

**Amendments and Additions to Regulations on Audit Committee under the Board of
Directors of IDGC of the North-West, PJSC approved by decision of the Board of Directors
on 29.02.2016 (Minutes No. 197/12)**

1. Clause 4.6 of Section 4 – Committee Competence of the Regulations on the Audit Committee under the Board of Directors of the Company (hereinafter – the Regulations on the Committee) shall be revised to read as follows:

“4.6. Within the frames of its competence the Committee performs the following functions in the field of control over the functional efficiency of the system for counteracting the fraudulent actions by the Company’s employees and third parties:

1) Analysis and assessment of implementation of the conflict of interest management policy;

2) Control over functional efficiency of a system for reporting potential cases of fraudulent actions by the Company’s employees and third parties and other violations within the Company;

3) Supervision over conduction of special investigations on cases of potential fraud or fraudulent use of insider or confidential information;

4) Control over implementation of measures as may be adopted by the Company’s Executive Body when informed of potential cases of fraudulent actions by employees and other violations.”

2. Subclause 10.4.19 of Clause 10.4 of Section 10 – Committee Work Procedure shall be supplemented with the following sentence:

“The Chairman of the Committee accepts the received written opinion by way of its signing.”

3. Appendix No. 3 to the Regulations on the Committee “List of Issues to be Included in the Committee’s Work Plan” shall be revised in accordance with these Amendments and Additions.

**List of Issues to be Included in the Work Plan
of the Audit Committee under the Board of Directors of IDGC of the North-West, PJSC
in 20__-20__ corporate year**

Item No.	Issue on Agenda of the Audit Committee Session	Recommended time for the Audit Committee Session
Organizational Issues		
1	On election of the Deputy Chairman of the Audit Committee	not later than 30 days from the date of approval of the Audit Committee composition and Chairman by the Board of Directors
2	On election of the Secretary of the Audit Committee	
3	On engagement of expert to take part in activities performed by the Audit Committee	
4	On approval of the Work Plan of the Audit Committee for 20__-20__ corporate year	
5	On preliminary examination of the Audit Committee's budget for the second half of 20__ and the first half of 20__	
6	On the progress report of the Audit Committee to the Board of Directors	not later than in 15 calendar days before the date of the Annual General Meeting of Shareholders
7	On preliminary examination of a new revision of the Regulations on the Audit Committee under the Board of Directors of the Company	when required
In the field of accounting (financial) statements of the Company		
8	On examination of intermediate accounting (financial) statements of the Company for __ quarter/months of 20__, produced under RAS	not later than 45 days after the end of the reporting period (for 3 months, 6 months, 9 months of the reporting year)
9	On preliminary examination of accounting (financial) statements of the Company for year _____, produced under the RAS and consolidated financial statements of the Company for year _____, produced under IFRS	not later than April 30 of the year following the reporting year

10	On examination of a written report issued by an external auditor on the main issues of the intermediate accounting (financial) statements of the Company for ____ 20__, produced under RAS, and information from the Company management on adjustments made pursuant to the external audit of financial statements	in accordance with the terms of agreement executed with an external auditor, but not later than 15 days after the deadline for issuing a Written Report on results of intermediate statements audit (6 months/9 months)
11	On examination of a Written Report issued by an external auditor on the main issues of the intermediate accounting (financial) statements of the Company for year ____ produced under RAS, and consolidated financial statements of the Company for year __20__ produced under IFRS, and information from the Company management on adjustments made pursuant to the external audit of financial statements	in accordance with the terms of Agreement with an external auditor, but not later than April 30 of the year following the reporting year
12	On review of essential aspects of the Company's accounting policy in the reporting year and changes planned for the coming year	not later than December 25 of the year preceding the year under planning
13	On examination of information from management on non-standard transactions and events, and on making a provision for doubtful debts and estimated liabilities	not later than December 25 of the reporting year
In the field of control over the functional reliability and efficiency of internal control system, risk management system and corporate governance practices		
14	On preliminary examination of internal documents of the Company determining strategy, design and development of the internal control system	when required
15	On preliminary examination of a new revision of the Internal Control Policy of the Company	when required
16	On examination of information from the Company's management on implementation of corrective actions to address deficiencies revealed by the Company's Revision Commission, internal audit, external control (supervision) bodies, on implementation of measures taken following information received on potential cases of fraudulent actions by employees and the results of the completed investigations	not later than 45 days after the end of the reporting period (6 months, calendar year)
17	On examination of information from management of implementation of the Internal Control Policy of the Company	on the first session of the Audit Committee in presentia
18	On preliminary examination of the report issued by the Sole Executive Body and the Management Board of the Company on organization and functioning of the internal control system	not later than March 30 of the year following the reporting year

