

Enclosure № 5
to minutes № 9 of IDGC of North-West's
annual General Meeting of Shareholders
dated 25 June 2014

APPROVED
by IDGC of North-West's
annual General Meeting of Shareholders
on 25 June 2014 (minutes № 9)
Chairman of the meeting
_____ / S.G. Titov/

**REGULATION
of the Auditing Commission
of IDGC of North-West, JSC
(new version)**

Gatchina
2014

1. General Provisions

1.1. These Rules on the Auditing Commission of “Interregional Distribution Grid Company of Northwest”, Joint-Stock Company (hereinafter referred to as the “Rules”) are an internal document of IDGC of Northwest, JSC (hereinafter referred to as the “Company”), developed in accordance with the Federal Law “On Joint-Stock Companies” and the Company's Articles of Association, determine the tasks and procedure of activity of the Auditing Commission of the Company, regulate the matters of interaction with the Company's governing bodies and directors of structural and separate subdivisions of the Company.

1.2. The Auditing Commission of the Company is an elective body of internal control of the Company, exercising control from time to time over the financial and business activity of the Company, its separate subdivisions, officials of the Company's governing bodies and structural subdivisions of the Company's executive office through documentary due diligence and actual audit of:

1) legality, economic feasibility and efficiency (expediency) of business and financial operations conducted by the Company during the audited period;

2) completeness and accuracy of indication of business and financial operations in Company's documents.

1.3. The Auditing Commission of the Company shall act for the benefit of the Company's shareholders and report in its activity to the General Meeting of Shareholders of the Company.

1.4. Performing its activity the Auditing Commission of the Company shall be independent of officials of the Company's governing bodies.

1.5. The Auditing Commission of the Company shall be responsible to the General Meeting of Shareholders for the reliability and objectiveness of the results of conducted audits.

1.6. In its activity the Auditing Commission of the Company shall rely on legislation of the Russian Federation, the Articles of Association of the Company and these Rules and other internal documents of the Company approved by the General Meeting of Shareholders of the Company.

2. Tasks of the Auditing Commission of the Company

2.1. The tasks of the Auditing Commission of the Company are:

1) to control the Company's financial and business activity;

2) to independently estimate the reliability of data contained in the Company's annual report, annual accounting records.

3. Procedure of Election, Structure and Term of Powers of the Auditing Commission of the Company

3.1. The Auditing Commission of the Company shall be elected by the General Meeting of Shareholders for a term until the next annual General Meeting of Shareholders of the Company in accordance with the procedure provided for by the Federal Law "On Joint-Stock Companies" and the Articles of Association of the Company.

Should the Auditing Commission of the Company be elected during an extraordinary General Meeting of Shareholders of the Company, the members of the Auditing Commission shall be considered elected for a term until the date of the annual General Meeting of Shareholders.

3.2. In accordance with the Articles of Association of the Company the Auditing Commission of the Company shall consist of Five (5) persons (members of the Auditing Commission).

3.3. Preparing their proposals for nomination of candidates for the Auditing Commission, shareholders of the Company shall try to consider that the candidates for Members of the Auditing Commission of the Company they propose may be elected no more than for Three (3) consecutive terms, unless other election restrictions are imposed by legislation of the Russian Federation, the Articles of Association of the Company and these Rules.

3.4. A member of the Auditing Commission of the Company may voluntarily resign at any time, notifying the Chairman of the Auditing Commission of the Company thereof in writing.

3.5. Powers of certain or all the members of the Auditing Commission of the Company may be terminated ahead of schedule by resolution of the General Meeting of Shareholders.

3.6. The Chairman of the Auditing Commission must raise the question of termination of powers of a member of the Auditing Commission of the Company, in the event the member performs dishonest actions or causes damage to the Company by:

- 1) destruction, deliberate damage or falsification of documents and materials;
- 2) concealment of information about detected abusive acts of officials or other employees of the Company;
- 3) deliberate misinformation of officials or other employees of the Company, shareholders concerning matters of the Company's activity;
- 4) disclosure of state secrets and confidential information about the Company's activity;
- 5) other actions causing damage to the Company.

