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**Mr Ban Ki-moon
Secretary-General
United Nations**

**Ref: UN Global Compact Communication on Progress
Date: 20 October, 2010**

Dear Mr. Secretary-General,

In May 2007, DTEK, the largest private utility company of Ukraine, joined the UN Global Compact and committed itself to 10 principles in the areas of human rights, labor, environment and anti-corruption. We also expressed our intention to support and enact the Global Compact's principles within the sphere of our influence and inside the Company and properly inform the public and stakeholders of our commitments and our progress therewith.

We are pleased to present you DTEK's Sustainability Report 2008-2009. This Report as well as our previous Social Report for 2007 is based on the internationally recognized GRI standard and was independently audited. The Report will be published on the Company's website in three languages (Ukrainian, Russian and English) and distributed as hardcopies.

Our focus here is on long-term sustainable development, i.e. the economic, social and environmental problems that need to be addressed by bringing together the efforts of the private sector, the government and the public.

We put forward environmental initiatives that are relevant not only for the Company, but for the entire country. In particular we take specific actions to reduce greenhouse gas emissions. Thus, we support efforts of the world community to address the sustainable development challenges and affirm our commitment to the principles of UN Global Compact.

As DTEK's Social Report contains the 2008-2009 information, the attached Communication on Progress mainly focuses on the facts and results achieved from May 2009 to October 2010. True to its commitment to fully inform stakeholders, the Company is going to put the Communication on Progress and this letter to you on its corporate website. In future we will strive untiringly to carry out our commitments within the framework of UN Global Compact initiative.

Sincerely,

Maxim Timchenko

Chief Executive Officer



DTEK – UN GLOBAL COMPACT - COMMUNICATION ON PROGRESS

October 2010

This Communication supplements and updates the information and data in DTEK's Sustainability Report 2008-2009 placed on the Company's website on October 2010 (http://dtek.com/en/social_responsibility/reports/).

As indicated in the Statement of DTEK's CEO, M. Timchenko, by implementing these initiatives we support efforts of the world community to address the challenges of sustainable development and confirm our genuine adherence to the principles of the United Nations Global Compact.

This Communication on Progress, made in line with the rules for business companies' participation in the Global Compact initiative, shall be read together with the DTEK's Report on sustainable development and the above letter of DTEK's CEO, M. Timchenko, to the UN Secretary-General.

DTEK joined the UN Global Compact in May 2007; our Sustainability Report 2008-2009 describes the key stages of the Company's dynamic growth and a natural link between CSR practices and our long-term sustainable development strategy. DTEK lays emphasis not only on participation in social and economic progress, but also on timely, clear and accurate communication of results achieved and plans designed in this area to all stakeholders.

Besides this, p.88 of the Report contains the standard Table of compliance of the information contained in the Report to the UN Global Compact and Global Reporting Initiative; this table is also included into this Communication on Progress.

We analyze our own performance dynamics, while bearing in mind the factors that shape the Company's external operational environment. Believing that a dialogue is the best way to consensus, we are giving due consideration to the positions of other stakeholders (our employees and partners, the public and the government). It is a daunting task; still, having resolved to become a leader not only in business, but also in the way we interact with the society, we are convinced that this type of dialogue will help us gain a better perception of the world we would like to live in, and the world we would like to be inherited by our children and grandchildren.

We have recently become active in a new area, which is wind power generation. To support more reliable energy supply for the nation, in addition to conventional energy resources we are attempting to utilize renewable sources of energy. Along with generating energy in an



environment-friendly way, these projects will create new jobs while helping Ukraine to develop its capacity to manufacture high-tech equipment.

It is our opinion that all of these efforts represent our Company's contribution to reform in this country. We are looking forward to receiving your feedback that will certainly help us improve our activities in the area of sustainable development.

