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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)

09 August 2017

Moscow

No. 10/17

**Form of the meeting:** joint presence.

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

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

Video conference participation at the address: Moscow, Belovezhskaya str., 4 room A3-055 (PJSC «Rosseti»)

**Time of the meeting:** 17 hours 00 minutes – 18 hours 30 minutes.

**Participants of the meeting:** A.I. Pavlov, M.M. Saukh, A.V. Shevchuk.

**The written opinion of the following members was taken into account while defining the results:** T.P. Dronova, O.V. Shatokhina.

**Members who neither participated nor provided questionnaires:** none.

**The quorum** is present.

**Date of the minutes:** 10.08.2017.

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, Alexander Viktorovich Shevchuk.

**The following invited persons were present:**

M.A. Lelekova - Director of Internal Audit and Control Department of PJSC «Rosseti»

A.K. Akhmedova - Deputy General Director for Legal Provision of IDGC of Centre, PJSC

A.Y. Bugorskiy - Head of Department of Sale of Services of IDGC of Centre, PJSC

S.N. Kondratyev - Head of Capital Construction Department of IDGC of Centre, PJSC

K.A. Mikhailik - First Deputy General Director of IDGC of Centre, PJSC

A.V. Pilyugin - First Deputy General Director – Chief Engineer of IDGC of Centre, PJSC

D.V. Sklyarov – Deputy General Director for Investment of IDGC of Centre, PJSC

L.A. Sklyarova - Chief Accountant - Head of Financial and Tax Accounting and Reporting Department of IDGC of Centre, PJSC

O.V. Tikhomirova - Deputy General Director for Economy and Finance of IDGC of Centre, PJSC

S.V. Shpakova – Head of Internal Audit Department of IDGC of Centre, PJSC

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

**AGENDA:**

1. On consideration of the Company's management information "On the implementation of the plans of corrective actions for 6 months of 2017 to remove deficiencies identified by the Company's Internal Audit Commission, the Company's internal audit, external control (supervision) bodies, on measures taken on the facts of informing on potential cases of unfair acts of employees, as well as results of investigations».

2. On consideration of the report of the Internal Audit Department of the Company «On execution of the Work Plan for 6 months of 2017 and results of the internal audit activity».

3. On preliminary consideration of changes in the work plan of the Internal Audit Department of the Company for 2017.

4. On consideration of the structure and list of information contained in the report on the implementation of the work plan and results of internal audit activities.

**Item 1. On consideration of the Company's management information "On the implementation of the plans of corrective actions for 6 months of 2017 to remove deficiencies identified by the Company's Internal Audit Commission, the Company's internal audit, external control (supervision) bodies, on measures taken on the facts of informing on potential cases of unfair acts of employees, as well as results of investigations».**

**Speaker** – Konstantin Alexandrovich Mikhailik.

**In discussing the report the questions were received from the following meeting participants:** A.I. Pavlov, M.M. Saukh, A.V. Shevchuk, M.A. Lelekova.

**The explanations and answers to the questions were given by:** K.A. Mikhailik, A.V. Pilyugin, S.V. Shpakova, O.V. Tikhomirova.

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

**Decision taken at the meeting:**

1. To take into consideration the information of the Company's management «On the implementation of the plans of corrective actions to remove deficiencies identified by the Company's Internal Audit Commission, the Company's internal audit, external control (supervision) bodies» in accordance with Appendix # 1 to this decision of the Audit Committee.

2. To mark:

2.1. The existence of unfulfilled on time (as of the date of the report's formation) activities on the plans developed on the recommendations of internal audit.

2.2. The negative trend of penalty sanctions against the Company by external control (supervision) bodies in the reporting period, compared with the same period last year.

2.3. The availability at the date of the report of the balance of uncompensated direct losses of 2.4 million rubles.

3. To recommend to the Company's management:

3.1. To eliminate the facts of failure to comply with the measures following the results of the inspections within the time frame established by the organizational and administrative documents.

3.2. Taking into account the facts of untimely implementation of the internal audit recommendations on the results of the audit of the business process on grid connection in terms of recording complaints and calls, verifying their validity, as well as a significant increase in penalties based on the results of inspections of external control (supervisors) bodies, the owners of the process together with the internal control unit to carry out a self-assessment of the effectiveness of the design of the control procedures of the process "Sale of services for new customer connections", the results to be reported to the Audit Committee.

Deadline: until 10.11.2017.

3.3. To ensure effective control over the execution of organizational and administrative documents containing preventive measures based on the results of inspections of external control (supervision) bodies.

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

**Alexander Viktorovich Shevchuk** - «FOR»

**Alexey Igorevich Pavlov** - «FOR»

**Maxim Mikhailovich Saukh** - «FOR»

**Voting results by expression in writing:**

**Tatiana Petrovna Dronova** - «FOR»

**Oxana Vladimirovna Shatokhina** - «FOR»

**Total:**

«FOR»	- «5»
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«AGAINST»	- «0»
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«ABSTAINED»	- «0»
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**Decision is taken.**

**Item 2. On consideration of the report of the Internal Audit Department of the Company «On execution of the Work Plan for 6 months of 2017 and results of the internal audit activity».**

**Speaker** – Svetlana Valeryevna Shpakova.

**In discussing the report the questions were received from the following meeting participants:** A.I. Pavlov, A.V. Shevchuk, M.A. Lelekova.

