

MINUTES
of the meeting of the Audit Committee
of the Board of Directors of IDGC of Centre, PJSC
(in the form of joint presence)

27 November 2020

Moscow

No. 11/20

Form of the meeting: joint presence.

Time of the meeting: 10 hours 30 minutes – 12 hours 00 minutes.

Place of the meeting: Moscow, Malaya Ordynka St., 15, floor 1, room 201.

Video conference at the address: Moscow, Belovezhskaya str. 4 A5-048, (PJSC Rosseti).

Total number of members of the Audit Committee: 3 persons.

Participants of the meeting: A.I. Kazakov, A.V. Shevchuk.

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

Members who neither participated nor provided 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 was taken into account at drawing up of the minutes.

Date of the minutes: 27.11.2020.

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

The meeting of the Committee was opened by Chairperson of the Committee, Alexander Ivanovich Kazakov.

The following persons were present from IDGC of Centre, PJSC:

A.G. Aleshin - Acting First Deputy General Director for Economy and Finance

V.V. Rezakova - Acting Deputy General Director for Sale of Services

L.A. Sklyarova - Chief Accountant - Head of Financial and Tax Accounting and Reporting Department

S.V. Shpakova - Head of Internal Audit Department

After the announcement of a quorum regarding the agenda items, the meeting of the Committee was called to order.

AGENDA:

- 1.** On consideration of the interim accounting (financial) statements of the Company for 9 months of 2020, prepared in accordance with RAS.
- 2.** On consideration of the report of the Internal Audit Department of the Company «On the implementation of the Work Plan for 9 months of 2020 and the results of the internal audit activities».
- 3.** On preliminary consideration of changes to the Action Plan for the development and improvement of the internal audit activities of IDGC of Centre, PJSC for the period from 2020 to 2024.
- 4.** On preliminary consideration of changes to the Work Plan of the Internal Audit Department of IDGC of Centre, PJSC for 2020.
- 5.** On approval of the Work Plan of the Internal Audit Department of IDGC of Centre, PJSC for 2021.

6. On approval of the budget of the Internal Audit Department of IDGC of Centre, PJSC for 2021.

7. On approval of the remuneration of the head of the internal audit of IDGC of Centre, PJSC (determination of target values of functional KPIs) for 2021.

Item 1. On consideration of the interim accounting (financial) statements of the Company for 9 months of 2020, prepared in accordance with RAS.

Reports (presentations) on the item are stored in the materials for the meeting of the Audit Committee.

Without a report on the item, comments on the materials came from A.I. Kazakov and A.V. Shevchuk.

Explanations and answers to the questions were given by: A.G. Aleshin, V.V. Rezakova, L.A. Sklyarova.

Decision taken at the meeting:

1. Following the results of consideration of the accounting (financial) statements of IDGC of Centre, PJSC for 9 months of 2020, prepared in accordance with RAS, to note:

- excess of the growth rate of expenses over the growth rate of revenue;
- decrease in profitability of sales;
- growth in overdue receivables.

2. To recommend that General Director of the Company take measures to eliminate the negative trends specified in paragraph 1 of this decision.

Voting results under the decision draft, announced at the meeting:

Alexander Ivanovich Kazakov - «FOR»

Alexander Viktorovich Shevchuk - «FOR»

Voting results by providing the written opinion:

Larisa Anatolievna Romanovskaya - «FOR»

Total:

«FOR»	- «3»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Item 2. On consideration of the report of the Internal Audit Department of the Company «On the implementation of the Work Plan for 9 months of 2020 and the results of the internal audit activities».

Reports (presentations) on the item are stored in the materials for the meeting of the Audit Committee.

Without a report on the item, comments on the materials came from A.I. Kazakov and A.V. Shevchuk.

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

Decision taken at the meeting:

To approve the Report of the Internal Audit Department of IDGC of Centre, PJSC on the implementation of the Work Plan for 9 months of 2020 and take into consideration the results of the internal audit activities in accordance with Appendix # 1 to this decision of the Audit Committee.

Voting results under the decision draft, announced at the meeting:

Alexander Ivanovich Kazakov - «FOR»

Alexander Viktorovich Shevchuk - «FOR»

Voting results by providing the written opinion:

Larisa Anatolievna Romanovskaya - «FOR»

Total:

«FOR»	- «3»
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«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Item 3. On preliminary consideration of changes to the Action Plan for the development and improvement of the internal audit activities of IDGC of Centre, PJSC for the period from 2020 to 2024.

Reports (presentations) on the item are stored in the materials for the meeting of the Audit Committee.

Without a report on the item, comments on the materials came from A.I. Kazakov and A.V. Shevchuk.

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

Decision taken at the meeting:

1. To agree upon the changes to the Action Plan for the development and improvement of the internal audit activities of IDGC of Centre, PJSC for the period from 2020 to 2024 in accordance with Appendix # 2 to this decision of the Audit Committee of the Board of Directors of the Company.

2. To recommend that the Board of Directors of IDGC of Centre, PJSC take the following decision:

«To approve the changes to the Action Plan for the development and improvement of the internal audit activities of IDGC of Centre, PJSC for the period from 2020 to 2024 in accordance with the Appendix».

Voting results under the decision draft, announced at the meeting:

Alexander Ivanovich Kazakov - «FOR»

Alexander Viktorovich Shevchuk - «FOR»

Voting results by providing the written opinion:

Larisa Anatolievna Romanovskaya - «FOR»

Total:

«FOR»	- «3»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Item 4. On preliminary consideration of changes to the Work Plan of the Internal Audit Department of IDGC of Centre, PJSC for 2020.

Speaker – Svetlana Valerievna Shpakova.

