

QUARTERLY REPORT

Joint Stock Company Russian Grids

Issuer Code: 55385-E

Quarter 2 of 2014

Registered address of the issuer: **Russia, 107996, Moscow, Ulansky pereulok, 26**

The information contained in this Quarterly Report is subject to disclosure in accordance with the securities laws of the Russian Federation

Director General
Date: August 14, 2014

_____ O. M. Budargin
signature

Director of the Accounting and Reporting Department and Chief
Accountant

Date: August 14, 2014

_____ V. V. Shchukin
signature

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The information contained in this Quarterly Report is available on the Internet at **www.rosseti.ru** and **http://www.e-disclosure.ru/portal/company.aspx?id=13806**

Contents

Contents.....	2
Introduction	5
I. Brief Information Concerning Individual Members of the Issuer’s Management Bodies, Details of the Issuer’s Bank Accounts, Auditor, Appraiser and Financial Advisor and Other Individuals Who Signed This Quarterly Report.....	6
1.1. Individual Members of the Issuer’s Management Bodies	6
1.2. Bank Account Details of the Issuer	6
1.3. Information Concerning the Issuer’s Auditor(s).....	10
1.4. Information Concerning the Issuer’s Appraiser	15
1.5. Information Concerning the Issuer’s Advisors.....	15
1.6. Information Concerning Other Individuals Who Signed This Quarterly Report.....	15
II. Basic Information Concerning the Financial and Economic Condition of the Issuer	15
2.1. Financial and Economic Performance Indicators of the Issuer	15
2.2. Market Capitalization of the Issuer	17
2.3. Liabilities of the Issuer	17
2.3.1. Borrowings and Accounts Payable	17
2.3.2. Credit History of the Issuer	18
2.3.3. Obligations of the Issuer with Regard to Collateral Furnished to Third Parties	18
2.3.4. Other Obligations of the Issuer.....	19
2.4. Risks Associated with the Acquisition of Issue-Grade Securities (Being) Placed	19
2.4.1. Industry-Specific Risks	19
2.4.2. Country and Regional Risks.....	23
2.4.3. Financial Risks	24
2.4.4. Legal Risks	25
2.4.5. Risks Associated with the Issuer’s Activities	27
III. Detailed Information Concerning the Issuer.....	30
3.1. Establishment History and Development of the Issuer.....	30
3.1.1. Data Concerning the Issuer’s Corporate Name	30
3.1.2. Information Concerning the Issuer’s State Registration.....	31
3.1.3. Information Concerning the Issuer’s Establishment and Development.....	31
3.1.4. Contact Details	32
3.1.5. Taxpayer Identification Number	33
3.1.6. Branches and Representative Offices of the Issuer	33
3.2. Core Business Activities of the Issuer	33
3.2.1. Industry in Which the Issuer Operates.....	33
3.2.2. Core Business Activities of the Issuer	34
3.2.3. Materials, Goods (Raw Materials) and Suppliers of the Issuer	36
3.2.4. Target Markets for the Issuer’s Products (Work, Services).....	36
3.2.5. Information Concerning the Issuer’s Permits (Licenses) or Authorizations for Specific Work Types ...	36
3.2.6. Information Concerning Activities of Certain Categories of Issuers of Issue-Grade Securities.....	36
3.2.7. Additional Requirements Applicable to Issuers Whose Core Activities Are Mining Operations	36
3.2.8. Additional Requirements Applicable to Issuers Whose Core Activities Are Telecommunications Services	37
3.3. Plans for Future Activities of the Issuer	37
3.4. Membership of the Issuer in Banking Groups, Banking Holding Companies, Holding Companies and Associations	37

3.5. Issuer-Controlled Entities of Material Importance to the Issuer	37
3.6. Composition, Breakdown and Value of the Issuer’s Fixed Assets, Information Concerning Plans for the Acquisition, Replacement, Retirement of Fixed Assets and All Evidence of Encumbrance of the Issuer’s Fixed Assets	60
3.6.1. Fixed Assets	60
IV. Information Concerning the Issuer’s Financing and Economic Activities	61
4.1. Financial and Economic Performance of the Issuer	61
4.2. Liquidity of the Issuer, Capital and Current Asset Adequacy	63
4.3. Financial Investments of the Issuer	64
4.4. Intangible Assets of the Issuer	66
4.5. Information Concerning the Policy and Expenses Incurred by the Issuer in the Area of Scientific and Technological Development, in Respect of Licenses and Patents, New Developments and Research	67
4.6. Analysis of Trends in the Issuer’s Core Business.....	67
4.6.1. Analysis of Factors and Conditions Affecting the Issuer’s Activities	67
4.6.2. Competitors of the Issuer.....	68
V. Detailed Information Concerning Individual Members of the Issuer’s Management Bodies, the Issuer’s Bodies Controlling Its Financing and Economic Activities and Brief Information Concerning the Issuer’s Employees (Personnel).....	68
5.1. Details of the Structure and Jurisdiction of the Issuer’s Management Bodies	68
5.2. Information Concerning Individual Members of the Issuer’s Management Bodies	74
5.2.1. Members of the Board of Directors (Supervisory Board) of the Issuer	74
5.2.2. Information Concerning the Sole Executive Body of the Issuer	95
5.2.3. Members of the Collegial Executive Body of the Issuer	96
5.3. Information Concerning the Amount of Remuneration, Benefits and/or Reimbursement of Expenses for Each Management Body of the Issuer	103
5.4. Information Concerning the Structure and Jurisdiction of Bodies Exercising Control of the Issuer’s Financing and Economic Activities.....	104
5.5. Information Concerning Individual Members of Bodies Exercising Control of the Issuer’s Financing and Economic Activities	110
5.6. Information Concerning the Amount of Remuneration, Benefits and/or Reimbursement of Expenses for the Body Exercising Control of the Issuer’s Financing and Economic Activities.....	131
5.7. Data Concerning the Headcount and High-Level Data Concerning the Composition of the Issuer’s Personnel (Employees) and Changes in the Issuer’s Employee (Personnel) Headcount.....	133
5.8. Information Concerning Any Obligations of the Issuer to Its Employees (Personnel) Regarding Their Possible Participation in the Authorized (Share) Capital (Unit Trust) of the Issuer.....	133
VI. Information Concerning the Issuer’s Members (Shareholders) and Related-Party Transactions Completed by the Issuer	134
6.1. Information Concerning Total Number of the Issuer’s Shareholders (Members)	134
6.2. Information Concerning the Issuer’s Members (Shareholders) Owning at Least 5 Percent of Its Authorized (Share) Capital (Unit Trust) or at Least 5 Percent of Its Ordinary Shares; Information Concerning Persons Controlling Such Members (Shareholders) or, in the Absence of Such Persons, Concerning Their Members (Shareholders) Owning at Least 20 Percent of the Their Authorized (Share) Capital (Unit Trust) or at Least 20 Percent of Their Ordinary Shares.....	134
6.3. Information Concerning the Stake Held by the Government or Municipality in the Issuer’s Authorized (Share) Capital (Unit Trust) and Special Right (‘Golden Share’)	135
6.4. Information Concerning Restrictions on Participation in the Issuer’s Authorized (Share) Capital (Unit Trust).....	136
6.5. Information Concerning Changes in the Composition and Value of Stakes Held by the Issuer’s Shareholders (Members) Owning at Least 5 Percent of Its Authorized (Share) Capital (Unit Trust) or at Least 5 Percent of Its Ordinary Shares.....	136
6.6. Information Concerning Related-Party Transactions Completed by the Issuer.....	137
6.7. Information Concerning the Value of Accounts Receivable	138

VII. Accounting (Financial) Statements of the Issuer and Other Financial Information	139
7.1. Annual Accounting (Financial) Statements of the Issuer	139
7.2. Quarterly Accounting (Financial) Statements of the Issuer.....	139
7.3. Consolidated Accounting (Consolidated Financial) Statements of the Issuer	143
7.4. Information Concerning the Accounting Policy of the Issuer	143
7.5. Information Concerning Total Exports and Exports as a Percentage of Total Sales	143
7.6. Information Concerning Material Changes in the Composition of the Issuer’s Property After the Last Date of the Most Recently Closed Fiscal Year	143
7.7. Information Concerning the Issuer’s Being a Party to Litigation if Such Litigation May Materially Affect the Issuer’s Financing and Economic Activities	143
VIII. Detailed Information Concerning the Issuer and Issue-Grade Securities Placed by the Issuer	143
8.1. Additional Information Concerning the Issuer	144
8.1.1. Information Concerning the Value and Structure of the Issuer’s Authorized (Share) Capital (Unit Trust)	144
8.1.2. Information Concerning Changes in the Issuer’s Authorized (Share) Capital (Unit Trust)	145
8.1.3. Information Concerning the Procedure for Convening and Holding the Meeting (Session) of the Issuer’s Supreme Management Body	147
8.1.4. Information Concerning For-Profit Organizations in Which the Issuer Owns at Least 5 Percent of Authorized (Share) Capital (Unit Trust) or at Least 5 Percent of Ordinary Shares	147
8.1.5. Information Concerning Material Transactions Completed by the Issuer	157
8.1.6. Information Concerning the Issuer’s Credit Ratings	158
8.2. Information About Each Category (Type) of the Issuer’s Shares.....	158
8.3. Information Concerning the Previous Issues of Issue-Grade Securities of the Issuer Other than Shares.	158
8.3.1. Information Concerning the Issues All of Whose Securities Were Redeemed	158
8.3.2. Information Concerning Issuances Securities from Which Are Outstanding	158
8.4. Information Concerning the Person(s) That Provided Collateral for Collateralized Bonds of the Issuer and Concerning the Conditions for Securing the Performance of Obligations with Respect to Collateralized Bonds of the Issuer	164
8.4.1. Conditions for Securing the Performance of Obligations with Respect to Mortgage-Backed Bonds ...	164
8.5. Information Concerning Entities Recording the Rights to the Issue-Grade Securities of the Issuer	164
8.6. Information Concerning Legislative Acts Governing Capital Import/Export Aspects Which May Affect Dividend, Interest and Other Payments to Nonresidents	164
8.7. Description of the Procedure for Taxation of Income from the Issue-Grade Securities (Being) Placed by the Issuer	164
8.8. Information Concerning Declared (Accrued) and Paid Dividends on the Issuer’s Shares and Yield on the Issuer’s Bonds	168
8.8.1. Information Concerning Declared and Paid Dividends on the Issuer’s Shares	168
8.8.2. Information Concerning Accrued and Paid Yields on the Issuer’s Bonds	171
8.9. Other Information	171
8.10. Information Concerning Represented Securities and the Issuer of Represented Securities, Title to Which Is Certified by Russian Depository Receipts	205
Appendix to the Quarterly Report. Annual Consolidated Accounting (Financial) Statements Prepared in Accordance with International Financial Reporting Standards or Any Internationally Recognized Rules Other than IFRS	172

Introduction

Grounds for the assumption by the issuer of the obligation to disclose information in the form of a quarterly report

Securities prospectus with respect to the issuer's securities was registered.

On November 18, 2008, the Federal Financial Markets Service of the Russian Federation registered the securities prospectus of JSC Interregional Distribution Grid Companies Holding.

In accordance with paragraph 5.1 of the Regulations for the Disclosure of Information by Issue-Grade Securities Issuers, approved by Order of the Federal Financial Markets Service of the Russian Federation No. 11-46/pz-n of October 4, 2011, the issuers that have at least one securities prospectus registered with respect to their securities are obliged to disclose information in the form of a quarterly report.

Since, as of the last date of the reporting quarter, the additional securities issue reports applicable to the current issues of shares in JSC LENENERGO and Chechenenergo, JSC were not registered, this Quarterly Report specifies stakes in the authorized capital without any placed shares of the additional issues of these companies (see paragraph 3.5, paragraph 6.7, and paragraph 8.1.4).

On June 30, 2014, the Annual General Meeting of Shareholders of JSC Russian Grids resolved to approve a restated version of the Articles of Association of JSC Russian Grids. Since, as of the date of this Quarterly Report, the Articles of Association of JSC Russian Grids (restated version) were not registered, the information used herein is in accordance with the Company's Articles of Association registered on August 22, 2011, as amended and supplemented. Information concerning the contents of the restated version of the Articles of Association of JSC Russian Grids is given in section 8.9 hereof.

In this Quarterly Report, Joint Stock Company Russian Grids is also referred to as JSC Russian Grids, JSC IDGC Holding (the former company name), the Issuer, and the Company.

This quarterly report contains the estimates and forecasts of the duly authorized management bodies of the issuer pertaining to future events and/or actions, prospects for development within the branch of economy in which the issuer conducts its core business and the performance of the issuer, including the issuer's plans, the likelihood of occurrence of certain events and performance of certain actions. Investors should not fully rely on the estimates and forecasts of the issuer's management bodies, since the future actual performance of the issuer may differ from the forecast performance for a variety of reasons. The acquisition of the issuer's securities is associated with the risks described in this quarterly report.

I. Brief Information Concerning Individual Members of the Issuer's Management Bodies, Details of the Issuer's Bank Accounts, Auditor, Appraiser and Financial Advisor and Other Individuals Who Signed This Quarterly Report

1.1. Individual Members of the Issuer's Management Bodies

Members of the Board of Directors (Supervisory Board) of the issuer

Full Name	Year of Birth
Boris Ilyich Ayuyev	1957
Oleg Gennadyevich Barkin	1975
Oleg Mikhailovich Budargin	1960
Anatoly Fyodorovich Dyakov	1936
Andrey Yurievich Ivanov	1975
Alexander Sergeyeovich Kalinin	1966
Vyacheslav Mikhailovich Kravchenko	1967
Alexei Aleksandrovich Makarov	1937
Sergei Nikolaevich Mironosetsky	1965
Denis Stanislavovich Morozov	1973
Andrey Yevgenyevich Murov	1970
Seppo Juha Remes	1955
Pavel Olegovich Shatsky	1972
Andrey Nikolayevich Shishkin	1959
Sergey Ivanovich Shmatko (Chairman)	1966

Sole executive body of the issuer

Full Name	Year of Birth
Oleg Mikhailovich Budargin	1960

Members of the collegial executive body of the issuer

Full Name	Year of Birth
Oleg Mikhailovich Budargin (Chairman)	1960
Dan Mikhailovich Belenky	1972
Roman Nikolaevich Berdnikov	1973
Andrey Aleksandrovich Dyomin	1974
Valentin Yefimovich Mezhevich	1947

1.2. Bank Account Details of the Issuer

Credit institution details

Full corporate name: ***JOINT STOCK COMMERCIAL BANK EVROFINANCE MOSNARBANK (open joint stock company)***

Short corporate name: ***EVROFINANCE MOSNARBANK***

Location: ***121099, Moscow, ul. Novy Arbat, d. 29***

INN (Taxpayer Identification Number): ***7703115760***

BIC (Bank Identification Code): ***044525204***

Account number: ***4070281020004077190***

Correspondent account: ***3010181090000000204***

Account type: ***settlement account***

Credit institution details

Full corporate name: ***Specialized Additional Office No. 01793, Moscow Head Office of Sberbank of Russia***

Short corporate name: ***Specialized Additional Office No. 01793, Moscow Head Office of Sberbank***

Location: ***109544, Moscow, ulitsa B. Andronyevskaya, dom 6***

INN (Taxpayer Identification Number): ***7707083893***

BIC (Bank Identification Code): ***044525225***

Account number: ***40702810138360026758***

Correspondent account: ***3010181040000000225***

Account type: ***settlement account***

Credit institution details

Full corporate name: ***Specialized Additional Office No. 01793, Moscow Head Office of Sberbank of Russia***

Short corporate name: ***Specialized Additional Office No. 01793, Moscow Head Office of Sberbank***

Location: ***109544, Moscow, ulitsa B. Andronyevskaya, dom 6***

INN (Taxpayer Identification Number): ***7707083893***

BIC (Bank Identification Code): ***044525225***

Account number: ***40702840438360026758***

Correspondent account: ***3010181040000000225***

Account type: ***US dollar settlement account***

Credit institution details

Full corporate name: ***Specialized Additional Office No. 01793, Moscow Head Office of Sberbank of Russia***

Short corporate name: ***Specialized Additional Office No. 01793, Moscow Head Office of Sberbank***

Location: ***109544, Moscow, ulitsa B. Andronyevskaya, dom 6***

INN (Taxpayer Identification Number): ***7707083893***

BIC (Bank Identification Code): ***044525225***

Account number: ***40702978038360026758***

Correspondent account: ***3010181040000000225***

Account type: ***Euro settlement account***

Credit institution details

Full corporate name: *Specialized Additional Office No. 01793, Moscow Head Office of Sberbank of Russia*

Short corporate name: *Specialized Additional Office No. 01793, Moscow Head Office of Sberbank*

Location: *109544, Moscow, ulitsa B. Andronyevskaya, dom 6*

INN (Taxpayer Identification Number): *7707083893*

BIC (Bank Identification Code): *044525225*

Account number: *4070281083800026758*

Correspondent account: *3010181040000000225*

Account type: *settlement account*

Credit institution details

Full corporate name: *Additional Office of Open Joint-Stock Company ALFA-BANK*

Short corporate name: *Pokrovka Additional Office of ALFA-BANK OJSC*

Location: *101000, Moscow, ul. Pokrovka, d. 3/7*

INN (Taxpayer Identification Number): *7728168971*

BIC (Bank Identification Code): *044525593*

Account number: *40702810301200002926*

Correspondent account: *3010181020000000593*

Account type: *settlement account*

Credit institution details

Full corporate name: *Krasnye Vorota Additional Office of Gazprombank (Open Joint-Stock Company)*

Short corporate name: *Krasnye Vorota Additional Office of GPB (OJSC)*

Location: *101000, Moscow, ul. Myasnitskaya, d. 48*

INN (Taxpayer Identification Number): *7744001497*

BIC (Bank Identification Code): *044525823*

Account number: *4070281039200002063*

Correspondent account: *3010181020000000823*

Account type: *settlement account*

Credit institution details

Full corporate name: *Public Joint Stock Company Russian Regional Development Bank*

Short corporate name: *PJSC RRDB*

Location: *129594, Moscow, Sushchyovsky Val, d. 65, korp. 1*

INN (Taxpayer Identification Number): *7736153344*

BIC (Bank Identification Code): *044525880*

Account number: *4070281090000005455*

Correspondent account: *3010181090000000880*

Account type: *settlement account*

Credit institution details

Full corporate name: *Joint-Stock Bank ROSSIYA (Open Joint-Stock Company)*

Short corporate name: *BANK ROSSIYA*

Location: *191124, Saint Petersburg, pl. Rastrelli, d. 2, lit. A*

INN (Taxpayer Identification Number): **7831000122**
BIC (Bank Identification Code): **044030861**
Account number: **4070281010000005432**
Correspondent account: **3010181080000000861**
Account type: **settlement account**

Credit institution details

Full corporate name: **Specialized Additional Office No. 01793, Moscow Head Office of Sberbank of Russia**
Short corporate name: **Specialized Additional Office No. 01793, Moscow Head Office of Sberbank**
Location: **109544, Moscow, ulitsa B. Andronyevskaya, dom 6**
INN (Taxpayer Identification Number): **7707083893**
BIC (Bank Identification Code): **044525225**
Account number: **40702810738360028444**
Correspondent account: **3010181040000000225**
Account type: **corporate card account**

