

Approved by
the Board of Directors
Of OAO “IDGC of Urals”
Protocol # 55 dated June 02, 2009

CORPORATE GOVERNANCE CODE

**OPEN-JOINT STOCK COMPANY “INTERREGIONAL
DISTRIBUTIVE GRID COMPANY OF URALS”**

(new edition)

**Ekaterinburg
2009**

Contents

1. Introduction

2. Information on the Company

3. The Company's principles and structure of corporate governance

- 3.1. Terms and Principles
- 3.2. Internal Documents
- 3.3. General Structure of Corporate Governance

4. The Company's corporate governance practices

- 4.1. The Board of Directors
- 4.2. The Management Board
- 4.3. The General Director (CEO)
- 4.3. Interaction Between the BoD and Executive Bodies

5. The Company's Shareholders

- 5.1. Shareholder Rights and Their Protection
- 5.2. General Shareholder Meeting
- 5.3. Dividend Policy

6. Information Disclosure and Transparency

- 6.1. Information Disclosure Policy and Practices
- 6.2. Financial Reporting
- 6.3. Financial Control
- 6.4. Ownership Structure

7. Final provisions

1. INTRODUCTION

The present Corporate Governance Code (hereinafter referred to as the Code) shall be aimed at improvement and arrangement of corporate governance in Open Joint-Stock Company “Interregional Distributive Grid Company of Urals” (hereinafter referred to as the Company), provision of higher transparency level on the Company’s management and acknowledgement of the Company’s true willingness to observe standards of proper corporate governance, namely:

- The Company shall be governed under a proper level of responsibility and accountability in a way maximizing its shareholder value;
- The BoD and executive bodies shall work effectively to the benefit of the Company and its shareholders (including minority shareholders) and create conditions for a sustainable shareholder value growth;
- A proper information disclosure, transparency as well as effective risk management and internal control systems shall be ensured.

The Company shall affirm its intention to enable development and improvement of proper corporate governance practices when approving, regularly improving and strictly observing provisions of the present Code, the Charter and other internal documents.

With a view to deepen the confidence of shareholders, employees, investors and general public, in the present Code the Company did not limit itself to the norms of the Russian legislation and included additional provisions into the Code based on generally accepted Russian and international corporate governance standards¹.

The Company shall assume the obligations provided hereby and undertake to observe the norms and principles contained herein.

2. INFORMATION ON THE COMPANY.

Open Joint-Stock Company “Interregional Distributive Grid Company of Urals and Volga” was incorporated on February 28, 2005.

The Company’s Extraordinary Shareholder Meeting, held on July 18, 2007 (Protocol#1703pr/3), took a decision to rename the Company into OAO “IDGC of Urals” followed by the changes in state registration of the Company’s name on August 14, 2007.

The Company was created for effective functioning and development of grid complex within the united energy systems of the Urals according to IDGC configuration approved by the BoD of OAO RAO “UES of Russia”.

The Company’s main lines of activities are:

- Energy transfer services;
- Operating technological management;
- Technological connection services;
- Consulting and informational services;
- Investment business carried out according to the order stipulated by the Russian legislation in force;
- Services on trust property management;

¹ The OECD Principles of Corporate Governance (Organization for Economic Cooperation and Development).

- Agent activities.

The Company's business shall be conjugated by responsibility both to its shareholders and the state, employees, suppliers, consumers as well as the society on the whole.

The Company shall undertake to follow the principles stated herein and to make all reasonable efforts to observe them in its every-day activities being aware of its responsibility and acknowledging the importance of corporate governance for successful business and achievement of mutual understanding among all the related parties.

3. THE COMPANY'S PRINCIPLES AND STRUCTURE OF CORPORATE GOVERNANCE

3.1. Terms and Principles

The Company shall interpret corporate governance as the integrity of processes providing management and control over its activities as well as including relations between shareholders, BoD and executive bodies of the Company to the benefit of its shareholders. The Company shall consider corporate governance as means to increase the Company's efficiency, goodwill consolidation and to decrease the cost of capital.