When discussing the report, questions-comments on the report came from A.V. Shevchuk.

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

Decision taken at the meeting:

1. To agree upon the changes to the Work Plan of the Internal Audit Department of IDGC of Centre, PJSC for 2020 in accordance with Appendix # 3 to this decision of the Audit Committee of the Board of Directors of the Company.

2. To recommend that the Board of Directors of IDGC of Centre, PJSC take the following decision:

«To approve the changes to the Work Plan of the Internal Audit Department of IDGC of Centre, PJSC for 2020 in accordance with the Appendix».

Voting results under the decision draft, announced at the meeting:

Alexander Ivanovich Kazakov - «FOR»

Alexander Viktorovich Shevchuk - «FOR»

Voting results by providing the written opinion:

Larisa Anatolievna Romanovskaya - «FOR»

Total:

«FOR»	- «3»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.**Item 5. On approval of the Work Plan of the Internal Audit Department of IDGC of Centre, PJSC for 2021.**

Reports (presentations) on the item are stored in the materials for the meeting of the Audit Committee.

Without a report on the item, comments on the materials came from A.I. Kazakov and A.V. Shevchuk.

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

Decision taken at the meeting:

1. To agree upon the Work Plan of the Internal Audit Department of IDGC of Centre, PJSC for 2021 in accordance with Appendix # 4 to this decision of the Audit Committee of the Board of Directors of the Company.

2. To recommend that the Board of Directors of IDGC of Centre, PJSC take the following decision:

«To approve the Work Plan of the Internal Audit Department of IDGC of Centre, PJSC for 2021 in accordance with the Appendix».

3. To instruct the head of the internal audit unit of the Company to send for consideration to the members of the Audit Committee a draft audit assignment and an audit program "Analysis of transactions for the acquisition of shares of territorial grid companies by JSC "Sanatorium "Energetik"."

Deadline: no later than 10.11.2021.

Voting results under the decision draft, announced at the meeting:

Alexander Ivanovich Kazakov - «FOR»

Alexander Viktorovich Shevchuk - «FOR»

Voting results by providing the written opinion:

Larisa Anatolievna Romanovskaya - «FOR»

Total:

«FOR»	- «3»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.**Item 6. On approval of the budget of the Internal Audit Department of IDGC of Centre, PJSC for 2021.**

Reports (presentations) on the item are stored in the materials for the meeting of the Audit Committee.

Without a report on the item, comments on the materials came from A.I. Kazakov and A.V. Shevchuk.

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

Decision taken at the meeting:

1. Tentatively to approve the budget of the Internal Audit Department of IDGC of Centre, PJSC for 2021 in accordance with Appendix # 5 to this decision of the Audit Committee of the Board of Directors of the Company.

2. To recommend that the Board of Directors of IDGC of Centre, PJSC take the following decision:

«To approve the budget of the Internal Audit Department of IDGC of Centre, PJSC for 2021 in accordance with the Appendix».

Voting results under the decision draft, announced at the meeting:

Alexander Ivanovich Kazakov - «FOR»

Alexander Viktorovich Shevchuk - «FOR»

Voting results by providing the written opinion:

Larisa Anatolievna Romanovskaya - «FOR»

Total:

«FOR»	- «3»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Item 7. On approval of the remuneration of the head of the internal audit of IDGC of Centre, PJSC (determination of target values of functional KPIs) for 2021.

Reports (presentations) on the item are stored in the materials for the meeting of the Audit Committee.

Without a report on the item, comments on the materials came from A.I. Kazakov and A.V. Shevchuk.

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

Decision taken at the meeting:

1. Tentatively to approve the target values of functional KPIs of the head of the internal audit unit of the Company for 2021 in accordance with Appendix # 6 to this decision of the Audit Committee of the Board of Directors of the Company.

2. To recommend that the Board of Directors of IDGC of Centre, PJSC take the following decision:

«1. To determine the target values of functional KPIs of the head of the internal audit unit of IDGC of Centre, PJSC for 2021 in accordance with the Appendix.

2. To instruct General Director of the Company to approve in the manner established by the Company the target values of functional KPIs of the head of the internal audit unit of IDGC of Centre, PJSC for 2021, specified in paragraph 1 of this decision».

Voting results under the decision draft, announced at the meeting:

Alexander Ivanovich Kazakov - «FOR»

Alexander Viktorovich Shevchuk - «FOR»

Voting results by providing the written opinion:

Larisa Anatolievna Romanovskaya - «FOR»

Total:

«FOR»	- «3»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

The agenda of the meeting of the Audit Committee of the Board of Directors of IDGC of Centre, PJSC on 27.11.2020 was exhausted.

The meeting of the Audit Committee of the Board of Directors of the Company was closed.

Appendices:

1. The Report of the Internal Audit Department of IDGC of Centre, PJSC on the implementation of the Work Plan for 9 months of 2020 and the results of the internal audit activities (Appendix # 1).

2. The changes to the Action Plan for the development and improvement of the internal audit activities of IDGC of Centre, PJSC for the period from 2020 to 2024 (Appendix # 2).

3. The changes to the Work Plan of the Internal Audit Department of IDGC of Centre, PJSC for 2020 (Appendix # 3).

4. The Work Plan of the Internal Audit Department of IDGC of Centre, PJSC for 2021 (Appendix # 4).

5. The budget of the Internal Audit Department of IDGC of Centre, PJSC for 2021 (Appendix # 5).

6. The target values of functional KPIs of the head of the internal audit unit of the Company for 2021 (Appendix # 6).

Chairperson of the Audit Committee

A.I. Kazakov

Secretary of the Audit Committee

S.V. Lapinskaya