Compliance of the information contained in the Report to the UN Global Compact and Global Reporting Initiative

Extract from DTEK's Sustainability Report 2008-2009 (October 2010), page 88

Global Reporting Initiative (GRI)	UN Global Compact	Page of Report	Comment
Reporting elements			
Strategy of the organization			
1.1		5	
1.2		14-15	Information presented partially
Characteristics of the organization			
2.1 – 2.10		7-11, 23	Section: Company Profile: Structure and Key Operational Areas, Public Recognition
Parameters of the Report			
3.1 – 3.13		86-87	Section: About the Reporting Process and the Report
Governance, commitments and interaction with stakeholders	Efforts implemented to assure consistency with GC Principles		
4.1 - 4.3	✓	12-15	Section: Corporate Governance
4.4, 4.6, 4.8	✓	31, 14-15	Sections: Communication System, Corporate Code of Ethics
4.5, 4.10		53	Section: Remuneration and Motivation
4.7		58-59	Section: Personnel Training
4.9		61-64, 21-22	Sections: HSE Management, CSR Policy and Objectives
4.11		68-85	Precautionary principle is used in the process of environmental planning, see Section Environmental Protection
4.12	✓	23	Section Public Recognition
4.13	✓	33	Section: Involvement in Initiatives and Efforts of Relevant Groups and Associations
4.14 – 4.16	✓	28-34	Section: Interaction with Stakeholders
Indicators			



Economic Performance			
Indirect economic impact			
EC5		52-53	Section: Remuneration and Motivation
EC8		40-46	Section: Social Investment in Local Communities
EC9		44-45	Section: University Partnership Program
Environmental Performance			
Energy			
EN3	✓ Principle 8	72	Section: Energy Efficiency
EN5	✓ Principles 8 and 9	72	Section: Energy Efficiency
Water			
EN8	✓ Principle 8	79-80	Subsection: Water Consumption
EN9	✓ Principle 8	79-80	
EN10	✓ Principles 8 and 9	80	
Emissions, Effluents and Waste			
EN16, EN20	✓ Principle 8	76-78	Section: Climate Change: Reduction of Greenhouse Gas Emissions
EN18	✓ Principles 7, 8 and 9	76	Subsection: Joint Implementation Project
EN20	✓ Principle 8	75	Subsection: Emission
EN21	✓ Principle 8	81	Subsection: Water withdrawal
EN22	✓ Principle 8	82-83	Subsection: Wastes Handling
EN23	✓ Principle 8		Indicator is not relevant for the Company
Overall			
EN30	✓ Principles 7, 8 and 9	84	Subsection: Environmental Expenditures
Social Performance			
Employment			
LA1		46	Section: Personnel Management
LA2	✓ Principle 6		
LA3		53-54	Section: Benefits and Guarantees
Occupational Health and Safety			
LA7	✓ Principle 1	65-67	Section: Accidents and Injuries
LA9	✓ Principle 1	61	
Training and Education			
LA10, LA11		58-59	Section: Personnel Training and Career Development
LA12		53	Indicator reflected partially
Human Rights Performance			
Non-discrimination			
HR4	✓ Principles 1, 2 and 6		No signals received by the Company regarding discrimination by or against



			employees
Child Labor			Company does not use child, compulsory or forced labor
HR6	✓ Principles 1, 2 and 5		
Forced and Compulsory Labor			
HR7	✓ Principles 1, 2 and 4		
Indigenous Rights			
HR9	✓ Principles 1 and 2		Indicator is not relevant for the Company
Society Performance			
Community			
SO1		40-46	Section: Social Investment into Local Communities
Public Policy			
SO5	✓ Principles 1-10	28-34	Section: Interaction with Stakeholders
Product Responsibility Performance			
Product and Service Labelling			
PR5		37-38	Subsection: Interacting with Customers
Sector Supplement: Electric Utilities			
EU3		34-35	Section: Customer Structure
EU4		10	Section: Transmission and Supply of Electricity
EU6		34	Subsection: Reliable Electricity Supply
EU14		58-59	Section: Personnel Training and Career Development
EU16		60-67	Section: Occupational Health and Safety
EU23		31-32	Sections: Communications System
Sector Supplement: Mining and Metals			
MM4			No strikes exceeding one week's duration occurred at DTEK enterprises during the reported period
MM1		84	Section: Land Reclamation

CSR Policy

Our understanding of corporate responsibility is formalized by DTEK's CSR Policy (came into force on January 01, 2009 http://dtek.com/en/social_responsibility/CSR_Policy/) that defines the Company's CSR as a philosophy of long-term sustainable development, providing an opportunity for harmonious integration of successful business with basic universal human values and national development priorities. Our CSR activities are based on strict compliance with the law of Ukraine and other countries, where the Company is doing business.

Objectives of DTEK's CSR Policy include the following:



- leadership based on commitment to expand our systemic contribution towards practical long-term solution of societal problems;
- harmonious development of dialogue and cooperation in relations with key stakeholders;
- tangible contribution of DTEK's socially-oriented projects and programs to long-term business sustainability;
- continued improvement of corporate governance practices.

