



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)

05 April 2017

Moscow

No. 04/17

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

Time of the meeting: 10 hours 30 minutes – 11 hours 35 minutes.

Participants of the meeting: M.M. Saukh, R.A. Filkin, O.V. Shatokhina, A.V. Shevchuk, N.I. Erpsher.

Members who neither participated nor provided questionnaires: none.

The quorum is present.

Date of the minutes: 05.04.2017.

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, Oxana Vladimirovna Shatokhina.

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

Natalia Sergeevna Lopatkina - Partner

Alexandra Sergeevna Sumina - Manager responsible for the audit

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

A.K. Akhmedova - Legal Director of Legal Provision Department

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

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

N.A. Loganova - Head of Economics Department

R.P. Mitrofanov - Deputy General Director for Capital Construction

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 Department

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

AGENDA:

1. 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 2016, prepared under RAS, and the consolidated financial statements of the Company for 2016, prepared under IFRS, and the Company's management information about adjustments made on the results of the external audit of the statements.

2. Consideration of the information of the Company's management for non-standard transactions and events, as well as the formation of provision for doubtful debts and estimated liabilities.

3. Preliminary consideration of the accounting (financial) statements of the Company for 2016, prepared under RAS, and the consolidated financial statements of the Company for 2016, prepared under IFRS.

4. On evaluation of the effectiveness of the external audit process of the accounting (financial) statements of the Company for 2016.

5. Preliminary consideration of the nomination of the external auditor of the Company to audit the accounting (financial) statements of the Company for 2017.

Item 1. 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 2016, prepared under RAS, and the consolidated financial statements of the Company for 2016, prepared under IFRS, and the Company's management information about adjustments made on the results of the external audit of the statements.

Speakers – Alexandra Sergeevna Sumina.

In discussing the report the questions were received from the following members of the Committee: O.V. Shatokhina.

The explanations and answers to the questions were given by: N.S. Lopatkina, A.S. Sumina.

Following the discussion of the materials, the Committee's members drew attention to the necessity and importance of the Committee's consideration of the annual accounting (financial) statements of the Company before their disclosure.

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, prepared under RAS, for 2016, following the results of the audit of the consolidated financial statements, prepared under IFRS, for the year ended 31 December 2016, to note the absence of substantive comments to the accounting statements of the Company, prepared under RAS for 2016.

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:

Maxim Mikhailovich Saukh - «FOR»

Roman Alexeyevich Filkin - «FOR»

Oxana Vladimirovna Shatokhina - «FOR»

Alexander Viktorovich Shevchuk - «FOR»

Natalia Ilyinichna Erpsher - «FOR»

Total:

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

Decision is taken.

Item 2. Consideration of the information of the Company's management for non-standard transactions and events, as well as the formation of provision for doubtful debts and estimated liabilities.

Speaker – Lyudmila Alexeevna Sklyarova.

In discussing the report the questions were received from the following members of the Committee: O.V. Shatokhina, R.A. Filkin, A.V. Shevchuk.

The explanations and answers to the questions were given by: E.V. Kabanova, L.A. Sklyarova.

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

Decision taken at the meeting:

To take into consideration the information of IDGC of Centre's management for non-standard transactions and events, as well as the formation of provision for doubtful debts and estimated liabilities for 2016 in accordance with Appendix #1 to this decision of the Audit Committee.

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

Maxim Mikhailovich Saukh	- «FOR»
Roman Alexeyevich Filkin	- «FOR»
Oxana Vladimirovna Shatokhina	- «FOR»
Alexander Viktorovich Shevchuk	- «FOR»
Natalia Ilyinichna Erpsher	- «FOR»

Total:

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

Decision is taken.

Item 3. Preliminary consideration of the accounting (financial) statements of the Company for 2016, prepared under RAS, and the consolidated financial statements of the Company for 2016, prepared under IFRS.

Speaker – Lyudmila Alexeevna Sklyarova.

In discussing the report the questions were received from the following members of the Committee: O.V. Shatokhina, R.A. Filkin, A.V. Shevchuk, M.M. Saukh.

The explanations and answers to the questions were given by: N.A. Loganova, L.A. Sklyarova.

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 2016, 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 31.12.2016.

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

Maxim Mikhailovich Saukh	- «FOR»
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Roman Alexeyevich Filkin	- «FOR»
Oxana Vladimirovna Shatokhina	- «FOR»
Alexander Viktorovich Shevchuk	- «FOR»
Natalia Ilyinichna Erpsher	- «FOR»

Total:

«FOR»	- «5»
«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 2016.

Speaker – Lyudmila Alexeevna Sklyarova.

Without discussing the report 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 2016 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 (Appendix # 2 to this decision of the Audit Committee) into the list of materials provided to persons entitled to participate the Annual General Meeting of Shareholders of the Company.

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

Maxim Mikhailovich Saukh	- «FOR»
Roman Alexeyevich Filkin	- «FOR»
Oxana Vladimirovna Shatokhina	- «FOR»
Alexander Viktorovich Shevchuk	- «ABSTAINED»
Natalia Ilyinichna Erpsher	- «FOR»

Total:

«FOR»	- «4»
«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 2017.

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:

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:

Maxim Mikhailovich Saukh	- «FOR»
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Roman Alexeyevich Filkin	- «ABSTAINED»
Oxana Vladimirovna Shatokhina	- «FOR»
Alexander Viktorovich Shevchuk	- «ABSTAINED»
Natalia Ilyinichna Erpsheer	- «FOR»

Total:

«FOR»	- «3»
«AGAINST»	- «0»
«ABSTAINED»	- «2»

Decision is taken.

Appendices:

1. The information of IDGC of Centre's management for non-standard transactions and events, as well as the formation of provision for doubtful debts and estimated liabilities for 2016 (Appendix # 1).
2. 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 # 2).

The agenda of the meeting of the Committee on 05.04.2017 was exhausted.
The meeting of the Committee was adjourned.

Chairperson of the Audit Committee

O.V. Shatokhina

Secretary of the Audit Committee

S.V. Lapinskaya