3.7. In the event of early termination of powers of a member of the Auditing Commission of the Company powers of the other members of the Auditing Commission of the Company shall not be terminated.

3.8. In the event the number of members of the Auditing Commission of the Company becomes less than half of the total number of members of the Auditing Commission of the Company established by the Articles of Association of the Company, the Chairman of the Auditing Commission of the Company shall have the right to apply to the Board of Directors of the Company in order to cause the Board of Directors to resolve to convene an extraordinary General Meeting of Shareholders of the Company in order to elect members of the Auditing Commission of the Company.

3.9. When nominating candidates for the Auditing Commission of the Company the following requirements for professional experience and knowledge of candidates shall be met:

- 1) higher education in economics, finance or law;
- 2) experience of working in an internal audit subdivision, control and audit bodies;
- 3) knowledge of economics, finance, accounting, knowledge of the economic law, knowledge of specifics of the Company's activity.

3.10. Preparing their proposals for nomination of candidates for the Auditing Commission of the Company, shareholders of the Company shall try to consider the following principles of formation of lists of candidates:

- 1) candidates whose powers were terminated ahead of schedule on the grounds specified in clause 3.6 hereof, including while working in auditing commissions of other legal entities, shall not be included in the list;
- 2) candidates who are Company's employees shall not be included in the list.

3.11. Candidates for the Auditing Commission of the Company shall confirm in written form their consent to the election to the Auditing Commission of the Company.

3.12. Members of the Auditing Commission of the Company may not at the same time be members of the Board of Directors of the Company or hold other positions in the Company's governing bodies.

4. Chairman and Secretary of the Auditing Commission of the Company

4.1. The Chairman of the Auditing Commission of the Company shall be elected by the members of the Auditing Commission of the Company from among themselves by a majority of votes of the total number of the elected members of the Auditing Commission of the Company. The members of the Auditing Commission of the Company may at any time reelect the Chairman of the Auditing Commission of the Company by a majority of votes of the total number of the elected members of the Auditing Commission of the Company.

4.2. The Secretary of the Auditing Commission of the Company shall be elected by the members of the Auditing Commission of the Company from among themselves by a majority of votes of the total number of the elected members of the Auditing Commission of the Company. The members of the Auditing Commission may at any time reelect the Secretary of the Auditing Commission of the Company by a majority of

votes of the total number of the elected members of the Auditing Commission of the Company.

4.3. The Chairman and the Secretary of a newly elected Auditing Commission of the Company shall be elected within Fifteen (15) business days after the date the respective Auditing Commission of the Company is elected.

4.4. The Chairman of the Auditing Commission of the Company shall:

- 1) convene and hold meetings of the Auditing Commission of the Company;
- 2) approve the agenda of meetings of the Auditing Commission of the Company as well as resolve all necessary matters relating to the preparation and holding of meetings of the Auditing Commission of the Company;
- 3) organize day-to-day activities of the Auditing Commission of the Company;
- 4) represent the Auditing Commission of the Company at the General Meeting of Shareholders and meetings of the Board of Directors;
- 5) sign minutes of meetings of the Auditing Commission of the Company and other documents coming from the Auditing Commission of the Company.

4.5. The Secretary of the Auditing Commission of the Company shall:

- 1) arrange maintenance of minutes of meetings of the Auditing Commission of the Company;
- 2) ensure that the Company's governing bodies are notified in a timely manner of the results of conducted audits by provision of a Certificate, Report of the Auditing Commission of the Company in accordance with the requirements hereof;
- 3) prepare and sign minutes of meetings of the Auditing Commission of the Company;
- 4) arrange document management, record management and storage of documents of the Auditing Commission of the Company;
- 5) arrange sending of notifications of meetings of the Auditing Commission of the Company, scheduled and unscheduled audits of the Company's activity to the members of the Auditing Commission of the Company;
- 6) perform other functions provided for by these Rules.

