

Following results of control events held by internal audit in 2018, 190 corrective actions aimed at elimination and prevention in the future of violations and drawbacks revealed were designed, including 139 actions planned for 2018, among which 137 were implemented.

Implementation of corrective events is controlled by the Audit Committee within the Company Board of Directors by listening to periodic reports of Company management on implementation of plans for corrective actions for elimination of defects detected by Company Revision Commission, Company internal auditor and external control bodies.

EXTERNAL AUDIT

Issuer's Auditor shall check issuer's financial and economic activity in compliance with the requirements of the legislation of the Russian Federation based on the agreement made.

Following results of the competitive selection held by PJSC "Russian Grids", issuer's Board of Directors shall recommend the relevant candidacy of the Auditor to be approved by the General Shareholders Meeting of the Company.

Candidacy of LLC Ernst & Young was recommended¹ to managerial bodies of PJSC IDGC of Siberia for approval as an auditor for the purpose of auditing accounting statements for 2018-2020 prepared in accordance with the Russian Standards of Accounting and auditing of consolidated financial statements for the years ending on 31.12.2018, 31.12.2019 and 31.12.2020 prepared in accordance with IFRS.

The Audit Committee within the Board of Directors of PJSC IDGC of Siberia resolved to recommend the Company Board of Directors to present the candidacy of LLC Ernst & Young for approval at the annual General Shareholders Meeting for the purpose of auditing Company accounting statements for 2018 prepared in accordance with RAS and auditing of consolidated financial statements for the year ending on 31.12.2018 prepared in accordance with IFRS.

By resolution of the annual General Shareholders Meeting of PJSC IDGC of Siberia, the candidacy of LLC Ernst & Young was approved as Company auditor for 2018.

Auditor's work within the frames of special audit engagements was not performed.

1. Minutes of the meeting of the Tender Commission of PJSC "Russian Grids" in absentia No. 13/595p dated on 16.04.2018