The present Code, whereby the Company shall practice corporate governance, shall be based on the Russian legislation, Corporate Conduct Code recommended by Federal Securities Commission in Decree#421/r dated April 04, 2002 (hereinafter referred to as the FSC Code) and corporate governance principles accepted by international practices such as the OECD Corporate Governance Principles (Organization for Economic Cooperation and Development).

The Company's corporate governance shall be based on the principles below:

Accountability. The Code shall envisage accountability of the Company's BoD to all shareholders in compliance with the legislation in force and serves as guidelines for the BoD at strategy elaboration as well as supervision and control over the activities of the Company's executive bodies.

Fairness. The Company shall undertake to protect shareholder rights and ensure equal attitude to all shareholders. The BoD shall provide all shareholders with opportunity to get efficient protection in cases when their rights are violated.

Transparency. The Company shall ensure timely disclosure of reliable information on all significant facts regarding its activities, including its financial status, social and ecological indicators, ownership and management structure as well as free access to such information for all interested parties.

Responsibility. The Company shall acknowledge the rights of all interested parties stipulated by the legislation in force and aspire to cooperate with the parties for further promotion of its development and financial stability.

3.2. Internal Documents.

The present Code shall be a body of principles. Specific structures, procedures and corporate governance practices shall be regulated by the Charter and internal documents, including:

- Regulations on the Procedure for Convention and Arrangement of General Shareholder Meeting of OAO “IDGC of Urals”;
- Regulations on the Procedure for Convention and Arrangement of the BoD of OAO “IDGC of Urals”;
- Regulations on the Management Board of OAO “IDGC of Urals”;
- Regulations on the Audit Commission of OAO “IDGC of Urals”;
- Regulations on Internal Control Procedures of OAO “IDGC of Urals”.

The above-mentioned internal documents were developed pursuant to the legislation as well as main provisions of the FSC Code. The documents shall be available at the corporate web-site at <http://www.mrsk-ural.ru>

3.3. General Structure of Corporate Governance

The Company’s management and control bodies shall include:

General Shareholder Meeting

The Company’s supreme management body, wherethrough the shareholders shall exercise their rights for participation in managing the Company;

Board of Directors

A managing body responsible for developing the Company’s strategy, its general management and control over executive bodies’ activities. The Company’s Board of Directors shall also be able to establish Committees of the Board of Directors.

BoD Committees

Consultative bodies of the Company's BoD created for a preliminary consideration of important issues under the BoD competence.

The Management Board and General Director

Managing bodies controlling the Company’s current activities and implementing the strategy defined by the Company’s BoD and shareholders;

Audit Commission

A financial control body accountable directly to the Company’s General Shareholder Meeting.

4. THE COMPANY’S CORPORATE GOVERNANCE PRACTICES

The Company shall consider a professional Board of Directors an important element of effective corporate governance. The BoD shall influence the Company’s performance providing general strategic governance and control over executive bodies to the benefit of the Company and its shareholders. The Company’s individual executive body and Management Board responsible for managing current activities shall also play an important role in the Company’s governance. Efficient cooperation between these bodies and clear separation of their powers shall be one of the key factors for ensuring proper corporate governance practices.

4.1. The Board of Directors.

4.1.1. Election, terms of office and termination of the BoD members' powers.

The BoD members shall be elected till a scheduled Annual Shareholder Meeting takes place. The Company's BoD shall be elected by cumulative voting.

The Company shall not consider that limitations introduced with regard to the fact for how many times the BoD members can be re-elected will meet the Company's and shareholder interests. The BoD members, familiar with the Company's performance, shall play an important role in provision of proper governance.

The BoD's powers shall be regulated by the Charter in compliance with the legislation in force and recommendations of the FSC's Code.