19	On examination and approval of the section of the Company's Annual Report on the internal control system	not later than 120 days after the end of the reporting period
20	On preliminary examination of the internal audit report of the Company on the efficiency of internal control system and risk management system in 20__	not later than March 30 of the year following the reporting year
21	On preliminary examination of the internal audit report of the Company on the efficiency of corporate governance system in 20__	not later than March 30 of the year following the reporting year
22	On preliminary examination of the external independent evaluation report on the efficiency of internal control system, risk management system and corporate governance system in 20__	subject to execution of service agreement for external independent evaluation of efficiency of internal control system, risk management system and corporate governance system
In the field of control over the process of external audit and auditor selection		
23	On preliminary examination of tendering procedures for external auditor selection for execution of an agreement for auditing the Company's accounting (financial) statements for 20__	when required, not later than January 30
24	On preliminary examination of a candidacy of external auditor of the Company for performing audit of the Company's accounting (financial) statements for 20__	not later than April 30
25	On preliminary examination of a size of the auditor's fee for the audit of the Company's accounting (financial) statements for 20__	not later than April 30
26	On assessing the efficiency of the process of external audit of the Company's accounting (financial) statements for 20__	not later than April 30 of the year following the reporting year
27	On preliminary examination of the policy regulating provision of non-audit services by the external auditor	when required
In the field of ensuring independence and objectivity of the internal audit function		
28	On preliminary examination of a new revision of the Internal Audit Policy of the Company	when required
29	On preliminary examination of a new revision of the Regulations on Business Unit Performing Internal Audit Function within the Company	when required
30	On examination and approval of structure and headcount of the Internal Audit Subdivision of the Company	when required
31	On preliminary examination of the budget of the Company's Internal Audit Subdivision	on annual basis not later than December 25 of the year preceding the year under planning
32	On preliminary consideration of a nomination for the Head of Internal Audit Subdivision and size of his/her remuneration	when required

33	On preliminary examination of the work plan of the Internal Audit Subdivision for 20__	not later than November 30 of the year preceding the year under planning
34	On examination of the report of the Internal Audit Subdivision on execution of the work plan for __ months in year 20__ and the results of internal audit activities	not later than 45 calendar days after the end of the reporting period (3 months, 6 months, 9 months)
35	On preliminary examination of the report of the Internal Audit Subdivision on execution of the work plan and results of internal audit activities in year ____	not later than February 28 of the year following the reporting year
36	On review of results of self-assessment of the quality of internal audit activities and action plan for improvement of the internal audit function	not later than February 28 of the year following the reporting year
37	On examination of statement of work, essential terms of service agreement for independent assessment of the quality of internal audit function	when required
38	On examination of a candidacy of independent entity to deliver services for independent assessment of the quality of internal audit function	when required, following the competitive tendering procedure
39	On examination of results of independent assessment of the quality of internal audit function	subject to execution of a service agreement for independent assessment of the quality of internal audit function
In the field of control over the functional efficiency of the system for counteracting the fraudulent actions of the Company's employees and third parties		
40	On preliminary examination of a new revision of the Anti-Corruption Policy of the Company	when required
41	On preliminary examination of a new revision of Business Ethics Code of the Company	when required
42	On examination of information from management of implementation of the Anti-Corruption Policy of the Company	on the first session of the Audit Committee in presentia
43	On examination of results of anti-corruption monitoring	not later than 45 days after the end of the reporting period (6 months, calendar year)

Note: The List of Issues to be Included in the Work Plan of the Audit Committee under the Board of Directors is not exhaustive and is drawn up in accordance with Clause 10.1.2 of the Regulations on the Audit Committee under the Board of Directors of IDGC of the North-West, PJSC.

