation of measures to improve the internal control system and the risk management system, which ensure raising the maturity level of the internal control system and the risk management system in 2016».

2. On preliminary consideration of the report of the Company's internal audit «On the effectiveness of the internal control system and the risk management system of the Company in 2016».

Item 1: On preliminary consideration of the report of General Director of the Company and the Management Board «On the organization and functioning of the internal control system, including the implementation of measures to improve the internal control system and the risk management system, which ensure raising the maturity level of the internal control system and the risk management system in 2016». Decision:

To recommend to the Board of Directors of IDGC of Centre, PJSC to take the following decision:

«To take into consideration the report of General Director of IDGC of Centre, PJSC on the organization and functioning of the internal control system and the implementation of measures to improve the internal control system and the risk management system in accordance with the Appendix».

Voting results:		
Oxana Vladimirovna Shate	okhina	- «FOR»
Maxim Mikhailovich Sauk	h	- «FOR»
Roman Alexeyevich Filkin		- «FOR»
Alexander Viktorovich She	evchuk	- «FOR»
Natalia Ilyinichna Erpsher		- «FOR»
Total:		
«FOR»	- «5»	

«AGAINST»	- «0»
«ABSTAINED»	- «0»
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Decision is taken.

Item 2: On preliminary consideration of the report of the Company's internal audit «On the effectiveness of the internal control system and the risk management system of the Company in 2016».

Decision:

1. To note the lack of increase of the level of maturity of the internal control system, the risk management system of the Company following the results of 2016 in comparison with 2015 and keeping the level of maturity of the internal control system, the risk management system as being at an intermediate level between "Moderate" and "Optimal".

2. To recommend to the Board of Directors of the Company to take the following decision:

«1. To approve the Report on the effectiveness of the internal control and risk management systems of IDGC of Centre, PJSC following the results of 2016.

2. To note that the measures implemented by the Company's management in 2016 to improve the internal control and risk management systems did not ensure growth of the level of maturity of the internal control system, the risk management system.

3. To instruct General Director of IDGC of Centre, PJSC:

3.1. To develop no later than 30.04.2017 and to implement a set of measures to improve the internal control and risk management systems with the implementation of additional measures to develop the components of the internal control system "Monitoring", the risk management system "Identification of events" and "Implementation of risk management measures", having ensured the increase of the level of maturity of the internal control system, the risk management system following the results of 2017 up to "Optimal".

3.2. To submit for consideration of the Company's Board of Directors the report on the implementation of the measures, specified in paragraph 3.1 of this decision, together with the report on the organization and functioning of the internal control system and the report of the Company's internal audit on the effectiveness of the internal control system and the risk management system following the results of 2017.

Deadline: not later than 01.04.2018».

Voting results:

Oxana Vladimirovna Shatokhina		- «FOR»
Maxim Mikhailovich Saukh		- «FOR»
Roman Alexeyevich F	'ilkin	- «FOR»
Alexander Viktorovich Shevchuk		- «FOR»
Natalia Ilyinichna Erpsher		- «FOR»
Total:		
«FOR»	- «5»	
«AGAINST»	- «0»	

«ABSTAINED» - «0» Decision is taken.

Chairperson of the Audit Committee

O.V. Shatokhina

Secretary of the Audit Committee