



# IUEC

International Uranium  
Enrichment Center

IUEC:  
2011 Annual Report



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# Preamble

This Annual Report has been produced using the information available to the open-type joint stock company the “International Uranium Enrichment Center” (hereafter – IUEC, or the Company) at the time of the report production.

The Annual report contains certain forecast statements with respect to business activities, economic performance, financial standing, production and business results of the enterprise, its plans, intended projects and their anticipated outcome, as well as trends of the price of services, rate of production and consumption, operational costs and expenses, prospects of development, useful life of assets, assessment of inventories and other similar factors, and economic forecasts.

The words “intends”, “endeavors”, “expects”, “plans”, “believes”, “expects”, “can”, “has to”, “will”, “is going to continue” and other similar expressions usually indicate the prognostic nature of statements.

Prognostic statements are inherently associated with certain risks and uncertainties of both generic and specific nature, and there is always a chance that the assumptions, forecasts, intended projects and other prognostic statements fail to come true. In the light of the aforementioned risks, uncertainties and assumptions the Company cautions that the actual results can differ substantially from those directly stated in or inferred in the prognostic statements, the validity of which is limited to the time of production of the report.

limited to the time of production of the report.

The Company does not claim or guarantee that the results outlined in the prognostic statements shall be achieved. The Company is not in any way responsible for the losses that can be incurred by physical persons or legal entities through actions relying on the prognostic statements. Such prognostic statements represent in every specific case only one of many possible outcomes, which is not necessarily the most probable one. Except for the cases where it is explicitly prescribed by the Law, the Company does not assume any obligations related to publishing updates and amendments to the prognostic statements based on the new information or subsequent events.



# Address by General Director of IUEC

## *Dear Friends and Colleagues,*

For IUEC, 2011 became the year of building up on achieved results and progressive advance. Today it can be confidently said that we have created an affordable, stable and reliable instrument using which the IAEA Member States who have wished to develop or expand peaceful nuclear power can do this without bearing any extra costs of development of own nuclear fuel cycle technologies and facilities, and thus, facilitate maintaining and strengthening of the nuclear nonproliferation regime.

Over five years since the establishment of the Company we have focused our efforts to make the membership in the organization a real instrument rather than a token. We closed 2011 by drafting the framework Agreement concerning supplies of products and services of the International Uranium Enrichment Center which gives our shareholders the right of guaranteed access to the Russian uranium enrichment capacities through the membership in IUEC. The 2012 is expected to mark the year when a first such agreement is signed with one of shareholders, Ukraine's State Concern Nuclear Fuel, and first commercial products are sold to it.

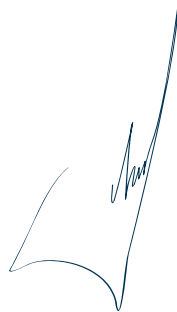
Over the past year IUEC continuously worked to ensure proper and safe handling of materials in the Guaranteed Physical Reserve of Low Enriched Uranium established in the framework of the Agreement between the Government of the Russian Federation and the International Atomic Energy Agency of March 29, 2010. Observing its international commitments under the Safeguards Agreement in the Russian Federation, the IAEA in 2011 conducted a physical inventory-taking of nuclear material of the Guaranteed Reserve on the IUEC storage facility, which, so far, is the only facility being under the Agency's comprehensive safeguards in the Russian Federation. Basing on the inspection results, the IAEA produced and submitted via official channels to the Russian Federation a positive statement on the application of safeguards in the Russian Federation in 2011 that should be reflected in the Safeguards Implementation Report for 2011. Besides, Russia's efforts to create conditions for the IAEA inspections were appreciated by the IAEA Department of Safeguards.

We continuously work to train and advance skills of the staff to ensure proper functioning of the Company. In 2011 all managers and operating personnel did relevant training and passed qualification exams, and were granted Permits by the regulatory authority to work in the field of the use of atomic energy. Also in 2011 the Federal Environmental, Industrial and Nuclear Supervision Service renewed an IUEC license for handling nuclear materials for 5 years until 2016, inclusive.

We are broadening a range of partners, i.e. IUEC shareholders. The acquisition of the Center's shares by the authorized organization of the Republic of Armenia, the closed-type joint stock company Armenian Nuclear Power Plant, has entered its final stage. We do the utmost to inform all potential stakeholders on our activities. The IUEC participation terms and advantages are highlighted at international exhibitions and conferences: ATOMEXPO 2011 exhibition, the 36-th Symposium of the World Nuclear Association (WNA), the 55-th General Conference of the IAEA, the 52-th Annual Meeting of the Institute of Nuclear Material Management (INMM, USA), the conference of the American Nuclear Society (ANS), and the conference Global 2011.

In 2011 we held a number of charity events. Sponsorship was provided to the National Wildlife Resort "Ugra" and non-governmental charity foundation the Gift of Life.

I am sincerely sure that IUEC will continue gaining the development pace and our joint constructive work in frames of the Nonproliferation Treaty will lead to success in achieving the set goals.



General Director

Alexei Lebedev





# Address by Chairman of the Board of IUEC

## *Dear Colleagues and partners*

In 2011 continued its development as an international project aimed at the strengthening of the international safety and security and nonproliferation regime through enhancement of reliability of nuclear fuel supplies.

In the reporting year the Company continued storing and servicing the guaranteed reserve of low enriched uranium for assured nuclear fuel supply to the Agency's Member States in case existing mechanisms fail. The IAEA Safeguards were uninterruptedly applied to nuclear material of the established reserve in furtherance of the Safeguards Agreement between the USSR and the IAEA of 21.02.1985 (INFCIRC/327); the necessary equipment was delivered and installed in the IUEC storage facility and inspections by the IAEA were conducted. For the first time the samples of nuclear material of the guaranteed reserve were delivered to the IAEA.

A number of IUEC partners is growing; in 2011 all required approvals were obtained, including for the Federal Antimonopoly Service, to put CJSC Armenian NPP on the Company's shareholders list. The work continued to promote the project in the world arena; the advantages of participation in IUEC were highlighted at a number of international exhibitions and conferences.

On behalf of the Company's Board of Directors I would like to thank the International Atomic Energy Agency, the State Atomic Energy Corporation ROSATOM, our shareholders and partners for the constructive cooperation in 2011 and express hope for the further development of the international project in 2012.

Chairman of the Board



Veniamin Polysaev



# General information

**Full Company name in Russian:** Открытое акционерное общество «Международный центр по обогащению урана».

**Abbreviated name in Russian:** ОАО «МЦОУ».

**Full Company name in English:** Joint stock company «International Uranium Enrichment Centre».

**Abbreviated name in English:** JSC «IUEC».

**Location:** 220th Quarter 4, Angarsk, Irkutsk Region 665824, Russian Federation

**Phone:** +7 (39-55) 54-45-43

**Contact phone in Moscow:** +7 (495) 544 45 73, Fax: +7 (495) 544 45 85

**E-mail:** [info@iuec.ru](mailto:info@iuec.ru)

**Website:** [www.iuec.ru](http://www.iuec.ru)

**Date of the Company state registration:** 05 September 2007

**State Registration Number:** 1073801006982

**Taxpayer Identification Number:** 3801091245

## Information about the Company Registrar

The Company registrar is "Registrator R.O.S.T" OJSC located at the address: Strominka 18 bld. 13, Moscow, 107996; Registrar License №10-000-1-00264, issued by the Federal Financial Markets Service on December 03, 2002.

Registrar's website: <http://www.rrost.com>

## Information about securities

Registration number of the only issue of ordinary shares of the Company in the amount of 26,000 shares at a nominal of 1,000 rubles per share and the date of state registration: 1-01-22260-F of 27.11.2007.

No other securities were issued by the Company.



# Information about IUEC shareholders

As of 31.12.2011, the Company's shareholders are:

State Atomic Energy Corporation ROSATOM, located at: Bolshaya Ordynka st. 24/26, Moscow 119017, Russia; Primary State Registration Number 1077799032926 of 18.12.2007 by Federal Registration Service of Moscow; business account number - 238194. Number of voting shares – 20,800 (80%)\*.

ROSATOM website: <http://www.rosatom.ru>

Joint Stock Company "National Atomic Company "Kazatomprom" located at: Bogenbaybatir st. 168, Almaty, Kazakhstan, Stage Registration Certificate No. 18975-1910-AO issued by the Department of Justice of Moscow; Business Account Number - 238193. Number of the voting shares – 2,600 (10%).

NAC Kazatomprom website: <http://www.kazatomprom.kz>

State Concern "Nuclear Fuel" located at: Komintern street 27, Kiev, Ukraine; Stage Registration Certificate No. 1 074 102 0000 032318 of 17.12.2008 by Shevchenko District Administration of Kiev; business account number - 238195. Number of the voting shares – 2,600 (10%).\*\*

State Concern "Nuclear Fuel" website: <http://www.nfuel.gov.ua>

\*Note. Until 26.10.2009, instead of State Atomic Energy Corporation ROSATOM the shares were owned by the joint stock company Techsnabexport (TENEX), located at: Ozerkovskaya Emb. 28 bld. 3, Moscow 115184, Russia; State Registration Certificate No. 029.427 of 28.01.1994 by the Moscow Registration Chamber; business account number - 238192.

From 26.10.2009 till 05.10.2010, State Atomic Energy Corporation ROSATOM owned 23,400 ordinary voting shares.

\*\*Note. State Concern "Nuclear Fuel" was not a shareholder of the Company until 05.10.2010.

Branches and Representation Offices of the Company

The Company has a branch:

Full name in Russian: Московский филиал Открытого акционерного общества «Международный центр по обогащению урана».

Abbreviated name in Russian: Филиал «МЦОУ-Москва».

Full name in English: Moscow Branch of the Joint Stock Company "International Uranium Enrichment Center" Abbreviated name in English: Branch IUEC-Moscow





# Information about IUEC shareholders

## Licenses

As of 31 December 2011, the Company has the licenses as follows:

1. License No. GN-05-115-2546 of 28 September 2011 by the Federal Environmental, Industrial and Nuclear Supervision Service for handling of nuclear materials and radioactive substances, including in the course of exploration and mining of uranium ores; production, use, processing, transportation and storage of nuclear materials and radioactive substances. A facility where and or in relation to the declared activity is conducted is: nuclear material storage facilities leased from the Joint Stock Company “Angarsk Electrolysis Chemical Complex (JSC AECC).

Under the license, the Company has the right to handle the following nuclear materials (NM) when they are on storage in the NM storage facilities leased from JSC AECC:

- natural uranium-based NM being used for enrichment up to not more than 5% with uranium-235, including nuclear material of the guaranteed reserve;
- uranium hexafluoride enriched not greater than 5% with uranium-235, including nuclear material of the guaranteed reserve.

The license is valid until 28 September 2016.

2. License No. GT 0013838 of 10 October 2008 by the Federal Security Service of Russia for executing works using the information constituting a state secret, provided the state secret protection services are rendered by open-type joint stock company Techsnabexport (JSC Techsnabexport) at the address: Ozerkovskaya Emb. Bld. 28-3, Moscow 115184, Russia.

The license is valid until 02 October 2013.

3. License No. GT 0044038 of 19 May 2011 by the Federal Security Service of Russia for executing works using the information constituting a state secret, provided the security division and state secret protection services are used as rendered by JSC AECC, which is licensed to execute works involving the use of the information constituting a state secret and to render services in the field of the state secret protection at the address: JSC AECC, Angarsk, Irkutsk Region, Russia.

The license is valid until 02 October 2013.