Credit institution details

Full corporate name: **JOINT STOCK COMMERCIAL BANK EVROFINANCE MOSNARBANK (open joint stock company)**
Short corporate name: **EVROFINANCE MOSNARBANK**
Location: **121099, Moscow, ul. Novy Arbat, d. 29**
INN (Taxpayer Identification Number): **7703115760**
BIC (Bank Identification Code): **044525204**
Account number: **40702810400004077039**
Correspondent account: **3010181090000000204**
Account type: **corporate card account**

Credit institution details

Full corporate name: **JOINT STOCK COMMERCIAL BANK EVROFINANCE MOSNARBANK (open joint stock company)**
Short corporate name: **EVROFINANCE MOSNARBANK**
Location: **121099, Moscow, ul. Novy Arbat, d. 29**
INN (Taxpayer Identification Number): **7703115760**
BIC (Bank Identification Code): **044525204**
Account number: **40702840800004077191**
Correspondent account: **3010181090000000204**
Account type: **US dollar settlement account**

Credit institution details

Full corporate name: **JOINT STOCK COMMERCIAL BANK EVROFINANCE MOSNARBANK (open joint stock company)**
Short corporate name: **EVROFINANCE MOSNARBANK**
Location: **121099, Moscow, ul. Novy Arbat, d. 29**
INN (Taxpayer Identification Number): **7703115760**

BIC (Bank Identification Code): **044525204**
Account number: **40702978500004077198**
Correspondent account: **30101810900000000204**
Account type: **Euro settlement account**

Credit institution details

Full corporate name: **Open Joint Stock Company Joint Stock Commercial Bank INTERNATIONAL FINANCIAL CLUB**
Short corporate name: **OJSC JSCB INTERNATIONAL FINANCIAL CLUB (IFC-Bank)**
Location: **123104, Moscow, Tverskoy bulvar, 13, str. 1**
INN (Taxpayer Identification Number): **7744000038**
BIC (Bank Identification Code): **044552632**
Account number: **40702810200010000046**
Correspondent account: **301018102000000000632**
Account type: **settlement account**

1.3. Information Concerning the Issuer's Auditor(s)

Information concerning the auditor(s) that independently audit (audited) the accounting (financial) statements of the issuer and the consolidated accounting (financial) statements of the issuer and/or the group of organizations controlling and controlled by one another or obliged to prepare such statements for other reasons and in accordance with the procedure provided for in federal laws if at least one of such organizations is the issuer (hereinafter, the "consolidated accounting (financial) statements of the issuer"), which statements are included in the quarterly report, under the agreement with the auditor, and information concerning the auditor(s) approved (elected) for auditing the annual accounting (financial) statements of the issuer, including its consolidated accounting (financial) statements, for the present or closed fiscal year:

Full corporate name: **KPMG Closed Joint-Stock Company**
Short corporate name: **ZAO KPMG**
Location: **129110, Moscow, Olimpiysky prospekt, dom 18/1, office 3035**
INN (Taxpayer Identification Number): **7702019950**
OGRN (Principal State Registration Number): **1027700125628**
Telephone: **(495) 937-4477**
Fax: **(495) 937-4499**
E-mail: **Moscow@kpmg.ru**

Data concerning the auditor's membership in self-regulatory audit organizations:

Full name: **Auditor Chamber of Russia Non-profit Partnership**

Location

Russia, 105120, Moscow, 3-i Syromyatnichesky pereulok 3/9 str. 3

Additional information:

Principal Registration Number on the Register of Auditors and Audit Organizations of the self-regulatory organization of auditors, the Auditor Chamber of Russia: 10301000804

Fiscal year(s) from among the five most recently closed fiscal years and the present fiscal year for which

the auditor conducted (will conduct) an independent audit of the annual accounting (financial) statements of the issuer

Accounting (Financial) Statements, Year	Consolidated Accounting Statements, Year	Consolidated Financial Statements, Year
		2008
		2009
		2010
		2011
2012		2012
2013		2013

Period(s) from among the five most recently closed fiscal years and the present fiscal year for which the auditor conducted (will conduct) an independent audit of the interim accounting (financial) statements of the issuer

Accounting (Financial) Statements, Reporting Date	Consolidated Accounting Statements, Reporting Date	Consolidated Financial Statements, Reporting Date
		June 30, 2011
		June 30, 2012
		June 30, 2013

Factors which may affect the auditor's independence from the issuer, including information about significant interests connecting the auditor (the auditor's executives) and the issuer (the issuer's executives)

Factors which may affect the auditor's independence from the issuer, including information about significant interests connecting the auditor (the auditor's executives) and the issuer (the issuer's executives): none

Procedure for selecting the issuer's auditor

Bidding process related to auditor selection and its key terms:

Audit of the consolidated financial statements.

Pursuant to Federal Law No. 208-FZ of July 27, 2010, "On Consolidated Financial Statements," under the Regulations for the Procedure for Regulated Procurements of Goods, Work, Services for the Needs of JSC IDGC Holding, approved by the Board of Directors of JSC IDGC Holding (Minutes of the Meeting No. 72 of December 29, 2011), and in accordance with Order of JSC IDGC Holding No. 138a/140 of March 1, 2013, "On the Public Bidding for the Right to Enter into the Agreement for the Mandatory Annual Audit of the Financial (Accounting) Statements of JSC IDGC Holding for 2013 in Accordance with Russian Accounting Standards and International Financial Reporting Standards," a public bidding procedure was conducted to select the auditing firm.

The principal requirements applicable to auditing firms are as follows:

- not being liquidated;***
- no resolution on the suspension of operation adopted in accordance with the procedure provided for by the Code of Administrative Offences of the Russian Federation as of the day of consideration of the Tendering Participation Request;***
- no overdue accrued taxes, dues and other compulsory payments to the budgets of any level or extra-budgetary public funds for the previous calendar year whose amount exceeds twenty-five percent of the book value of the member's assets based on data from the accounting statements for the most recently closed reporting period;***
- non-applicability of the conditions listed in paragraph 1 of Article 8 of the Federal Law "On Auditing."***

Audit of the accounting (financial) statements.

Under Federal Law No. 307-FZ of December 30, 2008, "On Auditing"; Federal Law No. 94-FZ of July 21, 2005, "On the Placement of Orders for the Supply of Goods, Performance of Work, Provision of Services for Governmental and Municipal Needs"; the Federal Auditing Rules (Standards) approved by Resolution of the Government of the Russian Federation No. 696 of September 23, 2002; and Order of the Ministry of Finance of the Russian Federation No. 46n of May 20, 2010; and pursuant to Order of JSC IDGC Holding No. 138a/140 of March 1, 2013, "On the Public Bidding for the Right to Enter into the Agreement for the Mandatory Annual Audit of the Financial (Accounting) Statements of JSC IDGC Holding for 2013 in Accordance with Russian Accounting Standards and International Financial Reporting Standards"; a public bidding procedure was conducted to select the auditing firm.

The principal requirements applicable to auditing firms are as follows:

- membership in any self-regulatory organization for auditors;*
- not to be liquidated; no arbitration court decisions on insolvency and the initiation of bankruptcy proceedings;*
- no resolutions on the suspension of operation adopted in accordance with the procedure provided for by the Code of Administrative Offences of the Russian Federation as of the day of consideration of the Tendering Participation Request;*
- no overdue accrued taxes, dues and other compulsory payments to the budgets of any level or extra-budgetary public funds for the previous calendar year accounting for more than twenty-five percent of the book value of the member's assets based on data from the accounting statements for the most recently closed reporting period;*
- no details in the register of mala fide suppliers.*

Procedure for submitting the auditor candidate for approval by the meeting of shareholders (members), including the management body adopting the relevant decision:

Audit of the consolidated financial statements.

The auditor candidate retained for auditing the consolidated financial statements of the Russian Grids Group in accordance with International Financial Reporting Standards is not submitted for consideration by the Company's management bodies.

Audit of the accounting (financial) statements.

As specified in Article 15.2 of the Articles of Association of JSC Russian Grids, the Company's auditor (auditing organization) shall be recommended to the General Meeting of Shareholders by the Board of Directors of the Company according to the results of a competitive selection of the auditing organization for the mandatory audit of the Company, which selection is conducted in accordance with the procedure prescribed by the Board of Directors of the Company. The General Meeting of Shareholders shall approve the auditor (auditing organization) of the Company.

The Annual General Meeting of Shareholders of JSC Russian Grids held on June 28, 2013, decided to approve ZAO KPMG as the Company's auditor.

Information concerning work performed by the auditor as part of special engagements:

Not applicable.

Procedure for determining the amount of the auditor's fee, the actual amount of fee paid by the issuer to the auditor for the most recently closed fiscal year for which the auditor conducted an independent audit of the accounting (financial) statements of the issuer, information concerning deferred and overdue payments for the services provided by the auditor:

The amount of the auditor's fee is determined by the Board of Directors.

The Company's Board of Directors (Minutes of the Meeting No. 119 of May 23, 2013) resolved that the auditor's fee for the mandatory annual audit of the statements of JSC Russian Grids for 2013 would be 10,994 thousand rubles.

Audit of the consolidated financial statements.

In February 2012, an agreement was entered into for the audit of the consolidated financial statements of the Company and its subsidiaries and dependent companies in accordance with International Financial

Reporting Standards for 2011. Under the agreements, a fee of 6,962 thousand rubles and a fee of 13,924 thousand rubles were paid in the 4th quarter of 2011 and the 1st half of 2012 respectively.

In August 2012, an agreement was entered into for the review and audit of the IFRS consolidated financial (accounting) statements of the IDGC Holding Group for 2012. Under the agreement, a fee of 2,832 thousand rubles was paid in the 4th quarter of 2012. The final payment of 3,540 thousand rubles took place in the 2nd quarter of 2013.

In August 2013, an agreement was entered into for audit services, including:

a) the review of the IFRS consolidated interim financial statements of the Russian Grids Group for the six months ended June 30, 2013;

b) the audit of the IFRS consolidated financial statements of the Russian Grids Group for the year ended December 31, 2013.

Under the agreement, a fee of 2,832 thousand rubles and a fee of 660 thousand rubles were paid in the 3rd quarter of 2013 and the 1st quarter of 2014 respectively.

Audit of the accounting (financial) statements.

In July 2012, an agreement was entered into for the audit of the accounting (financial) statements in accordance with Russian Accounting Standards for 2012. Under the agreement, a fee of 720 thousand rubles was paid in the 4th quarter of 2012 and a fee of 480 thousand rubles was paid in the 1st quarter of 2013.

In August 2013, an agreement was entered into for audit services, including: the mandatory audit of the accounting (financial) statements of JSC Russian Grids for 2013 in accordance with Russian Accounting Standards. Under the agreement, a fee of 540 thousand rubles and a fee of 6,962 thousand rubles were paid in the 4th quarter of 2013 and the 2nd quarter of 2014 respectively.

Information concerning deferred and overdue payments for the services provided by the auditor:

Not applicable.

Full corporate name: *Ernst & Young Limited Liability Company*

Short corporate name: *Ernst & Young LLC*

Location: *Russia, 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, str. 1*

INN (Taxpayer Identification Number): *7709383532*

OGRN (Principal State Registration Number): *1027739707203*

Telephone: *+7 (495) 755-9700*

Fax: *+7 (495) 755-9701*

E-mail: *moscow@ru.ey.com*

Data concerning the auditor's membership in self-regulatory audit organizations:

Full name: *Auditor Chamber of Russia Non-profit Partnership*

Location

Russia, 105120, Moscow, 3-i Syromyatnichesky pereulok 3/9 str. 3

Additional information:

Principal Registration Number on the Register of Auditors and Audit Organizations of the self-regulatory organization of auditors, the Auditor Chamber of Russia: 10201017420

Fiscal year(s) from among the five most recently closed fiscal years and the present fiscal year for which the auditor conducted (will conduct) an independent audit of the annual accounting (financial) statements of the issuer

Accounting (Financial) Statements, Year	Consolidated Accounting Statements, Year	Consolidated Financial Statements, Year
2014		2014

Period(s) from among the five most recently closed fiscal years and the present fiscal year for which the auditor conducted (will conduct) an independent audit of the interim accounting (financial) statements of the issuer

Accounting (Financial) Statements, Reporting Date	Consolidated Accounting Statements, Reporting Date	Consolidated Financial Statements, Reporting Date
		June 30, 2014

Factors which may affect the auditor's independence from the issuer, including information about significant interests connecting the auditor (the auditor's executives) and the issuer (the issuer's executives)

Factors which may affect the auditor's independence from the issuer, including information about significant interests connecting the auditor (the auditor's executives) and the issuer (the issuer's executives): none

Procedure for selecting the issuer's auditor

Bidding process related to auditor selection and its key terms:

Pursuant to Federal Laws No. 307-FZ of December 30, 2008, "On Auditing"; No. 208-FZ of July 27, 2010, "On Consolidated Financial Statements"; and No. 44-FZ of April 5, 2013, "On the Contract System in Procurement of Goods, Work, and Services for the Government and Municipalities" and in accordance with the Company's Ordinance No. 56r of February 19, 2014, "On the Public Bidding Procedure for the Right to Enter into the Agreement to Conduct a Mandatory Annual Audit of the Statements of JSC Russian Grids for 2014," a public bidding procedure was conducted to select the auditing firm.

The principal requirements applicable to auditing firms are as follows:

- compliance with the requirements applicable under the laws of the Russian Federation to persons engaged in the supply of goods, the performance of work, and the provision of services for procurement purposes;*
- not being liquidated;*
- no resolution on the suspension of operation adopted in accordance with the procedure provided for by the Code of Administrative Offences of the Russian Federation as of the date of submission of the Bidding Application;*
- no overdue taxes, dues and other compulsory payments to the budgets of any level or extra-budgetary public funds for the previous calendar year whose amount exceeds twenty-five percent of the book value of the member's assets according to the accounting statements for the latest reporting period;*
- no details in the register of mala fide suppliers.*

Procedure for submitting the auditor candidate for approval by the meeting of shareholders (members), including the management body adopting the relevant decision:

As specified in Article 15.2 of the Articles of Association of JSC Russian Grids, the Company's auditor (auditing organization) shall be recommended to the General Meeting of Shareholders by the Board of Directors of the Company according to the results of a competitive selection of the auditing organization for the mandatory audit of the Company, which selection is conducted in accordance with the procedure prescribed by the Board of Directors of the Company. The General Meeting of Shareholders shall approve the auditor (auditing organization) of the Company.

The Annual General Meeting of Shareholders of JSC Russian Grids held on June 30, 2014, decided to approve Ernst & Young LLC as the Company's auditor.

Information concerning work performed by the auditor as part of special engagements:

Not applicable.

Procedure for determining the amount of the auditor's fee, the actual amount of fee paid by the issuer to the auditor for the most recently closed fiscal year for which the auditor conducted an independent audit of the accounting (financial) statements of the issuer, information concerning deferred and overdue payments for the services provided by the auditor:

The amount of the auditor's fee is determined by the Board of Directors.

The Company's Board of Directors (Minutes of the Meeting No. 155 of May 26, 2014) resolved that the auditor's fee for the mandatory annual audit of the statements of JSC Russian Grids for 2014 would be 7,080 thousand rubles.

Information concerning deferred and overdue payments for the services provided by the auditor:

1.4. Information Concerning the Issuer's Appraiser

In relation to the reasons listed in this paragraph, the issuer did not engage any appraiser within 12 month prior to the end of the reporting quarter.

1.5. Information Concerning the Issuer's Advisors

In relation to the reasons listed in this paragraph, the issuer did not engage any financial advisor within 12 month prior to the end of the reporting quarter.

1.6. Information Concerning Other Individuals Who Signed This Quarterly Report

Full name: *Vladimir Vasilyevich Shchukin*

Year of birth: *1955*

Primary employer details:

Entity: *Joint Stock Company Russian Grids*

Title: *Director of the Accounting and Reporting Department and Chief Accountant*

II. Basic Information Concerning the Financial and Economic Condition of the Issuer

2.1. Financial and Economic Performance Indicators of the Issuer

Changes in the issuer's financial and economic performance indicators calculated on the basis of its accounting (financial) statements

Standard (rules) applicable to the accounting (financial) statements used for calculating such indicators:

Russian Accounting Standards

Unit of measurement for calculations of workforce productivity: *thousand rubles/employee*

Indicator	6 months of 2013	6 months of 2014
Workforce productivity	20,111.6	8,752.2
Debt to equity ratio, %	176.4	0.44
Long-term debt to long-term debt plus equity, %	0.003	0.003
Debt covered by current income (profit) , %	6,696	-628

Share of overdue debt, %	0.004	1.28
Net asset value, thousand rubles	162,533,189	197,961,393

** Note:*

For the purposes of correctly analyzing comparable values, the calculation of the indicator “Workforce productivity” used the annualized data of the indicator “Revenue”; in the same manner, the calculation of the indicator “Debt covered by current income (profit)” used the annualized data of the indicators “Revenue” and “Cost value”.

Analysis of the issuer’s financial and economic activities based on an economic analysis of changes in the shown indicators:

In the 1st half of 2014, the Company’s net asset value is 1.2 times the value of its authorized capital. A positive difference between the Company’s net asset value and its authorized capital proves the Company’s sufficient financial soundness. The increase in the indicator on the 1st half of 2013 is due to a growth in equity, owing primarily to a rise in additional paid-in capital and authorized capital.

Considerable improvements in the indicators “Debt to equity ratio” and “Debt covered by current income” result from a substantial decrease in the Company’s accounts payable due to the completed state registration of an additional issue of shares; payment for the additional shares included shares in JSC FGC UES. (Note: until the state registration of the amendments to the Articles of Association in relation to an increase in the authorized capital of JSC Russian Grids, any payment received for additionally issued shares is reflected as part of the Company’s payables.)

The Company continues to have high financial stability, which is confirmed by the indicator “Long-term debt to long-term debt plus equity,” showing extremely low dependence of the Company on borrowings.

In the 1st half of 2013, accounts payable totaled 286.6 billion rubles, or a 626-fold increase (457.6 million rubles). In the 1st half of 2014, accounts payable totaled 735 million rubles, or a 390-fold decrease compared with the 1st half of 2013.

Equity in the 1st half of 2013 was 162.5 billion rubles, or 29% more than in the 1st half of 2012 (142.9 billion rubles). Equity in the 1st half of 2014 was 197.96 billion rubles, or 21.8% more than in the 1st half of 2013.

The share of overdue accounts payable is low and, in the 1st half of 2014, is 1.28%.

The Company has neither loans nor advances.

Overall, the financial and economic performance indicators of the Company for the 1st half of 2014 compared with the 1st half of 2013 were impacted by the following factors:

- a decrease of 285.9 billion rubles in the Company’s short-term liabilities due to a decrease in accounts payable;
- an increase of 35.4 billion rubles in equity value (21.8%);
- a decrease of 14.4 billion rubles in cash and short-term financial investments (2.1-fold);
- a decrease of 2.3 billion rubles in the Company’s accounts receivable (1.4-fold);

- a decrease in the Company's operating profitability (the Company made a profit of 4.9 billion rubles in the 1st half of 2013 against a profit of 3.01 billion rubles in the 1st half of 2014).

