

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

18 December 2019

Moscow

No. 19/19

**Form of the meeting:** absent voting.

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

**Participants of the voting:** A.V. Varvarin, M.M. Saukh, A.V. Shevchuk.

**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 T.V. Zaitseva was taken into account at drawing up of the minutes.

**Date of the minutes:** 18.12.2019.

**AGENDA:**

1. On consideration of the Company's management information for non-standard transactions and events, as well as the formation of provision for doubtful debts and estimated liabilities.
2. On consideration of material aspects of the accounting policy of the Company in the reporting year of 2019 and planned changes for the coming year of 2020.
3. On consideration of results of an external independent assessment of the quality of internal audit activities.
4. On consideration of the Management and governance letter (auditor's report) on the main problems of accounting (financial) statements of the Company, presented by the external auditor on the main problems of interim accounting (financial) statements of the Company for 9 months of 2019, prepared under RAS, and information of the Company's management on adjustments made as a result of the external audit of the statements.

**Item 1. On consideration of the Company's management information for non-standard transactions and events, as well as the formation of provision for doubtful debts and estimated liabilities.**

**Decision:**

1. To take into consideration IDGC of Centre's management information for non-standard transactions and events, as well as the formation of provision for doubtful debts and estimated liabilities as at 30.09.2019 in accordance with Appendix 1 to this decision of the Audit Committee.
2. To instruct the Company's management to submit to the Audit Committee information for non-standard transactions and events, formation of provision for doubtful debts and estimated liabilities at the end of 2019 together with the item «On preliminary consideration of a draft of financial (accounting) statements of the Company for 2019, prepared in accordance with RAS».

**Voting results:**

**Alexander Viktorovich Varvarin** - «FOR»

**Maxim Mikhailovich Saukh** - «FOR»

**Alexander Viktorovich Shevchuk** - «FOR»

**Total:**

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

**Decision is taken.**

**Item 2. On consideration of material aspects of the accounting policy of the Company in the reporting year of 2019 and planned changes for the coming year of 2020.**

**Decision:**

To take into consideration the information, presented by the Company on the material aspects of the accounting policy of the Company in 2019 and the changes for 2020.

**Voting results:**

**Alexander Viktorovich Varvarin** - «FOR»

**Maxim Mikhailovich Saukh** - «FOR»

**Alexander Viktorovich Shevchuk** - «FOR»

**Total:**

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

**Decision is taken.**

**Item 3. On consideration of results of an external independent assessment of the quality of internal audit activities.**

**Decision:**

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

*«1. To take into consideration the report of the independent expert JSC KPMG and the assessment of the organization and activities of the internal audit of IDGC of Centre, PJSC as a whole consistent with the International Professional Standards of Internal Audit, the Code of Ethics developed by the Institute of Internal Auditors, the Internal Audit Policy of the Company (Appendix 2 to this decision).*

*2. To instruct Director of the Internal Audit Department of IDGC of Centre, PJSC to ensure the development and submission for approval by the Board of Directors of the Company of an action plan for development and improvement of internal audit activities.*

*Deadline: no later than 01.03.2020.».*

**Voting results:**

**Alexander Viktorovich Varvarin** - «FOR»

**Maxim Mikhailovich Saukh** - «FOR»

**Alexander Viktorovich Shevchuk** - «FOR»

**Total:**

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

**Decision is taken.**

**Item 4. On consideration of the Management and governance letter (auditor's report) on the main problems of accounting (financial) statements of the Company, presented by the external auditor on the main problems of interim accounting (financial) statements of the Company for 9 months of 2019, prepared under RAS, and**

**information of the Company's management on adjustments made as a result of the external audit of the statements.**

**Decision:**

To take into consideration the Management and governance letter (auditor's report) of the auditor Ernst & Young LLC to the management and the Audit Committee of the Board of Directors of IDGC of Centre, PJSC according to the results of planning of the audit of the accounting (financial) statements prepared in accordance with RAS, and the consolidated financial statements prepared in accordance with IFRS, for 2019, and the information of the Company's management on the absence of adjustments based on the audit results.

**Voting results:**

**Alexander Viktorovich Varvarin** - «FOR»

**Maxim Mikhailovich Saukh** - «FOR»

**Alexander Viktorovich Shevchuk** - «FOR»

**Total:**

«FOR» - «3»

«AGAINST» - «0»

«ABSTAINED» - «0»

**Decision is taken.**

**Appendices:**

1. IDGC of Centre's management information for non-standard transactions and events, as well as the formation of provision for doubtful debts and estimated liabilities as at 30.09.2019 (Appendix # 1).
2. The report of the independent expert JSC KPMG on the assessment of the organization and activities of the internal audit of IDGC of Centre, PJSC (Appendix # 2).

**Chairperson of the Audit Committee**

**A.V. Varvarin**

**Secretary of the Audit Committee**

**S.V. Lapinskaya**