**The explanations and answers to the questions were given by:** S.V. Shpakova, A.Y. Bugorskiy, S.N. Kondratyev.

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

**Decision taken at the meeting:**

To approve the Report of the Internal Audit Department of IDGC of Centre, PJSC «On execution of the Work Plan for 6 months of 2017» and take into consideration the results of the internal audit activity in accordance with Appendix # 2 to this decision of the Audit Committee.

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

**Alexander Viktorovich Shevchuk** - «FOR»

**Alexey Igorevich Pavlov** - «FOR»

**Maxim Mikhailovich Saukh** - «FOR»

**Voting results by expression in writing:**

**Tatiana Petrovna Dronova** - «FOR»

**Oxana Vladimirovna Shatokhina** - «FOR»

**Total:**

«FOR»	- «5»
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«AGAINST»	- «0»
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«ABSTAINED»	- «0»
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**Decision is taken.**

**Item 3. On preliminary consideration of changes in the work plan of the Internal Audit Department of the Company for 2017.**

**Speaker** – Svetlana Valeryevna Shpakova.

**In discussing the report the questions were received from the following meeting participants:** A.I. Pavlov, A.V. Shevchuk, M.M. Saukh, M.A. Lelekova.

**The explanations and answers to the questions were given by:** S.V. Shpakova.

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

**Decision taken at the meeting:**

1. To agree upon the changes in the Work Plan of the Internal Audit Department of IDGC of Centre, PJSC for 2017 in accordance with Appendix # 3 to this decision of the Audit Committee.

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

*«To approve the changes in the Work Plan of the Internal Audit Department of IDGC of Centre, PJSC for 2017 in accordance with the Appendix».*

3. To instruct the Internal Audit Department of IDGC of Centre, PJSC:

3.1. To include in the draft work plan of the Internal Audit Department for 2018 (with the deadline for activities in the 1st quarter of 2018) measures to conduct an analysis of the execution of the repair program with own forces.

3.2. In the event that costs arise for training employees of the Internal Audit Department of IDGC of Centre, PJSC while working in the automated internal audit system to ensure adjusting the budget of the department for 2017 in accordance with the established procedure.

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

**Alexander Viktorovich Shevchuk** - «FOR»

**Alexey Igorevich Pavlov** - «FOR»

**Maxim Mikhailovich Saukh** - «FOR»

**Voting results by expression in writing:**

**Tatiana Petrovna Dronova** - «FOR»

**Oxana Vladimirovna Shatokhina** - «FOR»

**Total:**

«FOR»	- «5»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

**Decision is taken.**

**Item 4. On consideration of the structure and list of information contained in the report on the implementation of the work plan and results of internal audit activities.**

**Speaker** – Svetlana Valeryevna Shpakova.

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

**Decision taken at the meeting:**

1. To approve the structure and list of information contained in the report on the implementation of the work plan and results of internal audit activities in accordance with Appendix # 4 to this decision of the Audit Committee.

2. To recognize «the Form and structure of the Report of the Internal Audit and Control Division of IDGC of Centre on the implementation of the work plan and results of the internal audit activity» and the Instruction «Procedure for the formation of the Report of the Internal Audit and Control Division of IDGC of Centre on the implementation of the work plan and results of the internal audit activity in the reporting period», approved by the decision of the Audit Committee of the Board of Directors of the Company (Minutes # 07/15

of 30.04.2015), to have lost force from the date of adoption of this decision of the Audit Committee.

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

**Alexander Viktorovich Shevchuk** - «FOR»

**Alexey Igorevich Pavlov** - «FOR»

**Maxim Mikhailovich Saukh** - «FOR»

**Voting results by expression in writing:**

**Tatiana Petrovna Dronova** - «FOR»

**Oxana Vladimirovna Shatokhina** - «FOR»

**Total:**

«FOR» - «5»

«AGAINST» - «0»

«ABSTAINED» - «0»

**Decision is taken.**

**Appendices:**

1. The information of the Company's management «On the implementation of the plans of corrective actions to remove deficiencies identified by the Company's Internal Audit Commission, the Company's internal audit, external control (supervision) bodies» (Appendix # 1).
2. The Report of the Internal Audit Department of the Company «On execution of the Work Plan for 6 months of 2017 and the results of the internal audit activity» (Appendix # 2).
3. The draft of the changes in the Work Plan of the Internal Audit Department of IDGC of Centre, PJSC for 2017 (Appendix # 3).
4. The draft of the structure and list of information contained in the report on the implementation of the work plan and results of internal audit activities (Appendix # 4).

The agenda of the meeting of the Committee on 09.08.2017 was exhausted.

The meeting of the Committee was adjourned.

**Chairperson of the Audit Committee**

**A.V. Shevchuk**

**Secretary of the Audit Committee**

**S.V. Lapinskaya**