2.2. Market Capitalization of the Issuer

Market capitalization is calculated as the product of quantity of shares of the category (type) concerned and market price per share disclosed by the securities trading institutor and determined in accordance with the Procedure for Measuring the Market Value of Securities, the Calculated Price of Securities, and the Margin of Fluctuations in the Market Value of Securities for the Purposes of Chapter 23 of the Tax Code of the Russian Federation approved by Order of the Federal Financial Markets Service of the Russian Federation No. 10-65/pz-n of November 9, 2010.

Unit of measurement: *rubles in thousands*

Indicator	2013	Q2 2014
Market capitalization	126,696,577	88,854,442

Information concerning the securities trading institutor that serves as a basis for calculating market capitalization and, at the issuer's sole discretion, other additional information concerning public securities trading:

The market capitalization of shares in JSC Russian Grids is calculated according to the securities trading institutor, namely Closed Joint-Stock Company MICEX Stock Exchange (MICEX Stock Exchange).

Location of the securities trading institutor:

125009, Moscow, Bolshoy Kislovsky pereulok, 13

Telephone: +7 (495) 363-3232

Fax: +7 (495) 705-9622

http://moex.com/

2.3. Liabilities of the Issuer

2.3.1. Borrowings and Accounts Payable

For the 6 months of 2014

Breakdown of borrowings

Unit of measurement: *rubles in thousands*

Indicator Description	Indicator Value
Long-term borrowings	0
including:	
credit facilities	0
loans, excluding bond loans	0
bond loans	0
Short-term borrowings	0
including:	
credit facilities	0
loans, excluding bond loans	0
bond loans	0
Total overdue debt in relation to borrowings	0
including:	
credit facilities	0

loans, excluding bond loans	0
bond loans	0

Breakdown of accounts payable

Unit of measurement: *rubles in thousands*

Indicator Description	Indicator Value
Total accounts payable	735,087
including overdue accounts payable	11,220
including	
payable to the budget and public extrabudgetary funds	219,359
including overdue accounts payable	0
payable to suppliers and contractors	140,129
including overdue accounts payable	3,304
payable to the entity's personnel	345,937
including overdue accounts payable	0
other accounts payable	29,662
including overdue accounts payable	7,916

If there are overdue accounts payable, including debt in relation to borrowings, the reasons for nonperformance and past or future effects of the failure to perform the relevant obligations on the issuer, including penalties imposed on the issuer and the (expected) time limits for the settlement of overdue accounts payable or overdue debt in relation to borrowings:

Overdue accounts payable belong to current debt and will be settled in 2014.

Creditors accounting for at least 10 percent of total accounts payable or at least 10 percent of total (long-term and short-term) borrowings

Full corporate name: ***Inspectorate of the Federal Taxation Service of the Russian Federation for the City of Moscow No. 8***

Short corporate name: ***Inspectorate of the Federal Taxation Service of the Russian Federation for the City of Moscow No. 8***

Location: ***Moscow, B. Pereyaslavskaya, 16***

INN (Taxpayer Identification Number): ***7708034472***

OGRN (Principal State Registration Number): ***1047708061752***

Value of debt: ***138,722 thousand rubles***

Value of and terms applicable to overdue debt (interest rate, fines, penalties): ***no overdue debt***

Whether or not the creditor is an affiliate of the issuer: ***No***

2.3.2. Credit History of the Issuer

Description of the fulfillment by the issuer of its obligations under any loan agreements and/or credit facility agreements, including agreements involving the issue and sale of bonds, in force within the most recently closed financial year and the current financial year if their principal amount accounted for 5 percent or more of the book value of the issuer's assets as of the last date of the most recently closed reporting period (quarter, year) preceding the time of entering into the relevant agreements with respect to which the period prescribed for submitting accounting (financial) statements expired, and under any other loan agreements and/or credit facility agreements considered by the issuer to be material for itself.

The issuer did not assume any of the above-mentioned liabilities.

2.3.3. Obligations of the Issuer with Regard to Collateral Furnished to Third Parties

Not applicable.

2.3.4. Other Obligations of the Issuer

Other obligations that are not accounted for in the accounting (financial) statements and may materially affect the issuer's financial standing, liquidity, sources of funding and terms of its use, performance and expenses: none

2.4. Risks Associated with the Acquisition of Issue-Grade Securities (Being) Placed

Risk management policy of the issuer:

Risk management policy of the issuer: JSC Russian Grids's performance is affected by a number of external factors and risks which are under the limited control of the Company. Although these are mostly macroeconomic factors impacting the Russian economy in its entirety, certain areas of the Company's activities can be especially "sensitive" to certain risk factors. The list provided below is incomplete since there are other risk factors which are currently negligible, but later can have an adverse impact on the Company's activities, thus affecting its profit, assets, capital, liquidity, and solvency.

The Company's risk management is in accordance with the Internal Control Policy and the Risk Management Policy approved by the Company's Board of Directors and specifying the fundamental principles of the organization, implementation, and control of JSC Russian Grids's preventive control (risk management) processes.

In February 2014, the Company's Board of Directors approved the Strategy for Developing and Improving the Internal Control System of JSC Russian Grids and Subsidiaries and Dependent Companies of JSC Russian Grids, stating the current and targeted condition of the internal control and risk management system of JSC Russian Grids and its subsidiaries and dependent companies (SDCs).

In accordance with the Strategy for Development of the Electric Grid Sector of the Russian Federation approved by Ordinance of the Government of the Russian Federation No. 511-r of April 3, 2013, JSC Russian Grids performs strategic, coordinating, and controlling functions in relation to its subsidiaries and dependent companies (SDCs) and participates in the accomplishment of institutional goals faced by the electric power industry.

With the foregoing taken into account, the Company consolidates risk information related to the Russian Grids Group and assesses risks at Russian Grids's executive arm level.

2.4.1. Industry-Specific Risks

Since Russian Grids does not perform any direct operating activities and only carries out corporate management of its subsidiaries and dependent companies (SDCs), industry-specific risks are mainly associated with the Company's SDCs.

Tariff risks

The core activities of the Company's SDCs, the provision of electricity distribution and transmission services and network connection services, are subject to regulation by the government. Taking account of these special features of JSC Russian Grids's operations, the principal industry-specific risks of the Company are tariff risks.

The government's tariff regulation policy is aimed at limiting an increase in tariffs of electricity distribution and transmission services, which may lead to a shortage of the tariff-based sources of financing SDCs' investing and operating activities.

According to the Forecast of the Socioeconomic Development of the Russian Federation for 2014 and the Planning Period of 2015 and 2016 developed by the Ministry of Economic Development of the Russian Federation, the regulated tariffs for grid organizations will grow as follows: 0% from July 1, 2014; 2.5% from July 1, 2015; and 4.8% from July 1, 2016.

To minimize these risk factors, the Company and SDCs pursue a balanced policy on improving the efficiency of investing and operating activities, aimed at reducing costs and optimally planning the structure of the financing sources.

There are also risks associated with the possibility that tariff decisions will take account of cross-subsidies and with the fact that, at present, no procedure is applied to determining, distributing, or taking account of cross-subsidies among customer categories in tariffs of electricity distribution and transmission services. This may lead to

grid organizations' additional lost income resulting from interrupted electricity consumption.

Since last mile agreements ceased to be effective in most Russian regions on January 1, 2014, grid organizations continue to run a high risk that their lost income resulting from interrupted electricity consumption may not be compensated for for the following reasons:

- the Pricing Fundamentals in the Area of Regulated Prices (Tariffs) in the Electric Power Industry approved by Resolution of the Government of the Russian Federation No. 1178 of December 29, 2011, do not specify any mechanism for compensating for lost income incurred by grid organizations due to interrupted electricity consumption;

- the Pricing Fundamentals in the Area of Regulated Prices (Tariffs) in the Electric Power Industry approved by Resolution of the Government of the Russian Federation No. 1178 of December 29, 2011, do not allow regional regulators to raise the tariff ceilings by an additional 7% or less for other customers (excluding households) on top of the parameters contained in the Forecast of the Socioeconomic Development of the Russian Federation.

Additionally, since the draft of the Resolution of the Government of the Russian Federation "On Amendments to Certain Acts of the Government of the Russian Federation for the Purposes of Reducing the Cross-Subsidy Level in the Electric Grid Sector" fixes cross-subsidies at the 2013 level, there is a risk that lost income incurred by SDCs due to interrupted electricity consumption and not compensated for may become higher.

With a view to minimizing these risks, Russian Grids works to develop the mechanisms agreed upon with federal executive authorities for receiving compensation for lost income resulting from abolished cross-subsidies, including by obtaining subsidies from the federal budget.

In addition, there is a risk of economic losses associated with an incorrectly forecasted breakdown by voltage and related to overestimated requested capacity taken into consideration in making tariff and balancing decisions against the actual figures used for payments for services provided.

Tariff risks also include risks associated with the provision of network connection services for electricity consumers, specifically a risk of a decrease in the volume of connected capacity in network connection requests, including due to switching over to local generation. The major factor of this risk is that the technical specifications issued to a requesting entity may include additional measures necessary to receive network connection, which will result in higher costs (including costs that are not reimbursable by network connection fees) and extended deadlines of network connections. Changes in federal legislation in connection with excluding the investment component for paying any expenses associated with the construction of electric grid facilities from the connection fee for power receivers rated 150 kW or below (effective from October 1, 2015, a maximum of 50 percent of such expenses will be excluded; effective from October 1, 2017, all such expenses will be excluded from the network connection fee) exposes Russian Grids's SDCs to the risk of lost income.

In order to reduce this risk, work continues on monitoring changes in the maximum capacity requested in network connection requests and on causing SDCs of JSC Russian Grids to assume the correct scope of obligations under network connection contracts.

Additionally, there is a risk that financing sources may be insufficient for work under network connection contracts because a regulator may approve network connection fees lower than an economically feasible level. To minimize the risk, SDCs develop project documents specifying the scope of obligations under network connection contracts and submit to regulatory authorities additional documents to justify the price of an individual connection. In the absence of guidelines on accounting for lost income from network connections and on restricting the tariff growth for electricity distribution services, the enactment of Federal Law No. 83-FZ of April 20, 2014, providing for a reduced network connection fee for customers that request a maximum of 150 kW or below, carries the risk that SDCs of JSC Russian Grids may incur higher nonreimbursable expenses associated with the creation and maintenance of network connections.

In order to mitigate this risk, JSC Russian Grids works to develop the mechanisms agreed upon with federal executive authorities for receiving compensation for lost income from network connections, including by introducing payment for reserved capacity and implementing the system of agreements governing the conditions of regulated activities (individual tariff-setting agreements) for the purposes of carrying out major capital investment projects.

Due to a great number of network connection requests, SDCs are not always able to fully satisfy them, which may adversely affect revenues because of the loss of potential customers and carries risks of a violation of antimonopoly laws as related to electricity distribution and network connection services and to litigation initiated by requesting entities. To facilitate new energy network connections, the Government of the Russian Federation developed the Action Plan (Road Map) "Enhancing the Affordability of the Power Infrastructure" (Ordinance of the Government of the Russian Federation No. 1144-r of June 30, 2012). In accordance with the Road Map, SDCs improve the process of processing customers' network connection requests, including by means of using information technology and template solutions in improving the Business Process "Performance of Electricity Network Connection Services." Simultaneously, the process of providing network connection services is explained to customers, including by using the Customer Relations Portal on the Company's website and customer service

centers and publishing information on the provision of services.

There is also a risk of lost profits resulting from the failure to perform network connection contracts. The risk stems from the nonfulfillment by requesting entities of their obligations, including from their abandonment of network connections. This leads to the nonutilization of new equipment and to lost profits from electricity distribution services. In order to mitigate this risk, SDCs file claims against requesting entities for damages in relation to abandoned network connections, including third party damages (in favor of generators, allied grid organizations, and superior grid organizations). Obligations under network connection contracts, together with the implications of their nonperformance (penalties, extended deadlines of network connections), are explained to requesting entities.

Risk associated with the decreased volume of electricity distribution services

Industry-specific risks include the risk associated with the decreased volume of electricity distribution services due to the following factors:

1) Overall decline in electricity demand

Russian industrial production growth stopped in 2013. The primary reasons are Russia's contracting investment activity and adverse changes in market conditions, chiefly in the metals market. Most metallurgical companies have to mothball or curtail currently unprofitable production. For instance, according to the Federal Service for State Statistics of the Russian Federation, primary aluminum production in January–May 2014 totaled 88.7 percent of the output for the comparable period in 2013. UC RUSAL is in the process of implementing a long-term program to gradually close down inefficient facilities, aiming to the overall reduction of primary aluminum production.

2) Optimization of customers' external electricity supply; decreased electricity consumption from Russia's United Power System as distributed generation develops

For the second consecutive year, the consolidated financial result of businesses is in decline in the entire economy. All major sectors (industrial production, construction, transportation, and telecommunications) are affected by profit decreases due to economic stagnation. In industrial production, which is the principal contributors to changes in the entire economy's profit, given that its share in the real sector's total profit exceeds 50 percent, businesses have kept on experiencing profit decreases since the beginning of 2013.

With the aim of bringing down production costs, large energy-intensive industrial producers take measures to optimize their external electricity supply by connecting to the Unified National (All-Russian) Electric Grid (UNEG) and build their own in-house electricity generation facilities. In numerous cases, the design of new industrial facilities uses in-house generation as the main power source. In gas and oil producing areas, customers are increasingly engaged in using associated gas for power generation for business purposes.

Overall, the Company's electricity distribution in 2013 was 0.20 percent down from the previous year. In the 5 months of 2014, the decrease reached 5.09 percent compared with the corresponding period in 2014.

In the Kemerovo Region in 2013, the Yurga and Kuznetsky ferroalloy plants put into operation UNEG-connected in-house substations. The Novokuznetsk and Sayanogorsk aluminium smelters achieved a substantial reduction in power consumption. The total decrease in electricity supplied by IDGC of Siberia, JSC's networks to the above-mentioned companies in 2013 was 6.12 percent of the overall volume of electricity distribution services provided by IDGC of Siberia, JSC.

In 2014, several large industrial producers located in the Republic of Karelia, the Volgograd Region, the Kirov Region, the Nizhni Novgorod Region, and the Sverdlovsk Region initiated measures to withdraw nearby power plants from the wholesale market's trading system and convert them to isolated generators supplying electricity directly to the industrial producers for their business purposes without paying the tariff of electricity distribution services.

The facts described above increase the risk that the decline in electricity demand and the decreased volume of electricity distribution services provided by SDCs may continue. This may result in SDCs' lost income.

In order to minimize this risk, the Company and SDCs carry out measures based on macroeconomic statistics and major customers' behavior to enhance the reliability of the predicted volume of electricity distribution services for pricing and business planning purposes.

In accordance with decisions of the Russian Government and with the active participation of the Company, legislative measures are developed to reduce the number of grid organizations, thus optimizing customers' costs related to electricity distribution. In the near future, one-customer grids (grid organizations that each have one customer whose property is initially used for their operations) will cease to be deemed territorial grid organizations. It is planned that the introduction of adequate criteria will set higher requirements for the economic efficiency, qualifications, and equipment of grid organizations.

Another area of improvements to Russian legislation is to change the procedure for determining the

volume of provided electricity distribution services; such changes include switching over to customers' payments for reserved maximum capacity and, in the case of customers that have in-house generation facilities, introducing payments for grid organizations' measures to keep backup electricity networks of the United Power System instantly ready for operation.

Risks associated with taking on the supplier of last resort status and functions

Due to the enactment of regulatory documents in late 2012 to simplify the procedure for depriving retail companies of the supplier of last resort (SOLR) status, SDCs of JSC Russian Grids were granted the SOLR status on a temporary basis, and the Ministry of Energy of the Russian Federation subsequently conducted bidding procedures to assign the SOLR status:

No.	Company	IDGC	Date of Taking up the SOLR Status	Winning Bidder Selected for the SOLR Status	Date of Transferring the SOLR Status	Order to Assign the SOLR Status to the Winning Bidder
1	Bryanskenergosbyt	IDGC of Centre, JSC	February 1, 2013	OOO TEK-Energo	no date determined*	
2	Kurskregionenergosbyt		February 1, 2013	JSC AtomEnergoSbyt	April 1, 2014	No. 117 of March 19, 2014
3	Oryolenergosbyt		February 1, 2013	JSC Inter RAO – Orlovsky Energosbyt	February 1, 2014	No. 15 of January 22, 2014
4	Tverenergosbyt		May 1, 2013	JSC AtomEnergoSbyt	April 1, 2014	No. 116 of March 19, 2014
5	Tveroblenergosbyt		February 1, 2014	No winning bidder selected		
6	Smolenskenergosbyt		October 1, 2013	JSC AtomEnergoSbyt	June 1, 2014	No. 311 of May 23, 2014
7	Ivenergosbyt	IDGC of Center and Volga Region, JSC	February 1, 2013	OOO ESK Garant	July 1, 2014	No. 357 of June 20, 2014
8	Tulaenergosbyt		March 1, 2013	OAD Tula Power Sales Company	January 1, 2014	No. 911 of December 23, 2013
9	Omskenergosbyt	IDGC of Siberia, JSC	February 1, 2013	OAD Saint-Petersburg Sale Company	March 1, 2014	No. 76 of February 19, 2014
10	Buryatenergosbyt		May 1, 2013	OAD Chitaenergosbyt	June 1, 2014	No. 252 of May 8, 2014
11	Penzaenergosbyt	IDGC of Volga, JSC	February 1, 2013	OOO Energotrading	January 1, 2014	No. 910 of December 23, 2013
12	Novgorodoblenergosbyt	IDGC of North-West	April 1, 2013	OOO Garantenergoservis	January 1, 2014	No. 912 of December 23, 2013
13	Novgorodenergosbyt		October 1, 2013	No winning bidder selected		
14	Kolenergosbyt		March 1, 2013	No winning bidder selected		

As a result, the Company's SDCs taking up the SOLR status incur the risks associated with the necessity of assuming the powers and duties of suppliers of last resort that are lost by retail companies. These risks include as follows:

- risks associated with a rise in receivables of ultimate customers and the writing-off of accumulated receivables under electricity distribution services agreements between retail companies and distribution grid companies;
- risks associated with the performance of the supplier of last resort functions in the wholesale electricity and capacity market;
- risks involved in an increase in SDCs' expenses related to the performance of the supplier of last resort functions in excess of the minimum regulated revenue used for the calculation of retail markups;
- organizational risks associated with the loss of competencies and customer databases and with erroneous payments for consumed electricity.

With a view to minimizing these risks, the Company and SDCs take measures to cooperate with federal and regional governmental authorities, the mass media, infrastructural organizations of the wholesale electricity

market, law enforcement agencies, and organizations deprived of the supplier of last resort status in the performance of the supplier of last resort functions and the settlement of debts. Additionally, the Company formulates legislative initiatives to streamline the procedure for changing the supplier of last resort.

The following risks arise out of the transfer of the SOLR status to winning bidders:

- the risk that a winning bidder may refuse to hire transferred employees.

The measures related to the transfer of the SOLR functions include dismissing all employees involved in energy retail operations and transferring them to a winning bidder with the same pay and conditions.

There is a risk that winning bidders may refuse to hire any or all of such transferred employees, which will make it necessary to dismiss them by virtue of downsizing and, consequently, will necessitate the pay stated in Article 178 of the Labor Code of the Russian Federation.