In its practice DTEK is governed by the following principles:

- acknowledging the Company's role in societal development, and its responsibility for making contribution that is long-term, systemic, transparent and understandable to the society;
- acceptance of rule of law in all spheres of socio-economic activity, respect for human rights;
- giving first priority to programs that are related to occupational health and safety, human resource development and other CSR aspects in relation to our employees;
- ensuring that the scope and direction of DTEK's internal and external social investments in the regions of its corporate presence are commensurate with the scale and prospects for business development;
- giving due account to global CSR experience and best practices;
- maintaining a dialogue with the society in the spirit of openness and publicity.

We have determined four key areas of CSR (sustainable development), where DTEK will consistently strive to achieve the declared objectives.

Human rights:

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2

Businesses should make sure they are not complicit in human rights abuses

Since 2007, DTEK is an active participant of the Ukrainian network of the UN Global compact. At the same time, DTEK joined the European Business Association (EBA), and in 2009 it became a Co-Chair of the CSR committee of the EBA.

In 2010 DTEK issued a grant to UN Development Programme (UNDP) in Ukraine, which, in line with the agreement will be used to support and promote the CSR concept and the Global Compact initiatives in Ukraine, in particular, to further strengthen the Global Compact network in Ukraine via potential growth, information dissemination and awareness raising measures.

DTEK supported the First Eurasia Summit 'Corporate Social Responsibility: Strategy and the Best Practice of the Sustainable Development of Eurasia', which was held in Ukraine (Kiev, January 27, 2009).

The same year, DTEK supported Hearings of the Industry, Regulatory Policy and Entrepreneurship Parliament Committee on 'Business Social Responsibility. Ukrainian Reality and Prospects'. In early 2010 the Company joined the Verkhovna Rada Coordination Committee on drafting the National Concept of Developing Business Social Responsibility in Ukraine.

We view participation in such events as an important mechanism of achieving a better understanding of CSR in Ukrainian business community, holding a dialogue with stakeholders and sharing experience.

Labor standards:

Principle 3

Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Businesses should uphold the elimination of all forms of force and compulsory labor

Principle 5

Businesses should uphold the effective abolition of child labor

Principle 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation

Since it is our employees that are the backbone of DTEK's sustainable development, our key priorities include effective HR management, continued improvement of personnel skills and qualifications, and providing better incentives to workforce.

One of the key principles of HR management in the Company is observance of the current labor legislation and human rights, ensuring competitive remuneration of the employees, taking into account their professionalism, complexity of work they are doing and degree of responsibility.

DTEK's HR Policy formulates our goals and objectives, as well as the principles that we intend to follow in all processes that are related to personnel management. Therefore, the Policy provides a decision-making environment in the areas of recruitment, remuneration, promotion etc. that is transparent to all DTEK enterprises and their employees.

DTEK's companies use neither child labor, nor compulsory or forced labor.

A dialogue with trade unions DTEK constantly maintains, allows for an efficient balance between interests of the employees and the Company itself. DTEK participates in industry agreements in coal and energy sectors. Collective Bargaining Agreements concluded with employees at all production enterprises are one more way to guarantee protection of the employees' interests, since the former describe terms of remuneration, social benefits, payments to employees and non-working pensioners, the company's obligations regarding personnel training and labor safety.

All DTEK's enterprises have standing collective bargaining agreements that remained in effect in 2008 and 2009. While some of the commitments with regard to size of social benefits had to be reviewed at selected Company enterprises due to the economic crisis, the list of benefits, as established by the agreements, was eventually retained, with amendments formalized by supplementary agreements or appendices.

Collective Bargaining Agreements between management and coal-mining enterprises of DTEK contain a mandatory section dealing with Occupational Health and Safety, and the internal rules

and regulations aimed at labor safety improvement, are always agreed upon in coordination with labor union locals.

Health and safety management is under control by the Company's executives. The Supervisory Board and the Management Board of the Company have Health Safety and Environmental Committees; similar HSE Committees operate at the coal and energy production enterprises.

These bodies are headed by chief executives, showing the level of priority that is attached to this particular area by the Company's leadership. In addition, an Industrial and Environmental Safety Directorate is functioning at the corporate center.

