

**AUDIT COMMITTEE****Protocol # КА - 43  
An Audit Committee session  
IDGC of Urals, OAO**

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March 27, 2015

Session form:

Ekaterinburg

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, S.A. Petrov.

Number of the Committee members that participated in the session is 5 out of 5. Quorum for decision-taking on all agenda issues reached.

**Agenda:**

1. Review of a report prepared by Internal Audit & Control Department on the execution of 4Q 2014 and 2014 working plan and results of internal audit operations.
2. Review of a report prepared by the sole executive body of the Company on key operating risks management in 2014.
3. Review and approval of Internal Control and Risk Management Section of the Company's annual report.

**Issue 1: Review of a report prepared by Internal Audit & Control Department on the execution of 4Q 2014 and 2014 working plan and results of internal audit operations.****Resolution:**

1. To take into account a report prepared by Internal Audit & Control Department on the execution of 4Q 2014 and 2014 working plan according to Appendix #1 hereof.
2. Head of Internal Audit and Control Department should not replace control measures without grounding and adjustment of plans hereafter.

**Voting results:**

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

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 1 (One) vote: K.M. Yushkov.

**The resolution is adopted by the majority of votes.**

**Issue 2: Review of a report prepared by the sole executive body of the Company on key operating risks management in 2014.****Resolution:**

1. To take into account a report prepared by the sole executive body of the Company on key operating risks management in 2014 according to Appendix #2 hereof.
2. To recommend the sole executive body to include information on measures prepared and implemented by the senior managers to minimize the risks related to a boost of economically feasible expenses incurred by allied grids into the report submitted to the BoD.
3. To recommend the BoD to take into account a report prepared by the sole executive body of the Company on key operating risks management in 2014 according to Appendix #2 hereof.

**Voting results:**

“FOR” – 5 (Five) votes: M.V. Azovtsev, D.A. Malkov, K.M. Yushkov, Y.V. Yascheritsyna, S.A. Petrov.

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

**The resolution is adopted unanimously.**

**Issue 3: Review and approval of Internal Control and Risk Management Section of the Company's annual report.**

**Resolution:**

To approve the contents of Internal Control and Risk Management Section of the Company's annual report according to the Appendix hereof.

**Voting results:**

“FOR” – 5 (Five) votes: M.V. Azovtsev, D.A. Malkov, K.M. Yushkov, Y.V. Yascheritsyna, S.A. Petrov.

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

**The resolution is adopted unanimously.**

**Appendices:**

**Appendix #1:** A report prepared by Internal Audit & Control Department on the execution of 4Q 2014 and 2014 working plan and results of internal audit operations.

**Appendix #2:** A report prepared by the sole executive body of the Company on key operating risks management in 2014.

**Appendix #3:** Internal Control and Risk Management Section of the Company's annual report.

**The Committee Chairperson**

**Y.V. Yascheritsyna**

**The Committee Secretary**

**D.V. Tikhanov**

Protocol was compiled on: 30.03.2015.