The membership of the BoD shall be determined by the Charter.

The General Shareholder Meeting shall be able to terminate the powers only of all BoD members.

4.1.2. Independency.

The legislation prohibits a combination of the sole executive body and the BoD Chairperson. The Company shall consider that the BoD shall be headed by a director¹, not being the sole executive body and (or) a member of the collegiate executive body since this enables the BoD to perform more effectively.

The BoD members shall ensure a proper execution of duties regarding control and determination of the Company's strategy and development priorities.

The BoD membership shall not include more than 25% of the BoD members being at the same time the Company's employees.

With a view to ensure objectivity of taken decisions and to maintain balance of interests exposed by different shareholder groups the Company shall aspire to have no less than 3 (Three) independent BoD members. At the present Code the Company shall interpret independent directors as directors complying with the following independency requirements:

- No being executive persons or employees of the Company at the moment of election and within 3 years prior to election;
- Not being executive persons of another company whereat any of the Company's executive persons is a member of the BoD Committee on Personnel and Remunerations;
- Not being spouses, parents, children, brothers and sisters of the Company's executive persons;
- Not being affiliated persons of the Company, except for being a BoD member;
- Not being the parties on liabilities of the issuer according to the conditions of which they can obtain property (acquire cash), with the cost of 10 or more percent of total annual income of the persons, except for receiving remuneration for the BoD participation;

¹ Here and henceforth: a BoD member.

- Not being state and/or local authority representatives, i.e. persons who should vote on written directives (instructions, etc.) of authorized federal, regional and local authorities.

4.1.3. The BoD Structure and its Committees.

The Company shall consider that creation of BoD Committees shall be a requirement for effective BoD performance.

The Committees' activity shall be stipulated by the corresponding Regulations approved by separate BoD's resolutions. These Regulations shall define the competences and work procedures of the Committees as well as rights and duties of their members.

The BoD Committees (hereinafter referred to as the Committees) shall be created for a preliminary review of important issues under the BoD competence. The Committees shall be created by a BoD resolution.

4.1.4. The BoD Work Procedure.

The BoD shall hold sessions according to the schedule prepared at the beginning of its terms of office, thus ensuring proper fulfillment of its obligations. The Board of Directors shall hold a session no less than once in a quarter. If required, extraordinary BoD sessions shall be held.

The BoD work procedure shall be stipulated by the Regulations on the Procedure for Convention and Arrangement of the Company's BoD sessions. The Corporate Secretary shall ensure duly receipt of a brief but sufficient information by all BoD members simultaneously with a notification on a BoD session within 11 (Eleven) working days prior to each session.

The BoD shall keep a record of its sessions. A protocol shall be signed by the BoD Chairperson and the Corporate Secretary of the Company.

4.1.5. The Corporate Secretary.

The Corporate Secretary shall be an authorized person whose main aim shall be to participate in the arrangement of a General Shareholder Meeting and BoD session within his competence in compliance with the legislation, Charter and other internal documents.

The Corporate Secretary shall arrange and provide interaction between the Company and its shareholders and Board of Directors.

The Corporate Secretary shall be accountable to the Company's Board of Directors. His activities shall be stipulated by the Charter and the Regulations on the Corporate Secretary of the Company.

4.1.6. Remunerations.

Remuneration of BoD members shall comply with market environment and shall be determined so as to engage highly qualified experts into the Company's business and motivate them for effective and honest performance.

The Company shall publicly disclose information on the remuneration received by the Board of Directors.

The Company shall not grant loans to BoD members¹.

4.1.7. Qualification update.

Managing the Company BoD members shall execute their functions for the benefit of the Company, exercise their rights and duties reasonably and conscientiously enabling the Company to achieve its aim – acquisition of gains.

A requirement for rationality shall include requirements to professionalism of BoD members. This shall mean that BoD members shall be able to and shall apply knowledge and experience similar to knowledge and experience required for achieving the Company's aim.