Starting from 2007, the Company has the effective Environmental and Safety Policy and common corporate standards developed within the implementation of an up-to-date safety management system meeting the international standard OHSAS 18001:2007. By late 2010, the Company plans to have the safety management system established at all the production sites in line with the standard requirements. A certification audit conducted by Moody International in January and February 2009 confirmed the successful integration of the standard at the Company's coal mining and processing sites. In 2010, the certification of the safety management system in terms of its compliance with the standard has been successfully conducted at all coal processing and energy supplying enterprises of the Company.

Sustainable health and safety efforts have resulted in a significant reduction of occupational injuries at the Company's enterprises. In 2009, the total injury level dropped by 39%, and the lost time accident frequency rate was 35% down. The number of severe accidents fell by 76%. Today, DTEK's occupational injuries indicators are far better than those of its Ukrainian peers.

With regard to each case of employee's injury, in addition to state investigation, the Company conducted its own mandatory internal investigation, based on the Internal Investigation Procedure and involving experts from the headquarters for exploring both systemic and specific causes of the accident. As part of the investigations, corrective actions are designed to prevent similar accidents from occurring in the future.

The Environment:

Principle 7

Businesses should support a precautionary approach to environmental challenges

Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility

Principle 9

Businesses should encourage the development and diffusion of environmentally friendly technologies

To date, DTEK retains its leadership position in Ukrainian thermal power generation in terms of environmental protection programs; as part of these efforts the Company is:

- implementing a methane utilization project within the framework of the Kyoto Protocol;

- engaged in a continuous dialogue with Ukrainian government the need for development and approval of key guidance provisions for funding of environmental protection programs in power generation, and is implementing programs to reduce dust particle emissions by combined electricity and heating plants;
- advancing environmental initiatives of national significance that should support the following:
 - have an environmental protection section that is consistent with the provisions of the Memorandum of Understanding on Energy (containing requirements for Ukraine's accession to the European Energy Community) included in the country's long-term energy development strategy until 2030;
 - develop an industry-wide program to make Ukrainian thermal power and combined electricity and heating plants compliant with EU Directive 2001/80/EC that should identify sources of funding to achieve the compliance;
 - negotiate the possibility of granting Ukraine a transition period to achieve compliance with 2001/80/EC by taking into account the timeframe that would be identified by the industry program.

In 2009, the Company adopted the Environmental Policy setting the Company's strategic objectives and commitment to the society.

In 2008, the Company launched the roll-out of the environmental management system in line with ISO 14001:2004 at its production sites. The project is expected to be completed in 2010; thereafter the system will be certified. After two years of efforts, 17 safety management system procedures have been put in force at all the enterprises, including: identification and assessment of environmental aspects, environmental legal, regulatory and other requirements.

Environmental investment

The challenges the Company inherited from the past affecting its environmental performance (unsatisfactory condition of waste treatment facilities, waste water discharge, abundant mine waters) are being tackled: investments are allocated for the renewal of environmental and operational equipment and upgrade of operational processes.

In 2008, the total environmental expenditure of the Company more than doubled year-over-year. During 2008 and 2009, UAH 402.8m was invested into environmental activities in total.

Over several years, the Company's enterprises have been implementing energy management programmes to cut heat, electricity and fuel consumption. As a result, energy consumption has been reduced and the 2008-2009 economic effect is over UAH64m.

Greenhouse gas emission reductions

Since 2007, Komsomolets Donbassa Mine has been implementing a project on building a facility for gas removal and coal mine methane utilization. Since 2008, two utilizations plants for gas flaring have been in operation. In 2009, the mine boiler house was converted from coal to mine methane.

It is expected that by 2012 the Company will annually utilize 15.5 mln m³ of CBM, thus saving as much as 20 thousand tonnes of coal a year. Further, thanks to CBM utilization by mine boilers and



other utilization and co-generation systems, we plan to achieve a reduction of greenhouse gas emissions in their CO₂ equivalent.

The project of joint implementation for coal mine methane utilization was registered in the UN FCCC Secretariat¹. In 2008 and 2009 the project generated a total reduction of 66,137 CO₂ equivalent tonnes, as formally verified by an Independent Accredited Organization; further reductions are expected at about 100 thousand CO₂ equivalent tonnes a year. In the framework of the project, an agreement was signed with ING Bank N.Y. for trading in Emission Reduction Units at 300 thousand CO₂ equivalent tonnes. The joint implementation project was registered at the UNFCCC² Secretariat.

In 2009, gross emissions reduced by 13.9% compared to 2008, by 12.2% in CO₂ equivalent.

