

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

12 September 2019

Moscow

No. 16/19

Form of the meeting: joint presence.

Time of the meeting: 10 hours 00 minutes – 12 hours 20 minutes.

Place of the meeting: Moscow, 2nd Yamskaya, 4, Floor 5, Room 507.

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

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

Participants of the meeting: A.V. Varvarin, M.M. Saukh (Video conference), A.V. Shevchuk.

The written opinion of the following members was taken into account while defining the results: none.

Members who neither participated nor provided questionnaires: none.

The quorum is present.

Date of the minutes: 12.09.2019.

The Expert conclusion of the expert of the Audit Committee of the Board of Directors of IDGC of Centre, PJSC T.V. Zaitseva was taken into account at drawing up of the minutes.

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 Viktorovich Varvarin.

The following independent members of the Board of Directors of IDGC of Centre were present:

A.V. Golovtsov

V.Y. Zarkhin

The following persons were present from IDGC of Centre:

O.A. Danshina - Deputy General Director for Corporate and Legal Activities

S.V. Shpakova – Head of Internal Audit Department

The following persons were present from PJSC «Rosseti»:

I.O. Posevina - Director of Internal Audit Department

The following persons were present from JSC KPMG:

L.A. Istomina Director

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

At the suggestion of Chairperson of the Committee, A.V. Varvarin, and with the consent of all the members of the Committee present at the meeting, the agenda of the meeting of the Committee was adjusted (the order of consideration of items was changed).

AGENDA:

1. On consideration of the candidacy of the organization for the provision of external evaluation services of internal audit activities.
2. On preliminary consideration of the report of the internal audit of the Company «On the assessment of corporate governance for the 2018-2019 corporate year».

Item 1. On consideration of the candidacy of the organization for the provision of external evaluation services of internal audit.

Speaker / co-speaker – Svetlana Valerievna Shpakova / Lyudmila Alexandrovna Istomina.

When discussing the report, questions-comments on the report came from A.V. Varvarin, A.V. Shevchuk, M.M. Saukh, A.V. Golovtsov, V.Y. Zarkhin, I.O. Posevina, L.A. Istomina.

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

Decision taken at the meeting:

1. To approve JSC KPMG (Russia, 129110, Moscow, Olimpiysky Prospekt, 16, bld. 5, floor 3, office I, room 24e), recognized as the Winner according to the results of the tender in electronic form (Minutes of the meeting of the tender commission on summing up results of 10.09.2019 № 9/272r), as an organization for conducting an external assessment of the internal audit activity of IDGC of Centre, PJSC.
2. To take into account the decision of the Tender Commission on the conduct of pre-contractual negotiations with the Winner of the tender in electronic form (Minutes of the meeting of the tender commission on summing up results of 10.09.2019 № 9/272r)
3. The management of IDGC of Centre, PJSC shall send to the members of the Audit Committee of the Board of Directors of the Company:
 - 3.1. information on the results of pre-contractual negotiations with the Winner of the tender in electronic form to reduce the cost of the bid.
Deadline: no later than 20.09.2019.
 - 3.2. a draft contract with the Winner of the tender.
Deadline: no later than 20.09.2019.
 - 3.3. a report of the Contractor (prior to signing the certificate of performed services) on the external evaluation of the internal audit activity of IDGC of Centre, PJSC.
Deadline: within 2 business days from the receipt of the report from the Contractor.
4. The management of IDGC of Centre, PJSC, when conducting further procurement procedures for the right to conclude contracts on the evaluation of internal audit activities, should ensure preliminary approval by the Audit Committee of the Board of Directors of the Company of the selection and evaluation criteria established in the procurement documentation.
5. General Director of IDGC of Centre, PJSC shall conclude a contract with JSC KPMG after the winner has provided security for the fulfillment of obligations under the agreement in the amount of 5% of the initial maximum price of the contract in accordance with the requirements of clause 3.7.2. of the procurement documentation.

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

Alexander Viktorovich Varvarin	- «FOR»
Maxim Mikhailovich Saukh	- «FOR»
Alexander Viktorovich Shevchuk	- «AGAINST»

Total:

«FOR»	- «2»
«AGAINST»	- «1»
«ABSTAINED»	- «0»

Decision is taken.

A dissenting opinion was received on this item from a member of the Audit Committee of the Board of Directors of the Company, A.V. Shevchuk (Appendix # 2).

Item 2. On preliminary consideration of the report of the internal audit of the Company «On the assessment of corporate governance for the 2018-2019 corporate year».

Speaker / co-speaker – Svetlana Valerievna Shpakova / Olga Alexandrovna Danshina.

When discussing the report, questions-comments on the report came from A.V. Varvarin, A.V. Shevchuk, M.M. Saukh, A.V. Golovtsov, V.Y. Zarkhin.

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

Decision taken at the meeting:

To recommend that the Board of Directors of the Company take into consideration the report of the internal audit of IDGC of Centre, PJSC on the assessment of corporate governance for the 2018-2019 corporate year in accordance with Appendix # 1 to this decision of the Audit Committee.

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

Alexander Viktorovich Varvarin	- «FOR»
Maxim Mikhailovich Saukh	- «FOR»
Alexander Viktorovich Shevchuk	- «AGAINST»

Total:

«FOR»	- «2»
«AGAINST»	- «1»
«ABSTAINED»	- «0»

Decision is taken.

A dissenting opinion was received on this item from a member of the Audit Committee of the Board of Directors of the Company, A.V. Shevchuk (Appendix # 2).

Appendices:

1. The report of the internal audit of IDGC of Centre, PJSC on the assessment of corporate governance for the 2018-2019 corporate year (Appendix # 1).
2. The dissenting opinion on the agenda item of the Board of Directors of the Company from the member of the Board of Directors of the Company, A.V. Shevchuk (Appendix #2.)

Chairperson of the Audit Committee

A.V. Varvarin

Secretary of the Audit Committee

S.V. Lapinskaya