

AUDIT COMMITTEE

Protocol # КА - 32 Of Audit Committee session IDGC of Urals, OAO

March 25, 2014

Ekaterinburg

Session form:

absentee voting (by questionnaires)

The following Committee members took part in the session: E.N. Zhuykov, M.V. Azovtsev, S.Y. Remes, A.N. Fadeev.

Quorum for decision-taking on all agenda issues reached.

Agenda:

1. Review of 2013 RAS financial statements.
2. Submission of comments from the external auditor on key problems of 2013 RAS financial statements to the Committee.
3. Evaluation of the auditor report to 2013 RAS financial statements by the Committee.
4. Review of a report on key risks of the Company in 2013.

Issue 1: Review of 2013 RAS financial statements.

Resolution:

1. To take into account 2013 RAS financial statements according to Appendix #1 hereof.
2. To note a significant increase of receivables and decrease of net profit margin.
3. To recommend the Company's CEO to detect reasons caused receivables increase and to take measures to decrease receivables.
A progress report should be submitted to the Audit Committee as a part of the issue "Review of 1Q 2014 RAS financial statements".
4. To recommend the Board of Directors to approve the submission of 2013 RAS financial statements for AGSM approval (Appendix #1).
5. The Committee Secretary should ensure informing of BoD members on key trends in Company's financial status according to the Appendix hereof.

Voting results:

"FOR" – 4 (Four) votes: E.N. Zhuykov, S.Y. Remes, M.V. Azovtsev, A.N. Fadeev.

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

The resolution is adopted unanimously.

Issue 2: Submission of comments from the external auditor on key problems of 2013 RAS financial statements to the Committee.

Resolution:

To take into account comments from the external auditor on key problems of 2013 RAS financial statements according to Appendix #2 hereof.

Voting results:

"FOR" – 4 (Four) votes: E.N. Zhuykov, S.Y. Remes, M.V. Azovtsev, A.N. Fadeev.

"AGAINST" - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

The resolution is adopted unanimously.

Issue 3: Evaluation of the auditor report to 2013 RAS financial statements by the Committee.

Resolution:

To defer the issue “Evaluation of the auditor report to 2013 RAS financial statements by the Committee” to a later date.

Voting results:

“FOR” – 4 (Four) votes: E.N. Zhuykov, S.Y. Remes, M.V. Azovtsev, A.N. Fadeev.

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

The resolution is adopted unanimously.

Issue 4: Review of a report on key risks of the Company in 2013.

Resolution:

1. To take into account a report on key risks of the Company in 2013.

2. To recommend the Board of Directors to approve a report on key risks of the Company in 2013.

Voting results:

“FOR” – 4 (Four) votes: E.N. Zhuykov, S.Y. Remes, M.V. Azovtsev, A.N. Fadeev.

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

The resolution is adopted unanimously.

The Committee Chairperson

E.N. Zhuykov

The Committee Secretary

D.V. Tikhanov

The Protocol was compiled on: 26.03.2014.