

AUDIT COMMITTEE

Protocol # КА - 39 An Audit Committee session IDGC of Urals, OAO

September 23, 2014

Ekaterinburg

Session form:

absentee voting (by questionnaires)

The following Committee members took part in the session: M.V. Azovtsev, D.A. Malkov, K.M. Yushkov, Y.V. Yascheritsyna.

Number of the Committee members that participated in the session is 4 out of 5. S.A. Petrov did not participate in the session.

Quorum for decision-taking on all agenda issues reached.

Agenda:

Issue 1: Review of the list of key operating risks (risk owners stipulated).

Resolution:

1. To approve the list of key operating risks (risk owners stipulated) according to Appendix #1 hereof.
2. To recommend the BoD to approve the list of key operating risks (risk owners stipulated).

Voting results:

“FOR” – 4 (Four) votes: M.V. Azovtsev, D.A. Malkov, K.M. Yushkov, Y.V. Yascheritsyna.

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

The resolution is adopted unanimously.

Issue 2: Review of a 1H 2014 risk report prepared by the sole executive body.

Resolution:

To take into account a 1H 2014 risk report prepared by the sole executive body of the Company according to Appendix #2 hereof.

Voting results:

“FOR” – 4 (Four) votes: M.V. Azovtsev, D.A. Malkov, K.M. Yushkov, Y.V. Yascheritsyna.

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

The resolution is adopted unanimously.

Issue 3: Review of the list of operating risks of key business processes (risk owners stipulated).

Resolution:

1. To approve the list of operating risks of key business processes of the Company (risk owners stipulated) according to Appendix #3 hereof.

2. To recommend the Acting General Director to approve the list of operating risks of the Company (risk owners stipulated).

Voting results:

“FOR” – 4 (Four) votes: M.V. Azovtsev, D.A. Malkov, K.M. Yushkov, Y.V. Yascheritsyna.

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

The resolution is adopted unanimously.

Issue 4: Review and approval of the organizational structure and budget of a structural unit responsible for internal audit and control.

Resolution:

1. To approve the organizational structure of Internal Audit and Control Department according to Appendix #4 hereof.

2. To approve a draft of the budget of Internal Audit and Control Department for 2015 according to Appendix #5 hereof.

Voting results:

“FOR” – 4 (Four) votes: M.V. Azovtsev, D.A. Malkov, K.M. Yushkov, Y.V. Yascheritsyna.

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

The resolution is adopted unanimously.

Issue 5: Review of written information submitted by the external auditor concerning key problems of 6M 2014 RAS financial statements.

Resolution:

1. To take into account written information (auditor report) prepared by the external auditor for IDGC of Urals senior managers concerning interim audit of the financial statements prepared under Russian Accounting Standards as of 6 months ended June 30, 2014.

2. To recommend the Acting General Director to ensure the implementation of recommendations prepared by the external auditor, stipulated in the written information (auditor report) concerning key problems of 6M 2014 RAS statements.

Voting results:

“FOR” – 4 (Four) votes: M.V. Azovtsev, D.A. Malkov, K.M. Yushkov, Y.V. Yascheritsyna.

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

The resolution is adopted unanimously.

Issue 6: Adjustments of the working plan of IA&RM structural unit for 2014.

Resolution:

1. To approve the adjusted working plan of IA&RM Department for 2014 according to Appendix #6 hereof.

2. To recommend the Acting General Director to approve the adjusted working plan of IA&RM Department for 2014 according to Appendix #6 hereof.

Voting results:

“FOR” – 4 (Four) votes: M.V. Azovtsev, D.A. Malkov, K.M. Yushkov, Y.V. Yascheritsyna.

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

The resolution is adopted unanimously.

Appendix #1: The list of key operating risks of the Company;
Appendix #2: A report on key risks of the Company as of 1H 2014;
Appendix #3: The list of operating risks of key business processes of IDGC of Urals, OAO;
Appendix #4: Organizational structure of Internal Audit And Control Department;
Appendix #5: 2015 budget of Internal Audit and Control Department;
Appendix #6: 2014 adjusted working plan of IA&RM Department;

The Committee Chairperson

Y.V. Yascheritsyna

The Committee Secretary

D.V. Tikhanov

Protocol was compiled on: 26.09.2014