In order to minimize this risk and prevent social tension from rising in the regions where suppliers of last resort have lost their SOLR status; in its negotiations both with winning bidders and with the Ministry of Energy of the Russian Federation, JSC Russian Grids works to cause winning bidders to hire all of such employees.

- the risk that no measures may be promptly taken to influence nonpayers if an energy supply contract is terminated.

The following measures are carried out to mitigate the risk:

- Contributing to the initiatives to:
 - cause SDCs of JSC Russian Grids to gain competence in collecting problem receivables and effectively participating in bankruptcy proceedings against debtors;
 - ensure interaction with law enforcement agencies in initiating criminal proceedings against and ceasing the operation of unscrupulous providers of public utility services that unreasonably avoid fulfilling the terms and conditions of energy supply contracts with SDCs of JSC Russian Grids.
 - Working hard to have success in claims against nonpayers.

The risk that contested and overdue receivables may arise is associated with both taking on the SOLR functions and transferring such functions to winning bidders.

One of the industry-specific risk factors is imperfect operation mechanisms of the retail electricity market, which entails disagreements between electric grid companies and retail companies over the volume of consumed electricity and capacity used in tariff calculations. This leads to contested and overdue receivables related to electricity distribution services provided by SDCs, impairing the liquidity and financial stability of the Company's SDCs. The Company and SDCs take measures to eliminate the causes of disagreements with customers, reduce contested and overdue receivables for their services provided, cooperate with federal governmental authorities in preparing amendments to the rules for the operation of the retail market, form judicial practice, and set positive precedents. In addition, the Company's SDCs implement the Long-Term Development Programs for Electricity Metering Systems in the Retail Electricity Market in Distribution Grids of JSC Russian Grids's SDCs approved by their boards of directors.

With the aim of minimizing these risks, the Program of JSC Russian Grids for Improving the Efficiency of Measures to Reduce Receivables for Electricity Distribution Services was developed and approved by the Board of Directors on February 12, 2014 (Minutes of the Meeting No. 144).

Since the Company does not perform any direct operating activities and its core business is corporate management of SDCs, there are no risks associated with possible changes in any prices of raw materials and services used by the Company or associated with possible changes in any prices of the Company's products and/or services, which risks may affect the Company's activities and the performance of its securities-related obligations.

2.4.2. Country and Regional Risks

Since JSC Russian Grids does not perform any operating activities and is only in charge of corporate management of IDGCs, country and regional risks are primarily incurred by the Company's SDCs.

Risks associated with the political and economic situation in the country and region:

Country and regional risks incurred by the Company and SDCs are determined primarily by macroeconomic factors existing globally, nationwide, and at regional level. These factors may impair the Company's and SDCs' possibilities for borrowing and adversely impact their liquidity, investment and operating efficiency, and, eventually, shareholder value. Additionally, the global economic crisis has a harmful effect on

industrial production and electricity consumption, which reduces revenues of the Company and SDCs.

The primary factors of macroeconomic risks are the continuing global financial crisis affecting the key indicators of commodity and financial markets: prices of crude oil and other commodities, the cost of capital, world currency exchange rates, and inflation.

As is the case with the other BRICS countries, Russia is a leading emerging economy and is sensitive to global recessionary pressures. This is due to the economy's dependence on energy prices, the immaturity and volatility of the Russian financial market, and the transitional state of the national banking system.

With the aim of mitigating the macroeconomic risk, the Company and SDCs take comprehensive measures to optimize the share of borrowings in their total capital, take out fixed interest rate loans, and enhance the efficiency of operating and investment expenses of the Company and SDCs.

The impact of macroeconomic risks on the volume of electricity distribution services provided by the Company's SDCs and measures to minimize the consequences of materialized risks are described in more detail in the section "Industry-Specific Risks."

Risks associated with possible military conflicts, imposition of the state of emergency and strikes in the country(ies) and region:

The Russian Federation is a multinational state including regions with varying levels of social and economic development. In this regard, the likelihood of internal conflicts in Russia, including military ones, cannot be entirely ruled out. Moreover, the Company cannot fully rule out risks associated with possible imposition of the state of emergency in the regions in which the Company's SDCs are located and in Russia in general.

The operations of Russian companies, including JSC Russian Grids, can be damaged by both domestic and international acts of terrorism, which can also adversely affect investments and the value of the Company's securities.

However, internal conflicts and the imposition of the state of emergency in the country and regions in which the Company operates are unlikely to happen. In the event of possible military conflicts or acts of terrorism, the Company's SDCs can incur the risks of failure of their fixed assets.

Risks associated with the geographical characteristics of the country(ies) and region, including high likelihood of natural disasters, possible interruption of transportation due to remoteness and/or inaccessibility, etc.:

The Company's SDCs operate in many regions with diverse climatic conditions. Emergencies may be caused by natural calamities (hurricanes, heavy rains, high water and floods, snow drifts, etc.) resulting in interruptions to the region's electricity supply and transportation. Detailed information concerning the management of operational and technological risks is contained in the Industry-Specific Risks.

Risks associated with high likelihood of natural disasters are assessed by the Company as minimal.

Risks associated with the possible interruption of transportation due to remoteness and/or inaccessibility are assessed by the Company as minimal.

2.4.3. Financial Risks

In the event of one or more of the below-listed risks, JSC Russian Grids will take all possible measures to minimize its negative effects. To partly neutralize risks, the issuer has taken a number of protective measures and developed possible actions for the issuer in case of any given risk. However, it should be noted that preliminary development of adequate measures is complicated by the uncertainty of the situation and the parameters of activities to be performed will to a great extent depend on the characteristics of each particular situation. JSC Russian Grids cannot guarantee that the actions aimed at overcoming negative changes will improve the situation since the factors described above are beyond the control of JSC Russian Grids.

Risks associated with the monetary policy of the Central Bank of the Russian Federation

When pursuing its monetary policy, the Central Bank of the Russian Federation indirectly affects financial markets and money stock. Recently, top priority has been to maintain stable ruble exchange rate and increase its actual purchasing power. The achievement of these goals using various tools which the Central Bank of the Russian Federation has in place influences companies both directly and indirectly. Any actions of the

Central Bank of the Russian Federation can both decrease and increase the Company's risks, thus affecting its financial indicators.

Risks associated with exchange rate changes

Currently, the revenue of JSC Russian Grids is entirely denominated in rubles. Virtually all expenses are denominated in rubles, too. In this regard, inflation and exchange rate changes do not considerably impact the financial and business performance of the Company.

JSC Russian Grids does not have any investments in foreign companies whose net asset value is subject to the risk of exchange rate change.

However, the Company is exposed to the risk associated with a decrease in its dividend yield on the shares owned by the Company due to increased Russian ruble exchange rates, because this may lead to higher costs incurred by the companies whose shares are held by the Company, ultimately resulting in lower net profits used for paying dividends to the Company.

Risks associated with interest rate changes

Currently, the Company does not borrow to finance its expenses.

The Company is exposed to the risk associated with a decrease in its dividend yield on the shares owned by the Company due to increased interest rates, because this may lead to higher costs incurred by the companies whose shares are held by the Company, ultimately resulting in lower net profits used for paying dividends to the Company.

Risks associated with the effects of inflation

Changes in the consumer price index have certain effects on the profitability of JSC Russian Grids and, consequently, its financial condition and its ability to perform obligations. However, these effects are not a factor of direct dependence.

It is not possible to predict the critical inflation rate for JSC Russian Grids since consideration should be given not only to consumer price level but also to changes in the actual purchasing power of the ruble, situation in the electricity markets and future government policy in respect of electricity tariffs.

Effect of financial risks on the indicators of financial statements

Inflation processes, leading to the growing prices of materials, raw materials and services used by the Company in its activities, can affect balance sheet total.

Inflation processes in the economy of the Russian Federation can impact the Company's net profit due to the fact that the opportunities of the companies whose shares are owned by the Company to raise the prices of electricity distribution services are restricted by government regulation, i.e. cannot be changed by companies depending on changes in inflation rates and at the same time the costs of the companies whose shares are owned by the Company (which are mostly denominated in rubles) change in line with inflation rates. Therefore, inflation processes can cause drop in net profit of the companies whose shares are owned by the Company, resulting, in its turn, in lower net profit which is used for paying dividends collected by the Company.

2.4.4. Legal Risks

The Company builds its activities on compliance with the applicable legal regulations of the Russian Federation, including currency, tax, and customs laws, and monitors amendments thereto on an ongoing basis.

The Company does not expect any short-term major risk in its financial and economic activities associated with changes in tax law and currency control or changes in the rules of customs control and duties.

The Company's legal risks can be caused by the characteristics of the applicable laws and court system, manifesting itself, in particular, in different court practices on the same issues and the interpretation of laws in general, the collision of legal norms, resulting in the risk of subjective and arbitrary assessment by court authorities of the Company's business facts and tax payments made by the Issuer.

In general, to minimize various legal risks the Company, on a mandatory basis, conducts preliminary

legal review of planned corporate procedures, conducted transactions and other aspects of financial and economic activities provided for by the applicable laws and/or Articles of Association of the Company. Additionally, the Company updates local regulatory documents with respect to claim-related work and in relation to cooperation between JSC Russian Grids and SDCs in court proceedings.

Compliance risk:

Frequent changes in the laws of the Russian Federation under conditions where the industry is subject to governmental regulation, together with a wide range of regulatory requirements and restrictions, are sources of the risk associated with the failure by the Company and SDCs to comply with laws and other legal regulations, or the requirements established by regulators and supervisors and set forth in internal documents of the Company and its SDCs that determine internal policies, rules, and procedures (compliance risk).

Activities of the Company and SDCs are governed and overseen by Russian authorities and agencies, such as the Federal Antimonopoly Service, Federal Tariff Service, Federal Taxation Service, Ministry of Energy, Ministry of Regional Development, Bank of Russia Financial Markets Service, and Federal Service for Environmental, Technological and Nuclear Supervision. Furthermore, as government-linked companies, the Company and SDCs implement ordinances and instructions issued by the Government of the Russian Federation, and their proper use of budgetary funds allocated for significant capital investment projects is supervised by the Accounts Chamber of the Russian Federation.

The Federal Antimonopoly Service supervises activities of the Russian Grids Group, whose SDCs are natural monopoly entities, in relation to compliance with antimonopoly laws applicable to procurement, network connection services, and information disclosed about services provided by SDCs.

Legal regulation and control of the Company's SDCs in the application of tariffs and network connection fees come within the purview of the Federal Tariff Service.

The Federal Taxation Service oversees whether the Russian Grids Group complies with taxation laws and makes correct tax calculations and payments.

The Ministry of Energy regulates and supervises activities of the Russian Grids Group in relation to energy conservation, energy efficiency enhancement, and the implementation of ordinances and instructions issued by the Government of the Russian Federation.

The Ministry of Regional Development regulates and supervises activities of the Company's SDCs in relation to the construction and rehabilitation of electric grid facilities.

The Bank of Russia's divisions regulate and supervise activities of the Company and SDCs in relation to compliance with Russian laws on joint-stock companies, the securities market, the protection of investors' rights and legitimate interests in the securities market, combating insider information misuse and market manipulation, and insolvency (bankruptcy).

The Federal Service for Environmental, Technological and Nuclear Supervision oversees activities of the Company and SDCs in relation to compliance with electrical safety requirements.

Due to the placement of the Company's financial instruments on Russian and UK trading floors, the Company satisfies the requirements laid down in Federal Law No. 224-FZ of July 27, 2010, "On Combating Insider Information Misuse and Market Manipulation and on Amendments to Certain Legislative Acts of the Russian Federation," Federal Law No. 39-FZ of April 22, 1996, "On the Securities Market," Federal Law No. 208-FZ of December 26, 1995, "On Joint-Stock Companies," regulations of the Bank of Russia, and Directive 2003/6/EC of the European Parliament and of the Council on insider dealing and market manipulation (market abuse) as incorporated into English law.

In order to minimize compliance risks and risks associated with insider information misuse, the Company and SDCs approved local documents aiming to improve the efficiency and transparency of the financial and economic activities of the Company and SDCs and combat corruption. In 2012, the Board of Directors of the Company approved the Regulations for Insider Information (Minutes of the Meeting No. 103 of December 29, 2012) and the Code of Corporate Ethics of JSC IDGC Holding (Minutes of the Meeting No. 101 of November 30, 2012). On December 27, 2013, the Board of Directors also approved the Anti-Corruption Policy of JSC Russian Grids (Minutes of the Meeting No. 142).

In accordance with the approved documents, the Company takes internal compliance control measures, monitors changes in the regulatory environment, and controls insider information.

2.4.5. Risks Associated with the Issuer's Activities

Risks associated with pending legal proceedings in which the issuer participates:

The Company was not a party in the 2nd quarter of 2014 to any legal proceedings that could have a material effect on its activities; therefore, there are no risks that may have any substantial effect on its financial and economic performance.

Risks associated with the impossibility of extending the issuer's license to perform a certain type of activity or use constrained assets (including natural resources):

The above-mentioned risks do not exist, since the Company neither performs nor plans to perform any licensable activities specified in the laws of the Russian Federation or use constrained assets (including natural resources).

Risks associated with the possible liability of the issuer for third-party debts, including the issuer's subsidiaries:

Currently, the Company is not liable for any third-party debts since the Company did not collateralize their obligations.

Risks associated with the possible liability of the issuer for third-party debts are assessed by the Company as negligible.

The Company can assume liability for the debts owed by its SDCs if the Company's instructions binding upon SDCs cause losses or bankruptcy to such SDCs. However, the Company uses its best efforts to prevent such situation since this will contradict one of the principal business goals of the Company, i.e. profit generation. The above-mentioned risks are unlikely to occur.

Risks associated with the possible loss of customers accounting for at least 10 percent of total revenue from the sale of the Company's products (work, services):

Since the Company's core business is the corporate management of SDCs, the Company does not incur the risk of customer loss.

The Company does not conduct direct operating activities, and its core business is the corporate management of SDCs. The principal risks associated with SDCs' activities are as follows:

- operational and technological risk;
- investment (project) risk.

Operational and technological risk:

Activities of the Company's SDCs cover the major part of the Russian Federation with different climates. There is likelihood of emergencies caused by natural disasters (hurricanes, heavy and freezing rain, freshets and floods, snowdrifts, etc.), which may result in system-wide failures of the operability and performance of electricity distribution equipment and in power outages suffered by customers of the Company's SDCs.

Operational and technological risks affecting power supply reliability are associated with the impact of the following factors:

- natural and anthropogenic emergencies;
- the high physical deterioration and obsolescence of electric grid assets;
- failure to implement the required repair program;
- a less efficient management system of assets of JSC Russian Grids's SDCs (changed priorities in ensuring the reliability of network operation, incorrect prioritizing of facilities that should be repaired);
- factors related to equipment operation, including nonfulfillment of regulatory and technical requirements, failure to conform to the permissible values of the process parameters of electric grid equipment's operation, mistakes made by operating personnel, and failure to comply with operational discipline.

If these risks materialize, this may have material economic and reputational consequences. In addition, these risk factors affect the volume of electricity network losses, increasing expenses incurred by SDCs in relation to the purchase of electricity to compensate for losses.

In order to reduce the probability that operational and technological risks occur, the Company and SDCs take measures to make the power supply more reliable and prevent process failure risks. These measures include:

- clearing and expanding the pathways of overhead lines rated 0.4 kV and above;
- rehabilitating electric grid facilities;
- expanding the stock of reserve power supply equipment and the stock of vehicles and special equipment for accident recovery work;
- modernizing switching equipment;
- modernizing and creating automated process control systems;

- improving data exchange systems, analyzing process failures, and forecasting the consequences of process failures, including the implementation of the Automated Management System for Distributed Resources for Accident Recovery Work;
- improving the emergency reserve management system;
- increasing the number of mobile accident recovery crews and improving the quality of their personnel;
- building up cooperation with electricity industry entities, the Ministry of Energy of the Russian Federation, the Ministry of Civil Defense, Emergencies and Disaster Relief of the Russian Federation, the Hydrometeorological Centre of the Russian Federation (including in such areas as wildfire suppression, control of critical changes in water body levels, glaze ice control, control of excess wind loads, and control of abnormal weather conditions), executive authorities of constituent entities of the Russian Federation, and Electricity Distribution Security Headquarters;
- using the Geographic Information Management System for Distributed Resources for Accident Recovery Work and a GLONASS-based monitoring system for motor vehicles;
- ensuring that executives of JSC Russian Grids, SDCs, and SDCs’ branches are on 24-hour duty on nonworking days and public holidays;
- carrying out the program to reduce injury risks of electric grid facilities;
- ensuring the training, control, and certification of personnel operating process equipment;
- carrying out the insurance program;
- implementing the energy conservation and energy efficiency enhancement program.

The Procedure for Organizing Accident Recovery Work at Electric Grid Facilities of SDCs and Allied Electricity Industry Entities came into effect.

For the first time, the Company issued an order in 2014 with scenarios enabling the primary production programs and work in special periods to be planned systematically over many years, namely Ordinance of JSC Russian Grids No. 17r of January 28, 2014, “On Measures to Ensure the Reliability of Electric Grids.”

The main particularities of formulating the 2014 repair program as specified in the ordinance are as follows:

- procurement procedures are conducted and contracts for the supply of materials, goods, and services are entered into to implement the repair program in the 1st quarter and the 2nd quarter on or prior to December 31 in the year immediately preceding the planning year and in the 3rd quarter and the 4th quarter on or prior to January 15 in the current planning period;
- long-term contracts (for 3–5 years) with contractors are introduced for work under SDCs’ repair programs;
- multiyear repair programs and programs to bring the pathways of overhead lines into compliance with standards, replace equipment, and provide flood and mudslide protection for electric grid facilities are formulated (adjusted).

In spite of the zero growth of electricity distribution tariffs related to electric grids, the Company managed to retain and even increase the physical volume of work on clearing and expanding the pathways of overhead lines. Overall, JSC Russian Grids’s clearing plan was up by 9,170 hectares (from 122,437 hectares to 131,607 hectares), or 7.5%. Work on expanding the pathways increased by 44%, or 9,650 hectares (from 21,847 hectares to 13,522 hectares).

In the 2nd quarter of 2014, 40% and 33% of the annual plan were completed in the case of clearing and expanding respectively.

With the purpose of mitigating operational and technological risks and the risk of using inefficient technologies, the Board of Directors of the Company resolved (Minutes of the Meeting No. 64 of October 7, 2011) to approve the Regulations for the Uniform Technical Policy of JSC IDGC Holding (currently, JSC Russian Grids) in the Distribution Grid Sector. Furthermore, SDCs are in the process of implementing the production asset administration system based on the actual condition index for equipment.

Additionally, in order to improve the efficiency of managerial decision making related to accident recovery work for electric grid facilities of JSC Russian Grids’s SDCs, monitor the implementation of such decisions, and inform management of the Company and SDCs, federal and regional executive authorities, and other relevant organizations and agencies about progress in these efforts, the Company developed the terms of reference and worked out plans to expand the functionality of the automated Management System for Distributed Resources for Accident Recovery Work (MSDRARW) implemented by SDCs and JSC Russian Grids. The project is chiefly aimed at:

- preventing accidents and contingencies at electric grid facilities,
- reducing the number and duration of power outages,
- accelerating accident management,
- improving distributed resource management.