# Company's activity areas and core businesses

## Company and nuclear industry

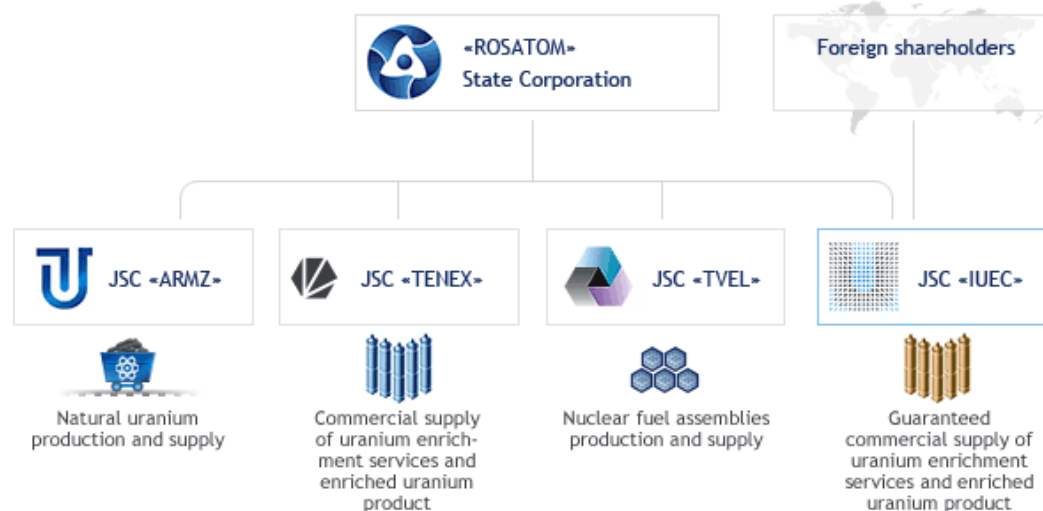
IUEC was established in accordance with the Agreement between the Government of the Russian Federation and the Government of the Republic of Kazakhstan concerning the establishment of the International Uranium Enrichment Center of 10.05.2007 and in a joint stock company.

The company shareholders are ROSATOM (80%), NAC Kazatomprom (10%), and the State Concern Nuclear Fuel (10%).

The Company's main objectives are:

- to ensure guaranteed access to uranium enrichment facilities preferentially to the stockholders of the Company from the states not developing their own uranium enrichment facilities on their territory in order to provide uranium enrichment services for fuel fabrication for nuclear power industry;
- to perform the function of the designated institution responsible for storage and servicing of the International Fuel Bank (Guaranteed Reserve) created pursuant to the Agreement between the Government of the Russian Federation and the IAEA Regarding the Establishment on the Territory of the Russian Federation a Physical Reserve of Low Enriched Uranium and Supply of Low Enriched Uranium therefrom to the IAEA for its Member States of March 29, 2010. The guaranteed reserve is stored at the IUEC facility on the territory of Angarsk Electrolysis Chemical Complex.

Fig. 1. The Company and nuclear industry







## Priority businesses of the Company

- rendering services of storage and servicing the guaranteed reserve of low-enriched uranium created pursuant to the Agreement between the Government of the Russian Federation and the IAEA Regarding the Establishment on the Territory of the Russian Federation a Physical Reserve of Low Enriched Uranium and Supply of Low Enriched Uranium therefrom to the IAEA for its Member States of March 29, 2010;
- rendering uranium enrichment and uranium conversion services, supplying enriched uranium product preferentially to the Company shareholders;
- performing export, import and other operations not limited by the nomenclature of goods and services, in compliance with the current legislation and the contractual agreements signed by the Company, including export and import of nuclear materials and radioactive substances;
- performing the functions of operator of a nuclear facility under the IAEA safeguards according to the agreement between the USSR and the IAEA on application of the IAEA safeguards in the USSR (INFCIRC/327).

## Report of the Board of Directors on results of the Company's core businesses development in 2011

### 1. Servicing the guaranteed reserve and application of the IAEA safeguards to IUEC nuclear materials

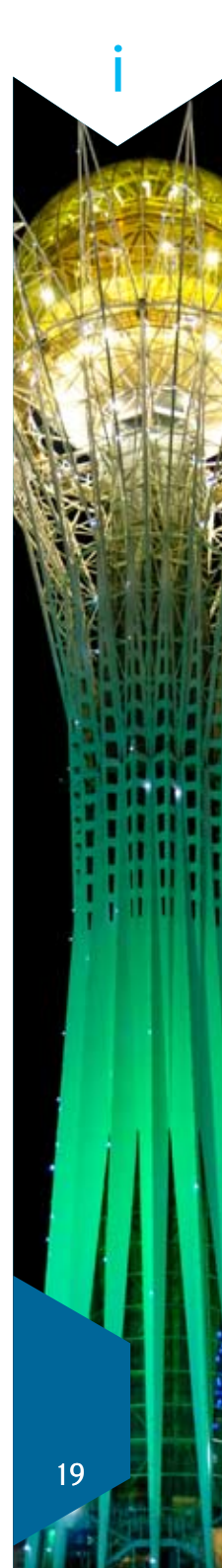
- to provide funding of the Company activities associated with the storage and servicing the guaranteed reserve of low enriched uranium as well as the application of the IAEA safeguards to it the Governmental Contract and Supplemental Agreement to the Agreement of the Grant (Target) Funding in 2011 were signed with ROSATOM;
- an IAEA inspection of the nuclear material of the guaranteed reserve of low enriched uranium in furtherance of the Agreement between the USSR and the IAEA Concerning the Application of the IAEA Safeguards in the USSR of 21.02.1985 (INFCIRC/327) was organized;
- for the first time samples of the guaranteed reserve's nuclear material were sent to the IAEA. To ensure shipment of the samples, a statement on shipment of nuclear material samples in international containers of Type A was obtained;
- new equipment from the IAEA was received and placed in the IUEC storage facility. With this, the process was initiated to obtain from the Customs Union of Belarus, Kazakhstan and Russia necessary decisions in regard of importation, operation and exportation of the IAEA equipment used to support the nuclear nonproliferation regime.
- The actions of the Russian side to support the IAEA inspection were appraised by the Department for Safeguards of the Agency with the appraisal voiced at a meeting with attendance by representatives of the MFA of Russia, ROSATOM and IUEC during the IAEA General Conference in Vienna.

### 2. Expanding the list of IUEC shareholders and regulating the activities related to product supplies to shareholders

- the Federal Antimonopoly Service of Russia granted approvals for selling IUEC shares to the authorized organization of the Republic of Armenia (CJSC AAEK);
- a sales contract for IUEC shares was drafted and coordinated with INTER RAO UES (management company of the JSC Armenian NPP);
- the principles of the Russian initiative were highlighted at international exhibitions and conferences: ATOMEXPO 2011, IAEA General Conference, WNA Symposium, conference of the American Nuclear Society (ANS), and Global 2011 Conference;
- a draft sample contract for provision of services by the International Uranium Enrichment Center was produced.

## Support of the Company's activities

- a new license for handling nuclear materials and radioactive substances was obtained (GN-05-115-2546 of 28.09.2011).





# The Company financial results in 2011

Table 1.  
Revenues in 2011

No	Title	Amount
1.	Proceeds from uranium product sales	273 234
2.	Proceeds from the Governmental Contract with ROSATOM for servicing the guaranteed reserve	1 327
3.	Revenues in accordance the Agreement with ROSATOM on Grant (Target) Funding to create conditions for the application of the IAEA safeguards	9 048
4.	Interests receivable	694
5.	Recovery of expenses	472
6.	Other revenues, including positive currency exchange differences	945

**Total: 285 720**

Fig. 1.  
Structure of IUEC  
revenues in 2011





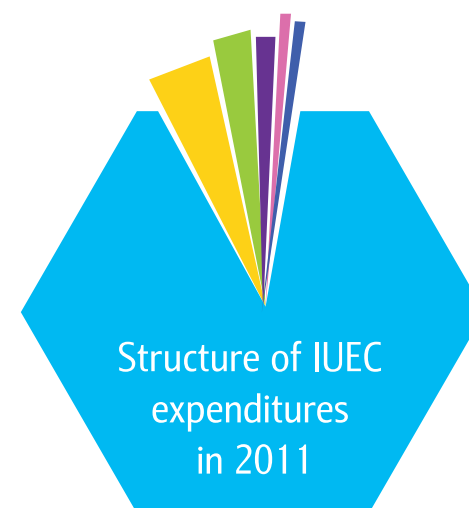
# The Company financial results in 2011

Table 2.  
Expenditures in 2011, thd rubles

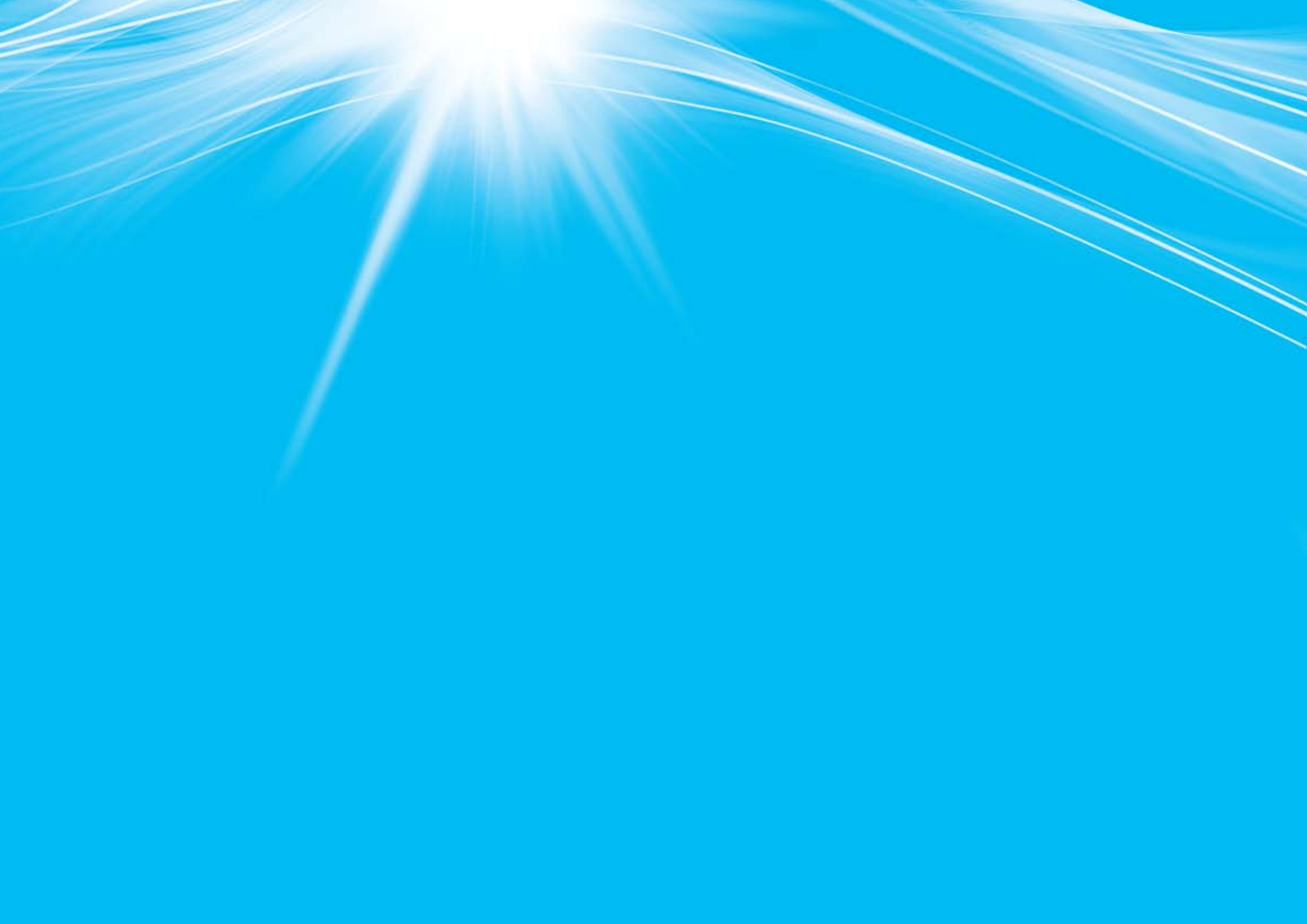
No	Title	Amount
1.	Prime cost of products, works and services	185 881
2.	Administrative expenses	65 243
3.	Commercial expenses	14 440
4.	Application of IAEA safeguards	8 846
5.	Interests payable	1 608
6.	Other expenses	3 023

**Total: 279 041**

Fig. 2.  
Structure of IUEC  
expenditures in 2011







## Borrowings and investments in 2011

To cover cash deficiencies and place temporarily free monetary resources, in 2011 IUEC borrowed and released loans of Atomenergoprom.

