



ITEM № 5  
ON APPROVAL OF THE AUDITOR OF THE COMPANY

31 May 2021

**ITEM № 5 «ON APPROVAL OF THE AUDITOR OF THE COMPANY»**
**Explanatory information on the item**

In accordance with Federal Law dated 26.12.1995 № 208-FZ "On Joint-Stock Companies", the agenda of the Annual General Meeting of Shareholders of the Company should include the issue of approving the auditor.

Federal Law dated 26.12.1995 № 208-FZ "On Joint-Stock Companies" does not specify the term and procedure for nominating an auditor to be included in the voting list on the issue of approving the Company's auditor. The Federal Law does not give shareholders the right to nominate an auditor either.

In this regard, the candidacy of the auditor for approval at the Annual General Meeting of Shareholders of the Company shall be determined by the Board of Directors of the Company within the framework of the preparation of the Annual General Meeting of Shareholders of the Company.

The terms of the procurement procedures for the selection of an external auditor for the right to conclude an agreement on the audit of the Company's financial statements were previously reviewed by the Audit Committee of the Board of Directors of the Company on 10.02.2021 (Minutes No. 02/21), according to which the initial (maximum) purchase price is determined in the amount of 7 500 000,00 RUB with VAT.

PJSC Rosseti on the basis of the order received from IDGC of Centre, PJSC conducted a centralized electronic tender on a single electronic trading platform ([www.rosseti.roseltorg.ru](http://www.rosseti.roseltorg.ru)) for the right to conclude an agreement to audit statements under RAS and IFRS for 2021 for the needs of SDCs of PJSC Rosseti, including for IDGC of Centre, PJSC. According to the results of the Tender, Ernst & Young LLC (Minutes of the Procurement Commission meeting from 18.03.2021 №6/416r) was recognized as the Successful Bidder.

**FOR REFERENCE, the cost of the auditor's services rendered to the Company for the period of 2015-2021**

Period	Auditor name	Price, thous. RUB with VAT	
		RAS	IFRS
2021	Ernst & Young LLC		7 500
2020	Ernst & Young LLC		5 631
2019	Ernst & Young LLC		5 631
2018	Ernst & Young LLC		5 537
2017	RSM RUS LLC		2 856
2016	RSM RUS LLC		2 856
2015	RSM RUS LLC		2 856

Ernst & Young LLC is a member of the Self-Regulatory Organization of Auditors "Audit Chamber of Russia" (SRO RSA) and is included in the register of auditors and audit organizations of SRO SRA under the main registration record number 11603050648. In accordance with the legislation in 2017 SRO RSA conducted quality audit of the audit activities of Ernst & Young LLC and recognized its compliance with the requirements of the Federal Law "On Auditing Activity", auditing standards, the Rules for the Independence of Auditors and Audit Organizations, the Code of Professional Ethics of Auditors, as well as the Charter of SRO RSA.

According to the RAEX rating agency (Expert RA), the EY group of companies in Russia has ranked first in the ranking of the largest audit and consulting groups and audit organizations (for 2014-2016) for three consecutive years. In addition, Ernst & Young LLC takes the first place in the list of the largest Russian audit organizations (subjects of audit activity), compiled by the RAEX agency in 2016.

In accordance with Federal Law dated 30.12.2008 N 307-FZ "On Auditing Activity", an audit is an independent check of financial statements of an audited entity to express an opinion on the reliability of such reporting. In this connection, the Federal Law "On Auditing Activity" provides for mandatory requirements for the independence of the auditor.

The auditor does not have the right to carry out actions that lead to the emergence of a conflict of interests or create a threat of such a conflict. Conflict of interest means a situation in which the interest of the auditor may affect the opinion of such an auditor on the reliability of financial statements of an audited entity.

Ernst & Young LLC meets all the requirements for the independence of the auditor.

The Audit Committee on 28.04.2021 (Minutes No. 07/21) recognized Ernst & Young LLC as complying with the principles of independence, objectivity and recognized the absence of a conflict of interest between Ernst & Young LLC and the Company.

The Board of Directors at the meeting on 29. 04.2021 (Minutes No. 16/21) adopted the recommendations of the Audit Committee on the proposal to the Annual General Meeting of Shareholders of IDGC of Centre, PJSC, to approve Ernst & Young LLC as the auditor of the Company's statements for 2021 and at the same meeting determined the cost services of the auditor in accordance with the recommendations of the Audit Committee issued on the basis of the procurement procedures.

The Agreement with the auditor will enter into force after the auditor is approved by the Annual General Meeting of Shareholders of the Company.

**Draft resolution on item № 5**

To approve the Leader of the collective participant - Ernst & Young LLC (TIN 7709383532, registered office: Sadovnicheskaya nab. 77, bld. 1, 115035 Moscow, Russian Federation) as the Auditor of the Company.