As part of their efforts to update information concerning process failures at electric grid facilities of JSC

Russian Grids's SDCs, detect power outages on a real-time basis, and synchronize outage log data with the Company's special purpose software system, SDCs began in the 3rd quarter of 2013 to organize and carry out measures to verify process failure data transmitted to JSC Russian Grids and implement a special-purpose software system (Avariynost) for recording process failures (accidents) at electric grid facilities of JSC Russian Grids's SDCs and consolidating these data at JSC Russian Grids.

With due consideration to the functionality of the Avariynost software system, the Organization Standard "Procedure for Investigating into and Recording Process Failures (Accidents) at Electric Grid Facilities" was developed and approved.

To optimize information flows, improve interaction, increase the efficiency of transmitting operational information on process failures, emergency situations, and other contingencies at electric grid facilities of JSC Russian Grids's SDCs, and ensure prompt response and managerial decision making with respect to the coordination of measures to prevent and remedy process failures and emergency situations, the Company approved the Procedure for Conveying Operational Information on Process Failures, Operating Troubles of Electric Grid Elements, Operational Scheme Status Changes, and Accidents at Electric Grid Facilities of the United Power System of Russia.

As part of measures to develop and streamline the operational process and situation control system for electric grid facilities of subsidiaries and dependent companies of JSC Russian Grids, the Situation Analysis Center works to formulate the Concept of Developing the Operational Process and Situation Control System for Electric Grid Facilities of JSC Russian Grids and set a series of the Organization Standards establishing uniform requirements for the principal aspects of activities conducted by SDCs of JSC Russian Grids in the area of operational process control and situation management. For instance, the Company developed and approved the Organization Standard "Rules for Conducting Operational Negotiations and Sending Operational Communications" and the Organization Standard "Standard Functional Requirements for Automated Operational Process Control and Situation Management Systems." Plans for 2014 include formulating the Concept of Developing Relay Protection Systems.

Investment (project) risk:

The implementation of SDCs' capital investment programs makes it necessary to mobilize both internal and borrowed considerable financial resources conforming to the RAB regulation parameters, which is an investment risk factor. Additionally, some SDCs carry out socially important investment projects that are often unprofitable.

Even if financial resources are sufficient for investment program implementation, there is some likelihood of the delayed commissioning of facilities covered by SDCs' investment programs, including due to nonperformance or delayed performance by our contractors and suppliers of their obligations.

Resolution of the Government of the Russian Federation No. 159 of February 27, 2013, "On Amendments to the Rules for Approving the Investment Programs of Electric Power Industry Entities Whose Stakes Are Held by the Government and of Grid Organizations" specifies that the facilities not included in territorial planning documents should be excluded from the investment program of the Company's SDCs. There is a risk that construction in progress may grow due to excluding such construction-in-progress facilities from the capital investment program as not included in territorial planning documents.

In order to mitigate the investment risk, the Company and SDCs plan their capital investment programs taking account of the following key efficiency criteria: raising the reliability and affordability of the grid infrastructure, reducing the physical deterioration of electric grid facilities and modernizing them, and achieving a high utilization rate of commissioned facilities. A precondition for including investment projects in the capital investment program is that they should be linked to territorial and regional development plans. In addition, the Company and SDCs monitor the implementation of SDCs' investment programs and their financing and analyze the reasons behind any deviations of the actual results of investment program implementation from the plans. SDCs' capital investment is governed by the Regulations for Investing Activities based on the Model Regulations for the Investing Activities of Subsidiaries and Dependent Companies approved by the Management Board of JSC IDGC Holding (Minutes No. 161pr of November 9, 2012) and Order of JSC IDGC Holding No. 554 of October 29, 2012. Priorities in planning capital investment programs are set in accordance with regularly updated scenarios (approved by the Management Board of JSC Russian Grids (No. 198pr of October 4, 2013) in accordance with the Forecast of the Socioeconomic Development of the Russian Federation for 2014 and 2015–2016).

Pursuant to the Strategy for Development of the Electric Grid Sector of the Russian Federation approved by Ordinance of the Government of the Russian Federation No. 511-r of April 3, 2013, as related to achieving the target of reducing investment costs by 30 percent against 2012 (in rubles per physical unit (kilometer, MVA)), and in accordance with the Strategy for Development of JSC Russian Grids approved by the Board of Directors of JSC Russian Grids (Minutes of the Meeting No. 122 of June 7, 2013), the Technique for Planning the Reduction of Investment Costs by 30 Percent Against 2012 in Formulating Investment Programs for

Subsidiaries and Dependent Companies of JSC Russian Grids was approved (Ordinance No. 69r of September 12, 2013). As part of measures to reduce unit investment costs, JSC Russian Grids issued Order No. 504 of August 16, 2013, “On the Annual Monitoring of Unit Construction Costs of Investment Projects as Part of the Benchmarking and Comparative Analysis of Unit Construction Cost Indicators of Subsidiaries and Dependent Companies of Subsidiaries/Subsidiary Subsidiaries and Dependent Companies of JSC Russian Grids and Their Branches.”

The Company takes measures to improve the quality of project implementation, raise the effectiveness of investments in the existing grid, cut specific construction costs, achieve high utilization rates of new facilities, develop and implement a benchmarking system for specific costs of construction and installation and materials, build an innovation management system, and automate the investment management system.

III. Detailed Information Concerning the Issuer

3.1. Establishment History and Development of the Issuer

3.1.1. Data Concerning the Issuer’s Corporate Name

Full corporate name of the issuer: *Открытое акционерное общество «Российские сети», Joint Stock Company Russian Grids*

Effective from: *April 4, 2013*

Short corporate names of the issuer

Short corporate name: *ОАО «Россети»*

Effective from: *April 4, 2013*

Short corporate name: *JSC Russian Grids*

Effective from: *April 4, 2013*

The issuer’s Articles of Association specify several short corporate names

The issuer’s corporate name (in the case of a nonprofit organization, name) is registered as a trademark or service mark.

Registration details of the above-mentioned trademarks:

On July 31, 2013, the Federal Service for Intellectual Property, Patents and Trademarks of the Russian Federation registered the application for the state registration of a trademark (service mark) in the name of JSC Russian Grids in Russian (РОССЕТИ) and English (ROSSETI).

As of the date of this Quarterly Report, the trademark (service mark) was not registered.

All previous names of the issuer since its establishment

Full corporate name: *Открытое акционерное общество «Холдинг МРСК», Joint Stock Company Holding MRSK*

Short corporate name: *ОАО «Холдинг МРСК», JSC Holding MRSK*

Name introduction date: *July 1, 2008*

Name introduction grounds:

On July 1, 2008, the establishment of Joint Stock Company Holding MRSK as a result of reorganization through a spin-off was registered on the Uniform State Register of Juridical Persons.

Full corporate name: *Открытое акционерное общество «Холдинг межрегиональных распределительных сетевых компаний», JSC Interregional Distribution Grid Companies Holding*

Short corporate name: *ОАО «Холдинг МРСК», JSC IDGC Holding*

Name introduction date: *June 30, 2009*

Name introduction grounds:

On December 30, 2008, pursuant to the resolution of the Extraordinary General Meeting of Shareholders of JSC IDGC Holding, a restated version of the Articles of Association of the Company was approved renaming the Company JSC Interregional Distribution Grid Companies Holding. The restated version of the Articles of Association was registered by Interdistrict Inspectorate of the Federal Taxation Service of the Russian Federation for the City of Moscow No. 46 on June 30, 2009.

Full corporate name: *Открытое акционерное общество «Российские сету», Joint Stock Company Russian Grids*

Short corporate name: *ОАО «Россету», JSC Russian Grids*

Name introduction date: *April 4, 2013*

Name introduction grounds:

On March 23, 2013, the Extraordinary General Meeting of Shareholders of JSC IDGC Holding resolved to approve amendments to the Company's Articles of Association, renaming JSC IDGC Holding Joint Stock Company Russian Grids (JSC Russian Grids). The corresponding amendments to the Articles of Association were registered by Interdistrict Inspectorate of the Federal Taxation Service of the Russian Federation for the City of Moscow No. 46 on April 4, 2013.

3.1.2. Information Concerning the Issuer's State Registration

Principal State Registration Number of the Corporate Entity: *1087760000019*

State registration date: *July 1, 2008*

Registration authority: *Interdistrict Inspectorate of the Federal Taxation Service of the Russian Federation for the City of Moscow No. 46.*

3.1.3. Information Concerning the Issuer's Establishment and Development

The period of the Issuer's duration is perpetual

Overview of establishment and development of the issuer. Goals of the issuer's establishment, mission of the issuer (if applicable) and other information about the issuer's activities which is of importance for the adoption of decision on purchasing the issuer's securities:

On July 1, 2008, the incorporation of JSC Holding MRSK was registered on the Uniform State Register of Juridical Persons.

JSC Holding MRSK (later, JSC IDGC Holding) was established as part of the reorganization of RAO UES of Russia (the resolution of the Extraordinary General Meeting of Shareholders of RAO UES of Russia of October 26, 2007) on completion of one of the stages of electric power industry reform with the Russian Federation holding a 52.68% stake in the new company's authorized capital.

On December 30, 2008, the Company was renamed JSC Interregional Distribution Grid Companies Holding (JSC IDGC Holding).

Pursuant to Directive of the Government of the Russian Federation No. 2111p-P13 of May 8, 2012, the powers of JSC IDGC Holding's sole executive body were transferred to a management organization, namely Open Joint-Stock Company Federal Grid Company of Unified Energy System (JSC FGC UES) on July 10, 2012.

In order to improve the efficiency and further the development of the Russian electric grid sector, coordinate work on the management of the electric grid sector, and keep down tariffs for ultimate electricity consumers, Decree of President of the Russian Federation Vladimir Putin No. 1567 of November 22, 2012, specifies the principal goals of reforming the sector, including establishing JSC Russian Grids.

On April 4, 2013, the information that JSC IDGC Holding was renamed Joint Stock Company Russian Grids (JSC Russian Grids) was registered on the Uniform State Register of Juridical Persons.

On June 14, 2013, a stake in JSC FGC UES was contributed by the Russian Federation, represented by the Federal Agency for State Property Management, to the authorized capital of JSC Russian Grids. As decided by the Extraordinary General Meeting of Shareholders on May 6, 2013, the fact that a stake is contributed to the authorized capital is grounds for terminating the powers of and the agreement with the management organization, Open Joint-Stock Company Federal Grid Company of Unified Energy System (JSC FGC UES).

On September 11, 2013, the Board of Directors of the Company resolved to establish Technical Supervision Center, a branch of Joint Stock Company Russian Grids (TSC, a branch of JSC Russian Grids). TSC, a branch of JSC Russian Grids, was established as part of measures to accomplish the goal of formulating the electric grid sector's uniform technical policy defined by the Strategy for Development of JSC Russian Grids and contributes to securing a reliable electricity supply, ensuring the efficiency and safety of electric grid facilities, implementing a unified approach to technical supervision at electric grid facilities, implementing the principles of independent technical supervision, and improving the quality of technical supervision.

On April 4, 2014, with the aim of ensuring energy security and securing an uninterrupted electricity supply for the Crimean Federal District, the Board of Directors of the Company resolved to open the Representative Office of Joint Stock Company Russian Grids in the Crimean Federal District in Simferopol.

At present, JSC Russian Grids holds controlling interests in the federal grid company (JSC FGC UES), 11 interregional distribution grid companies (IDGC of North-West; IDGC of Center and Volga Region, JSC; IDGC of Centre, JSC; IDGC of South, JSC; IDGC of Northern Caucasus, JSC; IDGC of Siberia, JSC; IDGC of Volga, JSC; IDGC of Urals, JSC; JSC LENENERGO; JSC MOESK; and JSC Tyumenenergo), and four distribution grid companies (JSC Yantarenergo; Kubanenergo; JSC TDC; and NURENERGO, JSC) operating in specific regions.

Additionally, the Company holds controlling interests in entities engaged in power retail, R&D, and construction.

As specified in the Articles of Association (paragraph 3.1), the principal purposes of the Company's activities are as follows:

- earn profit for the Company;
- manage the electric grid sector;
- ensure the Russian Federation's control over the activities of the territorial grid organizations established in the course of reorganizing joint-stock companies for energy and electrification and over the activities of the organization managing the Unified National (All-Russian) Electric Grid;
- ensure the reliable functioning and development of the electric grid sector;
- create the necessary conditions for attracting investment with the aim of developing and enhancing the efficiency of the electric grid sector's activities;
- organize work on introducing advanced research results and innovative solutions into the electric grid sector.

3.1.4. Contact Details

Location of the issuer:

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Telephone: *(495) 995-5333*

Fax: *(495) 664-81-33*

E-mail: *info@rosseti.ru*

Information about the issuer and the securities (being) placed by the issuer is available on the Internet at www.rosseti.ru and <http://www.e-disclosure.ru/portal/company.aspx?id=13806>

Special function of the issuer interacting with its shareholders and investors: *Shareholder and Investor Relations Division of the Department for Corporate Governance and Shareholder and Investor Relations*

Location of the function: *Russia, 121353, Moscow, ul. Belovezhskaya, 4*

Telephone: *(495) 995-5333 (ext. 39-43), (495) 974-87-40 (hot line for the shareholders of JSC Russian Grids)*

Fax: *(495) 664-81-33*

E-mail: *ir@rosseti.ru*

Webpage: www.rosseti.ru/investors/

3.1.5. Taxpayer Identification Number

7728662669

3.1.6. Branches and Representative Offices of the Issuer

Changes in the issuer's branches and representative offices in the reporting quarter and, in the event of changes in the name, location of any branch or representative office, full name of its head, or the term of the power of attorney issued by the issuer to such head in the reporting quarter, the details of such changes

Pursuant to the decision adopted by the Board of Directors of JSC Russian Grids on April 4, 2014 (Minutes of the Meeting No. 148 of April 7, 2014), the Representative Office of Joint Stock Company Russian Grids in the Crimean Federal District was opened in Simferopol on April 23, 2014.

Branches and representative offices of the issuer in accordance with its articles of association (constitutive documents) as of June 30, 2014:

1. Name: **Technical Supervision Center, a branch of Joint Stock Company Russian Grids (TSC, a branch of JSC Russian Grids)**

Location: **Russia, 121353, Moscow, ul. Belovezhskaya, 4**

Date of opening: **September 25, 2013**

Head of the branch (representative office):

Full name: **Vitaly Pavlovich Bobrov**

Term of the power of attorney: **valid until January 30, 2017**

2. Name: **Representative Office of Joint Stock Company Russian Grids in the Crimean Federal District**

Location: **Russia, 295011, Simferopol, ul. Samokisha, 16**

Date of opening: **April 23, 2014**

Head of the branch (representative office):

Full name: **Viktor Vasilyevich Goryaev**

Term of the power of attorney: **valid until April 15, 2015**

3.2. Core Business Activities of the Issuer

3.2.1. Industry in Which the Issuer Operates

Industry-specific core business of the issuer as per the Russian Classification of Economic Activities (OKVED): **74.15.2**

OKVED Codes
29.24.9
40.10.1
40.10.11
40.10.2
40.10.3
40.10.5
40.30.11
40.30.2
40.30.3

40.30.5
45.21.53
51.56.4
63.40
64.20
65.23
73.10
74.14
80.30.3

3.2.2. Core Business Activities of the Issuer

Types of business activities (types of activities, types of products (work, services)) accounting for at least 10 percent of the issuer's sales (revenue) in the reporting period

Unit of measurement: *rubles in thousands*

Type of business activity: *income from interests in other entities*

Indicator Description	6 months of 2013	6 months of 2014
Revenues (sales) from this type of business activity, rubles in thousands	3,646,331	2,980,330
Share of revenues (sales) from this type of business activity in total revenues (sales) of the issuer, %	79.9	69.6

Changes in revenues (sales) of the issuer from core business activities by 10 percent or more year-on-year and reasons for such changes:

A decrease in income from interests in other entities (dividends) for the 6 months of 2014 compared with the corresponding period in the previous year is due to the fact that income will be partly reflected in the 3rd quarter of 2014. This is caused by the changes in the laws of the Russian Federation with respect to determining the dividend payment procedure, effective from January 1, 2014.

Type of business activity: *services in relation to organizing the operation of and to developing electricity distribution grid facilities*

Indicator Description	6 months of 2013	6 months of 2014
Revenues (sales) from this type of business activity, rubles in thousands	810,811	1,162,251
Share of revenues (sales) from this type of business activity in total revenues (sales) of the issuer, %	17.8	27.1

Changes in revenues (sales) of the issuer from core business activities by 10 percent or more year-on-year and reasons for such changes:

Revenues from services in relation to organizing the operation of and to developing electricity distribution grid facilities for the 6 months of 2013 are lower than revenues for the corresponding period in the current year due to the fact that some agreements were entered into later in 2013 but retroactively applied to the relationships between the parties that came into existence on January 1, 2013.

Seasonal nature of the issuer's core business activities
The issuer's core business activities were not seasonal.

General breakdown of the issuer's production costs

Cost Item Description	6 months of 2014
Raw materials and materials, %	0.7
Component parts and intermediate products purchased, %	0
Production-related work and services performed by outside organizations, %	14.9
Fuel, %	0
Power, %	0
Labor costs, %	55.7
Loan interest, %	0
Rent, %	10.4
Allocations for social needs, %	10.8
Fixed asset depreciation, %	0.6
Taxes included in production costs, %	0
Other costs (to be itemized)	
intangible asset amortization, %	
remuneration for improvement suggestions, %	0
compulsory insurance payments, %	0
official entertainment expenses, %	0.2
other, %	6.7
including travel expenses	6.7
Total: Expenses related to production and sale of products (work, services) (production costs), %	100
For reference: Revenue from sale of products (work, services) as a percentage of production costs	256.8

Significant new types of products (work, services) offered by the issuer in the market for its core business to the extent that they correspond to public information about such products (work, services). Development status of such products (work, services).

With the aim of carrying out the uniform technical policy to ensure a reliable electricity supply, the operation and development of electric grid facilities, and the implementation of a unified approach to technical supervision at electric grid facilities of its subsidiaries and dependent companies, the Company established TSC, a branch of JSC Russian Grids, responsible for technical supervision.

Standards (rules) applicable to the preparation of accounting (financial) statements and calculations reflected in this paragraph of the quarterly report:

1. ***Regulations for Accounting 1/2008 "Accounting Policy of Organizations" approved by Order of the Ministry of Finance of the Russian Federation No. 106n of October 6, 2008;***
2. ***Regulations for Accounting 9/99 "Income of Organizations" approved by Order of the Ministry of Finance of the Russian Federation No. 32n of May 6, 1999;***
3. ***Regulations for Accounting 10/99 "Expense of Organizations" approved by Order of the Ministry of Finance of the Russian Federation No. 33n of May 6, 1999;***
4. ***Regulations for Accounting 4/99 "Accounting Statements of Organizations" approved by Order of the Ministry of Finance of the Russian Federation No. 43n of July 6, 1999.***

In accordance with the Company's accounting policy for 2014, income from ordinary activities is:

- revenues from interests in other entities;

- revenues from the provision of services in relation to organizing the operation of and to developing electricity distribution grid facilities;
- revenues from the fee-based provision of assets for temporary use (temporary possession and use) under lease agreements (lease payments);
- revenues from technical supervision services.

