

AUDIT COMMITTEE**Protocol # КА - 45
An Audit Committee session
IDGC of Urals, OAO**

April 30, 2015

Ekaterinburg

Session form:

absentee voting (by questionnaires)

The following Committee members attended 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 the written information, prepared by the external auditor, on key problems of 2014 IFRS statements and information on post-audit significant adjustments, prepared by the Company's management.
2. Review of 2014 IFRS consolidated statements.
3. Review of a nominee to audit the Company's 2015 RAS statements and IFRS statements for the year ended 31.12.2015 as the external auditor.
4. Performance evaluation of the external auditor, including evaluation of the auditor report to 2014 RAS financials.
5. Approval of the form and structure of an IA&CD progress report.

Issue 1: Review of the written information, prepared by the external auditor, on key problems of 2014 IFRS statements and information on post-audit significant adjustments, prepared by the Company's management.

Resolution:

To defer the issue to the next session since the external auditor has not submitted the materials.

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 2: Review of 2014 IFRS consolidated statements.

Resolution:

To defer the issue to the next session since the external auditor has not submitted the materials.

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 of a nominee to audit the Company's 2015 RAS statements and IFRS statements for the year ended 31.12.2015 as the external auditor.

Resolution:

To recommend the Board to propose RSM RUS (4 Ulitsa Pudovkina, Moscow, Russia, 119285), pronounced as the winner of open single-stage contest (Protocol of the Procurement Commission #5/552r dd. 14.04.2014) as the Company's auditor to the Annual General Shareholder Meeting.

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.

Issue 4: Performance evaluation of the external auditor, including evaluation of the auditor report to 2014 RAS financials.

Resolution:

1. To acknowledge that the auditor report and 2014 RAS audit procedures of Ernst&Young comply with the requirements of the contract and Russian legislation.
2. To approve the performance evaluation according to Appendix #1 hereof.
3. To recommend the Board to include the performance evaluation into the list of materials disseminated among persons entitled to participate in the AGSM.

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 5: Approval of the form and structure of an IA&CD progress report.

Resolution:

1. To approve:
 - The form and structure of an IA&CD progress report according to Appendix #3 hereof.
 - IA&CD progress report preparation instruction according to Appendix #4 hereof.
2. To acknowledge the form and structure of an IA&CD progress report approved by the Audit Committee on 12.01.2011 (protocol #KA-9) as ceased to be in force since the present resolution of the Audit Committee.

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.

The Committee Chairperson

Y.V. Yascheritsyna

The Committee Secretary

D.V. Tikhanov

Protocol was compiled on 30.04.2015.