5. Rights and Duties of the Auditing Commission of the Company

5.1. The Auditing Commission of the Company may:

- 1) independently determine methods and forms of audit relying on the current legislation of the Russian Federation and these Rules;
- 2) check documentation on the Company's financial and business activity, availability of amounts of funds and securities of the Company to the full extent;
- 3) conducting audits receive free access to all the Company's office premises;
- 4) request within its competence that officials of the Company's governing bodies, directors of Company's structural and separate subdivisions provide all information required to conduct the audit (documents and materials);
- 5) on written request receive necessary information from third parties, including

with the assistance of the Company's governing bodies and shareholders ordering the audit;

6) request that officials of the governing bodies, directors and employees of structural and separate subdivisions of the Company provide written explanations of matters arising during the audit;

7) seal money vaults, material warehouses, archives and other office premises of the Company for a period of the audit of safety of valuables and documents located therein;

8) in the event there are erasures and other signs of forgery in documents, as well as in the event there are reasonable doubts that the documents are authentic, make copies of such documents for the purpose of additional study and analysis and request that Company's officials confirm the authenticity of the copies of such documents by certifying them with the signature of an official and the seal of the Company;

9) give instructions to the Single-Member Executive Body to take immediate measures in relation to detected violations, if failure to take such measures may result in the loss of valuables, documents or facilitate further abuse;

10) request that an extraordinary General Meeting of Shareholders of the Company, a meeting of the Board of Directors of the Company be convened in accordance with the procedure established by legislation of the Russian Federation, the Articles of Association of the Company and these Rules;

11) propose to authorized persons that penalties provided for by legislation of the Russian Federation be imposed in the event the Auditing Commission of the Company detects violations of legislation of the Russian Federation and Company's internal documents;

12) if necessary, engage specialists in respective fields (law, economics, finance, accounting, management, economic security and other fields of knowledge) not holding positions in the Company, as well as specialized organizations, to participate in its activity, apply to the Company for making civil law agreements with the said specialists and organizations.

5.2. The Auditing Commission of the Company shall:

1) audit the Company's financial and business activity according to the results of the Company's activity for a year, as well as at any time at its initiative, by resolution of the General Meeting of Shareholders of the Company, the Board of Directors of the Company or upon request of a shareholder (shareholders) of the Company holding a total of at least 10 percent of the voting shares;

2) in a timely manner notify the Company's Single-Member Executive Body of the start of an audit;

3) in a timely manner notify the Company's governing bodies of the results of conducted audits;

4) in accordance with the procedure established by the Company's Articles of Association request that a General Meeting of Shareholders of the Company be convened in case there is a real threat to the Company's interests;

5) at least Forty-Five (45) days before the date of the annual General Meeting of Shareholders of the Company submit to the Board of Directors a Report according to the results of the annual audit of the Company's activity, including the evaluation of the Company's annual report.

5.3. By invitation of the General Meeting of Shareholders of the Company or the Board of Directors of the Company the Chairman of the Auditing Commission of the Company together with members (a member) of the Auditing Commission of the Company must attend the General Meeting of Shareholders of the Company, meetings of the Board of Directors of the Company in the event of consideration of the results of audits (inspections) of the Company's activity.

5.4. Members of the Auditing Commission of the Company may not transfer their powers to other persons, including under a power of attorney.

5.5. Members of the Auditing Commission of the Company shall:

1) personally participate in meetings of the Auditing Commission of the Company, in audits of the Company's financial and business activity;

2) ensure that confidentiality of received information is maintained and that information which becomes known to them in the course of audits is not disclosed without authorization.

5.6. Members of the Auditing Commission of the Company shall be liable in accordance with the procedure established by legislation of the Russian Federation:

1) for non-performance or improper performance of their duties;

2) for failure to ensure the safety of information which becomes known to them during the performance of their duties and constituting state, official and (or) trade secrets, personal data, other confidential information in accordance with the requirements of the current legislation of the Russian Federation;

3) in other events established by legislation of the Russian Federation and these Rules.