3.2.3. Materials, Goods (Raw Materials) and Suppliers of the Issuer

6 months of 2014

The issuer's suppliers accounting for at least 10 percent of total raw materials and materials supplies

The suppliers of raw materials (materials) accounting for at least 10 percent of total raw materials and materials supplies: none

Information about changes in the prices of principal materials and goods (raw materials) by more than 10% during the reporting period concerned year-on-year

Changes in the prices of principal materials and goods (raw materials) by more than 10% during the reporting period concerned: none

Import as a percentage of supplies of materials and goods, forecast of future availability of import sources and possible alternative sources

Import supplies: none

3.2.4. Target Markets for the Issuer's Products (Work, Services)

Principal markets in which the issuer operates:

The Company operates in the Russian Federation.

The current core business of the Company is corporate management of a transmission grid company and interregional and regional distribution grid companies.

The core business of JSC Russian Grids's companies is to provide customers with electricity distribution and transmission services. The principal markets for its products are the regions where the Company operates. The activities are performed in natural monopoly conditions.

Consumers of electricity distribution and transmission services are the persons that own by virtue of ownership or otherwise by operation of law the power receiving devices and/or power facilities duly connected to the electric grid (including indirectly), as well as power retailers and suppliers of last resort operating in the interests of their customers.

Electricity distribution and transmission services are provided by electric grid organizations under agreements for paid electricity distribution and transmission services. In several regions, JSC Russian Grids's electric grid companies temporarily perform the supplier of last resort functions.

Factors which can adversely affect the sales of the issuer's products (work, services) and possible actions of the issuer aimed at mitigating such effect:

At present, there are no significant factors that may adversely affect the Company's activities.

The main factors that materially affect the core business of the Russian Grids Group's members are a high cross-subsidy level and the government's restrictions on tariff growth rates.

3.2.5. Information Concerning the Issuer's Permits (Licenses) or Authorizations for Specific Work Types

Information contained in this paragraph remained unchanged in the reporting quarter.

3.2.6. Information Concerning Activities of Certain Categories of Issuers of Issue-Grade Securities

The issuer is not an equity investment fund, insurance undertaking, credit institution, or mortgage agent.

3.2.7. Additional Requirements Applicable to Issuers Whose Core Activities Are Mining

Operations

The issuer's core activities are not mining operations.

3.2.8. Additional Requirements Applicable to Issuers Whose Core Activities Are Telecommunications Services

The issuer's core activities are not telecommunications services

3.3. Plans for Future Activities of the Issuer

Information contained in this paragraph remained unchanged in the reporting quarter.

3.4. Membership of the Issuer in Banking Groups, Banking Holding Companies, Holding Companies and Associations

Information contained in this paragraph remained unchanged in the reporting quarter.

3.5. Issuer-Controlled Entities of Material Importance to the Issuer

Full corporate name: *Open Joint-Stock Company Federal Grid Company of Unified Energy System*

Short corporate name: *JSC FGC UES*

Location

117630 Russia, Moscow, ul. Akademika Chelomeya, 5A

INN (Taxpayer Identification Number): *4716016979*

OGRN (Principal State Registration Number): *1024701893336*

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: *the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity*

Type of control: *direct control*

Stake held by the issuer in the authorized capital of the controlled entity (%): *80.13*

Percentage of ordinary shares held by the issuer (%): *80.13*

Stake held by the controlled entity in the authorized capital of the issuer (%): *0*

Percentage of ordinary shares held by the controlled entity in the issuer (%): *0*

Description of the company's core business:

Provision of electricity transmission services via the Unified National (All-Russian) Electric Grid (UNEG).

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Oleg Mikhailovich Budargin (Chairman)	0	0
Maksim Sergeyevich Bystrov	0	0

Andrey Aleksandrovich Dyomin	0	0
Boris Yurievich Kovalchuk	0	0
Vyacheslav Mikhailovich Kravchenko	0	0
Sergei Nikolaevich Mironosetsky	0	0
Andrey Yevgenyevich Murov	0	0
Georgy Avtandilovich Nozadze	0	0
Denis Vladimirovich Fedorov	0	0
Sergey Ivanovich Shmatko	0	0
Nikolay Grigoryevich Shulginov	0.00062	0.000628

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Andrey Yevgenyevich Murov	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Andrey Yevgenyevich Murov (Chairman)	0	0
Andrey Valentinovich Kazachenkov	0	0
Valery Nikolayevich Sedunov	0	0
Vladimir Semyonovich Shukshin	0	0
Valery Anatolyevich Goncharov	0	0
Maria Gennadyevna Tikhonova	0	0
Leonid Vladimirovich Mazo	0	0
Vladimir Petrovich Dikoy	0	0
Dmitry Lvovich Shishkin		

The Chairman of the Board of Directors of the company was elected after the end of the reporting quarter.

Additional company information:

Type of the control right: direct control.

Attribute of the control right: joint control shared with other persons.

Full corporate name, registered address, Taxpayer Identification Number (INN), and Principal State Registration Number (OGRN) of the corporate entity with which the issuer acquired the right to jointly control a certain number of votes attaching to the voting shares (stakes) in the authorized capital of the organization:

Russian Federation represented by the Federal Agency for State Property Management.

Registered address: 109012, Russia, Moscow, Nikolsky per., 9.

Taxpayer Identification Number (INN): 7710723134.

Principal State Registration Number (OGRN): 1087746829994.

Grounds: entering into the shareholders' agreement for the procedure for controlling and voting shares in JSC FGC UES.

Stake held by the issuer in the authorized capital of JSC FGC UES, including the indirect control right (%): 80.13.

Percentage of ordinary shares in JSC FGC UES, including the indirect control right (%): 80.13.

Full corporate name: **Joint-Stock Company Moscow United Electric Grid Company**

Short corporate name: **JSC MOESK**

Location

115114 Russia, Moscow, 2-y Paveletsky proezd, 3, str. 2

INN (Taxpayer Identification Number): **5036065113**

OGRN (Principal State Registration Number): **1057746555811**

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: **the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity**

Type of control: **direct control**

Stake held by the issuer in the authorized capital of the controlled entity (%): **50.9**

Percentage of ordinary shares held by the issuer (%): **50.9**

Stake held by the controlled entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the controlled entity in the issuer (%): **0**

Description of the company's core business:

Fee-based provision of electricity distribution services in Moscow and the Moscow Region by means of a package of organizationally and technologically interrelated operations ensuring electricity distribution via engineering devices of the company's own electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Oleg Mikhailovich Budargin (Chairman)	0	0
Andrey Aleksandrovich Dyomin	0	0
Anatoly Anatolievich Gavrilenko	0	0
Sergey Yurievich Lebedev	0	0
Pavel Anatolievich Livinsky	0	0
Sergey Aleksandrovich Nikitin	0	0
Aleksey Viktorovich Nuzhdov	0	0

Vyacheslav Mikhailovich Kravchenko	0	0
Andrey Anatolyevich Kokin	0	0
Oksana Vladimirovna Shatokhina	0	0
Sergei Valentinovich Grishchenko	0	0
Yury Nikolayevich Mangarov	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Pyotr Alekseyevich Sinyutin	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Pyotr Alekseyevich Sinyutin (Chairman)	0	0
Anatoly Vasilyevich Chegodaev	0	0
Mark Leonidovich Budyko	0	0
Alexander Valeryevich Inozemtsev	0	0
Aleksey Sergeyelevich Starostin	0	0
Alexander Mikhailovich Pyatigor	0	0
Viktor Ivanovich Ivanov	0	0
Vladimir Anatolyevich Kimerin	0	0
Eduard Leonidovich Podadaev	0	0
Alexander Valentinovich Filin	0	0

The Chairman of the Board of Directors of the company was elected after the end of the reporting quarter.

Full corporate name: **JOINT-STOCK COMPANY LENENERGO ***

Short corporate name: **JSC LENENERGO**

Location

196247 Russia, Saint Petersburg, Ploshchad Konstitutsii 1

INN (Taxpayer Identification Number): **7803002209**

OGRN (Principal State Registration Number): **1027809170300**

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset

management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: ***the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity***

Type of control: ***direct control***

Stake held by the issuer in the authorized capital of the controlled entity (%): ***49.36***

Percentage of ordinary shares held by the issuer (%): ***53.41***

Stake held by the controlled entity in the authorized capital of the issuer (%): ***0***

Percentage of ordinary shares held by the controlled entity in the issuer (%): ***0***

Description of the company's core business:

Provision of electricity distribution services and other services directly related to supplying electricity to customers, connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Yegor Vyacheslavovich Prokhorov (Chairman)	0	0
Sergey Yurievich Lebedev	0	0
Pavel Nikolayevich Snikkars	0	0
Yuri Kazbekovich Zafesov	0	0
Svetlana Semyonovna Zholnerchik	0	0
Andrey Valentinovich Sorochinsky	0	0
Andrey Sergeyeovich Kolyada	0	0
Leonid Yurievich Akimov	0	0
Valentin Mikhailovich Komarov	0	0
Konstantin Sergeyeovich Serebryakov	0	0
Yevgenia Yevgenyevna Rozova	0	0
Oleg Yurievich Zotov	0	0
Dmitry Viktorovich Koptin	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Andrey Valentinovich Sorochinsky	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Andrey Valentinovich Sorochinsky (Chairman)	0	0
Maksim Sergeyeovich Artemyev	0	0
Andrey Vladimirovich Zykov	0	0
Ilya Georgyevich Meshcheryakov	0	0
Yevgeny Ivanovich Melnichenko	0	0
Alexander Dmitryevich Nikonov	0	0

** The stake in the authorized capital of/percentage of ordinary shares in JSC LENENERGO does not include the actually placed shares of the company's current securities issue.*

The Chairman of the Board of Directors of the company was elected after the end of the reporting quarter.

Additional company information:

Type of control: direct and indirect control through an entity controlled by the issuer.

All entities controlled by the issuer (the chain of the entities directly or indirectly controlled by the issuer) through which the issuer acquired the right to indirectly control a certain number of votes attaching to the voting shares (stakes) in the authorized capital of the entity:

Interregional Distribution Grid Company of Urals, Joint Stock Company (IDGC of Urals, JSC).

Registered address: Russia, 620026, Yekaterinburg, ul. Mamina-Sibiryaka, 140.

Taxpayer Identification Number (INN): 6671163413.

Principal State Registration Number (OGRN): 1056604000970.

Stake held by the issuer in the authorized capital of JSC LENENERGO, including the indirect control right (%): 57.81.

Percentage of ordinary shares held by the issuer in JSC LENENERGO, including the indirect control right (%): 60.56.

Full corporate name: ***Joint Stock Company Tyumenenergo***

Short corporate name: ***JSC Tyumenenergo***

Location

628412 Russia, Surgut, Tyumen Region, Khanty-Mansijsk Autonomous District – Yugra, ul. Universitetskaya 4

INN (Taxpayer Identification Number): ***8602060185***

OGRN (Principal State Registration Number): ***1028600587399***

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: ***the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity***

Type of control: ***direct control***

Stake held by the issuer in the authorized capital of the controlled entity (%): ***100***

Percentage of ordinary shares held by the issuer (%): **100**

Stake held by the controlled entity in the authorized capital of the issuer (%): **0.003061**

Percentage of ordinary shares held by the controlled entity in the issuer (%): **0**

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Andrey Aleksandrovich Dyomin (Chairman)	0	0
Leonid Yurievich Akimov	0	0
Pavel Alexandrovich Mikheyev	0	0
Dmitry Aleksandrovich Chevkin	0	0
Svetlana Alexandrovna Balaeva	0	0
Dmitry Borisovich Gvozdev	0	0
Yuri Vladimirovich Goncharov	0	0
Konstantin Vladimirovich Zavizenov	0	0
Sergey Yurievich Lebedev	0	0
Yury Nikolaevich Pankstianov	0	0
Sergey Vladimirovich Sergeev	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Pavel Alexandrovich Mikheyev	0	0

Members of the collegial executive body of the company

The collegial executive body does not exist.

The Chairman of the Board of Directors of the company was elected after the end of the reporting quarter.

Full corporate name: ***Interregional Distribution Grid Company of Urals, Joint Stock Company***

Short corporate name: ***IDGC of Urals, JSC***

Location

620026 Russia, Yekaterinburg, ul. Mamina-Sibiriyaka 140

INN (Taxpayer Identification Number): **6671163413**

OGRN (Principal State Registration Number): **1056604000970**

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: ***the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity***

Type of control: ***direct control***

Stake held by the issuer in the authorized capital of the controlled entity (%): ***51.52***

Percentage of ordinary shares held by the issuer (%): ***51.52***

Stake held by the controlled entity in the authorized capital of the issuer (%): ***0***

Percentage of ordinary shares held by the controlled entity in the issuer (%): ***0***

Description of the company's core business:

Provision of electricity distribution services; operational process control; provision of services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks; performance of functions in relation to collection, transmission, and processing of process information, including measuring and metering data; supervision over safe operation of electrical installations by customers connected to the company's electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Valery Nikolayevich Rodin (Chairman)	0	0
Natalia Aleksandrovna Ozhe	0	0
Mikhail Viktorovich Azovtsev	0	0
Konstantin Mikhailovich Yushkov	0	0
Yakov Savelyevich Tesis	0	0
Sergey Vladimirovich Sergeev	0	0
Viktor Viktorovich Mamin	0	0
Sergey Aleksandrovich Petrov	0	0
Yuri Vladimirovich Goncharov	0	0
Yulia Vitalyevna Yashcheritsyna	0	0
Denis Aleksandrovich Malkov	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the	Percentage of ordinary shares held by the individual in
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	issuer (%)	the issuer (%)
Yury Vyacheslavovich Lebedev	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Olga Mikhailovna Abrosimova	0	0
Sergei Mikhailovich Zolotarev	0	0
Sergei Alexandrovich Semerikov	0	0
Yury Vyacheslavovich Lebedev (Chairman)	0	0
Alexei Alexeyevich Krasnikov	0	0
Yevgeny Gennadievich Popov	0	0
Oleg Borisovich Moshinsky	0	0
Igor Vladimirovich Butakov	0	0
Oleg Mikhailovich Zhdanov	0	0
Yuri Petrovich Shevelyov	0	0

The Chairman of the Board of Directors of the company was elected after the end of the reporting quarter.

Full corporate name: *Interregional Distribution Grid Company of Centre, Joint-Stock Company*

Short corporate name: *IDGC of Centre, JSC*

Location

127018 Russia, Moscow, 2-ya Yamskaya 4

INN (Taxpayer Identification Number): *6901067107*

OGRN (Principal State Registration Number): *1046900099498*

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: *the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity*

Type of control: *direct control*

Stake held by the issuer in the authorized capital of the controlled entity (%): *50.23*

Percentage of ordinary shares held by the issuer (%): *50.23*

Stake held by the controlled entity in the authorized capital of the issuer (%): *0*

Percentage of ordinary shares held by the controlled entity in the issuer (%): *0*

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Alexander Markovich Branis	0	0
Oleg Yurievich Isaev	0	0
Maxim Mikhailovich Saukh	0	0
Roman Alexeyevich Filkin	0	0
Oksana Vladimirovna Shatokhina (Chairperson)	0	0
Denis Viktorovich Kulikov	0.000215	0.000217
Maria Valeryevna Lazareva	0	0
Yury Nikolayevich Mangarov	0	0
Pavel Nikolayevich Snikkars	0	0
Vladimir Vladimirovich Sofyin	0	0
Natalia Ilyinichna Erpsher	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Oleg Yurievich Isaev	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Oleg Yurievich Isaev (Chairman)	0	0
Ivan Petrovich Kleymenov	0	0
Igor Viktorovich Maksimov	0	0
Sergey Yurievich Rumyantsev	0	0
Artyom Yevgenyevich Kuranov	0	0
Yuri Vladimirovich Minchenko	0	0
Alexander Viktorovich Pilyugin	0	0

The Chairman of the Board of Directors of the company was elected after the end of the reporting quarter.

Full corporate name: **Interregional Distribution Grid Company of Center and Volga Region, Joint Stock Company**

Short corporate name: **IDGC of Center and Volga Region, JSC**

Location

603950 Russia, Nizhni Novgorod, ul. Rozhdestvenskaya 33

INN (Taxpayer Identification Number): **5260200603**

OGRN (Principal State Registration Number): **1075260020043**

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: **the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity**

Type of control: **direct control**

Stake held by the issuer in the authorized capital of the controlled entity (%): **50.4**

Percentage of ordinary shares held by the issuer (%): **50.4**

Stake held by the controlled entity in the authorized capital of the issuer (%): **0.001275**

Percentage of ordinary shares held by the controlled entity in the issuer (%): **0.001292**

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Alexander Markovich Branis	0	0
Nikolay Nikolayevich Varlamov (Chairman)	0	0
Evgeny Viktorovich Ushakov	0.00008	0.000081
Roman Alexeyevich Filkin	0	0
Vladimir Sergeevich Chistyakov	0	0
Andrey Nikolayevich Kharin	0	0
Svetlana Semyonovna Zholnerchik	0	0
Maria Dmitrievna Stepanova	0	0
Tatiana Alexandrovna Ivanova	0	0
Valery Ivanovich Isaev	0	0
Alexander Viktorovich Shevchuk	0.000184	0.000186

Sole executive body of the company

Full Name	Stake held by the individual in the	Percentage of ordinary shares held by the
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	authorized capital of the issuer (%)	individual in the issuer (%)
Evgeny Viktorovich Ushakov	0.00008	0.000081

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Evgeny Viktorovich Ushakov (Chairman)	0.00008	0.000081
Sergei Timofeyevich Andrus	0	0
Evgeny Vladimirovich Nikitushkin	0	0
Olga Vladimirovna Tikhomirova	0.000035	0.000035
Alexander Vasilievich Prepodobny	0	0
Lada Alexandrovna Podolskaya	0.000077	0.000078
Vladimir Viktorovich Shits	0	0
Irina Viktorovna Yashanina	0	0
Andrei Yurievich Vedernikov	0	0

The Chairman of the Board of Directors of the company was elected after the end of the reporting quarter.

Full corporate name: **Interregional Distribution Grid Company of Siberia, Joint Stock Company**

Short corporate name: **IDGC of Siberia, JSC**

Location

660021 Russia, Krasnoyarsk, ul. Bograda 144 a

INN (Taxpayer Identification Number): **2460069527**

OGRN (Principal State Registration Number): **1052460054327**

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: **the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity**

Type of control: **direct control**

Stake held by the issuer in the authorized capital of the controlled entity (%): **55.59**

Percentage of ordinary shares held by the issuer (%): **55.59**

Stake held by the controlled entity in the authorized capital of the issuer (%): **0.000323**

Percentage of ordinary shares held by the controlled entity in the issuer (%): **0.000327**

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Konstantin Yurievich Petukhov	0	0
Vladimir Valerievich Rashevsky	0	0
Sergei Nikolaevich Mironosetsky	0	0
Kirill Andreyevich Trubitsyn	0	0
Mikhail Varfolomeyevich Kuznetsov	0	0
Veniamin Shmuilovich Pinkhasik	0	0
Yegor Vyacheslavovich Prokhorov	0	0
Mikhail Aleksandrovich Bychko	0	0
Denis Lvovich Guryanov	0	0
Valentin Yefimovich Mezhevich (Chairman)	0	0
Oleg Leonidovich Bindar	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Konstantin Yurievich Petukhov	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Konstantin Yurievich Petukhov (Chairman)	0	0
Ruslan Anatolyevich Yakovlev	0	0
Andrey Valeryevich Abramov	0	0
Yevgeny Vladimirovich Mitkin	0	0
Aleksey Vasilyevich Petukhov	0	0
Aleksey Vladimirovich Leontyev	0	0
Vladimir Alekseyevich Leontyev	0	0

The Chairman of the Board of Directors of the company was elected after the end of the reporting quarter.