The Company shall aspire to create conditions for BoD members to update qualifications and professional skills required for efficient work.

The Company shall aspire to introduce newly elected member to main lines of activities, the Company's service area, description of competitive environment as well as other external and internal factors influencing the Company's business.

The Company shall acknowledge and aspire to ensure that:

- BoD members shall be able to submit to the Company an initiative to arrange educational courses aimed at obtaining leading (including international) practices in the fields required for efficient work as a BoD member by BoD members (both all members and individually).

- BoD members' initiatives on arranging such courses required for effective management and qualification update shall be reviewed as soon as possible.

- An opportunity to regular qualification update by BoD members shall be one of the instruments for increasing motivation of its separate members for an active personal activities and efficiency of the BoD activities on the whole.

4.1.8. BoD Members' Duties.

BoD members shall act conscientiously and carefully for the interest of the Company and its shareholders. Every BoD member shall aspire to participate in all sessions of the Board of Directors.

BoD members shall:

- Be aware of their responsibility to shareholders and consider diligent and competent execution of managing functions enabling maintenance and growth of stock value as well as rights protection and opportunity for shareholders to exercise their rights to be the most important aim;
- Aspire to conduct a regular dialogue with the shareholders;
- Provide development and implementation of the Company's development strategy;
- Not disclose and use the Company's confidential information for their own advantage;
- Perform only for the benefit of the Company, no matter who promoted them as candidates and voted for their election.

¹ Except cases when a BoD member is simultaneously a sole executive body.

BoD members shall be obliged to abstain from actions that may result in conflict between them and the Company. In case of such conflicts a BoD member shall undertake to inform other BoD members on it as well as abstain from voting on the corresponding issues.

Conflict of interest shall be interpreted by the Company as contradictions between property and other personal interests of a BoD member and the Company (its shareholders, executive bodies as well as customers and partners), which may cause losses and (or) other backwash effects for the Company and (or) the persons.

Among numerous situations being potential reasons for conflict of interests the Company shall emphasize the following ones:

- BoD member's voting on agenda issues in which he may possess own interest when he takes a decision. At the same time such BoD member shall immediately disclose the fact and reasons for such interest to the BoD through the Corporate Secretary;

- Groundless rejection of a BoD member to participate in BoD sessions, particularly, non-voting on agenda issues. Thereupon, it shall be recommended that such BoD member shall inform the BoD on failure to participate in a session, reasons explained;

- Non-notification or untimely notification of the Company:

- 1) On conclusion of transactions by the Company in which such BoD member may possess direct or indirect interest;

- 2) On possessing 20 and more percent of the Company's shares and shares of other legal entities;

- 3) On acquisition of 20 and more percent of the Company's shares;

- 4) On acquisition of shares in legal entities being the Company's competitors;

- 5) On positions in management bodies of legal entities being the Company's competitors and (or) partners;

- 6) On contract relations between such BoD member and legal entities and (or) partners of the Company which may result in decision-taking by such BoD member contravening the Company's interests;

- Direct or indirect loan granted or services rendered to such BoD member by the Company or natural person or legal entities with contract relations with the Company.

The Company shall be aware of the importance to prevent the conflict of interests and shall aspire to take measures enabling protection of the interests of the Company's shareholders, BoD members, executive bodies, employees and clients aimed at minimizing possibilities for a conflict of interests.

4.2. The Management Board and General Director (CEO).

The Company shall realize that the sole executive body represented by the CEO shall be required to manage current operations of the Company. The Company shall also acknowledge that a collective, not individual approach shall be required to settle the challenges during the Company's management. Thereupon, the Company shall arrange the Management Board headed by its Chairperson.

The MB and CEO shall administer the Company's current activities with a view to reach the goals and implement its strategy.

The MB members and CEO shall be elected by the majority of votes by the BoD members attending the BoD session.

