



OPEN JOINT-STOCK COMPANY
INTERREGIONAL DISTRIBUTIVE
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AUDIT COMMITTEE

Protocol # KA - 12 Of Audit Committee session IDGC of Urals, OAO

April 28, 2011
Session form:

Ekaterinburg
absentee voting (by questionnaires)

The following Committee members took part in the session: A.V. Demidov, K.Y. Petukhov, M.M. Saukh, M.V. Azovtsev.

Quorum for decision-taking on all agenda issues reached.

Agenda:

1. Review of 2010 RAS financial (accounting) statements.
2. Recommendations to the following BoD issue: Preliminary approval of 2010 annual report.
3. Review of a nominee for external auditor position for auditing 2011 RAS financial (accounting) statements.
4. Appraisal of the auditor report on 2010 RAS financial (accounting) statements.
5. Review of an observation report on the implementation of documents aimed at the perfection and development of internal control, audit and risk management in IDGC of Urals, OAO in 1Q 2011.
6. Submission of comments by the external auditor to the BoD Audit Committee on key problems of 2010 RAS financial (accounting) statements.
7. Review of information on types and prices of consulting services rendered by the external 2010 RAS auditor, except for the services regarding the audit of the statements.

Issue #1: Review of 2010 RAS financial (accounting) statements.

Resolution:

To take into consideration 2010 RAS financial (accounting) statements of the Company.

Voting results:

“FOR” – 4 (Four) votes: A.V. Demidov, K.Y. Petukhov, M.M. Saukh, M.V. Azovtsev.

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

The resolution is adopted unanimously.

Issue #2: Recommendations to the following BoD issue: Preliminary approval of 2010 annual report.

Resolution:

Recommend the BoD to adopt the following resolution on the issue:

1. To preliminarily approve 2010 annual report according to the Appendix to the present resolution.
2. To recommend the AGSM to adopt the annual report.

Voting results:

“FOR” – 4 (Four) votes: A.V. Demidov, K.Y. Petukhov, M.M. Saukh, M.V. Azovtsev.

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

The resolution is adopted unanimously.

Issue #3: Review of a nominee for external auditor position for auditing 2011 RAS financial (accounting) statements.

Resolution:

To submit for the BoD’s review the following candidate for an auditor position with a view to recommend the candidate for the approval by the AGSM: FinExpertiza, OOO (69 building 1, Prospect Mira, Moscow, 129110, PSRN 1027739127734, license #E002588 dd. 06.11.2002).

Voting results:

“FOR” – 3 (Three) votes: A.V. Demidov, K.Y. Petukhov, M.M. Saukh.

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 1 (One) vote: M.V. Azovtsev.

The resolution is adopted by the majority of votes.

Issue #4: Appraisal of the auditor report on 2010 RAS financial (accounting) statements.

Resolution:

To recommend the BoD members to include into the list of information (materials) disseminated among the shareholders during AGSM arrangement a report on the appraisal of the auditor report on 2010 statements prepared by the independent auditor company – HLB Vneshaudit, ZAO.

Voting results:

“FOR” – 4 (Four) votes: A.V. Demidov, K.Y. Petukhov, M.M. Saukh, M.V. Azovtsev.

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

The resolution is adopted unanimously.

Issue #5: Review of an observation report on the implementation of documents aimed at the perfection and development of internal control, audit and risk management in IDGC of Urals, OAO in 1Q 2011.

Resolution:

1. To take into consideration an observation report prepared by Internal Control and Audit Department on the integrated ICRM system implementation as of 1Q 2011.
2. To approve the Regulations on Control Environment and Risks of the Business Processes:
 - Commercial accounting and transmission sales;
 - Purchase Management;
 - Exploitation.
3. To approve the Methodic Recommendations on Risk Management in IDGC of Urals, OAO.
4. To recommend the BoD to approve the Regulations on Control Environment and Risks of the Business Processes:
 - Commercial accounting and transmission sales;
 - Purchase Management;
 - Exploitation.
5. To recommend the BoD to encharge the General Director with a task to elaborate and approve action plan on the implementation of the Regulations on Control Environment and Risks of the Business Processes:
 - Commercial accounting and transmission sales;
 - Purchase Management;
 - Exploitation.
6. To recommend the General Director to approve the Methodic Recommendations on Risk Management.

Voting results:

“FOR” – 4 (Four) votes: A.V. Demidov, K.Y. Petukhov, M.M. Saukh, M.V. Azovtsev.

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

The resolution is adopted unanimously.

Issue #6: Submission of comments by the external auditor to the BoD Audit Committee on key problems of 2010 RAS financial (accounting) statements.

Resolution:

To defer the issue to a later date.

Voting results:

“FOR” – 4 (Four) votes: A.V. Demidov, K.Y. Petukhov, M.M. Saukh, M.V. Azovtsev.

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

The resolution is adopted unanimously.

Issue #7: Review of information on types and prices of consulting services rendered by the external 2010 RAS auditor, except for the services regarding the audit of the statements.

Resolution:

To take into consideration the information that the external 2010 RAS auditor provided the services related only to the audit of the financial (accounting) reporting.

Voting results:

“FOR” – 4 (Four) votes: A.V. Demidov, K.Y. Petukhov, M.M. Saukh, M.V. Azovtsev.

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

The resolution is adopted unanimously.

Appendices:

#1 – 2010 RAS financial (accounting) statements.

#2 – 2010 annual report.

#3 – Information on an auditor candidate for 2011.

#4 – Auditor report on 2010 RAS financial (accounting) statements.

#5 – An observation report on implementation of documents aimed at the perfection and development of internal control, audit and risk management in 1Q 2011.

#6 – Information on types and prices of consulting services rendered by the external 2010 RAS auditor.

#7-10 – Questionnaires of the following Committee members: A.V. Demidov, A.V. Asovtsev, K.Y.Petukhov, M.M. Saukh.

The Committee Chairperson

A.V. Demidov

The Committee Secretary

D.V. Tikhanov

The Protocol was compiled on: 29.04.2011.