Full corporate name: **Interregional Distribution Grid Company of North-West, Joint Stock Company**
Short corporate name: **IDGC of North-West**

Location

188300 Russia, Leningrad Region, Gatchina, ul. Sobornaya 31

INN (Taxpayer Identification Number): **7802312751**

OGRN (Principal State Registration Number): **1047855175785**

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: **the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity**

Type of control: **direct control**

Stake held by the issuer in the authorized capital of the controlled entity (%): **55.38**

Percentage of ordinary shares held by the issuer (%): **55.38**

Stake held by the controlled entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the controlled entity in the issuer (%): **0**

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks. Support for the efficient management of distribution grid facilities in seven regions of the Northwestern Federal District of Russia.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Tatiana Petrovna Dronova	0	0
Aleksey Nikolayevich Zharikov	0	0
Svetlana Semyonovna Zholnerchik	0	0
Marina Alexandrovna Lavrova	0	0
Sergey Vadimovich Pokrovsky	0	0
Maxim Mikhailovich Saukh	0	0
Vladimir Vladimirovich Sofyin	0	0
Sergey Gennadyevich Titov (Chairman)	0	0
Roman Alexeyevich Filkin	0	0
Dmitry Aleksandrovich Chevkin	0	0
Anton Aleksandrovich Erdyniev	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Alexander Vyacheslavovich Letyagin	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Alexander Vyacheslavovich Letyagin (Chairman)	0	0
Alexander Vladimirovich Mikhalkov	0	0
Dmitry Petrovich Tiron	0	0
Andrey Yurievich Gorokhov	0	0
Oleg Arnoldovich Bezdenezhnykh	0	0
Mikhail Vasilyevich Koshelev	0	0

The Chairman of the Board of Directors of the company was elected after the end of the reporting quarter.

Full corporate name: *Interregional Distribution Grid Company of Volga, Joint-Stock Company*

Short corporate name: *IDGC of Volga, JSC*

Location

410031 Russia, Saratov, ul. Pervomaiskaya 42/44

INN (Taxpayer Identification Number): *6450925977*

OGRN (Principal State Registration Number): *1076450006280*

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: *the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity*

Type of control: *direct control*

Stake held by the issuer in the authorized capital of the controlled entity (%): *67.63*

Percentage of ordinary shares held by the issuer (%): *67.63*

Stake held by the controlled entity in the authorized capital of the issuer (%): *0.000006*

Percentage of ordinary shares held by the controlled entity in the issuer (%): *0.000006*

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Yegor Vyacheslavovich Prokhorov (Chairman)	0	0
Vladimir Anatolievich Ryabikin	0	0
Yury Veniaminovich Adler	0	0
Alexander Viktorovich Varvarin	0	0
Denis Lvovich Guryanov	0	0
Yury Nikolaevich Pankstianov	0	0
Denis Viktorovich Kulikov	0.000215	0.000217
Andrey Vladimirovich Lisavin	0	0
Denis Aleksandrovich Malkov	0	0
Viktor Viktorovich Mamin	0	0
Alexander Shoylovich Rozentsvayg	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Vladimir Anatolievich Ryabikin	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Vladimir Anatolievich Ryabikin (Chairman)	0	0
Vladimir Ivanovich Kucherenko	0	0
Vladimir Borisovich Ponomarev	0	0
Irina Yurievna Puchkova	0	0
Natalia Leonidovna Rebrova	0.0000004	0.0000004
Irina Alekseyevna Tamlenova	0	0
Sergei Petrovich Frolov	0	0
Dmitry Lvovich Zaretsky	0	0
Vyacheslav Igorevich Kuliev	0	0

The Chairman of the Board of Directors of the company was elected after the end of the reporting quarter.

Full corporate name: *Interregional Distribution Grid Company of South, Joint Stock Company*

Short corporate name: *IDGC of South, JSC*

Location

344002 Russia, Rostov-on-Don, ul. Bolshaya Sadovaya 49

INN (Taxpayer Identification Number): *6164266561*

OGRN (Principal State Registration Number): *1076164009096*

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: *the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity*

Type of control: *direct control*

Stake held by the issuer in the authorized capital of the controlled entity (%): *51.66*

Percentage of ordinary shares held by the issuer (%): *51.66*

Stake held by the controlled entity in the authorized capital of the issuer (%): *0*

Percentage of ordinary shares held by the controlled entity in the issuer (%): *0*

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Dan Mikhailovich Belenky (Chairman)	0	0
Alexander Markovich Branis	0	0
Arman Mushegovich Airapetyan	0	0
Vitaly Valeryevich Ivanov	0	0
Konstantin Sergeevich Serebryakov	0	0
Igor Nikolayevich Repin	0	0
Dmitry Yurievich Terekhov	0	0
Roman Alexeyevich Filkin	0	0
Alexander Viktorovich Shevchuk	0.000184	0.000186
Nikolay Borisovich Piotrovich	0.00000012	0.00000006
Andrey Nikolayevich Kharin	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Boris Borisovich Ebzeev	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Boris Borisovich Ebzeev (Chairman)	0	0
Timur Ulyumdzhevich Alayev	0	0
Yegor Vladimirovich Kalenyuk	0	0
Pavel Viktorovich Goncharov	0	0
Grigory Grigorievich Savin	0	0
Oleg Petrovich Kiyok	0	0
Aleksey Aleksandrovich Rybin	0	0
Mikhail Aleksandrovich Korolyov	0	0
Sergey Alekseyevich Chekmarev	0	0
Alexander Aleksandrovich Chasovskoy	0	0

The Chairman of the Board of Directors of the company was elected after the end of the reporting quarter.

Full corporate name: **Kuban Power and Electrification Open Joint Stock Company**

Short corporate name: **Kubanenergo**

Location

350033 Russia, Krasnodar, ul. Stavropolskaya 2

INN (Taxpayer Identification Number): **2309001660**

OGRN (Principal State Registration Number): **1022301427268**

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: **the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity**

Type of control: **direct control**

Stake held by the issuer in the authorized capital of the controlled entity (%): **92.24**

Percentage of ordinary shares held by the issuer (%): **92.24**

Stake held by the controlled entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the controlled entity in the issuer (%): 0

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Alexander Viktorovich Varvarin	0	0
Marina Alexandrovna Lavrova	0	0
Sergey Vladimirovich Sergeev (Chairman)	0	0
Yulia Petrovna Chermenteyeva	0	0
Andrey Nikolayevich Kharin	0	0
Alexander Ilyich Gavrilov	0	0
Kseniya Valerievna Khokholkova	0	0
Oleg Aleksandrovich Sukhov	0	0
Ashot Mikhailovich Kobelyan	0	0
Arseny Grigoryevich Shatokhin	0	0
Valentin Yefimovich Mezhevich	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Alexander Ilyich Gavrilov	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Alexander Ilyich Gavrilov (Chairman)	0	0
Inver Yusufovich Natkho	0	0
Pavel Vasilyevich Zinchenko	0	0
Vyacheslav Aleksandrovich Belik	0	0
Andrey Leonidovich Gerasko	0	0

Andrey Valeryevich Golov	0	0
Vyacheslav Yurievich Kostetsky	0	0
Lyudmila Alexeyevna Golovakha	0	0
Inna Viktorovna Skiba	0	0
Dmitry Nikolayevich Golovakha	0	0
Vladislav Andreyevich Statuev	0	0

The Chairman of the Board of Directors of the company was elected after the end of the reporting quarter.

Full corporate name: *Interregional Distribution Grid Company of Northern Caucasus, Joint-Stock Company*

Short corporate name: *IDGC of Northern Caucasus, JSC*

Location

357506 Russia, Stavropol Territory, Pyatigorsk, village of Energetik, ul. Podstantsionnaya 18

INN (Taxpayer Identification Number): *2632082033*

OGRN (Principal State Registration Number): *1062632029778*

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: *the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity*

Type of control: *direct control*

Stake held by the issuer in the authorized capital of the controlled entity (%): *92.00*

Percentage of ordinary shares held by the issuer (%): *92.00*

Stake held by the controlled entity in the authorized capital of the issuer (%): *0*

Percentage of ordinary shares held by the controlled entity in the issuer (%): *0*

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks; connection of customers to the network infrastructure in the North Caucasian Federal District.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Arman Mushegovich Airapetyan	0	0
Nikolay Nikolayevich Varlamov	0	0
Alexander Viktorovich Varvarin	0	0
Alina Afakoevna Levitskaya	0	0
Yury Nikolayevich Mangarov (Chairman)	0	0
Sergey Aleksandrovich Arkhipov	0	0

Fyodor Alekseyevich Terebkov	0	0
Valentin Yefimovich Mezhevich	0	0
Konstantin Vladimirovich Zavizenov	0	0
Olga Valentinovna Zuikova	0	0
Aleksey Aleksandrovich Ozherelyev	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Sergey Aleksandrovich Arkhipov	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Sergey Aleksandrovich Arkhipov (Chairman)	0	0
Boris Khyzyrovich Misirov	0	0
Yuri Viktorovich Zaytsev	0	0
Vladimir Vladimirovich Shuvalov	0	0
Mukhamed Khamzetovich Medaliev	0	0

The Chairman of the Board of Directors of the company was elected after the end of the reporting quarter.

Full corporate name: ***Yantarenergo Joint-Stock Company for Energy and Electrification***

Short corporate name: ***JSC Yantarenergo***

Location

236000 Russia, Kaliningrad, ul. Teatralnaya 34

INN (Taxpayer Identification Number): ***3903007130***

OGRN (Principal State Registration Number): ***1023900764832***

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: ***the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity***

Type of control: ***direct control***

Stake held by the issuer in the authorized capital of the controlled entity (%): **100**

Percentage of ordinary shares held by the issuer (%): **100**

Stake held by the controlled entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the controlled entity in the issuer (%): **0**

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Yury Nikolayevich Mangarov (Chairman)	0	0
Yuri Vladimirovich Goncharov	0	0
Igor Vladimirovich Makovsky	0	0
Valery Nikolayevich Krasnikov	0	0
Ruslan Raisovich Magadeev	0	0
Sergey Vasilyevich Podlutsky	0	0
Vyacheslav Sergeyevich Skulkin	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Igor Vladimirovich Makovsky	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Igor Vladimirovich Makovsky (Chairman)	0	0
Natalia Aleksandrovna Danilova	0	0
Vladimir Anatolyevich Kopylov	0	0
Gennady Aleksandrovich Zimin	0	0
Irina Veniaminovna Redko	0	0

The Chairman of the Board of Directors of the company was elected after the end of the reporting quarter.

Full corporate name: **Joint-Stock Company Tomsk Distribution Company**

Short corporate name: **JSC TDC**

Location

634041 Russia, Tomsk, pr. Kirova 36

INN (Taxpayer Identification Number): **7017114672**

OGRN (Principal State Registration Number): **1057000127931**

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: **the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity**

Type of control: **direct control**

Stake held by the issuer in the authorized capital of the controlled entity (%): **85.77**

Percentage of ordinary shares held by the issuer (%): **94.58**

Stake held by the controlled entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the controlled entity in the issuer (%): **0**

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Eric Pierre Beagent	0	0
Pascal Maurice Borel	0	0
Oleg Leonidovich Bindar (Chairman)	0	0
Valery Ivanovich Isaev	0	0
Yury Veniaminovich Adler	0	0
Yulia Vitalyevna Yashcheritsyna	0	0
Natalia Ilyinichna Erpsher	0	0

Sole executive body of the company

The powers of the company's sole executive body were transferred to a management organization.

Information concerning the management organization that exercises the powers of the company's sole executive body

Full corporate name: **ERDF VOSTOK Limited Liability Company**

Short corporate name: **ERDF VOSTOK LLC**

Location: **Russia, 105120, Moscow, 2-i Syromyatnichesky pereulok, 1**

INN (Taxpayer Identification Number): **7709894784**

OGRN (Principal State Registration Number): **1127746015088**

Stake held by the issuer in the authorized capital of the management organization (%): **0**

Percentage of ordinary shares held by the issuer in the management organization (%): **0**

Stake held by the management organization (manager) in the authorized (share) capital (unit trust) of the issuer (%): **0**

Percentage of ordinary shares held by the management organization in the issuer (%): **0**

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Eric Pierre Beaugent (Chairman)	0	0
Oleg Valentinovich Petrov	0	0
Pascal Maurice Borel	0	0
Alexander Valeryevich Cherpinsky	0	0
Marina Aleksandrovna Lysykh	0	0
Irina Nikolayevna Razmanova	0	0
Jean-Louis Rene Roger Cronfalt	0	0

The Chairman of the Board of Directors of the company was elected after the end of the reporting quarter.

3.6. Composition, Breakdown and Value of the Issuer's Fixed Assets, Information Concerning Plans for the Acquisition, Replacement, Retirement of Fixed Assets and All Evidence of Encumbrance of the Issuer's Fixed Assets

3.6.1. Fixed Assets

As of the last date of the reporting quarter

Unit of measurement: **rubles in thousands**

Group of Fixed Assets	Initial (Replacement) Value	Amount of Accumulated Depreciation
office equipment	73,336	44,790
building	5,069	909
other	69,516	19,162
TOTAL	147,921	64,861

Information concerning the method of depreciation accrual by fixed asset group:

Fixed assets are depreciated using the straight-line method.

Reporting date: **June 30, 2014**

Results of the latest revaluation of fixed assets and fixed assets held under long-term lease completed within the most recently closed fiscal year, specifying the revaluation date, the gross book value and residual

book value (net of depreciation) of fixed assets before revaluation and the gross book value and residual book value (net of depreciation) of fixed assets adjusted for revaluation. The information shown is by group of fixed assets. Information concerning the depreciation method for each group of fixed assets.

Fixed assets for the above-mentioned period were not revalued.

Details of plans for the acquisition, replacement and retirement of fixed assets whose value accounts for 10 percent or more of the issuer's fixed asset value and other fixed assets at the issuer's sole discretion, as well details of all facts of encumbrance of the issuer's fixed assets (specifying the nature of encumbrance, the start date of encumbrance, its duration and other conditions at the issuer's sole discretion):

IV. Information Concerning the Issuer's Financing and Economic Activities

4.1. Financial and Economic Performance of the Issuer

Changes in indicators describing the issuer's financial and economic performance, including making a profit/loss, and calculated on the basis of its accounting (financial) statements

Standard (rules) applicable to the accounting (financial) statements used for calculating such indicators:

Russian Accounting Standards

Unit of measurement for uncovered loss amounts: ***rubles in thousands***

Indicator Description	6 months of 2013	6 months of 2014
Net profit margin, %	108.33	70.3
Asset turnover ratio, times	0.01	0.03
Return on assets, %	1.1	1.51
Return on equity, %	3.04	1.52
Uncovered loss at balance sheet date		
Ratio of uncovered loss at balance sheet date to book value of assets, %		

All indicators are calculated in accordance with recommended calculation methods

Economic analysis of the issuer's profit/loss based on changes in the above-mentioned indicators; the reasons that are believed by the issuer's management bodies to have brought about the issuer's profit/loss recognized in its accounting (financial) statements:

The Company's financial and economic operations in the 1st half of 2014 resulted in a profit of 3.01 billion rubles.

The changed return on assets in the 1st half of 2014 against the 1st half of 2013 is primarily due to decreased net profit and decreased asset value. The book value of the Company's assets went down by 250 billion rubles. This result is significantly due to the revaluation of shares at current market value at the end of the year. Their value adjustment is 250,773.9 million rubles

Compared with the corresponding period in 2013, the Company's return on equity in the 1st half of 2014 decreased to 1.52%. This result is substantially due to an outstripping reduction in profit (39%) as compared with a rise in equity (22%). The Company's net profit margin decreased to 70.3%.

With a decrease of 278.5 million rubles in the Company's revenue (6) in the 1st half of 2014 compared with the 1st half of 2013, its gross profit was down by 1.01 billion rubles; income from other activities in the 1st half of 2014, including interest receivable, was 465.9 million rubles, while this indicator in the 1st half of 2013 was 1.7 billion rubles; the Company's net profit went down by 1.9 billion rubles. Therefore, the decrease in the net profit margin is slightly less due to a decrease in operating income unlike a decrease in income from other

activities.

Factors Which Affected the Amount of Revenue from the Sale of Goods, Products, Work, Services by the Issuer and the Issuer's Profit (Loss) from Operating Activities

Income from ordinary activities for the Company is proceeds under agreements for services in relation to organizing the operation of and to developing the United Power System (UPS), revenues from income from interests in other entities, income from leases, and other sources (revenues from technical supervision services).

In the 1st half of 2014, the Company made a profit of 3.01 billion rubles. At the same time, the Company's return on sales was quite high, 61.07%.

Indicator Description	H1 2013	H1 2014
Revenues (rubles in thousands)	4,562,494	4,284,008
<i>Including - services in relation to organizing operation of and to developing UPS</i>	810,811	1,162,251
<i>- income from interests in other entities</i>	3,646,331	2,980,330
<i>- income from leases</i>	105,352	5,630
<i>- other</i>		135,797
Production costs (rubles in thousands)	(933,614)	(1,667,920)
<i>Including - services in relation to organizing operation of and to developing UPS</i>	(619,198)	(1,189,502)
<i>- expense from interests in other entities</i>	(233,589)	(325,898)
<i>- expense from leases</i>	(80,827)	(5,834)
<i>- other</i>		(146,686)
Gross profit (rubles in thousands)	3,628,880	2,616,088
Selling and administrative expenses (rubles in thousands)	0.00	0.00
Sales profit/loss (rubles in thousands)	3,628,880	2,616,088
Sales profit as percentage of revenues (%)	79.54	61.07
Other income (rubles in thousands)	1,805,697	615,632
<i>Including - interest receivable</i>	1,532,815	603,953
<i>- recovered reserve</i>		
<i>- income from sale of securities</i>	205,000	
Other expense (rubles in thousands)	(144,985)	(149,763)
<i>Including - expense from sale of securities</i>	(711)	
<i>- other expense</i>	(144,274)	(149,763)
Profit/loss before tax (rubles in thousands)	5,289,592	3,081,957
Profit tax and other dues	(346,929)	(70,215)
Net profit/loss (rubles in thousands)	4,942,663	3,011,742

The analysis of factors showed that the Company's performance result was mainly affected by interests in other entities.

