

**AUDIT COMMITTEE****Protocol # КА - 46  
An Audit Committee session  
IDGC of Urals, OAO**

28 May 2015  
Session form:

Ekaterinburg  
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 1Q 2015 RAS interim statements.
4. Review of an IA&CD 1Q 2015 progress report.
5. A 2014-2015 progress report of the Audit Committee.

**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:**

1. To take into account the information from Ernst&Young on key problems of 2014 IFRS statements according to Appendix #1 hereof.
2. To note that the Company's management has not submitted information on post-audit significant adjustments.

**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 2: Review of 2014 IFRS consolidated statements.**

**Resolution:**

1. To take into account 2014 IFRS consolidated statements according to Appendix #2 hereof.
2. The secretary should inform the Board on key tendencies and changes of 2014 consolidated IFRS statements according to Appendix #3 hereof.

**Voting results:**

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

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

“ABSTAIN” - 0 (Zero) votes.

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

**Issue 3: Review of 1Q 2015 RAS interim statements.**

**Resolution:**

1. To take into account 1Q 2015 RAS interim statements according to Appendix #4 hereof.
2. To focus management attention to revenue cuts (7%) outstripping cost reduction (3%).
3. The secretary should inform the Board on key tendencies and changes of 1Q 2015 RAS statements according to Appendix #5 hereof.

**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: Review of an IA&CD 1Q 2015 progress report.**

**Resolution:**

To take into account an IA&CS 1Q 2015 progress report according to Appendix #6 hereof.

**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 5: A 2014-2015 progress report of the Audit Committee.**

**Resolution:**

1. To approve a 2014-2015 progress report of the Audit Committee according to Appendix #7 hereof.
2. To recommend the Company’s management to assure the submission of 2014-2015 progress report of the Audit Committee for Board’s review.

**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:** Information from Ernst&Young on key problems of 2014 IFRS statements.

**Appendix #2:** 2014 IFRS consolidated statements.

**Appendix #3:** Key tendencies and changes in 2014 IFRS statements.

**Appendix #4:** 1Q 2015 RAS interim statements.

**Appendix #5:** Key tendencies and changes in 1Q 2015 RAS interim statements.

**Appendix #6:** 1Q 2015 progress report prepared by Internal Audit and Control Department.

**Appendix #7:** A 2014-2015 progress report of the Audit Committee.

**Appendices #8-12:** Questionnaires.

**The Committee Chairperson**

**Y.V. Yascheritsyna**

**The Committee Secretary**

**D.V. Tikhanov**

Protocol was compiled on 29.05.2015.