



Interregional Distribution Grid Company
of Centre, Public Joint-Stock Company
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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 joint presence)

19 April 2016

Moscow

No. 05/16

Form of the meeting: joint presence.

Total number of members of the Audit Committee: 7 persons.

Place of the meeting: Moscow, 2nd Yamskaya, 4, floor 5, office 507.

Time of the meeting: 12 hours 25 minutes – 13 hours 15 minutes.

Participants of the voting: T.P. Dronova, D.A. Malkov, Y.N. Pankstyanov, M.M. Saukh, A.V. Shevchuk (regarding items ##1-2), N.I. Erpsher.

The written opinion (questionnaire) of the following members was taken into account while defining the results: R.A. Filkin, A.V. Shevchuk (regarding items ##3-5).

Members who neither participated nor provided questionnaires: none.

The quorum is present.

Date of the minutes: 19.04.2016.

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.

The meeting of the Audit Committee of the Board of Directors of IDGC of Centre, PJSC was opened by Chairperson of the Audit Committee of the Board of Directors of IDGC of Centre, Yury Nikolayevich Pankstyanov.

A proposed by Chair of the Audit Committee of the Board of Directors of the Company, Y.N. Pankstyanov, and with the consent of all of the members of the Audit Committee of the Board of Directors of the Company the amended meeting agenda was approved.

The following invited representatives of the management of PJSC «Rosseti» were present:

M.A. Lelekova - Director of Control Department (Expert of the Audit Committee of the Board of Directors of IDGC of Centre)

I.V. Shmakov - Head of Internal Audit Directorate

The following invited representatives of IDGC of Centre's management were present:

I.V. Gromova – Deputy General Director for Human Resources and Organizational Design

E.V. Kabanova – Deputy General Director for Development and Sale of Services

S.Y. Rumyantsev – Deputy General Director for Economy and Finance

D.V. Sklyarov – Deputy General Director for Investment

L.A. Sklyarova - Chief Accountant - Head of Financial and Tax Accounting and Reporting Department
S.N. Sharapov - Deputy General Director for Corporate Governance
S.V. Shpakova – Head of Internal Audit and Control Department.

The following representatives of the auditor RSM RUS Ltd. were present:

Elena Pavlovna Loss - President
Elsa Altafovna Gareeva - Contract Manager
Natalia Sergeevna Lopatkin - Director for Audit
Artem Sergeevich Popkov - Internal Control System Manager
Nadezhda Nikolayevna Usanova - Project Manager

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

AGENDA:

1. On the results of the audit of the procurement business process and measures of the Company's management to eliminate shortcomings and violations identified during the audit.
2. Consideration of the Management and governance letter, presented by the external auditor on the main problems of the (accounting) financial statements of the Company for 2015, prepared under RAS, and the consolidated financial statements of the Company for 2015, prepared under IFRS, and the Company's management information about adjustments made on the results of the external audit of the statements.
3. Preliminary consideration of the (accounting) financial statements of the Company for 2015, prepared under RAS, and the consolidated financial statements of the Company for 2015, prepared under IFRS.
4. On evaluation of the effectiveness of the external audit process of the accounting (financial) statements of the Company for 2015.
5. Preliminary consideration of the nomination of the external auditor of the Company to audit the accounting (financial) statements of the Company for 2016.

Item 1. On the results of the audit of the procurement business process and measures of the Company's management to eliminate shortcomings and violations identified during the audit.

Speaker – Svetlana Valeryevna Shpakova.

The report was commented by I.V. Shmakov and A.V. Shevchuk.

Without discussing the report members of the Audit Committee of the Board of Directors proceeded to vote.

Decision taken at the meeting:

To take into consideration the results of the audit of the procurement business process and measures of the Company's management to eliminate shortcomings and violations identified during the audit.

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

Tatiana Petrovna Dronova	- «FOR»
Denis Alexandrovich Malkov	- «FOR»
Yury Nikolayevich Pankstyanov	- «FOR»
Maxim Mikhailovich Saukh	- «FOR»
Alexander Viktorovich Shevchuk	- «FOR»
Natalia Ilyinichna Erpsher	- «FOR»

Voting results by filling in the questionnaires:

Roman Alexeyevich Filkin - «FOR»

Total:

«FOR»	- «7»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Item 2. Consideration of the Management and governance letter, presented by the external auditor on the main problems of the (accounting) financial statements of the Company for 2015, prepared under RAS, and the consolidated financial statements of the Company for 2015, prepared under IFRS, and the Company's management information about adjustments made on the results of the external audit of the statements.

Speakers – Elsa Altafovna Gareeva and Artem Sergeevich Popkov.

Co-speaker – Lyudmila Alexeevna Sklyarova.

Without discussing the report members of the Audit Committee of the Board of Directors proceeded to vote.

After the discussion the members of the Audit Committee of the Board of Directors proceeded to vote.

Decision taken at the meeting:

1. Following the discussion with the external auditor of the Management and governance letter (Auditor's Report) presented by the external auditor to the management of IDGC of Centre, PJSC following the results of the annual audit of the accounting statements of the Company for 2015, prepared under RAS, following the results of the audit of the consolidated financial statements, prepared under IFRS, for the year ended 31 December 2015, to note the absence of substantive comments to the accounting statements of the Company, prepared under RAS for 2015.