Air pollution control: emissions

The reported period saw a moderate but stable reduction of all types of atmospheric pollution, except for solid particle emissions in 2008.

To solve the task of emission reduction, the Company is being implementing a long-term investment programme aimed at bringing the operating enterprises' environmental performance to conformity with the provisions of European Directive 2001/80/EC.

Vostokenergo company continues implementation of environmental protection programme for the period till 2018. Upon its results the power generating assets of the Company are supposed to fully comply with the provisions of European Directive 2001/80/EC and with requirements of environmental legislation of Ukraine. The main focus is put on the issue of removal of dust, sulphur and nitrogen oxides from flue gases.

Measures were implemented to increase energy efficiency of boiler units, raise efficiency of turbine vacuum systems, improve operational efficiency of vacuum system, and standard fuel consumption was reduced as a result of that.

In addition, the above measures enabled us to reduce greenhouse gas emissions (in CO₂ equivalent) by 14.2% or by 2.56 million tonnes compared to 2008.

In 2009, Vostokenergo reduced sulphur oxide emissions into the atmosphere by 30,467 t (11.2%) and solid matters by 30,848 t (27.7%), which became possible thanks to reduction in fuel consumption.

Reconstruction of electrical precipitator of power unit #1 at Zuevskaya thermal power plant (TPP) resulted in reduction of dust concentration in emissions from 320 to 180 mg/m³, and reduction in gross dust emissions by 900 tonnes. Efficiency of the modernized power unit #5 at Kurakhovskaya TPP increased from 92.4% to 99.0% (by 6.6%), while concentration of dust in emissions reduced from 1,905 to 370 mg/m³; reduction in dust emissions in 2009 was 3,812.4 compared to 2008.

¹ Published on UN FCCC web site with indication of projected volumes of emission reduction units (ERUs): http://ji.unfccc.int/JI_Projects/DB/6HTUWREKYFLSK811V9WXUPR32L4VB1/Determination/DNV-CUK1214326497.77/viewDeterminationReport.html

² Published at the UNFCCC website, including expected number of Emission Reduction Units (ERUs); see http://ji.unfccc.int/JI_Projects/DB/6HTUWREKYFLSK811V9WXUPR32L4VB1/Determination/DNV-CUK1214326497.77/viewDeterminationReport.html

Conservation and sustainable use of water

Efficient use of water is one of the priorities in environmental policy of DTEK. The Company takes measures in two areas: reduction in water consumption for commercial and household/drinking needs. 2009 consumption of water by DTEK enterprises for household/ drinking needs reduced by 3,257 thou. m³ (by 44.3%) compared to 2008 as a result of repair of water supply pipelines, improved operational discipline, installation of water meters and other measures. Water consumption for commercial needs in 2009 reduced by 6,823 thou. m³ (by 10%) compared to 2008.

Waste placement and sustainable use of land

While most (99.9 percent) of the waste produced by DTEK enterprises is of non-hazardous nature, opportunities for its utilization are reduced by the need for vacant land properties that are required for its disposal.

At coal-mining enterprises, the principal and most sizeable type of waste is the rock that is produced by the mining process, whose tonnage directly depends on the tonnage of coal production. Coal enrichment process produces slurry that can be used to make slurry fuel. Thermal power plants produce ash that is a product of coal combustion and can be used in other industries, e.g. construction and farming, or for permanent storage of other types of waste.

At DTEK, we are seeking to reduce the quantities of generated waste through its utilization, using it as part of technical processes at our own operations, or transferring it to outside users. An important role is given to increasing capacity of the existing disposal areas, so as to avoid the need for apportionment of additional land properties for waste disposal.

Anti-corruption:

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery

DTEK Code of Ethics

Together with the CSR Policy, in 2008, DTEK approved the Code of Corporate Ethics, which also passed the whole process from the publication and extensive discussion of a draft till its finalization at the Corporate Governance Conference and approval by the Company's Management (January 2009). The Code is a compendium of rules and principles defining the ethics of relations between the Company's employees as well as the Company's relations with its partners, counterparts and other stakeholders (http://dtek.com/about/ethics_code/).

The company has created a system to monitor, and respond to potential signals with regard to implementation of the Code. All of this feedback is thoroughly examined, with answers provided through the corporate newspaper, or directly to the originating party.

This facility is used to identify and prevent any misconduct that could damage the Company's reputation and do harm to its employees. There are also mailboxes installed at every enterprise for feedback.

