



CORPORATE GOVERNANCE SYSTEM

The corporate governance system of OAO IDGC of Urals is based on principles designed to multiply assets, enhance investment prospects and market value, maintain the Company's financial stability and profitability as well as respect the rights and interests of stockholders and stakeholders.

Disclosure and transparency of financial information aligned with preservation of the Company's interests in terms of commercial secrets and confidential information play a significant role in the IDGC of Urals corporate governance system. One of the most important channels for distribution of information, available to the majority of stakeholders, is the Company's official web-site (www.mrsk-ural.ru/en/), containing Investor Relations Section (www.mrsk-ural.ru/en/ir/) and Company's official web-page at the Interfax newswire system (www.e-disclosure.ru/portal/company.aspx?id=12105). These resources can freely be used to view the latest Company's news, financial and operational performance, variety of statements, reports and other useful information on the Company's operations as well as bylaws regulating management and oversight bodies of the Company (The Charter, Regulations on the General Meeting of Stockholders, Regulations on the Board of Directors, Regulations on the Executive Board, Regulations on the Board of Internal Auditors, etc.). Adhering to the principle of equal access to the information for all stakeholders, OAO IDGC of Urals publishes information on its official web-site both in Russian and English.

The structure of the management and oversight bodies at OAO IDGC of Urals

General Meeting of Stockholders	the supreme governing body which purview covers the most significant aspects of the Company's activities
Board of Directors	the governing body, designed to handle the overall management of the Company and liable for strategic management focusing on enhanced shareholder value of the Company. The Board of Directors oversees the Company's executive bodies and supervises their efficiency
Board of Directors Committees	consultative and advisory bodies assisting the Board of Directors in its overall charge of the Company
Corporate Secretary	a Company's official enforcing Company's compliance with Russian laws, Charter and bylaws of the Company that guarantee implementation of rights and interests of stockholders
Executive Board	the collegiate executive body that manages the Company's day-to-day operations
General Director	the sole executive body that performs the functions of the Chair of the Company's Executive Board
Board of Internal Auditors	the supervisory body that oversees the Company's financial and operational activities and is elected by the General Meeting of Stockholders
External Auditor	the supervisory body, approved by the General Meeting at the suggestion of the Board of Directors to conduct annually audits of the Company's RAS and IFRS financial statements
Internal Control	a process carried out by the Company's Board of Directors, Board of Internal Auditors, officers and employees of all Company's management levels to enforce reasonable assurance of goal achievement
Internal Audit (Department)	a unit of the Company, liable for analysis and evaluation of the Company's business processes