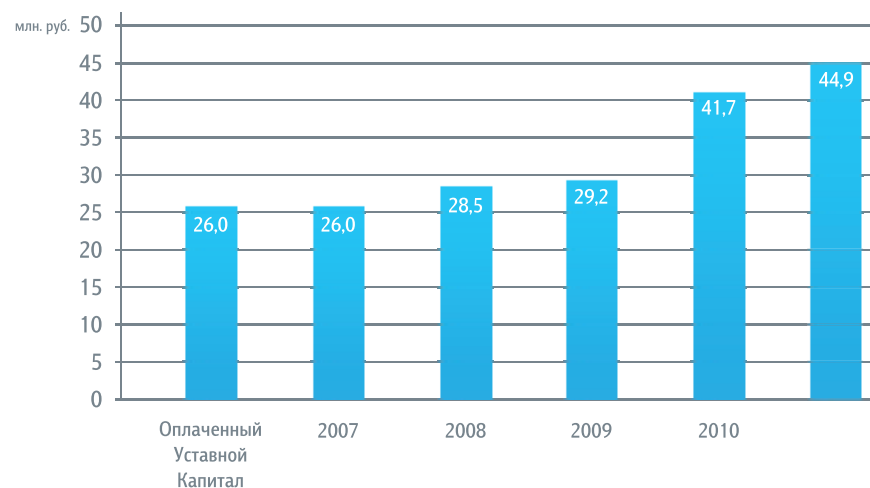
Table 3. Loans in 2011, thd rubles

Title	2011 (as of quarter end)			
	Q1	Q2	Q3	Q4
Loans borrowed	23 000	23 000	27 500	-
Loans released / deposits	25 000	-	-	34 000
Net position on loans and investments	+ 2 000	- 23 000	27 500	+ 34 000

Table 4. Main financial coefficientspany in 2011

№	Indicator	2010	2011
1.	Absolute liquidity ratio	0,1	0,7
2.	Current liquidity ratio	1,3	2,1
3.	Equity to total assets ratio	0,25	0,54
4.	Net assets, thd rubles	41 369	44 903

The dynamics of the Company's net assets costs since foundation is given in Fig. 3.







# Company development prospects

The IUEC development prospects are tied up with its three core businesses:

## Guaranteed supplies of uranium product.

Guaranteed supplies of uranium product

In 2012 the Company is planning to sign with its Ukrainian partner – State Concern Nuclear Fuel – a framework Long-term Agreement on Supplies of Uranium Products and Services, which was drafted during 2011, and to make the first commercial delivery under this document. The supply will be based on provisions of the Protocol of the 8-th Meeting of the Subcommittee on Nuclear Power and Nuclear Materials of the Committee for Economic Cooperation within the Russia-Ukraine Interstate Commission of 19.05.2011, which provide for supply of IUEC products for fabrication of fuel for Ukrainian NPPs by JSC TVEL.

Also, the Company will continue negotiations with other countries who participate and interested in the IUEC project, in particular, as to their needs in uranium products and services. Thus, IUEC will continue working on the geographical expansion of the interstate system of guaranteed supplies and the strengthening of nuclear nonproliferation regime.

## Storage and servicing the guaranteed reserve material (Fuel Bank).

In 2012, and in subsequent years, the IUEC facility, which houses the guaranteed physical inventory of low enriched uranium, will continue implementation of a full set of measures envisaged by the international regulations and Russian legislation in the field of the use of atomic energy, which implementation determines proper conditions for safe storage and handling of nuclear materials. In 2012 it is planned to receive inspections of IUEC facility on the part of the International Atomic Energy Agency and Federal Environmental, Industrial and Nuclear Supervision Service (Rostekhnadzor). In addition, the Company will continue scheduled training and advance training of the personnel involved in handling, control and accounting of nuclear material.

## Other development areas.

The application of the IAEA safeguards at the IUEC facility will allow broadening the initiative's frames and, with its help, to implement a number of other important international projects. For instance, the successful experience in establishment of the guaranteed reserve and implementation of the guaranteed supplies system at IUEC allowed coming up with the initiative to support the IAEA Fuel Bank. This initiative was formulated as a position of the Russian Federation circulated for information to the IAEA member States on September 13, 2011. The position deals with the possibility of using the potential of the International Uranium Enrichment Center in Angarsk to build up the IAEA Low Enriched Uranium Bank (GOV/INF/2011/14).

The signing by the Russian Federation with a number of countries (Australia, Canada, the USA) of the Administrative Arrangements to international agreements concerning the cooperation in the field of the peaceful use of atomic energy, as well as an agreement with Japan (planned coming into force – 2012) allows considering the IUEC participation in new projects which implementation has become feasible. These projects deal with the use of recovered uranium (with Japan) and uranium feedstock of the Canadian and Australian companies (with foreign utilities).





# Main risk factors associated with the Company's activities

## Regional risks

The production site and branch office of the Company are located in politically stable regions. A risk of military conflicts is low. The social situation in the territory of the Company presence is calm with no pronounced extremism recorded. The said circumstances allow carrying out economic activities with minimal socio-political risks.

## Financial risks

### Inflation-related risks

By results of 2011 published by the Federal State Statistics Service, the inflation rate was 6.1%. By observations, inflation has sustainably decreased in Russia. The Ministry of Finance projects an inflation rate of 5-6% in 2012. The Company expects that inflation will not produce a substantial impact on the Company's financial and economic indicators in the foreseeable future, however, changes in prices for certain products (works, services) can both positively and negatively affect some of the Company's profits (expenditures).

Main competitors of the Company are largest international suppliers of uranium enrichment services. With this, key target consumers of the Company's services/products are shareholders that allows reducing risks associated with commercial supplies.

### Borrowed capital-related risks

The Company does not issue debt instruments and, as of 31.12.2011, does not have loans.

### Accounts receivable-related risk

The Company does not have grounds to believe that a debt of any of the Company's debtors is and/or can be deemed unrecoverable.

With this, as of 31.12.2011, a debt amount receivable by the Company is mainly the debt of the Russian Federation budget as to recover the Added Value Tax to the Company.

### Currency exchange rate-related risks

For IUEC, the currency exchange risk is associated with exchange rate fluctuations of the Russian Ruble to foreign currencies in which part of revenues and expenditures of the Company is nominated, i.e. mainly US Dollars, Euro and GB Pounds of Sterling.

A rise of the said currencies against the Russian Ruble may lead to the Company's expenditures in the Russian Ruble equivalent expressed in a foreign currency and produce a negative impact on the Company's profit. With this, the Company does not expect a substantial impact of currency exchange rates on its activities due to an immaterial share of expenditures of the Company that are expressed a foreign currency within a total amount of expenditures.

### Banking risks

The Company believes that the banking risks are minimal for it, since the Company's bank accounts are served by largest, stably operating banks of the Russian Federation.



# Main risk factors associated with the Company's activities

## Legal risks

### Risks associated with changes in legislation

The legal regulatory instruments, which are coming into effect or planned for adoption and may affect activities of the Company in 2012, include

1. Federal Law No. 223-FZ of 18 July 2011 «On Procurement of products, works and services by certain types of legal entities» (hereinafter, the Law), which enters into force commencing 1 January 2012; it forces the Company to adopt a Provision on Procurement, post it on the official website [www.zakupki.gov.ru](http://www.zakupki.gov.ru), and carry out procurement activities in accordance with this Law commencing 01 January 2013. The procurement should be based on principles stipulated in the Law and information on its stages should be placed in the Internet. The said circumstances will require the Company to introduce an additional function that will support the procurement process.
2. Amendments to the Civil Code of the Russian Federation concerning the procedure of establishment and activities of closed- and open-type joint stock companies. Instead of a closed- and open-type joint stock company it is suggested to introduce differentiated regulation of the status of public and non-public joint stock companies. Potential adoption of the said changes may require changes to the Articles of Association of the Company.
3. New provision regarding information disclosure by issuers of securities, which is expected to come into force in 2012; it obliges the Company to disclose the information on a website of one official distributor of information in the market of securities. In this regard a stricter control by the Federal Financial Markets Service of Russia (FFMS) is expected as to time of disclosure and content of information being disclosed by an entity, while large administrative fines for violations in the field of the information disclosure being at the previous level.
4. In 2012-2015 a gradual transition from the existing accounting standards to international standards is planned for all Russian companies. A plan of the Ministry of Finance of Russia for 2012-2015 for the development of accounting and reporting in the Russian Federation basing on the International Accounting Standards has been made public. Commencing 2012 the ministry is planning to issue new accounting documents being guided exclusively by adopted international accounting standards. Such change will require a training of individuals responsible for accountancy.

### Risks of court proceedings and restraints of Company activities

As of the date of this Annual Report, the Company is neither plaintiff nor defendant in court proceedings nor involved in proceedings as the third party, therefore, there are no risks associated with court proceedings. No administrative restraints on the Company activities were imposed by the state and (or) municipal bodies during the reporting period.





# Corporate governance

## Corporate governance bodies

Company is its Articles of Association. There is no a stand-alone institutional document which establishes the rules of corporate conduct in the Company. The Company observes the rules of corporate conduct stipulated in the Code of Corporate Conduct recommended by the FFSM of Russia. Information on the observance of the Code of Corporate Conduct by the Company (Directive of the Federal Securities Commission of Russia “On the recommendation to the use of the Code of Corporate Conduct”, No. 421/r of 04.04.2002) is given in Appendix No. 3 to this Annual Report.

The Company shareholders, irrespectively of their shares in the equity capital, are provided with conditions for controlling the Company through the participation in general/off-schedule shareholders’ meetings, as well as representation in the Board of Directors of the Company. The shareholders are given access to complete and credible information about the Company. Materials that contain information on agenda items of the shareholders’ meetings are sent to every shareholder irrespectively of availability of a request.

The Board of Directors is elected by shareholders by a cumulative voting; it manages the Company activities and exercises effective control over the activities of the executive body. The Board members report to the General Shareholders’ Meeting of the Company.

The sole executive body whose functions are performed by the Director General of the Company ensure effective management of the Company current activities according to the budget of the Company, which is approved by the Board of Directors annually. The Director General reports to the General Shareholders’ Meeting of the Company. The Director General enjoys an opportunity of managing the Company current activity in a reasonable, committed manner and exclusively in the interest of the Company.

The Company Auditor has been elected by the General Shareholders’ Meeting upon a proposal by the Company Board of Directors. The Auditor controls financial and economic activities of the company aiming at protection of the rights and legitimate interests of shareholders.

The institutional control over the financial and economic activities is carried out by the Company’s Audit Commission of 3 persons elected by the General Shareholders’ Meeting upon proposal by the Board of Directors.