To support our employees in dealing with ethically complex situations that they may encounter in performance of their duties, in 2009 DTEK launched its own information hotline³. The feedback is also provided through suggestion boxes that are installed at production enterprises.

DTEK Corporate Governance

The key task of DTEK's corporate governance development is to ensure the most effective interaction between corporate relations participants, transparent decision-making, subordinated reporting of governance bodies. The system in place provides timely and accurate information disclosures of all significant issues, a transparent ownership structure and clear strategic priorities in the Company's development.

Development of corporate governance and business ethics is one of the principles of the Company's corporate social responsibility. Following this principle, we keep improving the quality of corporate governance. While DTEK is not a public company, we look up to the best practices achieved by those businesses, whose shares circulate on open markets when building our corporate governance system. During the reported period DTEK has made a number of essential decisions and approved several key policies that are designed to enhance its transparency and quality of decision-making, while reducing the risks of mismanagement.

The Company has also finished the implementation of the three-tier corporate governance structure.

Established in 2009 as a holding company, DTEK Holdings B.V. exercises overall corporate governance of our assets while making decisions on the Company's development strategy and the channels of major investment (transactions valued at over EUR 10 m), amendments to corporate articles of DTEK's enterprises, choice of auditing companies, amount of dividends etc.

As the corporate center, DTEK LLC makes decisions on key personnel issues (excepting top level of management), and provides operational management of the enterprises that are a part of DTEK.

Strategic management of DTEK's business is exercised by the *Supervisory Board*, established at the level of DTEK Holdings B.V., whose members are elected by the General Shareholders Meeting. The Supervisory Board represents shareholder interests, charts out the course of the Company's strategic development, formulates objectives for management and controls their implementation, approves major transactions and Company reports, and decides on hiring and dismissal of senior management at the corporate center and production operations.

Supervisory Board Committees: DTEK's Supervisory Board has four permanent committees responsible for the key aspects of the Company's development. Two of them, the Strategy and Investment Committee and the HSE Committee, were established in 2009. The Committees are advisory bodies that study and prepare recommendations with regard to corporate issues within the competence of the Supervisory Board.

A particular note should be made of the Committee on Occupational Health and Safety and Environmental Protection, whose establishment is the best proof of these issues receiving attention at the most senior level of DTEK, being subject to permanent oversight by the shareholders and corporate center management, and considered among our strategic priorities. The Committee generates initiatives and procedures in the areas of occupational health and safety and environmental protection, and makes assessments of the results achieved in both areas. In

³ Since the Hotline became operational, no signals have been received regarding violation of the principles that are laid out by the Code.



addition, its purview includes identification and oversight of occupational health and safety and environmental protection risks. A similar Committee is functioning under the Company's Board of Directors.

The Nomination and Remuneration Committee that is functioning under the Supervisory Board is tasked with development of the Company's management capacity, as well as managing the issues that are related to potential conflicts of interest among members of the Supervisory Board and the group's senior management. Similar functions are exercised by the Risks Committee and the Personnel Management Committee that are operational under the Company's Board of Directors.

Chief Executive Officer: is the sole executive body of the Corporate Centre, elected by the General Shareholders Meeting to provide operational management of the Company. The CEO is accountable to the superior management body of DTEK — the Supervisory Board.

Management Board is a consulting body of the Corporate Centre on the basis of the Regulations on DTEK's Management Board. The Management Board is structured with four committees whose functions are similar to those of the committees that operate under the Supervisory Board.

Internal control and audit system: the Company has a multilayer system of internal control and audit in place, which ensures high level supervision over financial and business activity in all Company's structural units and subsidiaries. It has been built involving best practices and meets the principles of continuity, independence, objectivity and competence of auditing bodies.

Corporate Internal Audit Department reports directly to the CEO and its task is to carry out audits to provide assurance to DTEK's Supervisory Board and executive bodies as to proper compliance with established methods and procedures for financial and business operations.

Internal Control and Risk Management Department is a part of the Finance Division; its main task is to ensure the optimal balance between the growth of DTEK's shareholder value, profitability and risks. The Department's competences include the following: to secure the assets' integrity, to take part in the process of authentic reporting preparation and compliance with norms of law.

External auditors: every year DTEK engages an independent auditor to assure its financial statements. Upon tender results in 2007-2009, the company PricewaterhouseCoopers was selected the Company's external auditor; in 2010, the second non-financial report – DTEK's Sustainability Report 2008-2009 – was audited by Ernst & Young Company.