6. Company's Rights and Duties

6.1. Within the existent competence Company's employees shall:

1) create for members of the Auditing Commission of the Company and specialists (experts) engaged to participate in the Auditing Commission's work conditions ensuring that the audit is conducted in an efficient manner, provide all necessary information and documentation, as well as on their request (oral or written) give oral and written explanations. Requested documents and materials shall be provided to the members of the Auditing Commission of the Company within Two (2) business days after the date of receipt of such request;

2) swiftly remedy all violations detected by the Auditing Commission of the Company, including those relating to the maintenance of accounting records and preparation of accounting and other financial reports;

- 3) prevent any actions during the audit intended to restrict the range of issues to be cleared up in the course of the audit;
 - 4) promote the observance of rights of the Auditing Commission of the Company.
- 6.2. The Company's Single-Member Executive Body shall have the right to:
- 1) receive in a timely manner information about the start of audits;
 - 2) review the results of audits conducted by the Auditing Commission of the Company;
 - 3) review resolutions of the Auditing Commission of the Company.

7. Organization of Work of the Auditing Commission of the Company

7.1. The Auditing Commission of the Company shall make decisions during its meetings.

7.2. The first meeting of the Auditing Commission of the Company once its members have been elected shall be held within 15 business days after the date the General Meeting of Shareholders of the Company makes the resolution at the initiative of any member of the Auditing Commission of the Company. At the first meeting of the Auditing Commission of the Company the matters of election of the Chairman and the Secretary of the Auditing Commission of the Company shall be considered.

7.3. A work plan of the Auditing Commission of the Company shall be approved at a meeting of the Auditing Commission of the Company to be held within Forty-Five (45) days after the date a new composition of the Auditing Commission of the Company is elected at the annual General Meeting of Shareholders.

7.4. Further meetings of the Auditing Commission of the Company and audits of the Company's activity shall comply with the approved annual work plan of the Auditing Commission of the Company.

7.5. The work plan of the Auditing Commission of the Company shall include:

- 1) audit subjects (kinds of the Company's financial and business activity, certain areas of the Company's activity);
- 2) determination of the form of audit per every subject (documentary due diligence, audit at the location of the audit subject (field audit));
- 3) period of audits of the Company's activity (annual, quarterly), approximate dates of audits;
- 4) schedule of meetings of the Auditing Commission of the Company on matters of preparation and conduct of audits of the Company's activity, on summarizing the results of audits of the Company's activity;
- 5) list of financial and (or) business documents required to audit every one of the audit subjects;
- 6) determination of members of the Auditing Commission of the Company responsible to prepare audits, gather information and necessary documents and materials;
- 7) other matters relating to the organization of meetings of and audits by the Auditing Commission of the Company.

7.6. At the initiative of the Chairman of the Auditing Commission of the Company or at the suggestion of members of the Auditing Commission of the Company unscheduled meetings of the Auditing Commission of the Company convened by the Chairman of the Auditing Commission of the Company may be conducted.

8. Procedure of Organization and Holding of Meetings of the Auditing Commission of the Company

8.1. Meetings of the Auditing Commission of the Company shall be held in order to resolve organizational matters of the activity of the Auditing Commission of the Company as well as every time before the start of an audit and regarding its results.

8.2. Meetings of the Auditing Commission of the Company shall be convened by the Chairman of the Auditing Commission of the Company in accordance with the approved work plan of the Auditing Commission of the Company, at his own initiative or at the initiative of a member of the Auditing Commission of the Company, as well as on the basis of a resolution of the General Meeting of Shareholders, the Board of Directors of the Company or a request of Company's shareholders (holding at least Ten (10) percent of the Company's voting shares) that the Company's financial and business activity be audited.

8.3. Preparing to hold a meeting of the Auditing Commission of the Company the Chairman of the Auditing Commission of the Company shall:

- 1) determine the date, time and place of the meeting (summarization of the results of absentee voting);
- 2) determine the form of the meeting (joint presence, absentee voting);
- 3) approve (sign) the agenda of the meeting,
- 4) determine the list of materials and documents (information) required to consider the items on the agenda of the meeting of the Auditing Commission of the Company;
- 5) determine the list of persons to be invited to participate in the meeting of the Auditing Commission of the Company (in case of joint presence);
- 6) resolve other matters related to preparing to hold the meeting of the Auditing Commission of the Company.

8.4. The Secretary of the Auditing Commission of the Company shall notify the members of the Auditing Commission of the Company of a meeting of the Auditing Commission of the Company in writing at least Ten (10) business days before the date of the meeting.

