

The Audit Commission of IDGC of Centre

Minutes No. 5 of the meeting of the Audit Commission of IDGC of Centre

Moscow

October 28, 2013

The meeting was held in presentia.

Number of members of the Audit Commission of IDGC of Centre, determined by the Articles of Association of the Company – 5 persons.

Members of the Audit Commission of IDGC of Centre (hereinafter the Company), who reviewed the agenda items of this meeting of the Audit Commission of the Company: M.A. Lelekova, I.Y. Bogachev, I.A. Gaychenya, O.V. Golubeva.

The member of the Audit Commission that did not take part in the meeting of the Audit Commission: G.I. Meshalova.

The quorum for taking decisions on all items of the agenda of this meeting of the Audit Commission of the Company is present. Decision on the items of the agenda of the meeting of the Audit Commission is taken by the majority of votes of the members of the Audit Commission of the Company.

THE AGENDA OF THE MEETING OF THE AUDIT COMMISSION:

1. On performance of a planned Audit of IDGC of Centre's financial and economic activities following the results of 9 months of 2013.
2. On approval of terms performance of the planned Audit of IDGC of Centre's financial and economic activities following the results of 9 months of 2013.
3. On approval of the Program of the planned Audit of IDGC of Centre's financial and economic activities following the results of 9 months of 2013.
4. On involvement of specialists (experts) to participate in the planned Audit of IDGC of Centre's financial and economic activities following the results of 9 months of 2013.
5. On re-election of Secretary of the Audit Commission of IDGC of Centre.

SUMMARY OF THE VOTING AND DECISIONS TAKEN:

ITEM NO. 1: On performance of a planned Audit of IDGC of Centre's financial and economic activities following the results of 9 months of 2013.

Voting results:

«FOR»: (M.A. Lelekova, I.Y. Bogachev, I.A. Gaychenya, O.V. Golubeva) - 4 persons

«AGAINST»: none

«ABSTAINED»: none

THE DECISION TAKEN:

To perform a planned Audit of IDGC of Centre's financial and economic activities following the results of 9 months of 2013.

ITEM NO. 2: On approval of terms performance of the planned Audit of IDGC of Centre's financial and economic activities following the results of 9 months of 2013.

Voting results:

«FOR»: (M.A. Lelekova, I.Y. Bogachev, I.A. Gaychenya, O.V. Golubeva) - 4 persons

«AGAINST»: none

«ABSTAINED»: none

THE DECISION TAKEN:

To approve the terms performance of the planned Audit of IDGC of Centre's financial and economic activities following the results of 9 months of 2013 from 05.11.2013 to 29.11.2013.

ITEM NO. 3: On approval of the Program of the planned Audit of IDGC of Centre's financial and economic activities following the results of 9 months of 2013.

Voting results:

«FOR»: (M.A. Lelekova, I.Y. Bogachev, I.A. Gaychenya, O.V. Golubeva) - 4 persons

«AGAINST»: none

«ABSTAINED»: none

THE DECISION TAKEN:

To approve the Program of the planned Audit of IDGC of Centre's financial and economic activities following the results of 9 months of 2013 (Appendix 1 to these Minutes).

ITEM NO. 4: On involvement of specialists (experts) to participate in the planned Audit of IDGC of Centre's financial and economic activities following the results of 9 months of 2013.

Voting results:

«FOR»: (M.A. Lelekova, I.Y. Bogachev, I.A. Gaychenya, O.V. Golubeva) - 4 persons

«AGAINST»: none

«ABSTAINED»: none

THE DECISION TAKEN:

To perform the planned Audit of IDGC of Centre's financial and economic activities following the results of 9 months of 2013 to involve a specialist (expert): Svetlana Anatolyevna Kim - Head of Internal Audit Office of Internal Audit and Control Department of JSC Russian Grids.

ITEM NO. 5: On re-election of Secretary of the Audit Commission of IDGC of Centre.