## Governing bodies







# Board of Directors

In 2011, the Board of Directors was as follows:

From 01 January 2011 till 09 March 2011

Full name	Position	Information on ownership of shares in the reporting year
Victor Ivanovich VANDYSHEV	Chief Engineer, AECC	None
Alexei Antonovich GRIGORIEV	Director General, Techsnabexport	None
Alexander Valentinovich ZHGUTOV	Head of Office for International Organizations and Export Control of the Department for International Cooperation, ROSATOM	None
Alexei Yevgenievich LEBEDEV	General Director, IUEC	None
Vladimir Igorevich PASHKOV	First Deputy Chairman of the Government of Irkutsk Region	None
Veniamin Ivanovich POLYSAEV*	Deputy Head of Marketing and Development within the Nuclear Power Complex Directorate, ROSATOM	None
Sergey Alexeevich YASHIN	Deputy Chairman of the Board, NAC Kazatomprom	None

From 09 March 2011 till 30 June 2011

Tatiana Vladimirovna AMOSOVA	Director General, State Concern Nuclear Fuel	None
Victor Ivanovich VANDYSHEV	Chief Engineer, AECC	None
Alexei Antonovich GRIGORIEV*	Director General, Techsnabexport	None
Alexander Valentinovich ZHGUTOV	Head of Office for International Organizations and Export Control of the Department for International Cooperation, ROSATOM	None
Alexei Yevgenievich LEBEDEV	General Director, IUEC	None
Vladimir Igorevich PASHKOV	First Deputy Chairman of the Government of Irkutsk Region	None
Sergey Alexeevich YASHIN	Deputy Chairman of the Board, NAC Kazatomprom	None

\* - Chairman of the Board of Directors



# Board of Directors

From 30 June 2011 till 31 December 2011

Full name	Position	Information on ownership of shares in the reporting year
Tatiana Vladimirovna AMOSOVA	Director General, State Concern Nuclear Fuel	None
Victor Ivanovich VANDYSHEV	Chief Engineer, AECC	None
Alexei Antonovich GRIGORIEV	Director General, Techsnabexport	None
Alexei Yevgenievich LEBEDEV	General Director, IUEC	None
Vladimir Igorevich PASHKOV	First Deputy Chairman of the Government of Irkutsk Region	None
Veniamin Ivanovich POLYSAEV*	Deputy Head of Marketing and Development within the Nuclear Power Complex Directorate, ROSATOM	None
Sergey Alexeevich YASHIN	Deputy Chairman of the Board, NAC Kazatomprom	None

Chairman of the Board of Directors





# Capsule biographies of IUEC Board members

## Tatiana Vladimirovna AMOSOVA

**Date of birth:** 03 February 1961  
**Background:** higher education; mechanical engineer, jurist, Master of Sciences in Government Management, Ph.D. (physics and mathematics) Kiev Consumer Goods Institute of technology (1983); Moscow Open University (2003); National Academy of Government Management under the president of Ukraine (2007)  
**Career:** M.I. Kalinin Podolsk Mechanical Works (1983-1988): production engineer, production launch engineer; Production Association Chernobyl Nuclear Power Plant (1989-1994): economist, labor engineer, planning engineer, head of planning and economics department; State Committee for the use of Atomic Energy of Ukraine (1994-1996): deputy head of economics department; State Enterprise NNEGC Energoatom (1997-1998): executive director for commerce, executive director for economics and finance; Secretariat of the Supreme Council of Ukraine (1998): assistant and advisor of MP of Ukraine; Ukrainian Credit Bank (1998-1999): head of energy market settlement department; State Enterprise NNEGC Energoatom (1999-2000): vice president; Secretariat of the Cabinet of Ukraine (2001-2005): chief expert of department for monitoring and market developments in energy sector, assistant to first vice prime minister of Ukraine; Ministry of Emergencies of Ukraine (2005-2007): advisor to the minister, first deputy minister; Ministry of Defense of Ukraine (2007-2010): advisor to the minister and deputy head of economics department, director of department for construction; State Concern Nuclear Fuel (2010-present): Director General

## Victor Ivanovich VANDYSHEV

**Date of Birth:** 18 February 1947  
**Background:** higher vocational education Moscow Engineering and Physics Institute, Novouralsk Branch (1972)  
**Career:** Urals Electrochemical Combine (1975-1983): adjuster engineer Angarsk Electrolysis Chemical Complex (1983-present): deputy head of engineering department, plant deputy chief engineer, chief engineer of electrolysis plant, director of electrolysis plant, deputy chief engineer for production of combine, chief engineer of combine/complex)





## Alexei Antonovich GRIGORIEV

**Date of Birth:** 15 April 1952  
**Background:** higher education; production engineer, economist for international economic relations; D.I. Mendeleev Moscow Chemical Institute of Technology (1975)  
 All-Union Foreign Trade Academy (1983)  
**Career:** V/O Technabexport: senior engineer, senior expert (1975 – 1983)  
 V/O Energomontazhexport: division head (1983 – 1987)  
 V/O Sovelektro: division head (1983)  
 JSC Technabexport: senior expert of commercial settlements department, deputy director of Uralservice, deputy director general and commercial director,

## Alexander Valentinovich ZHGUTOV

**Date of Birth:** 15 April 1952  
**Background:** higher education; production engineer, economist for international economic relations; D.I. Mendeleev Moscow Chemical Institute of Technology (1975)  
 All-Union Foreign Trade Academy (1983)  
**Career:** V/O Technabexport: senior engineer, senior expert (1975 – 1983)  
 V/O Energomontazhexport: division head (1983 – 1987)  
 V/O Sovelektro: division head (1983)  
 JSC Technabexport: senior expert of commercial settlements department, deputy director of Uralservice, deputy director general and commercial director, first deputy director general, director general (1987 – present)

## Alexei Yevgenievich LEBEDEV

**Date of Birth:** 28 December 1955  
**Background:** higher vocational education  
 Moscow State Pedagogical Institute named after V.I. Lenin (1977)  
**Career:** Industry Exhibition Center: interpreter (1977-1980)  
 All-Union Scientific and Research Institute of Instrumentation-building: engineer (1980-1983)  
 Ministry of Medium Machine-building of the USSR: assistant (1983-1986)  
 Representation Office of the Ministry of Medium Machine-building of the USSR in Hungary: deputy authorized officer of Minsredmash, inspector (1986-1990)  
 Ministry of Atomic Energy and Industry of the USSR: 1 Class specialist (1990-1992)  
 Ministry of the Russian Federation for Atomic Energy: head of division for foreign secondment and protocol (1992-1997)  
 JSC Technabexport: deputy director general (1997-12.2009)  
 JSC IUEC: director of Branch IUEC-Moscow (2008-01.2010)  
 IUEC: director general (15.01.2010 - present)



## Vladimir Igorevich PASHKOV

**Date of Birth:** 4 February 1961  
**Background:** higher education Pacific Higher Military Marine College named after S.O. Makarov (1985); Bratsk Industrial Institute (1996)  
**Career:** JSC MOBI: head of financial division (1994); Administration of Bratsk City, Irkutsk Region: assistant to mayor and chief expert (1994)  
 Department of Interior for Irkutsk Region, service in law enforcement (1994-1997)  
 Administration of Bratsk City, Irkutsk Region: assistant to mayor and chief expert (1997)  
 Commercial Bank Bratskgesstroy: assistant to president (1997-1998)  
 Administration of Bratsk City, Irkutsk Region: deputy head of administration for economics and finance (1998-2002)  
 Administration of Irkutsk Region: head of main financial department of Irkutsk Region (2002-2005)  
 Administration of Bratsk City, Irkutsk Region: vice mayor (2005-2006)  
 Financial and Construction Company Novy gorod, Irkutsk: deputy director general (2006-2008)  
 Administration of Irkutsk Region: vice governor (2008)  
 Government of Irkutsk Region: minister of economic development, labor, science and higher education of Irkutsk region, deputy chairman of the Government of Irkutsk Region, first deputy chairman of the Government of Irkutsk Veniamin Ivano

## Veniamin Ivanovich POLYSAEV

**Date of Birth:** 11 November 1950  
**Background:** higher vocational education; Krasnodar Polytechnic Institute  
**Career:** JSC Techsnabexport: senior engineer, deputy director of Atompribor (1987, 1991-1995)  
 Trade Representation Office of the USSR in Austria: senior engineer (1988-1991);  
 Representation Office of Trade and Industry Chamber of Russia in Switzerland: senior engineer, representative (1995-1999)  
 Institute of Strategic Stability: assistant to director for international cooperation (2000-2003)  
 Minatom of Russia, Federal Atomic Energy Agency: consultant, advisor (2003-2008)  
 JSC Atomenergoprom: director of department, deputy director of department (2008-2010)  
 ROSATOM: deputy head of the Marketing and Business development Department (2010 – present)

## Sergey Alexeevich YASHIN

**Date of Birth:** 19 September 1965  
**Background:** higher vocational education; Tomsk Polytechnic Institute named after S.M. Kirov (1988)  
**Career:** Ulba Metallurgical Plant, Ust-Kamenogorsk City: equipment operator in Shop 8 (1988)  
 NPP Fuel Fabrication Plant of Ulba Metallurgical Plant: shift foreman, shift foreman of Shop B, product engineer and deputy head of Shop B, deputy director of NPP Fuel Fabrication Plant and chief engineer, deputy executive director and chief product engineer, director of uranium production, deputy director general and director of uranium production, first deputy director general and director of uranium production (1988-2004)  
 NAC Kazatomprom: managing director (2004)  
 NAC Kazatomprom: vice president, deputy chairman of the Board (2004 - present)

In the reporting year the Board of Directors held 10 (Ten) meetings.

Over the reporting year, the Board of Directors reviewed 52 issues, including issues of pricing and approval of transactions of interest (31), including 7 General Shareholders' Meetings convened by initiative of the board.

In 2011 members of the IUEC Board were not paid bonuses and their expenses were not reimbursed.







# The Company Auditor

Nexia Pacioli Limited Liability Company (Nexia Pacioli LLC) was approved as the Company Auditor for 2011; the Auditor is located at the address: 2 Malaya Polyanka st., Moscow 119180, Russia; entered in the Unified State Register of Legal Entities under Primary State Registration Number 1027739428716

The Auditor is a member of the self-regulatory organization of auditors - Non-Profit Partnership "Institute of Professional Auditors".

It was entered in the Register of Auditors and Auditing Organizations of the above self-regulatory organization of auditors on 30 October 2009 under Primary Registration Number 10202000073.

Nexia Pacioli LLC is part of the group of companies Nexia Pacioli who is a member of the international auditors and consultants network Nexia International.

The Auditor's website: <http://www.pacioli.ru>

## Auditing Commission

Full name	Position	Information on ownership of shares in the reporting year
Vladimir Anatolievich VASILIEV	Head of NRS Programs Office, ROSATOM	None
Vladimir Ivanovich SAVOSIN	Deputy Head of Board of Treasure, ROSATOM	None
Murat Manasovich SATANOV	Chief Manager of Internal Audit service, NAC Kazatomprom	None

The Auditing Commission was elected by the Annual General Shareholders' Meeting on 30.06.2011

## Information on the Sole Executive Body

In the reporting year, the post of the IUEC General Director was held by Alexei Yevgenievich LEBEDEV.

Mr. Lebedev was appointed the General Director on 15 January 2010 by a decision of the IUEC Board of Directors (record of the Board of Directors' meeting No. 1-2010 of 15.01.2010). His capsule biography is in Table 5 of this Annual Report.

The Director General does not have shares of the Company.

As of preparation of this Annual Report, the Company General Director is Alexei Yevgenievich LEBEDEV.



## Remuneration criteria and amount (compensation of expenditures) for the Sole Executive Body and each member of the Board of Directors of the Company

In 2011, the remunerations to the Sole Executive Body was paid based on the following regulations:

Russian Federation Government decree "On providing social guarantees to the persons having access to state secrets on a constant basis and the employees of the departments responsible for protecting state secret", No. 573 of 18.09.2006;

Russian Federation Ministry of Labor Decree "On approval of the clarification "On the procedures for payment of rated increase to the individuals having access to state secrets", No. 84 of 23.12.1994;

ROSATOM Order "On development and implementation of a unified system of labor remuneration in ROSATOM and its organizations, Atomenergoprom OJSC, and its affiliated and subsidiary companies" No. 57 of 09.02.2009;

Provisions for the labor remuneration and incentives of IUEC employees approved by Order No. 7 of 31.12.09.

A size of remunerations to the person having the post of the Sole Executive Body is determined according to the unified industry-wide labor remuneration system introduced by ROSATOM based on a matrix for evaluation of positions of the chief executives of subsidiary companies. The evaluation matrix determines an amount of remuneration for the chief executives of subsidiary companies depending on the following parameters: company profit (taking into account investments and subsidiaries), responsibility for nuclear, radiation and industrial safety, staff schedule of the company, possibility or impossibility to take the company out of the industry system.

According to the above mentioned criteria, the salary of the person having the post of the Sole Executive Body was considered 3B Category, which corresponds to a monthly salary of 283,000 rubles. The monthly salary did not change during the reporting year.

In addition to the salary, the person the person having the post of the Sole Executive Body receives a rated increase for handling the information that constitutes state secret in the amount of 10% of the salary and an individual incentive. Both said bonuses have been paid starting from the appointment date.

A size of the individual incentive depends on the position level and corresponds to a certain step for the given position (grade). The individual incentive steps allow differentiating remunerations within the same grade of positions depending on: qualification, performance, adherence to work discipline and internal labor regulations.