In case of absentee voting in the events provided for by these Rules, materials on items on the agenda and a voting paper shall be sent to the members of the Auditing Commission of the Company along with a notification of the absentee voting at least Fifteen (15) business days before the date of summarizing the results of voting.

8.5. The notification shall be sent to the members of the Auditing Commission of the Company to a place specified by the members of the Auditing Commission of the Company, including to an email address.

8.6. A member of the Auditing Commission of the Company shall be considered notified from the date the notification is received at the place specified in clause 8.5 hereof.

8.7. By decision of the members of the Auditing Commission of the Company invited persons and engaged specialists (experts) may participate in the meetings.

8.8. A meeting of the Auditing Commission of the Company shall be considered duly constituted, if at least half of the total number of members of the Auditing Commission of the Company participate therein or if before the start of the meeting written opinions on items on the agenda of the meeting of the Auditing Commission of the Company have been received from at least half of the total number of members of the Auditing Commission of the Company.

8.9. For the purpose of prompt decision making draft resolutions of the Auditing Commission of the Company may be agreed upon before the meeting of the Auditing Commission of the Company by exchange of information by fax, email or using other modes of communication approved by the members of the Auditing Commission.

8.10. Resolutions on items on the agenda of a meeting of the Auditing Commission of the Company shall be made by a simple majority of votes of the total number of members of the Auditing Commission of the Company.

Resolving matters at a meeting of the Auditing Commission of the Company every member of the Auditing Commission of the Company shall have one vote.

In the event of a tie the vote of the Chairman of the Auditing Commission of the Company shall be considered the casting one.

8.11. Meetings of the Auditing Commission of the Company shall be held in the form of joint presence of members of the Auditing Commission of the Company. A meeting may be held in the form of absentee voting.

8.12. If unable to participate in person in a meeting of the Auditing Commission of the Company, a member of the Auditing Commission of the Company may express their opinion by filling out a voting paper regarding all items on the agenda of the meeting and sending it to the Chairman of the Auditing Commission of the Company. The voting paper shall be received by the Chairman of the Auditing Commission of the Company at least One (1) business day before the date of the meeting.

8.13. The opinion of absent members of the Auditing Commission of the Company expressed by sending voting papers shall be announced by the Chairman of the Auditing Commission of the Company at the meeting and recorded in the minutes.

8.14. A meeting of the Auditing Commission of the Company held in the form of joint presence shall include the following stages:

- 1) opening of the meeting by the Chairman of the Auditing Commission of the Company;
- 2) determination of the quorum of the meeting;
- 3) announcement of items on the agenda of the meetings;
- 4) presentation of reports, messages and records concerning items on the agenda of the meeting, discussing them;

- 5) wording of a draft resolution on items on the agenda by the Chairman of the Auditing Commission of the Company;
- 6) voting on items on the agenda of the meeting;
- 7) summarizing the results of voting;
- 8) announcement of resolutions of the Auditing Commission of the Company on items on the agenda;

8.15. A meeting of the Auditing Commission of the Company conducted by poll shall include the following stages:

- 1) acceptance and counting of voting papers received from members of the Auditing Commission of the Company within a period set in the voting paper for absentee voting;
- 2) determination of the quorum of the meeting of the Auditing Commission of the Company;
- 3) counting of votes represented by voting papers and summarizing the results of voting;
- 4) preparation of minutes of the meeting of the Auditing Commission of the Company.

8.16. At a meeting of the Auditing Commission held before the start of every audit the following matters of preparation and conducting of the audit shall be considered:

- 1) determination of the audit subject (accounting records and statistical reports, etc.);
- 2) procedure, dates and scope of the audit;
- 3) approval of the audit program;
- 4) determination of the list of information and materials required to conduct the audit, ways and sources of their obtainment;
- 5) determination of the list of person to be engaged to conduct the audit (to explain, clarify certain matters);
- 6) appointment of the date of a meeting of the Auditing Commission of the Company intended to summarize the results of the audit;
- 7) determination of the member of the Auditing Commission of the Company responsible for the preparation of a draft Certificate, Report of the Auditing Commission of the Company by the meeting of the Auditing Commission of the Company intended to summarize the results of the audit;
- 8) resolution of other matters.