Promotion of nominees for CEO and MB member positions to be elected by the Company's BoD shall be arranged in the order disclosed by the Regulations on the Procedure for Convention and Arrangement of the Company's BoD sessions as well as the Regulations on the Company's Management Board.

Terms and conditions of work contract, including terms of office, shall be defined by the Company's BoD or a person authorized by the BoD for signing an employment contract according to the Charter.

The Board of Directors shall be entitled to take a decision to terminate both CEO's and MB members' terms of office and to establish new executive bodies any time.

The Management Board consisting of competent and experienced MB members shall ensure effective management of the Company. Every MB member, including its Chairperson, shall possess experience, knowledge and skills required for proper execution of duties entrusted on him.

The Management Board shall hold regular sessions, its members shall be provided with information on agenda issues beforehand. The working procedure of the Management Board shall be stipulated by the Regulations on the Company's Management Board.

Remuneration and work evaluation. CEO's remuneration shall be determined by the BoD. The remuneration shall consist of fixed and variable parts, the last one shall depend upon execution of special indicator system (further referred to as the Indicators) of executive body work and correlate with his personal contribution to the Company's long-term development to the benefit of its shareholders.

Indicators shall be interpreted as a system of financial and non-financial indicators influencing quantitative and qualitative change of results regarding the Company's strategic aim.

When determining the Indicators for the CEO, the Company's BoD shall concentrate only on the most significant ones, leaving behind all secondary ones, reducing their quantity down to "key" ones. The amount of the Indicators shall be limited (so as to be realizable and to ensure the quality of monitoring).

The Indicator system shall be aimed at transferring the Company's strategy into a comprehensive set of activity indicators which shall define main parameters of measuring and management systems. The set of Indicators shall create a basis for developing the Company's strategy and include quantitative characteristics to inform executive bodies on main successful factors in the present and future. Formulating its strategy the Company shall create a target and conditions for realizing the target.

Remuneration of the MB members shall comply with the market conditions and shall be set to motivate them to work honestly and effectively.

4.2.1. Executive bodies' duties.

The CEO and MB members shall act conscientiously and carefully for the benefit of the Company and its shareholders.

The CEO and MB members shall undertake to abstain from actions which shall be able to result in the conflict of interests between them and the Company. In such cases the CEO and MB members shall undertake to inform the BoD on that as well as abstain from discussion (voting in case of being in a Company's BoD) on the corresponding issues.

The Company shall acknowledge that experience, public relations, knowledge and skills of the CEO and MB members, including those, acquired during their performance, shall

open opportunities for commercial activities (both private and collective – by possessing stock or share), with no regard to the Company's interest.

Herewith, they shall guarantee that execution of such activities shall:

- not impede the execution of the functions;
- not be related to usage of material and intellectual resources of the Company;
- not result in material damage to the Company;
- not spoil goodwill of the Company;
- not create competitiveness for the Company.

In case of non-performance and creation of prerequisites for non-performance of any above-mentioned conditions, the CEO and MB members shall undertake to stop any operations causing such violations.

With a view to exclude all possible negative consequences for the Company, members of the Management Board shall disclose information to the Company on their commercial activities non-related to the Company's interests in compliance with the order set forth by the local statutory documents of the Company.

4.3. Interaction Between the BoD and Executive Bodies.

Effective corporate governance shall require an open dialogue between the Board of Directors and executive bodies of the Company. Hence, the CEO and Management Board of the Company shall submit to the Board of Directors reports on their activities in order and terms set forth by the Company's internal documents and BoD resolutions.

5. THE COMPANY'S SHAREHOLDERS

5.1. Shareholder Rights and Their Protection

The Company's shareholders shall possess a set of rights regarding the Company which observance and protection shall be provided by the Company's BoD and MB.

An independent registrar shall keep the Company's register. The selection and appointment of an independent registrar possessing all required technical means and stainless reputation shall enable the Company to guarantee reliable and effective registration of the title for shares and other securities of the Company.