A size of the individual incentive of the person having the post of the Sole Executive Body did not change over the reporting year and amounted to 212,000 rubles per month.

The yearend bonus of the person having the post of the Sole Executive Body is paid based on the results of evaluation of the results of financial and economic activities of the Company for the year in the amount not exceeding 200% of the annual salary. No remunerations were paid to the members of the Board of Directors, including the person having the post of the Sole Executive Body, since this person performed duties of a member of the Board of Directors.

### Information on legal entities subject to the Company's rights

There are no commercial and (or) non-profit entities the Company participates in (has interest and (or) owns shares).

### Information on affiliated persons

According to the Provision of information disclosure by security issuers, as approved by FFMS of Russia's Order No. 06-117/pz-n and valid during 2011, the information about affiliated persons was posted on the official website of the Company.





## Equity capital

The Company equity capital is 26,000,000 (twenty six million) rubles.

The Company equity capital is divided into 26,000 (twenty six thousand) common shares of a nominal 1,000 (one thousand) rubles each. The shares are non-certificated.

The Company equity capital is fully paid.

The Company has the right of placing shares, bonds and other securities as per legal instruments on securities of the Russian Federation.

The Company equity capital can be increased in accordance to the procedure stipulated in the legislation of the Russian Federation and the Articles of Association by:

- increasing nominal of shares;
- placing additional shares within a declared number of shares.

## Declared (accrued) dividends paid on the Company shares

Dividends for 2011 and preceding years were not accrued and paid by IUEC.

## Energy resources (atomic energy, thermal energy, electricity, oil, motor gasoline, diesel fuel, fuel oil, natural gas, coal, combustible schist, peat etc.) used by the Company in the reporting year; in kind and in cash

The information on the use of energy resources by the Company is given in Table.

Table 6. Energy resources used by the Company in the reporting year

Resources	In kind	In cash (rubles)
Atomic energy	X	X
Thermal energy*	X	X
Electricity*	X	X
Oil	X	X
Motor gasoline	X	X
Diesel fuel	9,136.45 l	203,670.75 l
Fuel oil	X	X
Natural gas	X	X
Coal	X	X
Combustible schist	X	X
Peat	X	X
Other	X	X

Note.

\*The use of electricity and heat (in kind and in cash) is included in the overall operational payments due to JSC AECC and Crown LLC, correspondingly, on the part of IUEC, for leasing of storage premises in Angarsk and IUEC Moscow Office. The use of the said resources was insignificant in value and included in indicators of JSC AECC (Angarsk) and Crown LLC (Moscow).



## List of the Company large-scale transactions in the reporting year, including transactions subject to approval, as per the Company Articles of Associations, indicating material terms of each transaction and approving body of the Company

In 2011 the Company did 3 large-scale transactions which were simultaneously interested party transactions. Information about done large-scale transactions, which were simultaneously interested party transactions, is given in Appendix No. 2 to this Annual Report "List of large-scale transactions, which are acknowledged the interested party transactions as per the federal law "On joint stock companies, done by the Company in the reporting year. The Company Articles of Association does not provide for approval of other transactions covered by the approval procedure similar to that of large-scale transactions.

The information of this Annual Report is subject to disclosure in accordance with the legislation of the Russian Federation.

## Appendices to the Annual Report

Appendix No. 1. Auditors' statement, including Annual Accounting Statement

Appendix No. 2. List of interested party transactions done by the Company in the reporting year

Appendix No. 3. Observance of the Corporate Code of Conduct by the Company

General Director

Chief Accountant



A.E. Lebedev

I.K. Marshavina





# AUDITORS' REPORT

## on accounting (financial) statements to the shareholders of

### Open Joint-Stock Company «International Uranium Enrichment Center»

#### 01 March 2012

Nexia Pacioli LLC  
Auditors Report on accounting (financial) statements of JSC IUEC for 2011

#### Information on the audited entity

**Full name:** Open Joint-Stock Company «International Uranium Enrichment Center»

**Abbreviated name:** JSC IUEC

**State Registration:** State registration Certificate 38 № 002365389 of September 5 2007, issued by the Tax Office of the Federal Service for Taxes and Levies for the city of Angarsk of Irkutsk Oblast and listed in the Unified State Registry of Legal Entities with the primary registration number of 1073801006982

**Location:** 220 Quarter 4, Angarsk, Irkutsk Region 665824, Russia

**Mailing address:** 220 Quarter 4, Angarsk, Irkutsk Region 665824, Russia

#### Information on the Auditor

**Full name:** "Nexia Pacioli" Limited Liability Company

**Abbreviated name:** "Nexia Pacioli" LLC

**State registration:** State Registration Certificate № 856.235 issued on 23 June 1995 by the Moscow Registration Chamber; State Registration Certificate 77 No. 005390060 issued on 22 October 2002 by the Moscow Interdistrict Tax Inspectorate No. 39 of the Ministry of Taxes and Levies; Entered in the Unified State Register of Legal Entities under Primary State Registration Number 1027739428716

**Location:** 2 Malaya Polyanka st., Moscow 119180, Russia

**Mailing address:** 2 Malaya Polyanka st., Moscow 119180, Russia

**Membership in the self-regulatory organization of auditors:** Member of the self-regulatory organization of auditors - Non-Profit Partnership "Institute of Professional Auditors"; Entered in the Register of Auditors and Auditing Organizations of the above self-regulatory organization of auditors on 30 October 2009 under Primary Registration Number 10202000073

We have conducted the audit of the attached financial statements of JSC "IUEC", which includes:

- accounting balance sheet as of 31 December 2011;
- profit and loss statement for 2011;
- capital change statement for 2011;

Nexia Pacioli LLC  
Auditors Report on accounting (financial) statements of JSC IUEC for 2011

- cash flow statement for 2011;
- explanatory note.

#### Responsibility of the audited entity for the financial statements

The management of the audited entity is responsible for financial reporting and for credibility of the financial statements in accordance with the rules of accounting in the Russian Federation and for the system of internal control of accounting processes to prevent considerable data distortion due to malpractice or errors.

#### Responsibility of the auditor

Our responsibility involves expressing the opinion on the credibility of the accounting documentation based on the audit performed by our company. We carried out the audit according to the national standards of auditing in the Russian Federation. These Standards require conforming to the applicable norms of ethics; planning and conducting the audit in such a manner as to have reasonable confidence that the accounting documentation does not contain any material distortions.

The audit included conduct of the audit procedures to find out audit evidence confirming the numeric values presented in the accounting documentation and proper disclosure of information therein. The choice of audit procedures is based on our judgment based of the assessment of risk of material distortions due to malpractice or errors. During our assessment of this risk we examined the system of internal controls that ensures proper production and credibility of the financial documentation in order to select adequate audit procedures, but not to judge on the efficiency of the system.

Evaluation of the adequacy of the accounting policy and reasonability of the parameters provided by the management of the audited entity, as well as assessment of overall presentation quality of the accounting documents was also included into the audit.

We believe that the audit evidence collected during the audit give us substantial ground to express the opinion that the financial documentation is credible.

#### Opinion

We believe the financial statement of JSC "IUEC" adequately describes in every material aspect the financial conditions of the company as of 31 December 2011, the results of its business activities and cash flow in 2011 in accordance with the Accounting Standards of the Russian Federation.

Deputy Director General on Audit of "Nexia Pacioli" LLC

O.V. Danilova

Certificate of competence in the area of general audit No. K012652, no validity period limitation, permanent Included into the register of auditors and auditing entities of the Institute of Professional Auditors of Russia on 30 October 2009 under the primary registration number 29502000246)

Nexia Pacioli LLC  
Auditors Report on accounting (financial) statements of JSC IUEC for 2011

Head of General Audit Office of Nexia Pacioli LLC  
Uniform certificate of competence No. 02-000010 in the area of general audit, permanent Included into the register of auditors and auditing entities of the Institute of Professional Auditors of Russia under the primary registration number 20402003507)

O.V. Komissarova

«01» March 2012

seal

# List of interested party transactions done by the Company in the reporting year in accordance with the Federal law federal law «On joint stock companies»

Transaction No.	Date of approval	Company's governing body (BoD, GSM) that approved the transaction	Title and parties of the transaction	Interested party	Material terms
1	12.01.2011	General Shareholders' Meeting	Contract for supply of enriched uranium product between IUEC and JSC AECC	ROSATOM (80% of IUEC is owned by ROSATOM; 99.99% of AECC is owned by the Joint Company "Enrichment & Conversion Complex" which is 100% owned by JSC TVEL; 100% of JSC TVEL's shares are owned by Atomenergoprom which 100% of shares is owned by ROSATOM )	The material terms constitute a commercial secret of IUEC and are disclosed within a documentary package released to persons who have the right of attending the annual general shareholders' meetings.
2	12.01.2011	General Shareholders' Meeting	Agency agreement between IUEC and Technabexport	ROSATOM (80% of IUEC is owned by ROSATOM; 100% shares of Technabexport owns Atomenergoprom which 100% of shares are owned by ROSATOM)	The material terms constitute a commercial secret of IUEC and are disclosed within a documentary package released to persons who have the right of attending the annual general shareholders' meetings.
3	15.04.2011	Board of Directors	Sublease contract for immovable property between UEC and IUEC	ROSATOM ((80% of IUEC is owned by ROSATOM; 50% of UEC is owned by JSC TVEL; 100% of JSC TVEL's shares is owned by Atomenergoprom which 100% of shares is owned by ROSATOM )	Sublease contract for immovable property, which parties are: - lessor - UEC;- lessee - IUEC;Contract subject matter: the lessor gives and the lessee receives for a temporary ownership and use the lease object: Rooms No. 45,46 and 48 on the first floor of the trading house building located at the address: 220 Quarter 4, Angarsk, Irkutsk Region, Russia; area - 53.71 sq.m., including common facilities; Transaction price: not more than 704,842 (seven hundred four thousand eight hundred and fourty two) rubles and 80 kopecs, including VAT 18% of up to 107,518 (one hundred seven thousand five hundred and eighteen) rubles and 39 kopecs;Contract term: commencing signing by the parties until 30.12.2011; contract terms cover the relations between the parties arose starting from 11.01.2011.
4	15.04.2011	Board of Directors	Lease contract for material values between UEC and IUEC	ROSATOM (background - see above)	Lease contract for material values, which parties are: lessor - UEC;lessee - IUEC;Contract subject matter: the lessor gives and the lessee receives for temporary ownership and use the material values (property) – office furniture, office equipment, home appliances etc., as listed in Appendix No. 1 to the contract;Transaction price: not more than 96,088 (ninety six thousand eighty eight) rubles and 68 kopecs, including VAT 18% of up to 14,657 (fourteen thousand six hundred and fifty seven) rubles and 60 kopecs;Contract term: commencing signing by the parties until 30.12.2011; contract terms cover the relations between the parties arose starting from 01.01.2011.



