

SETTLEMENT OF COMPETING INTERESTS

As the Regulations on the OAO IDGC of Urals Board of Directors* state, once a director encountered a potential conflict of interest, incl. interest in a Company's transaction, such director shall be obliged to inform the Board of Directors on that immediately and always put interests of the Company before personal interests. The announcement shall always be made prior to the discussion of the item with a director's conflict of interest. Besides, within two months after they have or should have come to know of circumstances by virtue of which they may be acknowledged as interested in Company's transactions, Board members shall notify the Company of:

- legal entities in which they, their spouses, parents, children, siblings and half-siblings, adoptive parents and adoptees and (or) their controlled firms, are controlling entities or entitled to instruct;
- legal entities in which governing bodies are occupied by them, their spouses, parents, children, siblings and half-siblings, adoptive parents and adoptees and (or) their controlled entities;
- implemented or future transactions, known to them, in which they may be acknowledged as interested entities.

Should this information change, the Board members shall notify the Company of the changes within 14 days since they have or should have come to know of the changes.

The Company also strives to prevent and minimize any consequences of possible conflicts of interest among its executives. The Company has a comprehensive system of dealing with conflicts of interest among executives that is aimed at preventing any potential conflicts of interest and minimizing their negative consequences to the interests of OAO IDGC of Urals.

The Regulations on the Executive Board at OAO IDGC of Urals* state that the Executive Board members shall:

- Within 2 (Two) months after they have or should have come to know of circumstances by virtue of which they may be identified as interested in Company's transactions, the members shall notify the Company of:
 - a) legal entities in which they, their spouses, parents, children, siblings and half-siblings, adoptive parents and adoptees and (or) their controlled firms, are controlling entities or entitled to instruct;
 - b) legal entities in which governing bodies are occupied by them, their spouses, parents, children, siblings and half-siblings, adoptive parents and adoptees and (or) their controlled firms;
 - c) implemented or future transactions, known to them, in which they may be identified as interested entities.
- Should this information, already filed with the Company, change, the members shall notify the Company of the changes within 14 (Fourteen) days after they have or should have come to know of the changes.



In addition, simultaneous service of EB members on the management bodies or other paid positions in other companies shall be possible only if approved by the Board of Directors.

* Visit the official web-site of the Company to read the Regulations (Section Incorporating Documents and Bylaws (Main/About us/ Incorporating Documents and Bylaws)).