2. To take into consideration the information of the Company's management on the absence of entered adjustments following the results of the external audit of the accounting (financial) statements.

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

Tatiana Petrovna Dronova - «FOR»

Denis Alexandrovich Malkov - «FOR»

Yury Nikolayevich Pankstyanov - «FOR»

Maxim Mikhailovich Saukh - «FOR»

Alexander Viktorovich Shevchuk - «FOR»

Natalia Ilyinichna Erpsher - «FOR»

Voting results by filling in the questionnaires:

Roman Alexeyevich Filkin - «FOR»

Total:

«FOR»	- «7»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Item 3. Preliminary consideration of the (accounting) financial statements of the Company for 2015, prepared under RAS, and the consolidated financial statements of the Company for 2015, prepared under IFRS.

Speaker (in terms of RAS) – Lyudmila Alexeevna Sklyarova.

Co-speaker (in terms of IFRS) - Tatiana Olegovna Bryankina.

In discussing the report the questions were received from M.A. Lelekova.

After the discussion the members of the Audit Committee of the Board of Directors proceeded to vote.

Decision taken at the meeting:

1. To recommend to the Board of Directors of IDGC of Centre, PJSC to submit the annual (accounting) financial statements of the Company for 2015, prepared under RAS, for approval of the Annual General Meeting of Shareholders of the Company.
2. To take into consideration the consolidated financial statements of IDGC of Centre, PJSC for the year ended 31.12.2015.

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

Tatiana Petrovna Dronova	- «FOR»
Denis Alexandrovich Malkov	- «FOR»
Yury Nikolayevich Pankstyanov	- «FOR»
Maxim Mikhailovich Saukh	- «FOR»
Natalia Ilyinichna Erpsher	- «FOR»

Voting results by filling in the questionnaires:

Roman Alexeyevich Filkin	- «FOR»
Alexander Viktorovich Shevchuk	- «FOR»

Total:

«FOR»	- «7»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.

Item 4. On evaluation of the effectiveness of the external audit process of the accounting (financial) statements of the Company for 2015.

Speaker – Lyudmila Alexeevna Sklyarova.

In discussing the report the questions were received from M.A. Lelekova.

After the discussion the members of the Audit Committee of the Board of Directors proceeded to vote.

Decision taken at the meeting:

1. To recognize the Auditor's Report and the procedures carried out by RSM RUS Ltd. in the course of the audit of accounting (financial) statements of the Company for 2015 compliant with the terms and conditions of the Agreement and the requirements of the Russian Federation legislation.
2. To recommend to the Board of Directors of the Company to include the Conclusion of the Audit Committee of the Board of Directors of IDGC of Centre, PJSC on the level of efficiency and quality of the external audit process into the list of materials provided to persons entitled to participate the Annual General Meeting of Shareholders of the Company in accordance with Appendix # 1 to this decision.

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

Tatiana Petrovna Dronova	- «FOR»
Denis Alexandrovich Malkov	- «FOR»
Yury Nikolayevich Pankstyanov	- «FOR»
Maxim Mikhailovich Saukh	- «FOR»
Natalia Ilyinichna Erpsher	- «FOR»

Voting results by filling in the questionnaires:

Roman Alexeyevich Filkin	- «FOR»
Alexander Viktorovich Shevchuk	- «ABSTAINED»

Total:

«FOR»	- «6»
«AGAINST»	- «0»
«ABSTAINED»	- «1»

Decision is taken.

Item 5. Preliminary consideration of the nomination of the external auditor of the Company to audit the accounting (financial) statements of the Company for 2016.

Speaker – Svetlana Valeryevna Shpakova.

Without discussing the report members of the Audit Committee of the Board of Directors proceeded to vote.

After the discussion the members of the Audit Committee of the Board of Directors proceeded to vote.

Decision taken at the meeting:

To recommend to the Board of Directors of the Company to propose the Annual General Meeting of Shareholders of the Company to approve the Company's Auditor "RSM RUS" Ltd. (4 Pudovkina street, Moscow, 119285, Russia), recognized as the winner of an open one-stage tender without prequalification of bidders (Minutes of the Procurement Commission from 14.04.2014 № 5/552r).

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

Tatiana Petrovna Dronova - «FOR»

Denis Alexandrovich Malkov - «FOR»

Yury Nikolayevich Pankstyanov - «FOR»

Maxim Mikhailovich Saukh - «FOR»

Natalia Ilyinichna Erpsher - «FOR»

Voting results by filling in the questionnaires:

Roman Alexeyevich Filkin - «AGAINST»

Alexander Viktorovich Shevchuk - «ABSTAINED»

Total:

«FOR»	- «5»
«AGAINST»	- «1»
«ABSTAINED»	- «1»

Decision is taken.

Appendix:

The draft of the Conclusion of the Audit Committee of the Board of Directors of IDGC of Centre, PJSC on the level of efficiency and quality of the external audit process (Appendix # 1).

**Chairperson of the Audit Committee
of the Board of Directors of IDGC of Centre, PJSC**

Y.N. Pankstyanov

**Secretary of the Audit Committee
of the Board of Directors of IDGC of Centre, PJSC**

S.V. Lapinskaya