Transaction No.	Date of approval	Company's governing body (BoD, GSM) that approved the transaction	Title and parties of the transaction	Interested party	Material terms
5	15.04.2011	Board of Directors	Contract No.20103380 on provision of services to protect information constituting a state secret and on formalizing access passes, between IUEC and AECC	ROSATOM (background - see above)	Contract No.20103380 on provision of services to protect information constituting a state secret and on formalizing access passes, which is concluded between IUEC and AECC, on the following terms:Parties:Customer - IUEC;Contractor - AECC;Transaction subject matter: the contractor undertakes to render the customer the services as follows:protection of information constituting a state secret;issue of plastic access passes for the customer's employees who have access to the information constituting a state secret formalized in accordance with the established procedure, to the territory of the contractor;issue of permits to use the contractor's access road by the customer's road vehicles;Transaction price: not more than 180,000 (one hundred eighty thousand) rubles, including VAT 18% of up to 27,457 (twenty seven thousand four hundred and fifty seven) rubles 63 kopecs;Contract term: commencing the signing and remains valid during a calendar year.
6	23.05.2011	General Shareholders' Meeting	Supplementary arrangement No. 1 to storage facility servicing contract No. 20102863 of 08.11.2010 between IUEC and AECC	ROSATOM (background - see above)	Supplementary arrangement No. 1 to storage facility servicing contract No. 20102863 of 08.11.2010 concluded between IUEC and AECC.transaction subject matter: the contractor undertakes to render the customer the services aimed at servicing the indoor and outdoor storage pad.Customer: IUEC;Contractor: AECC;Transaction cost: not more than 2,365,704 (two million three hundred sixty five thousand seven hundred and four) rubles and 12 kopecs, including VAT 18% of up to 360,870 (three hundred sixty thousand eight hundred and seventy) rubles and 12 kopecs.Supplementary arrangement term: 01.01.2011 - 31.01.2012.
7	23.05.2011	General Shareholders' Meeting	Contract for services associated with handling of material within the Guaranteed Reserve and application of the IAEA Safeguards between IUEC and AECC	ROSATOM (basis - see above)	Contract for services associated with handling of material within the Guaranteed Reserve and application of the IAEA Safeguards signed between IUEC and AECC.Transaction subject matter: the contractor undertakes to render services as follows:a) handle material of the Guaranteed Reserve as necessary for fulfillment of the customer's obligations under the governmental contract with ROSATOM for servicing the Guaranteed Reserve;b) carry out organizational and other efforts aimed at support of application of the IAEA Safeguards towards the customer's storage facility;c) other services associated with maintaining the Guaranteed Reserve storage facility.Customer - IUEC; Contractor - AECC;Transaction cost: not more than 1,416,000 (one million four hundred sixteen thousand) rubles and 00 kopecs, including VAT 18% of up to 216,000 (two hundred and sixteen thousand) rubles and 00 kopecs.The contract terms cover the relations between the parties that have arisen since 01.01.2011.Contract term: commencing the signing until 31.01.2012.
8	27.05.2011	Board of Directors	Contract for provision of services to protect state secret, concluded between IUEC and Techsnabexport	ROSATOM (100% Shares of Techsnabexport is owned by Atomenergoprom, which 100% of shares is owned by ROSATOM; 80% of shares of IUEC is owned by ROSATOM)	Contract for provision of services to protect state secret, which material terms are the parties:Customer - IUEC;Contractor - Techsnabexport;Transaction subject matter: the contractor undertakes to render services related to protection of state secret during Customer's execution of works related to the use of information constituting state secret;Transaction cost: not more than 225,000 (two hundred twenty five thousand) rubles, including VAT 18% of the amount of up to 34,322 (thirty four thousand three hundred and twenty two) rubles and 03 kopecs;Contract term: the contract enters into force commencing the signing date and remains valid until the end of calendar year; services are due to start on 01 January 2011; the contract is extended to each subsequent calendar year if neither of the parties notify on its termination another party thereof one month prior the validity date.

Transaction No.	Date of approval	Company's governing body (BoD, GSM) that approved the transaction	Title and parties of the transaction	Interested party	Material terms
9	27.05.2011	Board of Directors	Contract for information technology services between IUEC and GreenAtom	ROSATOM (80% of IUEC is owned by ROSATOM; 100 % of shares of GreenAtom is owned by Atomenergoprom, which 100% of shares is owned by ROSATOM	Contract for information technology services concluded between IUEC and GreenAtom under the following material terms: Parties: Customer - IUEC; Contractor - GreenAtom; Transaction subject matter: the contractor undertakes, on a permanent basis in accordance to the procedure and on terms of the contract, to render the customer the information technology services listed in Appendix No. 1 "Specifications of services" to the contract; Transaction cost: not more than 401,166 (four hundred one thousand one hundred and sixty six) rubles and 96 kopecs, including VAT of 61,194 (sixty one thousand one hundred and ninety four) rubles and 96 kopecs; Contract term: the contract enters into force commencing the date of its signing by both parties and remains valid until 31 December 2011, inclusive; being guided by the Civil Code of the Russian Federation Article 425, upon mutual agreement of the parties the contract covers relations arisen commencing 01 December 2010.
10	29.06.2011	Board of Directors	Prolongation of Lease Contract No. 030-09-1-30/102 of 01.05.2009 by Supplemental Arrangement No. 1 of 01.09.2010 between IUEC and Technabexport	ROSATOM (background - see above)	Prolongation of the Furniture Lease contract No. 030-09-1-30/102 of 01.05.2009 as per Supplemental Arrangement No. 1 of 01.09.2010 between IUEC and Technabexport on the following terms: Parties: Lessor - Technabexport; Lessee - IUEC; Transaction subject matter: prolongation of the Furniture Lease Agreement No. 030-09-1-30/102 of 01.05.2009 as per Supplemental Agreement No. 1 of 01.09.2010, under which the lessor undertakes to provide the lessee at a charge for a temporary ownership and use the furniture, hereinafter referred to as the "lease object", which name, individual (identification) features, amount, set are indicated in Appendix No. 1 to Supplemental Arrangement No. 1; Cost of entire lease term: not more than 1,116,591 (one million one hundred sixteen thousand five hundred and ninety one) rubles and 84 kopecs, including VAT (18%) - 170,327 (one hundred seventy thousand three hundred and twenty seven) rubles and 52 kopecs; Prologation period: from 01.07.2011 until 30.06.2012.
11	29.06.2011	Board of Directors	Equipment lease contract No. 030-10-1-30/463 of 01.01.2011 between IUEC and Technabexport	ROSATOM (background - see above)	Equipment lease contract No. 030-10-1-30/463 of 01.01.2011 between IUEC and Technabexport under the following terms: Parties: Lessor - Technabexport; Lessee - IUEC; Subject matter: the lessor undertakes to provide the personal computers and office equipment (hereinafter, "the equipment") in its ownership for a temporary use to the lessee at a rate determined by this contract; specification of the equipment subject to lease is given in in Appendix No. 1 to the contract, which is an intrinsic part thereof; the equipment is to be used by the lessee in the premises located at the address: 28-3 Ozerkovskaya emb., Moscow 115184, Russia; Transaction cost: not more than 213,730 (two hundred thirteen thousand seven hundred and thirty) rubles and 02 kopecs, including VAT (18%) - 32,602 (thirty two thousand six hundred and two) rubles and 92 kopecs; Contract term: from 01.01.2011 until 31.12.2011 inclusive.

Transaction No.	Date of approval	Company's governing body (BoD, GSM) that approved the transaction	Title and parties of the transaction	Interested party	Material terms
12	04.07.2011	General Shareholders' Meeting	Governmental contract for servicing the Guaranteed physical reserve of low enriched uranium No. 271-UGZ/11 of 25.04.2011 between IUEC and the State Atomic Energy Corporation ROSATOM	ROSATOM (is a party to the transaction and owner of 80% of shares of IUEC)	Governmental contract for servicing the guaranteed physical reserve of low enriched uranium No. 271-UGZ/11 on the following terms: Transaction subject matter: The Governmental customer commissions and the Contractor undertakes to service the guaranteed reserve, including: during receipt (placement) of low enriched uranium in vessels (hereinafter, "the Feed") for storage as the guaranteed reserve, maintaining (including storage) and release of the Feed and other material values (hereinafter, "the Tare") from the guaranteed reserve. Governmental customer: State Atomic Energy Corporation ROSATOM; Contractor: IUEC; Governmental contract cost: 1,565,864 (One million five hundred sixty five thousand eight hundred and sixty four) rubles, including VAT as per the current rate 238,860 (Two hundred thirty eight thousand eight hundred and sixty) rubles and 61 kopecs. Term of service under the Governmental contract: Start – 01 January 2011 Finish – 31 December 2011 The Governmental contract term: the Governmental contract is considered concluded and enters into force commencing the point of time of its signing by the authorized representatives of the Parties hereto and remains in force until 31.12.2011. The Governmental contract covers the relations of the Parties associated with the Governmental contract that arose since 01.01.2011.
13	04.07.2011	General Shareholders' Meeting	Supplementary agreement No. 1 to the Contract on the provision of free (target) financing to create conditions for application of the IAEA safeguards to the nuclear material in the facility of the International Uranium Enrichment Center (IUEC) No. 1/1049-D of 18.11.2010 between ROSATOM and IUEC	ROSATOM (background - see above)	Supplementary agreement No. 1 to the Contract on the provision of free (target) financing to create conditions for application of the IAEA safeguards to the nuclear material in the facility of the International Uranium Enrichment Center (IUEC) No. 1/1049-D of 18.11.2010 between ROSATOM and IUEC on the following terms: Supplementary agreement No. 1 subject matter: The Parties hereto has agreed, in furtherance of para. 2.1 of the Contract No. 1/1049-D of 18 November 2010, to approve an amount of the target funding and its transfer schedule for 2011 as per Appendix No. 1 to this Supplementary agreement. All other terms of the Contract remain unchanged. Parties: State Atomic Energy Corporation ROSATOM; Entity - IUEC; Supplementary agreement cost: not more 12,374,753 (twelve million three hundred seventy four thousand seven hundred and fifty three) rubles. Supplementary agreement No. 1 term: commencing signing by the authorized representatives of the Parties until 30.09.2011
14	01.08.2011	Board of Directors	Supplemental No. 1 of 01.02.2011 to Contract for development of regulatory technical documentation on the control and accounting of nuclear materials No. 201021 of 15.07.2010 between IUEC and AECC	ROSATOM (background - see above)	Supplemental No. 1 of 01.02.2011 to Contract for development of regulatory technical documentation on the control and accounting of nuclear materials No. 201021 of 15.07.2010 between IUEC and AECC under the following terms: Parties: Customer: IUEC; Contractor: AECC; Subject matter: change in the term and price of the contract for development of regulatory technical documentation on the control and accounting of nuclear materials No. 201021 of 15.07.2010; Cost: not more than 2,777,805 (two million seven hundred seventy seven thousand eight hundred and five) rubles, including VAT - 423,732 (four hundred twenty three thousand seven hundred and thirty two) rubles and 97 kopecs; Term of Supplemental No. 1: commencing the date of signing until the date of the parties' fulfilment of their obligations under the contract.

Transaction No.	Date of approval	Company's governing body (BoD, GSM) that approved the transaction	Title and parties of the transaction	Interested party	Material terms
15	17.08.2011	General Shareholders' Meeting	Supplementary arrangement No. 1 to General agreement on the borrowing procedure No. 1-2010 of 24.06.2010 between IUEC and Atomenergoprom	ROSATOM (owns 80% of shares of IUEC and 100% of shares of Atomenergoprom)	Supplementary arrangement No. 1 to General agreement of borrowing procedure No. 1-2010 of 24.06.2010 on the following terms: Transaction subject matter: «1. Point 2 Article 1 of the Agreement to write as: The Lender shall have the right to give the Borrower loans in accordance with the procedure and on terms stipulated by this Agreement, an amount of a single debt on which shall not, at any point of time of validity of this Agreement, exceed 48,000,000 (fourty eight million) rubles (exclusive accrued interest and fines). 2. In all other respects beyond the terms of this Supplementary arrangement, terms of the Agreement shall be valid. 3. This Supplementary arrangement shall enter into force commencing the signing». Lender: Atomenergoprom; Borrower: IUEC; Price of the Supplementary arrangement: not more than 66,720,000 (sixty six million seven hundred and twenty thousand) rubles, including the amount of the single debt on the loan given of not more than 48,000,000 (forty eight million) rubles, with a total payment for the use of loans borrowed of not more than 18,720,000 (eighteen million seven hundred and twenty thousand) rubles. Term of the Supplementary arrangement: commencing the signing until the end of validity of the General agreement on the borrowing procedure No. 1-2010 of 24.06.2010.
16	17.08.2011	General Shareholders' Meeting	Supplementary arrangement No. 1 of 18.10.2010 to the lease contract No. 07.A/10 of 01.07.2010 between Crown and IUEC	ROSATOM (owns 80% of shares of IUEC; 99.99% of shares of Crown is owned by Techsnabexport; 100% of shares of Techsnabexport is owned by Atomenergoprom, which 100% of shares is owned by ROSATOM)	Supplementary arrangement No. 1 to the lease contract No. 07.A/10 of 01.07.2010. Supplementary arrangement No. 1 subject matter: 1. Para. 2.1.1 of the contract to write as: «2.1.1. The area of Premises subject to the lease shall be 151.9 (one hundred and fifty nine point nine) sq.m.» 2. Appendix No. 1 to the Lease contract No. 07.A/10 of 01.07.2010 to write as worded in Appendix No. 1 to the Contract: Parties to transaction: Lessor - Crown Lessee - IUEC Term of Supplementary arrangement No. 1: from 18.10.2010 until the validity date of the Lease contract No. 07.A/10 Price of Supplementary arrangement No. 1: 97,123.44 (ninety seven thousand one hundred and twenty three) rubles and 44 kopecs, including VAT of 14,815.44 (fourteen thousand eight hundred and fifteen) rubles and 44 kopecs. Price of Lease contract No. 07.A/10 of 01.07.2010, given the Supplementary arrangement No. 1 - not more than 3,180,197.94 kopecs, inclusive VAT.
17	17.08.2011	General Shareholders' Meeting	Supplementary arrangement No. 1 of 18.10.2010 to the lease contract No. 07.A/10 of 01.07.2010 between Crown and IUEC	ROSATOM (owns 80% of shares of IUEC; 99.99% of shares of Crown is owned by Techsnabexport; 100% of shares of Techsnabexport is owned by Atomenergoprom, which 100% of shares is owned by ROSATOM)	Lease contract No. 01.A/11 of 01.01.2011 №01.A/11 on the following terms: Transaction subject matter: The Lessor undertakes, in accordance with the procedure and on terms stipulated in the Contract, to give for temporary ownership and use to the Lessee the Premises and Parking stalls at the address: 28-3 Ozerkovskaya Emb., Moscow, Russia. Lease object: 1. Offices Nos. 202-2, 228, 502, 502-1, 714, 715, 716, 717 of a total area of 151.9 sq.m.; 2. Parking stalls Nos. 65, 66, 67 of a total area of 46.5 sq.m.; Lessor: Crown Lessee: IUEC Cost of transaction: not more than 6,355,487.49 rubles, VAT 969,481.14 rubles inclusive. Term: the Contract term starts from the signing of the Acceptance record for the Premises and Parking stalls until 30.11.2011, inclusive.

