

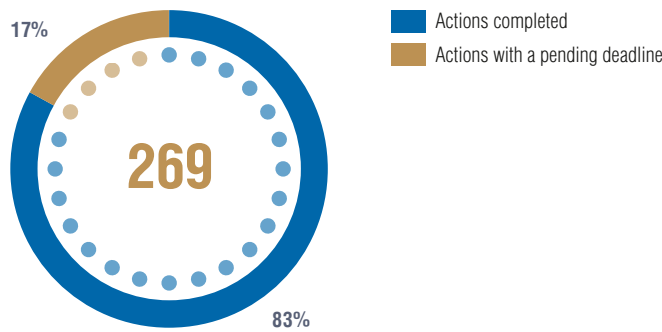
269 corrective actions to eliminate and prevent in the future violations and defects identified by the internal auditor were prescribed as a result of control activities carried out by the internal auditor in 2015. All of the 222 corrective actions with the deadline in the reporting year were taken. The due date is pending for 47 corrective actions.

Corrective measures are followed up by the Board of Directors' Audit Committee by reviewing periodical reports of the Company's management on corrective actions taken to eliminate any deficiencies identified by the Company's Auditing Commission, internal auditor, and external regulatory authorities.

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AUDITS OF THE EXECUTIVE MANAGEMENT AND BRANCHES OF THE COMPANY IN 2015

CORRECTIVE ACTION STRUCTURE



5.1.4.2. External auditor

The auditor of the RAS statutory financial statements and IFRS consolidated financial statements for 2015 is RSM RUS LLC. The auditor was elected in the open bidding procedure.

The auditor's fee was approved by the Resolution of the General Shareholders' Meeting of IDGC of the North-West in the amount of RUB 2.98 million. RSM RUS did not carry out any special auditing assignments.

5.1.4.3. Internal Control

The Internal Audit and Control Department has functioned since July 01, 2015 (previously, Internal Audit and Control Office).

Employees of the Internal Audit and Control Department:

- Elena Batanina (Head of the Internal Audit and Control Department)
- Gennady Grishin
- Lyubov Brushnevskaya
- Elena Glodya
- Anastasia Efremova
- Maxim Kozlov
- Ekaterina Chirkova.

5.1.4.4. Auditing Commission

Control and assessment of business management quality at PJSC IDGC of the North-West is performed by the Board of Directors (including the Audit Committee), Auditing Commission, internal control audit and external auditor of the Company.

The Auditing Commission is a watchdog over the Company's business activities for the shareholders. The strong points of the Auditing Commission are the definition of the term 'Auditing Commission' in the law and the right to convene the General Shareholders' Meeting. An important right for the Auditing Commission is the right to request documents on the Company's business from its officers.

The tasks and procedure for the Auditing Commission are governed by the Regulations for the Auditing Commission of PJSC IDGC of the North-West.

The number of the members of the Auditing Commission is five (as determined by the Articles of Association). In 2015, the Auditing Commission was elected twice and held eight meetings. From January 01, 2015 through June 22, 2015, the membership of the Company's Auditing Commission was as follows: M.A. Lelekova, A.N. Kirillov, E.Yu. Guseva, S.V. Malyshev, and S.I. Ochikov

The following members were elected to the Company' Auditing Commission by the Company's General Shareholders Meeting on June 23, 2015:

- Marina Lelekova (Chairperson of the Company's Auditing Commission)
- Elena Kabizskina
- Artyom Kirillov
- Sergey Malyshev
- Oksana Medvedeva.