A meeting of the Auditing Commission of the Company on matters of preparation and conducting of an audit may be held without joint presence of members of the Auditing Commission of the Company by absentee voting (by poll).

8.17. At a meeting of the Auditing Commission of the Company held regarding the results of every audit the following matters shall be considered:

- 1) discussion of information obtained during the audit and sources of its obtainment;

- 2) summarizing the results of audit;
- 3) summarizing conclusions and formation of proposals on the basis of the results of the audit;
- 4) approval and signature of the Certificate, Report of the Auditing Commission of the Company according to the results of the audit;
- 5) resolving the matter of issuing an Instruction of the Auditing Commission;
- 6) establishing and analyzing the reasons of violation of legislation of the Russian Federation and the Company's Articles of Association and discussing possible ways to remedy and prevent them in the future;
- 7) resolving to notify the Company's governing bodies, their officials and directors of structural subdivisions of the executive office of the necessity to remedy violations detected during the audit; giving recommendations on penalties to be imposed on those who committed the violations;
- 8) other matters relating to the summarization of the results of the audit.

8.18. Members of the Auditing Commission of the Company participating in a meeting and having an opinion differing from the opinion of the meeting held regarding the results of the audit may form their special opinion. A special opinion shall be an integral part of the Minutes of the meeting of the Auditing Commission of the Company.

8.19. In the event of detection of violations of legislation of the Russian Federation, the Company's Articles of Association and other internal documents of the Company in the course of the Company's activity, within Three (3) business days after the date the same are detected a member of the Auditing Commission of the Company must send to the Chairman of the Auditing Commission of the Company a written statement describing the nature of the violations and persons who committed them.

Provided that, the Chairman of the Auditing Commission of the Company must convene an emergency meeting of the Auditing Commission of the Company in the form of joint presence within Ten (10) business days after the date of receipt of information about the violations detected.

8.20. At meetings of the Auditing Commission of the Company the Secretary of the Auditing Commission of the Company shall keep the minutes.

8.21. The minutes of a meeting of the Auditing Commission of the Company shall contain:

- 1) date, time and place of the meeting (summarizing the results of voting);
- 2) list of members of the Auditing Commission and persons present at the meeting;
- 3) list of members of the Auditing Commission of the Company voting by filling out voting papers;
- 4) information about the quorum of the meeting;
- 5) items on the agenda of the meeting;
- 6) key points of presentations, reports and records on items on the agenda (only for meetings held in the form of joint presence);

7) information about special opinions of members of the Auditing Commission of the Company;

8) issues put to the vote and the results of voting thereon;

9) resolutions made by the Auditing Commission of the Company.

8.22. Minutes of a meeting of the Auditing Commission of the Company shall be prepared in duplicate within Five (5) business days after the date of the meeting (summarizing the results of absentee voting) and signed by the Chairman and the Secretary of the Auditing Commission of the Company.

8.23. Materials (reports, certificates and other documents) which served as a ground for resolutions shall be attached to the minutes of the meeting.

8.24. In the event discussed matters were approved by poll, voting papers received from the members of the Auditing Commission of the Company shall be attached to the minutes.

8.25. Copies of minutes of meetings of the Auditing Commission of the Company shall be provided (sent) to all the members of the Auditing Commission of the Company.

8.26. Storage of the first copy of the minutes shall be ensured by the Secretary of the Auditing Commission of the Company.

The second copy of the minutes shall be provided for storage to the Company. The Company shall keep minutes of meetings of the Auditing Commission of the Company and ensure that the same are provided on request of Company's shareholders.

9. Procedure of Audit

9.1. The Company's financial and business activity shall be audited (inspected) according to the results of the Company's activity for a year, as well as at any time at the initiative of the Auditing Commission of the Company, by resolution of the General Meeting of Shareholders, the Board of Directors of the Company or upon request of a Company's shareholder (shareholders) holding a total of at least 10 percent of the Company's voting shares.

9.2. A scheduled audit of the Company's financial and business activity shall be conducted in accordance with the approved annual Work Plan of the Auditing Commission of the Company.