Transaction No.	Date of approval	Company's governing body (BoD, GSM) that approved the transaction	Title and parties of the transaction	Interested party	Material terms
18	30.09.2011	Board of Directors	Lease contract for indoor storage pad between IUEC and AECC	ROSATOM (background - see above)	Lease contract for indoor storage pad.Contract subject matter: the Lessor gives and the Lessee receives for the temporary ownership and use the real estate (storage premises) - a part of building No. 15, axes 1-6, cadastral (conditional) number 38:32:000000:00:6911, located at the address: Angarsk, Irkutsk Region, 2.5 km to south-west of railway station Sukhovskaya and 3.0 km to south-east of 219 Quarter. Total area of the leased premises is 720 sq.m.Lessee: IUEC;Lessor: AECC;Cost of contract: not more than 500,294 (five hundred thousand two hundred and ninety four) rubles and 22 kopecs, including VAT 18% in an amount of 76,316 (seventy six thousand three hundred and sixteen) rubles and 07 kopecs.Lease term: from 01.09.2011 until 27.08.2012
19	30.09.2011	Board of Directors	Plot sublease contract between IUEC and AECC	ROSATOM (background - see above)	Plot sublease contract.Contract subject matter: the Lessor provides and the Sublessee accept for the paid use a part of the plot being a federal property, of an area 1,091.16 sq.m. registered number - 38:26:041404:2, of the settlement land permitted for the use for operation of nuclear facilities and radioactive material storage facilities located at the address: 2.5 km to south-west of railway station Sukhovskaya and 3.0 km to south-east of 219 Quarter.Sublessor: IUEC;Lessor: AECC;Contract cost: not more than 22,578 (twenty two thousand five hundred and seventy eight) rubles and 95 kopecs, including VAT of 3,444 (three thousand four hundred and forty four) rubles and 25 kopecs.Sublease term: from 01.09.2011 until 27.08.2012.
20		Plot sublease contract between IUEC and AECC	Forwarding contract No. №131-1153/3624 of 28.03.2011 between IUEC and Saint-Petersburg Isotope	ROSATOM (owns 80% of shares of IUEC; 100% of shares of Saint-Petersburg Isotope is owned by Technabexport; 100% of shares of Technabexport is owned by Atomenergoprom, which 100% of shares if owned by ROSATOM)	Forwarding contract No. 131-1153/3624 of 28.03.2011 between IUEC and Saint-Petersburg Isotope with the following terms:Parties: Customer: IUEC; Contractor: Saint-Petersburg Isotope;Subject matter:The Customer commissions and the Contractor undertakes to render services associated with the receipt of exported cargoes arrived at the address of the Customer by rail and their off-shipment via St. Petersburg airport by air to the Consignee indicated by the Customer, namely:a) receipt of export cargoes from the Consignor at the receipt station, unloading from railcar, placement in the Contractor's warehouse for their temporary storage, transportation to the airport of St. Petersburg, storage in warehouses of Pulkovo Cargo Terminal, loading onto an aircraft as per contracts or in accordance with the Intergovernmental agreement on safeguards for subsequent ship-off from the customs zone of the Customs Union (hereinafter, "the Exported cargoes") and notification of the Customer on the delivery of the Exported Cargoes to the Consignee's airport;b) formalizing declarations for multiple use tare (samplers R-10) in accordance to the simplified procedure and for the cargoes shipped off the customs zone of the Customs Union;Price: not more than 360,000 (three hundred sixty thousand) rubles, in addition a VAT at a 0% rate.Term of contract: the contract enters into force commencing its signing by the latest of the parties and covers the relations arisen since 18.03.2011 and remains in effect until 31.12.2011.

Transaction No.	Date of approval	Company's governing body (BoD, GSM) that approved the transaction	Title and parties of the transaction	Interested party	Material terms
21	30.09.2011	Board of Directors	Forwarding contract No. 131-1186/3624 of 08.07.2011 between IUEC and Saint-Petersburg Isotope	ROSATOM (background - see above)	Forwarding contract No. 131-1186/3624 of 08.07.2011 between IUEC and Saint-Petersburg Isotope with the following terms: Parties: Customer: IUEC; Contractor: Saint-Petersburg Isotope; Subject matter: The Customer commissions and the Contractor undertakes to render services associated with receipt of cargoes arrived at the Contractor's address by air and their off-shipment via the airport of St. Petersburg by air to the airport of the Consignee indicated by the Customer, namely: a) receipt of Cargoes from the Consignor in the airport of St. Petersburg, placing in the warehouse of the Pulkovo Cargo Terminal for their temporary storage, loading on an aircraft in accordance with the Intergovernmental agreement of safeguards for their subsequent off-shipment from the customs zone of the Customs Union (hereinafter, "Exported Cargoes"), organization of delivery of the Exported Cargoes to the airport of the Consignee and notification of the Customer on receipt of the cargoes by the Consignee; b) receipt of the Cargoes from the Consignor in the St. Petersburg airport, placement in the warehouse of the Pulkovo Cargo Terminal for their temporary storage, loading on an aircraft in accordance with the Intergovernmental agreement on safeguards for subsequent delivery to the Customer's address (hereinafter, "Imported Cargoes"), organization of delivery of the Imported Cargoes to the airport of the Consignee and notification of the Customer on receipt of the cargoes by the Consignee. Price: not more than 160,000 (one hundred sixty thousand) rubles, in addition a VAT of not more than 28,800 (twenty eight thousand eight hundred) rubles. Term of contract: the contract enters into force commencing its signing by the latest of the parties and covers the relations arisen since 08.07.2011 and remains in effect until 31.12.2011.
22	22.11.2011	General Shareholders' Meeting	Contract for supply of enriched uranium product between IUEC and JSC TVEL	ROSATOM (owns 80% of shares of IUEC; 100% of shares of JSC TVEL is owned by Atomenergoprom, which 100 % of shares is owned by ROSATOM)	The material terms constitute a commercial secret of IUEC and are disclosed within a documentary package released to persons who have the right of attending the annual general shareholders' meetings.
23	22.11.2011	General Shareholders' Meeting	Contract No. 051-11-0-21/221 for supply of enriched uranium product between IUEC and Technabexport	ROSATOM (background - see above)	The material terms constitute a commercial secret of IUEC and are disclosed within a documentary package released to persons who have the right of attending the annual general shareholders' meetings.



# Observance of the Corporate Code of Conduct by the Company

No	Item of the Corporate Code of Conduct	Observed / Not observed	Note
<b>General Shareholders' Meeting</b>			
1	Notification of shareholders about the general shareholders' meetings at least 30 days before the meeting date regardless of the issues on the agenda if the law does not require a longer period	—	The Articles of Associations stipulate 20 days period
2	Access of the shareholders to the list of persons entitled to attend the General Shareholders' Meeting, starting from the date of announcement of the General Shareholders' Meeting until the closing of the General Shareholders' Meeting held in person, and in the case of a General Shareholders' Meeting held by correspondence - until the deadline for the collection of voting ballots	+	Paragraph 4, item 7.3 of the Articles of Association
3	Access of the shareholders to information (materials) to be provided during the preparation for the General Shareholders' Meeting through electronic media, including the Internet	+	The materials are mailed to shareholders with duplication over electronic media
4	Possibility for a shareholder to put an issue on the agenda of the General Meeting or require a General Meeting to be called without presenting an extract from the shareholder register where title to shares is recorded in the shareholder register system, and by presenting only a statement from the deposit account where the title to shares is recorded in a deposit account	+	The keeper of the Company Shareholder register promptly provides excerpts with the info about registered shares rights at the request of the Company Secretary
5	Existence of the requirement in the Articles and internal documents of the Company for mandatory presence of General Director, members of the executive board, members of the BoD, members of the Audit Commission and the Company Auditor at the General Shareholders' Meeting	—	Not required by the Articles of Association
6	Obligatory presence of nominees for the positions of members of the Board of Directors, the General Director, members of the Governing Board, members of the Audit Commission and the Auditor during consideration by the General Shareholders' Meeting of their election and appointment	—	Not required by the Articles of Association
7	The internal documents of the Company establish a registration procedure for the participants of the General Shareholders' Meeting	—	Item 7.3 of the Articles of Association

№	Item of the Corporate Code of Conduct	Observed / Not observed	Note
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## Board of Directors

8	The Company's Articles of Association provide for the authority of the Board of Directors to approve annual financial and economic plan of the Company	+	Paragraph 17, 18 item 11.1 of the Articles of Association
9	Existence of the Company risk management procedure approved by the Board of Directors	—	
10	The Company's Articles of Association provide for the right of the Board of Directors to make a decision on suspending the authorities of the General Director appointed by the General Shareholders' Meeting	—	Not required by the Articles of Association
11	The Company's Articles of Association provide for the right of the Board of Directors to establish requirements for the qualifications and the level of compensation of the General Director, members of the Governing Board, and managers of the key structural divisions of the Company	—	Not required by the Articles of Association
12	The Company's Articles of Association provide for the right of the Board of Directors to approve the conditions of the contractual agreements with the General Director and Governing Board members	—	Not required by the Articles of Association The conditions of the employment contract are determined based on the industry requirements of ROSATOM
13	The Company's Articles of Association provide and internal documentation contain a requirement that votes of the members of the Board of Directors who act as the General Director and members of the Governing Board should not be taken into account when the terms of the contracts with the General Director (managing entity, manager) and members of the Governing Board are approved	—	Not required by the Articles of Association
14	The Board of Directors includes at least 3 independent directors meeting the requirements of the Code of Corporate Conduct	+	
15	Absence among the members of the Board of Directors of individual convicted of committing offences in the area of economic activity; against the government, against interests of the federal, regional and local government service; or that have been subjected to administrative penalties for offences in the sphere of entrepreneurial activities or in the area of finance, taxes and levies and the security market	+	
16	There are no persons on the Board of Directors who serve as members, the General Director (manager), members of the management body or employees of any competitor of the company	+	П. 11.6 Устава
17	The Company's Articles of Association should contain a requirement for the Board of Directors to be elected by cumulative vote	+	Item 11.6 of the Articles of Association

