



ОТКРЫТОЕ АКЦИОНЕРНОЕ ОБЩЕСТВО
МЕЖРЕГИОНАЛЬНАЯ РАСПРЕДЕЛИТЕЛЬНАЯ
СЕТЕВАЯ КОМПАНИЯ УРАЛА
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AUDIT COMMITTEE

Protocol # КА - 44 Audit Committee session IDGC of Urals, OAO

Session form – in-presentia (video-conference).

Session date: April 15, 2015.

Protocol date: April 16, 2015.

Session started at: 13:30 (Moscow time).

Session ended at: 14:30 (Moscow time).

Session location: Room A3-063, Rosseti office, 4/1 Ulitsa Belovezhskaya, Moscow.

Committee members who participated in the session:

Y.V. Yascheritsyna

K.M. Yushkov

D.A. Malkov

S.A. Petrov

Committee member who has submitted its questionnaire:

M.V. Azovtsev.

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

Invited persons who attended the session:

M.A. Lelekova, Director of Internal Audit and Control Department at Rosseti, OAO, the Audit Committee expert;

A.S. Zykov, Senior manager at Ernst & Young;

A.V. Loza, Partner at Ernst & Young;

V.M. Scherbakova, Deputy General Director for Economics and Finance at IDGC of Urals.

A.A. Nikitushina, Deputy General Director for Corporate Governance at IDGC of Urals.

O.M. Abrosimova, Chief Accountant at IDGC of Urals.

A.A. Ulyanov, Head of Internal Audit and Control Department at IDGC of Urals;

A.V. Sanin, Head of Legal Department at IDGC of Urals;

Committee Secretary:

D.V. Tikhanov.

Agenda:

1. Review of a written information prepared by the external auditor, on key problems of 2014 RAS financials and information prepared by the Company's management on key audit outcome adjustments introduced into financials.
2. Review of a written information prepared by the external auditor, on key problems of 2014 IFRS consolidated financials and information prepared by the Company's management on key audit outcome adjustments introduced into financials.

3. Preliminary review of Company's 2014 RAS financials.
4. Draft of Company's 2014 IFRS consolidated financials.
5. Review of a candidate for Company's auditor position for conducting the audit of 2015 RAS financials and consolidated IFRS financials ended 31.12.2015.

Issue 1: Review of a written information prepared by the external auditor, on key problems of 2014 RAS financials and information prepared by the Company's management on key audit outcome adjustments introduced into financials.

Report by:

- A.S. Zykov, Senior manager at Ernst & Young – regarding written information prepared by the external auditor, on key problems of 2014 RAS financials.
- O.M. Abrosimova, Chief Accountant at IDGC of Urals – regarding key audit outcome adjustments introduced into financials.

The speakers were asked qualifying questions and commented on them.

The Committee members came to a conclusion that the audit has not revealed significant distortions of 2014 financials. The auditor report contains information that the financials show Company's authentic financial situation as of December 31, 2014.

Resolution:

To take into account information prepared by the external auditor, on key problems of 2014 RAS financials according to Appendix #1 hereof.

Voting results:

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

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

The resolution is adopted unanimously.

Issue 2: Review of a written information prepared by the external auditor, on key problems of 2014 IFRS consolidated financials and information prepared by the Company's management on key audit outcome adjustments introduced into financials.

Resolution:

To defer the issue to the next session of the Audit Committee.

Voting results:

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

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

The resolution is adopted unanimously.

Issue 3: Preliminary review of Company's 2014 RAS financials.

Report by: O.M. Abrosimova, Chief Accountant at IDGC of Urals.

The speaker was asked qualifying questions and commented on them.

Resolution:

1. To take into account 2014 RAS financials according to Appendix #2 hereof.

2. To recommend the Board of Directors to approve the submission of 2014 RAS financials for the AGSM approval according to Appendix #2 hereof.

Voting results:

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

“AGAINST” - 0 (Zero) votes.

“ABSTAIN” - 0 (Zero) votes.

The resolution is adopted unanimously.

Issue 4: Draft of Company's 2014 IFRS consolidated financials.

Resolution:

1. To defer the issue to the next session of the Audit Committee.
2. To recommend the Company's senior managers:
 - 2.1. To adjust future cash flow forecast for the purpose of grid asset devaluation test as of 31.12.2014 taking into account approved 2015-2019 business plan parameters.
 - 2.2. After execution of item 2.1. hereof to introduce alterations into the consolidated 2014 IFRS financials.

Voting results:

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

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

The resolution is adopted unanimously.

Issue 5: Review of a candidate for Company's auditor position for conducting the audit of 2015 RAS financials and consolidated IFRS financials ended 31.12.2015.

Notes:

Since the tender procedures regarding selection of Rosseti external auditor were not accomplished as of the session date, the issue should be deferred to the next session of the Audit Committee.

Resolution:

To defer the issue to the next session of the Audit Committee.

Voting results:

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

"AGAINST" - 0 (Zero) votes.

"ABSTAIN" - 0 (Zero) votes.

The resolution is adopted unanimously.

Appendices:

Appendix #1: A written information prepared by the external auditor, on key problems of 2014 RAS financials.

Appendix #2: 2014 RAS financials.

The Committee Chairperson

Y.V. Yascheritsyna

The Committee Secretary

D.V. Tikhanov