9.3. An unscheduled audit of the Company's financial and business activity shall be conducted:

1) on the basis of a resolution of the Auditing Commission of the Company;

2) on the basis of a resolution of the General Meeting of Shareholders, the Board of Directors;

3) upon request of a Company's shareholder (shareholders) holding a total of at least Ten (10) percent of the Company's voting shares.

9.4. Unless otherwise established by resolution of the Auditing Commission of the Company, the General Meeting of Shareholders of the Company on an unscheduled

audit, the meeting of the Auditing Commission of the Company to be held in accordance with clause 8.16 hereof shall be held within Thirty (30) business days after the date of receipt of a written request or resolution specified in clause 9.3 hereof.

9.5. The Company's financial and business activity shall be audited in accordance with an audit program and resolutions made at the meetings of the Auditing Commission of the Company.

9.6. During an audit the Auditing Commission of the Company shall:

1) audit financial, accounting, payment and settlement and other documents of the Company relating to the performance of the financial and business activity by the Company for their compliance with legislation of the Russian Federation, the Articles of Association and other documents of the Company;

2) audit and analyze the Company's financial condition, its creditworthiness, the functioning of the internal control system and the risk management system, the liquidity of assets, the debt to equity ratio, the accuracy and timeliness of accrual and payment of interest on bonds, incomes on securities;

3) control the spending of Company's funds in accordance with the approved business plan and budget of the Company;

4) control the formation and use of the reserve and other special funds of the Company;

5) audit the timeliness and accuracy of payment operations with contractors and the budget, as well as payment operations relating to the remuneration, social insurance, accrual and payment of dividends and other payment operations;

6) control the fulfillment of the established procedure of writing off debts of insolvent creditors towards Company's losses;

7) audit Company's business operations performed in accordance with made agreements;

8) audit the observance of the effective agreements, norms and standards, approved estimates and other documents regulating the Company's activity during the use of material, labor and financial resources in the financial and business activity;

9) control the safety and use of fixed assets;

10) audit Company's cash and property, the efficiency of use of assets and other resources of the Company, find out reasons for non-production losses and expenses, identify reserves for the improvement of the Company's financial condition;

11) audit the fulfillment of instructions to remedy violations and defects previously detected by the Auditing Commission of the Company;

12) develop recommendations for the Company's governing bodies;

13) perform other actions (take other measures) relating to the audit of the Company's financial and business activity.

10. Engaging Experts to Participate in Audits

10.1. The Auditing Commission of the Company may engage specialists

(experts) to participate in its work on the basis of agreements to be made between them and the Company. Terms of agreements with engaged specialists (experts) who are not members of the Auditing Commission shall be approved by resolution of the Board of Directors of the Company.

10.2. Both individuals and legal entities (specialized organizations) may act as specialists (experts). Specialized organizations shall be engaged in accordance with the procedure established by the current legislation and Company's internal documents regulating the purchasing activity.

10.3. A resolution on the necessity to engage specialists (experts) shall be made by the members of the Auditing Commission of the Company at meetings of the Auditing Commission of the Company.

10.4. The resolution shall be documented with minutes of the meeting of the Auditing Commission of the Company, which shall contain the grounds for engaging the specialists (experts).

10.5. According to the results of the resolution made the Chairman of the Auditing Commission shall ensure that the respective item is placed on the agenda of the meeting of the Board of Directors of the Company.

11. Documents Formed according to the Results of Audits Conducted by the Auditing Commission of the Company

11.1. Final documents of the Auditing Commission according to the results of audits include the Certificate of the Auditing Commission, Report of the Auditing Commission, Instruction of the Auditing Commission.

11.2. According to the results of an audit the Company's financial and business activity the Auditing Commission of the Company shall prepare a Certificate. The Certificate of the Auditing Commission of the Company shall contain of three parts: introductory, analytical and final.