Shareholders shall be entitled to be regularly and duly informed on the Company's activities within the scope pursuant to legislation requirements.

With a view to proper observance and protection of the right above, the Company shall guarantee to meet the requirements of the legislation on information disclosure.

Shareholders possessing voting shares shall be entitled to participate in a General Shareholder Meeting with a right to vote on all issues under its competence.

With a view to proper observance and protection of the mentioned right, the Company shall undertake to arrange an AGM in a way providing equal attitude to all shareholders and excluding significant expenses and time costs incurred by the shareholders referred to participation on the meeting.

The Company shall undertake to provide its shareholders with information on agenda issues within the scope and terms required to take reasonable decisions.

In cases stipulated by the legislation and the Company's Charter the Board of Directors shall prepare objective motivated recommendations for the Company's shareholders.

All information regarding General Shareholder Meeting shall be disclosed on the corporate web-site.

Shareholders shall be entitled to receive a part of net profit as dividends.

With a view to proper observance and protection of the mentioned right the Company shall undertake to pay out declared dividends within terms set forth by the AGM.

Shareholder rights shall be regulated by the Charter provisions and internal documents of the Company.

5.2. The General Shareholder Meeting

5.2.1. Preparation for AGM.

Each shareholder shall be entitled to participate in AGM, to vote on agenda issues, to obtain beforehand a notification on such meeting and its agenda as well as reliable, objective and duly information required for decision-taking on agenda issues. The Company's CEO shall be responsible for the process.

5.2.2. Holding the meeting.

The Company shall take all required measures to ensure shareholders' participation and voting on agenda issues.

The place for holding an AGM shall be accessible for shareholders. Registration procedure shall be convenient for shareholders and provide a quick and unhindered access to an AGM place.

Whenever possible, the Company shall provide attendance of the CEO and members of BoD, Audit Commission as well as Auditor at the AGM and shall authorize them to give responses to shareholder questions. Shareholders shall be entitled to report on agenda issues, introduce correspondent issues and ask questions. The AGM Chairperson shall provide its effective work.

The Company shall possess a fair and effective order of introducing proposals to AGM agenda, including proposals on promoting nominees for BoD membership. The AGM agenda shall not be altered following its approval by the Board of Directors.

5.2.3. AGM results.

Voting results and other required materials shall be submitted to shareholders on AGM date or following it as well as shall be disclosed on the corporate web-site and the mass media.

5.3. Dividend Policy

The Company shall possess officially approved Regulations on dividend policy. Dividend policy shall be also disclosed on the corporate web-site.

Dividend policy of the Company shall provide:

- Elaboration of a transparent and clear mechanism for dividend amount determination;
- Dividend pay-out procedure to be the most convenient for shareholders;
- Measures excluding incomplete or untimely pay-out of declared dividends.

6. INFORMATION DISCLOSURE AND TRANSPARENCY

6.1. Information Disclosure Policy and Practices

The Company's information disclosure policy shall be aimed at provision of the highest degree of confidence to shareholders, potential investors, business partners and other interested persons. This shall be achieved by submission of information on the Company, its business and securities within the scope required for taking well-reasoned decisions regarding the Company and its securities.

When disclosing information the Company shall not limit itself to information disclosed according to the Russian legislation and shall disclose other information which shall ensure high degree of the Company's transparency and enable to achieve the goals of the Company's disclosure policy.

The list of information for disclosure as well as order and terms of disclosure shall be determined by the Company's Regulations on Information Policy approved by the BoD.