### Information on the Auditor nomination of IDGC of Centre, PJSC:

Full company name of the auditor	Ernst & Young Limited Liability Company (Ernst & Young LLC)
Primary State Registration Number:	№ 1027739707203, date of entry 05.12.2002, series 77 No. 007367150, issued by the Interdistrict Inspectorate of the Ministry of Taxes and Levies of Russia No. 39 for Moscow
Taxpayer Identification Number (INN)	7709382532
Record Validity Code (KPP)	770501001
Russian Business and Organization Classification (OKPO)	59002827
Russian Standard Industrial Classification of Economic Activities (OKVED)	69.20.1
Registered office:	Sadovnicheskaya nab. 77, bld. 1, 115035 Moscow, Russia
Postal address:	Sadovnicheskaya nab. 77, bld. 1, 115035 Moscow, Russia
Telephone:	+7 495 755 9700
Fax:	+7 495 755 9701
E-mail, Auditor's website	<a href="mailto:pr@ru.ey.com">pr@ru.ey.com</a> <a href="https://www.ey.com/ru_ru">https://www.ey.com/ru_ru</a>
Membership in a self-regulatory organization of auditors:	Member in the Self-regulatory Organization of Auditors Association "Sodruzhestvo" (SRO AAS) and included in the register of auditors and audit organizations of the SRO AAS under the main registration record number 12006020327



## Evaluation of the external auditor's nomination by the Audit Committee of the Board of Directors of IDGC of Centre, PJSC

Interregional Distribution Grid Company of  
Centre, Public Joint-Stock CompanyEXTRACT FROM MINUTES  
of the meeting of the Audit Committee  
of the Board of Directors of IDGC of Centre, PJSC  
(in the form of absent voting)

28 April 2021

Moscow

No. 07/21

**Form of the meeting:** absent voting.**Total number of members of the Audit Committee:** 3 persons.**Participants of the voting:** A.I. Kazakov, L.A. Romanovskaya, 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 was taken into account at drawing up of the minutes.

**Date of the minutes:** 28.04.2021.**Item 1. On preliminary consideration of the nomination of the external auditor of the Company to audit financial statements of the Company for 2021.****Decision:**

To recommend that the Board of Directors propose the Annual General Meeting of Shareholders of IDGC of Centre, PJSC to approve the Leader of the collective participant - Ernst &amp; Young LLC (TIN 7709383532, registered office: Sadovnicheskaya nab. 77, bld. 1, 115035, Moscow, Russian Federation) as the Auditor of the Company.

**The decision was taken unanimously.****Minutes signed by:**

Chairperson of the Audit Committee

A.I. Kazakov

Secretary of the Audit Committee

S.V. Lapinskaya

**Extract is correct:**

Secretary of the Audit Committee

S.V. Lapinskaya

28.04.2021.

CONDITION	Complies/ does not comply
General Director of Ernst & Young and his deputies are not founders (participants) of IDGC of Centre's entities, their officials, accountants and other persons responsible for the organization and conduct of accounting and preparation of financial statements in IDGC of Centre	COMPLIES
General Director of Ernst & Young and his deputies are not closely related (parents, spouses, brothers, sisters, children, as well as brothers, sisters, parents and children of spouses) with the founders (participants) of IDGC of Centre, their officials, accountants and other persons responsible for the organization and conduct of accounting and preparation of financial statements in IDGC of Centre	COMPLIES
IDGC of Centre in relation to Ernst & Young is not a founder (participant), Ernst & Young in relation to IDGC of Centre, subsidiaries, branches and representative offices of IDGC of Centre is not a founder (participant)	COMPLIES
Ernst & Young did not provide, for the three years immediately preceding the audit, services for the restoration and maintenance of accounting records, as well as for the preparation of financial statements to individuals and legal entities with respect to these persons	COMPLIES
Ernst & Young is not a founder (participant) of IDGC of Centre, its managers, accountants and other persons responsible for the organization and maintenance of accounting records and preparation of financial statements	COMPLIES
Ernst & Young is not closely related to founders (participants) of IDGC of Centre, its officials, accountants and other persons responsible for the organization and maintenance of accounting records and the preparation of financial statements, (parents, spouses, brothers, sisters, children, as well as brothers, sisters, parents and children of spouses)	COMPLIES
Ernst & Young in relation to IDGC of Centre is not an insurance organization with which Ernst & Young has concluded liability insurance agreements	COMPLIES
The procedure for payment and the amount of remuneration to Ernst & Young for an audit (including compulsory) and the provision of related services are determined by contracts for the provision of audit services and cannot be made subject to any requirements of audited entities on the content of findings that may be made as a result of the audit	COMPLIES