11.2.1 The introductory part of the Certificate of the Auditing Commission of the Company shall include:

- 1) name of the document as a whole: "Certificate of the Auditing Commission of "Interregional Distribution Grid Company of Northwest", Joint-Stock Company";
- 2) date and place of preparation of the Certificate;
- 3) date (period) and place of the audit;
- 4) ground for the audit (resolution of the Auditing Commission, General Meeting of Shareholders, Board of Directors, shareholders (shareholder) of the Company);
- 5) goal of the audit (determination of legality of the Company's activity, establishment of reliability of accounting and other documentation, its compliance with legislation of the Russian Federation, etc.);
- 6) audit subject (particular activity of the Company, financial and business documentation, including accounting and statistical reports, etc.);

7) list of requirements for the provision of information made during the audit by the governing bodies, directors of structural and separate subdivisions, branches and representative offices of the Company;

8) received refusals to provide information and causes of the refusals;

9) information about written explanations of the single-member executive body, members of the Board of Directors and employees of the Company;

10) information about engaging experts in certain matters of financial and business activity not holding positions in the Company to participate in work of the Auditing Commission of the Company, as well as information about agreements made with them and performance of the agreements;

11) list of regulatory legal acts and other documents regulating the Company's activity used during the audit.

11.2.2 The analytical part of the Certificate of the Auditing Commission of the Company shall contain objective evaluation of the condition of the audit subject and include:

1) general results of the audit of accounting documentation and records and other documentation on the Company's financial and business activity;

2) description of violations of requirements of local regulatory acts, terms of agreements made and transactions committed by the Company, failure to fulfill resolutions of the governing bodies;

3) information about violations of the procedure of accounting records maintenance and preparation of financial reports as well as the procedure of performance of the financial and business activity by the Company.

11.2.3 The final part of the Certificate of the Auditing Commission of the Company shall contain justified conclusions made by the Auditing Commission of the Company according to the results of the conducted audit.

11.3. According to the results of evaluation of reliability of data contained in the Company's annual report and accounting records a Report of the Auditing Commission of the Company shall be formed; the Report shall consist of two parts: introductory and final.

11.3.1. The introductory part of the Report of the Auditing Commission of the Company shall include:

1) name of the document as a whole: "Report of the Auditing Commission of "Interregional Distribution Grid Company of Northwest", Joint-Stock Company";

2) date and place of preparation of the Report;

3) date (period) and place of the audit;

4) ground for the audit (resolution of the Auditing Commission);

5) goal of the audit (establishment of reliability of accounting and other documentation, its compliance with legislation of the Russian Federation, etc.);

6) audit subject (financial and business documentation, including accounting and statistical reports, etc.).

11.3.2. The final part of the Report of the Auditing Commission of the Company

shall contain:

1) confirmation of the reliability of data contained in the Company's annual report, annual accounting records (financial reports);

2) information about violations of the procedure of accounting records maintenance and submission of financial reports as well as performance of the financial and business activity.

11.4. In the event of detection of violations and defects the Auditing Commission of the Company shall form an Instruction for the Single-Member Executive Body of the Company, which shall contain recommendations and proposals concerning the elimination of causes and consequences of violation of the current legislation of the Russian Federation, the Articles of Association and internal documents of the Company, terms of made agreements and transactions, performance of economically unsound and inefficient (inadvisable) business and financial operations, failure to fulfill resolutions of the Company's governing bodies detected during the audit.

11.5. The Certificate, the Report of the Auditing Commission of the Company shall be executed in Triplicate (3) within Ten (10) business days after the date of the audit and shall be signed by all the members of the Auditing Commission of the Company participating in the audit (inspection) at the meeting of the Auditing Commission of the Company regarding the results of the audit.

11.6. Experts engaged to participate in the audit shall not sign the Certificate, the Report; available expert materials shall be attached to the Certificate, the Report.

11.7. One copy of the Certificate, the Report shall be kept by the Secretary of the Auditing Commission of the Company, one shall be sent to the Chairman of the Board of Directors of the Company, one to the Single-Member Executive Body of the Company.

11.8. The Instruction of the Auditing Commission of the Company shall be executed in Duplicate (2) within a period set by resolution of the Auditing Commission at the meeting of the Auditing Commission of the Company regarding the results of the audit and shall be signed by the Chairman of the Auditing Commission.

11.9. One copy of the Instruction shall be kept by the Secretary of the Auditing Commission of the Company, one shall be sent to the Single-Member Executive Body of the Company.

11.10. The Company must keep the Certificates, Reports and Instructions of the Auditing Commission of the Company and ensure access thereto in accordance with the procedure established by legislation and Company's internal documents.