When disclosing information the Company shall be guided by the following principles:

Principle of completeness and authenticity, when the Company discloses information, complying with the real state of things, to all interested persons, not evading negative information, within the scope required to form a full picture of the Company's business;

Principle of information availability, when the Company uses channels for information distribution providing an easy and free access to information for shareholders, creditors, potential investors and other interested persons;

Principle of information balance, meaning that the Company's information policy shall be based on a reasonable balance of the Company's transparency for all interested persons, on the one hand, and confidentiality, on the other hand, with a view to maximize execution of shareholder rights for obtaining information on the Company provided that confidential or insider information shall be protected;

Principle of regularity and timeliness of information disclosure, defining that the Company shall disclose information on its business to shareholders, creditors, potential investors and other interested persons within terms stipulated by the Russian legislation and internal documents of the Company.

Disclosed information shall be published on the corporate web-site. The web-site shall also have a version in English.

The sole executive body shall be responsible for information disclosure. The Company's BoD members shall submit their personal information required for disclosure according to the Russian legislation and the Regulations on the Company's Information Policy.

6.2. Financial Reporting

The Company shall keep books and prepare financial statements in accordance with the Russian Accounting Standards. The Company shall prepare consolidated statements under International Accounting Standards (IAS) and publish the statement on the corporate website.

Financial statements shall be accompanied by detailed notes enabling the reader to correctly interpret financial results of the Company. Financial information shall also be accompanied by comments and analytical evaluations of the management as well as the Auditor's and Audit Commission's reports.

The Company shall be aware of the role played by independent competent and qualified auditors in achieving corporate governance aims. This shall be expressed in:

- The Company's aspiration to solve problems revealed by the auditors in risk management and internal control systems;
- Provision on fair representation of the Company's activities in all business aspects in its financial statements;

The Company shall aspire to increase its effectiveness and authenticity of its financial statements by:

- Acknowledging importance of external and internal audit, comprehending importance of these functions by the Company's personnel;
- Rotation of external auditors and (or) rotation of external audit partners every 5 or less years, even if it is not stipulated by the legislation;
- Timely and effective usage of conclusions submitted by auditors;
- Provision of more authenticity in reports (other conclusions) of an external auditor through a preliminary review and approval by the Audit BoD Committee and (or) the BoD;
- Submission of conclusion (evaluation) of the Audit Committee prepared under preliminary review of external auditor's activities within materials for general shareholder meetings.

6.3. Financial Control

The Company shall be aware of necessity to decrease possibility of events that shall negatively affect achievement of the goals and lead to losses, including decision-taking on wrong conclusions, human errors, deliberate evading from control procedures. The Company shall also acknowledge a high degree of shareholder need for protection of their investments and assets. Therefore, the Company shall create a financial control system.

Internal control over financial activities shall be focused on achieving the following:

- Ensuring completeness and authenticity of financial, accounting, statistic, management and other statements;
- Ensuring to observe the Russian legislation, resolutions of the Company's management bodies and internal documents;
- Provision of assets' preservation;
- Ensuring that the Company's aims shall be achieved by the most effective means;
- Provision of effective and economic usage of the Company's resources;
- Ensuring timely revealing and analysis of financial and operating risks that shall be able to have a significant negative impact on achieving aims regarding financial activities.

Financial control system shall comprise control procedures determined by the Russian legislation, resolutions taken by General Shareholder Meeting and Board of Directors as well as a set of bodies (subdivisions and persons) responsible for internal control – Audit Commission and Board of Directors as well as a separate department (a set of departments) authorized to exercise control.

To ensure systematic control over financial activities a Company's authorized department responsible for internal control shall execute internal control procedures in close interaction with other subdivisions and bodies of the Company.

Certain procedures as well as bodies and persons responsible for internal control procedures shall be determined by the Regulations on Internal Control Procedures approved by the Company's Board of Directors.

6.4. Ownership Structure

The Company shall ensure information disclosure on real owners of 5 and more percents of voting shares. Disclosed information shall also describe corporate relations within the group of companies. The Company shall aspire to ensure transparency of its shareholder capital structure.

7. FINAL PROVISIONS

The present Code shall come into force since the date of the BoD's approval.