

DETAILS

on the candidacy for the position of the auditor of IDGC of North-West, PJSC to be approved at the annual General Meeting of Shareholders of the Company following the results of operation in 2018

The candidacy of **Ernst & Young, LLC** is proposed as the auditor for approval at the annual General Meeting of Shareholders of IDGC of North-West, PJSC following the results of operation in 2018 in accordance with decision of the Board of Directors of the Company dated 08.05.2019 (Minutes No. 318/31).

Full business name of auditor organization:

Limited Liability Company Ernst & Young

Abbreviated business name of auditor organization:

Ernst & Young, LLC

Location:

Building 1, 77 Sadovnicheskaya Embankment, 115035, Moscow.

(Ernst & Young, LLC branch in Saint-Petersburg:

23 Malaya Morskaya St., 190000)

Postal address:

Building 1, 77 Sadovnicheskaya Embankment, 115035, Moscow.

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Rosseti, PJSC held an open tender on the B2B-Center open electronic trading platform for the right to conclude a contract for the mandatory annual audit of the reporting of Rosseti, PJSC SDCs for 2018-2020, according to which Ernst & Young, LLC was recognized as the winner with the bidding price for IDGC of North-West, PJSC amounting to 12,826,780.63 RUB (besides VAT in accordance with the Tax Code of the Russian Federation) with the following breakdown by years: 2018 - 4,275,593.54 RUB, 2019 - 4,275,593.54 RUB, 2020 - 4,275,593.55 RUB (Minutes dated 16.04.2018 No. 14/595r).

Due to the change in the VAT rate as of 01.01.2019 from 18% to 20% in accordance with the Federal Law dated 03.08.2018 No. 303-FZ "On Amendments to Certain Legislative Acts of the Russian Federation on Taxes and Fees", when concluding contracts for 2019 and 2020, the VAT rate (20%) will be taken into account and the amount broken down by year will be: 2019 - 5,130,712.25 RUB, 2020 - 5,130,712.26 RUB.

Ernst & Young, LLC was recommended for approval as an auditor to audit the accounting (financial) statements for 2019 prepared in accordance with RAS, as well as an auditor to review the interim consolidated condensed financial statements prepared in accordance with IFRS for 3 and 6 months ending on June 30, 2019, and to audit the consolidated financial statements for 2018 prepared in accordance with IFRS.

Ernst & Young LLC is an international leader in the field of audit, taxation, transaction support and consulting.

The company team includes 144,000 employees in different countries of the world. The company has 695 offices in 140 countries of the world.

In Russia, Ernst & Young, LLC provides auditor and consulting services on issues of taxation and finance since 1989 (OGRN 1027739707203), is a member of the SRO of auditors "Russian Union of Auditors" (GRN 2137799142314), is included in the control copy of the register of auditors and audit organizations (ORN 11603050648).

Ernst & Young LLC, as well as other firms that are part of Ernst & Young Global Limited, comply with the relevant requirements of professional ethics regarding independence.

In 2019, the Company will be provided with non-audit services for conducting a comprehensive analysis of the financial and economic activities of IDGC of North-West, PJSC Group for 2016-2018, the cost of which will amount to 10,880,100.00 RUB. Ernst & Young LLC takes appropriate measures to eliminate any threats to independence or reduce them to an acceptable level.

Factors that might affect Auditor's independence of the Company are non-existent. The share of participation of the auditor (officials of the latter) in the chartered capital of the Company is 0%. The Company provided no loans to the auditor (officials of the latter). The auditor has neither close business relationships (such as involvement in promotion of the Company's products (services), in joint entrepreneurial activities, etc.) nor kinship ties with the Company. The Company avails of no information of any of its officials being, at the same time, officials of the auditor (the auditor themselves).