Voting results:

«FOR»: (M.A. Lelekova, I.Y. Bogachev, I.A. Gaychenya, O.V. Golubeva) - 4 persons

«AGAINST»: none

«ABSTAINED»: none

THE DECISION TAKEN:

To elect Olga Vladimirovna Golubeva as Secretary of the Audit Commission of IDGC of Centre.

Chairperson of the Audit Commission
of IDGC of Centre

_____ M.A. Lelekova

Secretary of the Audit Commission
of IDGC of Centre

_____ O.V. Golubeva

**The Program of the planned Audit
of IDGC of Centre's financial and economic activities following the results of 9 months of 2013**

Date of the audit: from 5 November 2013 to 29 November 2013

Site of the audit: visiting - in the location of the executive office of IDGC of Centre (hereinafter - the Company) at the address: Moscow, 2nd Yamskaya, 4, office processing at the location of JSC Russian Grids at: Moscow, Belovezhskaya street, 4.

Audit performance procedure: office audit.

Audit performance method: sampling audit.

Item #	Area of audit/Program items
1.	Analysis of the financial (accounting) statements for 9 months of 2013
2.	Analysis of key indicators of the operating and business activities for 9 months of 2013 in accordance with the approved business plan. Analysis of the Company's costs of certain items (by sampling of the Audit Commission).
3.	Assessment of the financial condition of the Company, analysis of indicators of the financial condition, comparison with target indicators.
4.	Analysis and verification of accounts payable and receivable, credit portfolio, analysis of overdue and disputed debt, including settlements with Territorial Grid Companies.
5.	Analysis of the reliability and quality of power supply: - dynamics of technological failures in the reporting period, - dynamics of change of indicators of electricity supply.
6.	Analysis of the main performance indicators of production programs for 9 months of 2013 in the areas of the Company's activity: 6.1. Investment program. 6.2. Program of maintenance and repair (hereinafter – the PM). 6.3. Innovation development program. 6.4. Cost management program (hereinafter – the CMP) 6.5. Financial recovery program. 6.6. Non-core assets management program 6.7. Energy efficiency program, program of energy conservation measures. 6.8. Procurement program
7.	Analysis of the Company's performance of obligations to connect applicants to the grid. 7.1. Overall analysis of subsidiaries and affiliates on the grid connection 7.2. Checking performance of applications for grid connection (by sampling of the Audit Commission). 7.3. Analysis of conclusion and execution of contracts for grid connection (by sampling of the Audit Commission).
8.	Analysis and check of claims work of the Company and its results. 8.1. Claims work on receivables and payables, including debt of Territorial Grid Companies.
Item #	Area of audit/Program items
9.	Personnel management. 9.1. Analysis of staff movement 9.2. Analysis of changes in staff structure 9.3. Analysis of labour costs, social benefits and guarantees (by sampling of the Audit Commission).
10.	Checking the Company's interaction with territorial grid companies (TGCs) for mutual provision of

	electricity transmission services.
11.	<p>Elimination of violations identified by external bodies of control (supervision), internal audit, the Audit Commission of the Company:</p> <p>11.1. Check of performance of measures (recommendations) to eliminate the violations identified by the audit of the Company under joint order of JSC FGC UES and JSC Russian Grids dated from 25.02.2013 № 126/126.</p> <p>11.2. Check of performance of measures (recommendations) while executing order of JSC FGC UES and JSC Russian Grids dated from 13.06.2013 № 361/338 «On the audit of procurement organization in 1H 2013.</p>
12.	Checking contracts, contractual obligations (by sampling of the Audit Commission).
13.	<p>Checking organization of corporate governance.</p> <p>Compliance with the procedure provided for by applicable law, the Articles of Association and internal documents of the Company in terms of decision making by management bodies required to complete transactions.</p>
14.	Analysis and evaluation of the effectiveness of the Company's activities in the field of economic, information security and risk assessment of possible abuses in the implementation of industrial and economic activity.
15.	Provision with protective clothing and execution of complex programs to prevent and reduce injuries.