№	Item of the Corporate Code of Conduct	Observed / Not observed	Note
18	The internal documents of the Company include the obligation of the members of the Board of Directors to refrain from the actions that shall or potentially can result in conflict of interests between them the Company, or should such a conflict occur – disclose the information about such conflict to the Board of Directors.	—	
19	The internal documents of the Company contain a responsibility of members of the Board of Directors to give a written notice to the Board of Directors on their intention to make transactions with the Company's securities. These members are also members of the Board of Directors or the Company subsidiaries (affiliated companies) and their responsibilities also include disclosure of information on their transactions with such securities	—	
20	The internal documents of the Company contain a requirement to conduct meetings of the Board of Directors at least once every six weeks	—	No need. Meetings take place at least once in two months
21	Holding of meetings of the Company Board of Directors in the course of a year, in which the Company's annual report is prepared with the periodicity of at least once every six weeks	+	12 meetings were held in 2011
22	The internal documents of the Company establish a procedure for the meetings of the Company Board of Directors	—	All the meetings in 2011 were held in absentia
23	The internal documents of the Company stipulate the need for approval by the Board of Directors for the company transactions amounting to 10% and more of the Company asset value, other than transactions performed in the ordinary course of business	—	In 2011 all the transactions for more than 10% of the cost of assets were under the category of transactions with interested parties and were therefore on the agenda of GSM
24	The internal documents of the Company provide for the right of the members of the Board of Directors to receive information necessary for the performance of their functions from the executive bodies and managers of the key structural divisions, and liability of the latter for failure to provide such information	—	
25	There is a strategic planning committee of the Board of Directors or functions of such committee are delegated to some other committee (other than the Audit Committee or the remuneration and HR committee)	—	Such a possibility is stipulated by paragraph 1, item 11.12 of the Articles of Association,
26	There is a committee (Audit Committee) of the Board of Directors that recommends an external auditor to the Board of Directors and communicates with the external auditor and the internal Audit commission	—	Such a possibility is not anticipated by the Articles of Association or internal documents
27	Only independent and non-executive directors are members of the audit committee	—	No such committee
28	The audit committee is chaired by independent director	—	No such committee
29	The internal documents of the Company provide for the access of all the members of the Audit Committee to any documents and information of the company conditionally to non-disclosure of confidential information	—	No such committee

№	Item of the Corporate Code of Conduct	Observed / Not observed	Note
30	There is a committee (Nomination and Remuneration Committee) of the Board of Directors that is responsible for the determination of the criteria for the selection of candidates to the Board of Directors and development of the Company remuneration policies	—	Such a possibility is not anticipated by the Articles of Association or internal documents
31	The Nomination and remuneration Committee is chaired by independent director	—	No such committee
32	There are no executives of the Company in the Nomination and Remuneration Committee	—	No such committee
33	There is a risk management committee of the Board of Directors or functions of such committee are assigned to some other committee (other than the Audit Committee or the Nomination and Remuneration Committee)	—	Such a possibility is not anticipated by the Articles of Association or internal documents
34	There is a risk committee of the Board of Directors or functions of such committee are assigned to some other committee (other than the Audit Committee or the Nomination and Remuneration Committee)	—	Such a possibility is not anticipated by the Articles of Association or internal documents
35	There are no executives of the company in the committee for the settlement of corporate conflicts	—	No such committee
36	The committee for the settlement of corporate conflicts is headed by an independent director	—	No such committee
37	The Company has internal documents approved by the Board of Directors stipulating the procedure of formation and operation of the committees of the Board of Directors	—	No such documents, because there are no such committees
38	The Company's Articles of Association provide for a procedure to determine the quorum of the Board of Directors that would ensure obligatory participation of independent directors in the Board meetings	—	With the existing number of BoD members in 2011, no decision could be made without participation of independent directors

## Executive Bodies

39	There is a collegial executive body (Governing Board) of the Company	—	No practical need
40	The Company's Articles of Association or internal documents of the Company stipulate the need for approval by the Governing Board of real estate transactions and loans received by the company unless such transactions are major deals or are performed in the ordinary course of business	—	These transactions will be classified as major transactions for the Company and will be on BoD or GSM agenda
41	The internal documents of the Company establish procedures for the approval of transactions which are outside the scope of the company's financial and operational plan	—	All operational transactions are included into annual budget of the Company approved by ROSATOM
42	There are no persons in the executive bodies who serve as members, the General Director (manager), members of the management body or employees of any competitor of the Company	+	Все хозяйственные операции включены в годовой бюджет Общества, утверждаемый Госкорпорацией "Росатом"

№	Item of the Corporate Code of Conduct	Observed / Not observed	Note
43	There are no persons in the management bodies convicted of committing crimes in the sphere of economic activities; offenses against the government, against interests of the federal, regional and local government authorities; or who have been subjected to administrative penalties for offences in the sphere of entrepreneurial activities or in the sphere of finance, taxes and levies and the securities market. If the functions of the sole executive body are performed by a managing entity or a manager - the General Director and members of the Executive Board of the managing entity or manager meet the requirements established for the General Director and members of the Governing Board of the Company	+	
44	The Company's Articles of Association or internal documents of the company contain a prohibition for the managing entity (manager) to perform similar functions for a competitor or have any other property relations with the Company other than the provision of management services	—	
45	The internal documents of the Company include the obligation of the members of the executive bodies to refrain from any actions that will or may potentially lead to a conflict of interests with the company and in the case of such conflict - their obligation to inform the Board of Directors on such conflict	—	
46	The Company's Articles of Association or internal documents contain criteria for the selection of the managing entity (manager)	—	Not required by Articles of Association, internal document not produced
47	Executive bodies provide monthly reports on their activities to the Board of Directors	—	Not required by the Articles of Association or internal documents
48	The contracts made by the company with the CEO (managing entity, manager) and members of the Executive Board stipulate liability for violation of the provisions on the use of confidential and insider information	—	Not required by the contract of the General Director

## Company Secretary

49	There is a special official in the Company (Company Secretary) whose function is to ensure that the company's bodies and officials comply with procedural requirements guaranteeing the exercise of the legal rights and interests of the company shareholders	+	Chief Legal Advisor of the Company performs the function
50	The Company's Articles of Association or internal documents prescribe a procedure for the appointment (election) of the company Secretary and responsibilities of the Company Secretary	+	
51	The Company's Articles of Association contain requirements to the candidate for the position of the Company Secretary	—	Not required by the Articles of Association

No	Item of the Corporate Code of Conduct	Observed / Not observed	Note
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## Material Corporate Actions

52	The Company's Articles of Association or internal documents of the Company contain a requirement on approval of any major transaction before it is concluded	—	Not required by the Articles of Association
53	Obligatory engagement of an independent valuator to assess the market value of any property that is subject to major transactions.	—	BoD values property based on market value, inclusively based on judgment of an independent valuator
54	In the event of acquisition of any large stakes in the company (takeover), the Company's Articles of Association prohibit taking any actions aimed at the protection of interests of the executive bodies (members of such bodies) and members of the Board of Directors, and also such actions that make the position of shareholders worse than their current position (in particular, prohibition of a decision by the Board of Directors to issue additional shares, securities convertible into shares or securities granting right to acquire shares in the company before the end of the expected time of the acquisition of shares, even if the right to take such decision is granted by the Company's Articles of Association)	—	Not required by the Articles of Association
55	The Company's Articles of Association contain a requirement on obligatory engagement of an independent appraiser to determine the current market value of shares and potential changes in their market value as a result of takeover.	—	Not required by the Articles of Association
56	The Company's Articles of Association contain no exemption of the buyer from the obligation to offer buyout of the company's ordinary shares (other securities convertible into ordinary shares) to the shareholders upon takeover	—	Not required by the Articles of Association
57	The Company's Articles of Association or internal documents of the company contain a mandatory requirement to involve independent valuers for determining the ratio for conversion of shares in case of reorganization	—	Not required by the Articles of Association

## Information disclosure

58	There is an internal document approved by the Board of Directors determining policies and procedures used by the company for the disclosure of information (Regulation on Information Policies)	—	There is no such internal document due to small scope of information to be disclosed
59	The internal documents of the Company contain a requirement to disclose purposes of placement of shares, persons that intend to acquire shares placed, including large stakes, and participation of officials of the Company in the acquisition of the shares placed	—	Not required by internal documents
60	The internal documents of the Company contain a list of information, documents and materials that should be provided to shareholders for the decision on the issues put for the consideration of the General Shareholders' Meeting	—	The shareholders receive complete package of documents needed for decision-making in advance in electronic form



No	Item of the Corporate Code of Conduct	Observed / Not observed	Note
61	The Company has a website and regularly discloses information about the company on the website	+	www.iuec.ru
62	The internal documents of the Company contain a requirement to disclose information on the deals of the company with persons that are senior executives of the company in accordance with the Company's Articles of Association, and deals of the Company with entities where senior executives of the Company directly or indirectly hold 20 or more percent of the share capital or on which such persons may otherwise exercise significant influence	—	There are no such persons in the Company
63	The internal documents of the Company contain a requirement to disclose information on all transactions that may affect the market value of the Company's shares	—	Not required by internal documents
64	There is an internal document approved by the Board of Directors on the use of significant information on the activity, shares and other securities of the company and transactions with such shares and other securities, which is not publicly available and the disclosure of which may have material impact on the market value of shares and other securities of the Company	—	Not required by internal documents

## Control of financial and economic activities

65	There are internal control procedures over the financial and operational activities of the Company approved by the Board of Directors.	—	Internal control is performed by an inspector and independent auditor
66	There is a special subdivision of the Company responsible for implementation of the internal control procedures (internal audit department).	+	Control functions are performed by Internal Audit Committee elected by GSM
67	The internal documents of the Company contain requirement for the structure and composition of the internal audit department to be defined by the Board of Directors.	+	Provision on the Internal Audit Commission
68	There are no persons in the internal control service convicted of committing offences in the sphere of economic activity; against the government, against interests of the federal, regional and local government service; or that have been subjected to administrative penalties for offences in the sphere of entrepreneurial activities or in the sphere of finance, taxes and levies and the market of securities	+	There are no such persons in the Internal Audit Committee
69	There are no persons in the internal audit service who serve as members of the executive bodies of the company, as well as members, the General Director (manager), members of the management bodies or employees of any competitor of the Company	+	There are no such persons in the Internal Audit Committee

No	Item of the Corporate Code of Conduct	Observed / Not observed	Note
70	The internal documents of the Company establish dates for the submission of documents and materials to the internal control service for the assessment of financial and operational transactions performed, and liability of officials and employees of the Company for failure to provide them in time	—	Not required by internal documents However, all the documents are made available in reasonable period of time, or period specified by the Committee
71	The internal documents of the Company provide for the obligation of the internal control service to communicate any violations detected to the Audit Committee, and where there is no such committee to the Board of Directors	—	The internal audit committee includes at least one representative of a shareholder, who automatically receives information about violations
72	The Company's Articles of Association contain a requirement on preliminary assessment of the practicality of transactions not envisaged in the company's financial and operational plan (non-standard transactions) by the internal control service	—	There are no non-standard transactions in the Company business
73	Internal documents of the company establish a procedure for the approval of any non-standard transactions by the Board of Directors	—	There are no non-standard transactions in the Company business
74	There is an internal document determining the procedure of audits of the financial and operating activities by the internal audit commission, approved by the Board of Directors	—	The procedure is determined by BoD
75	The Audit Committee performs an assessment of the auditor's report before it is presented to the shareholders in the General Shareholders' Meeting	—	No such committee

## Dividends

76	There is an internal document approved by the Board of Directors used as guidance by the Board of Directors in developing recommendations as to the amount of dividends (Regulation on Dividend Policies).	—	The company adheres to the dividend policy of ROSATOM
77	The Regulation on Dividend Policies contains a procedure for the determination of the minimum share of the net profit of the company used for the payment of dividends, and conditions under which dividends are not paid or are not paid in full on preferred shares for which the size of dividends is determined in the Company's Articles of Association	—	The company adheres to the dividend policy of ROSATOM
78	Publication of information on dividend policies of the Company and any amendments thereto in a periodical stipulated in the company charter for publication of announcements on General Shareholders' Meetings, and on the website of the company in the Internet	—	Publication in printed media is not required by the Company's Articles of Association or internal documents