Factors Affecting the Amount of the Company's Profit (for H1 2014)

Indicator	Level of Factor (%)
Balance of income/expense from operating activities	86.86%
Including:	
- balance of services in relation to organizing operation of and to developing UPS	-0.90%
- balance of income from interests in other entities	88.14%
- balance of income from leases	-0.0068%
- balance of income from technical supervision services	-0.36%

Balance of other income/expense	15.47%
Tax factor effects	-2.33%

Assessment of Factors Affecting the Change in Net Profit

Indicator	Indicator Deviation (H1 2014 Actuals from H1 2013 Actuals) (rubles in millions)	Level of Factor Affecting Change in Net Profit (%)
Revenues	-278.5	14.42%
Production costs	734.3	-38.03%
Selling and administrative expenses	0	0%
Other income	-1,190.1	61.63%
Other expense	4.78	-0.25%
Profit tax and other similar dues	-276.7	14.33%
Net profit	-1,930.9	100%

The issuer's management bodies have different opinions about reasons or the degree of their influence on the issuer's financial and economic performance: **No**

A member of the issuer's Board of Directors (Supervisory Board) or a member of the issuer's collegial executive body has a dissenting opinion about the above-mentioned reasons and/or the degree of their influence on the issuer's financial and economic performance, which opinion is contained in the minutes of a meeting of the issuer's Board of Directors (Supervisory Board) or the issuer's collegial executive body that dealt with the relevant issues, and insists that this opinion be included in the quarterly report: **No**

4.2. Liquidity of the Issuer, Capital and Current Asset Adequacy

Changes in indicators describing the issuer's liquidity calculated on the basis of its accounting (financial) statements

Standard (rules) applicable to the accounting (financial) statements used for calculating such indicators: **Russian Accounting Standards**

Unit of measurement for calculations of net working capital: **rubles in thousands**

Indicator Description	6 months of 2013	6 months of 2014
Net working capital	-251,832,742	17,982,504
Current ratio	0.12	21.71
Quick ratio	0.12	21.68
Equity to total assets ratio	0.36	0.996

At the issuer's sole discretion, additional information concerning changes in indicators describing the issuer's liquidity and calculated on the basis of its consolidated accounting (financial) statements included in the quarterly report: **No**

To describe the issuer's liquidity in a better way, the equity to total assets ratio is shown.

All indicators are calculated in accordance with recommended calculation methods: **No**

Economic analysis of the issuer's liquidity and solvency and the adequacy of the issuer's equity for settling short-term liabilities and covering current operating expenses based on the economic analysis of changes in the above-mentioned indicators, describing the factors that are believed by the issuer's management bodies to have had the greatest effect on the issuer's liquidity and solvency:

Liquidity indicators are intended to demonstrate the degree of the Company's solvency with regard to its short-term debt.

The Company's net working capital in the 1st half of 2014 is equal to 17.98 billion rubles. The positive value of this indicator means that the Company actually used its own resources to finance almost all of its working capital, which proves the Company's sufficient financial stability and financial solvency.

Overall, the liquidity indicators of the 1st half of 2014 show a satisfactory structure of the Company's balance sheet. The Company's financial condition is stable.

The Company's liquidity indicators in the 1st half of 2014 compared with the 1st half of 2013 were affected by the following events in its financial and economic activities:

- A decrease of 17.02 billion rubles in current assets (1.9-fold) largely due to a decrease of 14.4 billion rubles in cash and short-term financial investments and to a decrease of 2.3 billion rubles in accounts receivable.

- A decrease of 285.8 billion rubles in short-term liabilities (330-fold) due to a decrease in accounts payable (including payables to founders with respect to contributions to authorized (share) capital). A decrease of 286 billion rubles in accounts payable largely due to the completed registration of the Company's additionally issued shares.

The issuer's management bodies have different opinions about reasons or the degree of their influence on the issuer's financial and economic performance: **No**

A member of the issuer's Board of Directors (Supervisory Board) or a member of the issuer's collegial executive body has a dissenting opinion about the above-mentioned reasons and/or the degree of their influence on the issuer's financial and economic performance, which opinion is contained in the minutes of a meeting of the issuer's Board of Directors (Supervisory Board) or the issuer's collegial executive body that dealt with the relevant issues, and insists that this opinion be included in the quarterly report: **No**

4.3. Financial Investments of the Issuer

As of the last date of the reporting quarter

List of financial investments of the issuer accounting for 5 percent or more of its total financial investments as of the last date of the reporting period

Investments in issue-grade securities

Type of securities: **shares**

Full company name of the issuer: **Open Joint-Stock Company Federal Grid Company of Unified Energy System**

Short company name of the issuer: **JSC FGC UES**

Location of the issuer: **117630, Moscow, ul. Akademika Chelomeya, 5A**

INN (Taxpayer Identification Number): **5036065113**

OGRN (Principal State Registration Number): **1057746555811**

Date of state registration of issue(s)	Registration number	Registration authority
September 10, 2002	1-01-65018-D	Federal Commission for the Securities Market of the Russian Federation

Number of securities owned by the issuer: **1,021,359,045,392**

Total par value of securities owned by the issuer: **510,679,522.696 rubles x 1,000**

Total book value of securities owned by the issuer: **92,371,712**

Unit of measurement: **rubles in thousands**

The issuer of securities is a subsidiary and/or dependent company of the issuer that prepared this quarterly report.

The Annual General Meeting of Shareholders of JSC FGC UES (Minutes No. 15 of June 30, 2014) decided to pay no dividends on ordinary shares in the company based on performance results in the financial year 2013 due to the received loss and pay dividends based on performance results in the 1st quarter of the financial year 2014 in the amount of 0.0003426806681 rubles per ordinary share. The date for determining the persons entitled to dividends based on performance results in the 1st quarter of the financial year 2014 is July 16, 2014.

Additional information:

Type of securities: *shares*

Full company name of the issuer: *Joint-Stock Company Moscow United Electric Grid Company*

Short company name of the issuer: *JSC MOESK*

Location of the issuer: *115114, Moscow, 2-y Paveletsky proezd, d. 3, str. 2*

INN (Taxpayer Identification Number): *5036065113*

OGRN (Principal State Registration Number): *1057746555811*

Date of state registration of issue(s)	Registration number	Registration authority
May 31, 2005	1-01-65116-D	Federal Financial Markets Service of the Russian Federation

Number of securities owned by the issuer: *24,794,187,558*

Total par value of securities owned by the issuer: *12,397,093.779 rubles x 1,000*

Total book value of securities owned by the issuer: *36,025,954*

Unit of measurement: *rubles in thousands*

The issuer of securities is a subsidiary and/or dependent company of the issuer that prepared this quarterly report.

The Annual General Meeting of Shareholders of JSC MOESK (Minutes No. 16 of June 27, 2014) decided to pay dividends on ordinary shares in JSC MOESK based on performance results in 2013 in the amount of 0.05975 ruble per ordinary share in the company in cash. The dividend payment period is at most 10 business days for a nominee holder and an asset manager that is a professional participant in the securities market and 25 business days for other shareholders registered on the register after the date of the list of the persons entitled to dividends.

Additional information:

Type of securities: *shares*

Full company name of the issuer: *Kuban Power and Electrification Open Joint Stock Company*

Short company name of the issuer: *Kubanenergo*

Location of the issuer: *350033, Krasnodar, ul. Stavropolskaya, d. 2*

INN (Taxpayer Identification Number): *2309001660*

OGRN (Principal State Registration Number): *1022301427268*

Date of state registration of issue(s)	Registration number	Registration authority
July 8, 2003	1-02-00063-A	Federal Commission for the Securities Market of the Russian Federation

Number of securities owned by the issuer: **260,921,912**

Total par value of securities owned by the issuer: **26,092,191.200 rubles x 1,000**

Total book value of securities owned by the issuer: **19,858,767**

Unit of measurement: **rubles in thousands**

The issuer of securities is a subsidiary and/or dependent company of the issuer that prepared this quarterly report.

The Annual General Meeting of Shareholders of Kubanenergo (Minutes No. 35 of June 24, 2014) decided to pay no dividends on ordinary shares in the company based on performance results in 2013.

Additional information:

Investments in non-issue-grade securities

Investments in non-issue-grade securities accounting for 5 percent or more of total financial investments: none

The issuer established a reserve for impairment of financial investments in securities.

Value of the reserve for impairment of financial investments in securities as of the beginning and end of the most recently closed fiscal year prior to the last date of the most recent reporting quarter:

Reserves for impairment of financial investments in shares were as follows:

975,152 thousand rubles as of January 1, 2013;

3,465,909 thousand rubles as of December 31, 2013;

3,465,909 thousand rubles as of June 30, 2014.

Other financial investments

Other financial investments accounting for 5 percent or more of total financial investments: none

Information concerning the value of potential losses associated with the bankruptcy of entities (enterprises) in which investments were made by type of the above-mentioned investment:

None

Information about losses is provided according to the issuer's estimate of the financial investments recorded in the issuer's accounting statements for the period from the beginning of the reporting year to the last date of the most recent reporting quarter.

Accounting standards (rules) in accordance with which the issuer made calculations recognized in this paragraph of the quarterly report:

Accounting records of financial investments are kept in accordance with Regulations for Accounting 19/02 "Financial Investment Accounting" approved by Order of the Ministry of Finance of the Russian Federation No. 126n of December 10, 2002 (as amended and supplemented).

4.4. Intangible Assets of the Issuer

As of the last date of the reporting quarter

Unit of measurement: **rubles in thousands**

Group of Intangible Assets	Initial (Replacement) Value	Amount of Accumulated
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		Depreciation
www.rosseti.ru domain name	1,600	
Avariynost software	657	109
Trademark development	2,894	
Creation of the Customer Relations Portal	14,742	
TOTAL	19,893	109

Accounting standards (rules) in accordance with which the issuer provides information about its intangible assets:

Regulations for Accounting 14/2007 approved by Order of the Ministry of Finance of the Russian Federation No. 153n of December 27, 2007.

Reporting date: *June 30, 2014*

4.5. Information Concerning the Policy and Expenses Incurred by the Issuer in the Area of Scientific and Technological Development, in Respect of Licenses and Patents, New Developments and Research

In the period under review, the Company neither carried out any research and development (R&D) nor entered into any license agreements for the right to use R&D deliverables.

No documents securing the rights to intellectual property obtained as a result of R&D conducted upon requests from JSC Russian Grids were issued as of June 30, 2013.

4.6. Analysis of Trends in the Issuer's Core Business

The core business of JSC Russian Grids is corporate management of a transmission grid company and interregional and regional distribution grid companies. In this regard, it is correct to view development trends from the standpoint of the Company's SDCs.

A moderate growth in electricity demand (up to 2 percent a year) is a major trend in the electric power industry, determining how the electric grid sector develops. During the following 10–15 years, Russia will have to introduce technologies that have already come into use in developed countries' grid sectors. Specifically, this concerns the introduction of smart grid technologies that make it possible to raise the transmission capacity and power supply stability and reduce losses and expenses related to customers' electricity metering and billing.

Russian electricity demand differs in different regions and localities. With a decrease in electricity consumption in rural areas in many regions, there is a considerable rise in consumption in large cities. In turn, a decrease in electricity consumption in industrial areas in cities is offset by a rise in consumption in areas where office and commercial properties or residential buildings are constructed. Changes in the electricity demand geography bring about the following problems:

it is necessary to maintain underutilized electric grids;

it is necessary to make new investments in electric grids on new sites;

it is necessary to raise tariffs because new investments are required while, overall, demand fails to grow.

Insufficient investments in the electric grid sector have led to the considerable physical and technological obsolescence of electric grids. Electricity distribution networks with an expired standard operating life account for 50 percent; 7 percent of electricity networks exceeded a double operating life. The overall physical deterioration of electric grids is 70 percent. The deterioration of transmission grids operated by Federal Grid Company of Unified Energy System is about 50 percent.

Overall, the deterioration of electric grids in Russia is much higher than in other large countries. Additionally, up-to-date equipment that ensures high reliability and reduced operating expenses is insufficiently used in the electric grid sector. This fact makes it necessary to modernize and upgrade capital assets.

A special area of the Russian modern electricity industry's development should be the construction of distributed generation facilities.

4.6.1. Analysis of Factors and Conditions Affecting the Issuer's Activities

The principal factors and conditions affecting the performance of JSC Russian Grids are currently determined by:

1. the Forecast of the Socioeconomic Development of the Russian Federation for 2014–2016 developed by the Ministry of Economic Development of the Russian Federation, scenarios, the key forecast parameters for Russia’s socioeconomic development, and the ceiling prices (tariffs) of services provided by the infrastructure sector’s companies for 2014 and the planning period of 2015 and 2016 with due consideration to the goals contained in the Russian President’s Addresses to the Federal Assembly of the Russian Federation;

2. the economic activity of customers in general and the socioeconomic development of specific Russian regions;

3. the General Layout of Electric Power Facilities and the development schemes and programs for the electric power industry in constituent entities of the Russian Federation that determine the main amount of companies’ capital investment programs;

4. payment discipline both in the sector in general and in specific Russian regions;

5. institutional issues in the sector, including the problem of cross-subsidies;

6. major governmental initiatives, including the Action Plan (Road Map) “Enhancing the Affordability of the Power Infrastructure” approved by Ordinance of the Government of the Russian Federation No. 1144-r of June 30, 2012;

7. the condition of companies’ productive assets and the necessity for their modernization and renewal;

8. the application of advanced tariff-setting methods (RAB) facilitating long-term borrowings.

4.6.2. Competitors of the Issuer

JSC FGC UES and the interregional and regional distribution grid companies of JSC Russian Grids are natural monopolies in accordance with the applicable laws and have no direct competitors.

The principles set forth in the Strategy for Development of the Electric Grid Sector of the Russian Federation approved by Ordinance of the Government of the Russian Federation No. 511-r of April 3, 2013, concerning the encouragement of operating efficiency based on benchmarking create conditions for reflecting the operating efficiency of grid companies in tariffs.

V. Detailed Information Concerning Individual Members of the Issuer’s Management Bodies, the Issuer’s Bodies Controlling Its Financing and Economic Activities and Brief Information Concerning the Issuer’s Employees (Personnel)

5.1. Details of the Structure and Jurisdiction of the Issuer’s Management Bodies

Full description of the structure of the issuer’s management bodies and their jurisdiction as specified in the Articles of Association (constitutive documents) of the issuer:

In accordance with the Company’s Articles of Association registered on August 22, 2011, the management bodies of the Company are as follows:

- General Meeting of Shareholders;
- Board of Directors of the Company;
- Management Board of the Company (collegial executive body);
- Director General of the Company (sole executive body).

The General Meeting of Shareholders is supreme management body of the Company.

The following issues as specified in Article 10 of the Articles of Association fall within the competence of the General Meeting of Shareholders:

1) amendment of the Articles of Association of the Company or approval of the restated version of the Articles of Association of the Company;

2) reorganization of the Company in accordance with the procedure set forth in the federal laws and the Articles of Association;

3) liquidation of the Company, appointment of the liquidation committee and approval of the interim and final liquidation balance sheets;

4) election of members to the Board of Directors of the Company and early termination of their authority, establishment of the amount of remuneration or compensation payable to members of the Board of Directors of the Company;

5) determination of the quantity, par value, category (type) of authorized shares and the rights carried by such shares;

6) expansion of the authorized capital of the Company through an increase in the par value of shares or follow-on offering conducted by the Company as provided for by the Articles of Association;

7) reduction of the authorized capital of the Company by decreasing the par value of shares, through the acquisition of a portion of shares by the Company for the purposes of reducing their total number and by means of redemption of shares acquired or repurchased by the Company;

8) election of members of the Internal Audit Commission of the Company and early termination of their authority, establishment of the amount of remuneration or compensation payable to members of the Internal Audit Commission of the Company;

9) approval of the Company's auditor;

10) approval of annual reports, annual financial statements, including profit and loss statements (income statements) of the Company, as well as appropriation of profit, including payment (declaration) of dividends, with the exception of profit distributed as dividends for the first quarter, six months, nine months of the fiscal year), and loss of the Company based on the fiscal year performance;

11) determination of the procedure for holding the General Meeting of Shareholders;

12) stock split and reverse stock split;

13) adoption of the resolution on the approval of transactions as provided for by Article 83 of the Federal Law "On Joint-Stock Companies";

14) adoption of resolutions on the approval of material transactions as provided for by Article 79 of this Federal Law "On Joint-Stock Companies";

15) adoption of the resolution on participation of the Company in financial and industrial groups, associations and other groups of business entities;

16) approval of internal documents governing the activities of the Company's bodies;

17) payment (declaration) of dividends for the first quarter, six months, nine months of the fiscal year;

18) resolution of other issues provided for by the Federal Law "On Joint-Stock Companies."

The resolution of issues falling within the jurisdiction of the General Meeting of Shareholders may not be delegated to the Board of Directors, Chairman of the Management Board of the Company or the Management Board of the Company.

The General Meeting of Shareholders is not entitled to consider or resolve the issues which fall outside its jurisdiction as specified in the Federal Law "On Joint-Stock Companies."

The competence of the Company's Board of Directors includes the general management of the Company's activities except for any issues that, in accordance with the Articles of Association of the Company, fall within the competence of the General Meeting of Shareholders.

The competence of the Board of Directors of the Company covers the following issues (Article 11 of the Articles of Association):

1. determination of high-priority activities of the Company;

2. convening of the annual and Extraordinary General Meeting of Shareholders of the Company except as provided for by paragraph 10.7.8 of the Articles of Association;

3. approval of the agenda of the General Meeting of Shareholders;

4. determination of the date of preparation of the list of individuals entitled to participate in the General Meeting of Shareholders and any other issues falling within the jurisdiction of the Board of Directors of the Company as provided for by Chapter VII of the Federal Law "On Joint-Stock Companies" and related to the preparation and holding of the General Meeting of Shareholders;

5. submission of the issues provided for by subparagraphs 2, 6 and 12-16 of paragraph 10.2 of the Articles of Association and the issue of reduction of the authorized capital of the Company by decreasing the par value of shares for consideration by the General Meeting of Shareholders;

6. expansion of the authorized capital of the Company through the follow-on offering conducted by the Company as provided for by the Articles of Association;

7. approval of resolutions on the issue (additional issue) of securities, securities prospectuses, securities issuance reports, approval of the report on the purchase of shares from the shareholders of the Company, share

redemption reports, reports on the submission of share redemption requests by the shareholders of the Company owning such shares;

8. placement by the Company of bonds or any other issue-grade securities as provided for by the Federal Law “On Joint-Stock Companies” and the Articles of Association;

9. determination of the price (monetary value) of the property, the offering and repurchase price of issue-grade securities as provided for by the Federal Law “On Joint-Stock Companies”;

10. acquisition of shares, bonds or any other issue-grade securities placed by the Company as provided for by the Federal Law “On Joint-Stock Companies”;

11. appointment of the individual authorized to determine terms and conditions and sign employment agreements with the Director General of the Company and members of the Management Board of the Company;

12. recommendations concerning the amount of remuneration and compensation payable to members of the Internal Audit Commission of the Company; determination of the amount of auditor’s fee;

13. recommendations concerning the amount of dividends on shares and its payment procedure;

14. determination of the procedure for the establishment and use of the Company’s funds;

15. approval of the internal documents of the Company, with the exception of internal documents whose approval falls within the jurisdiction of the General Meeting of Shareholders or the jurisdiction of the executive bodies of the Company as specified in the Articles of Association; approval of the expense budget for the executive arm of the Company, including costs required to maintain the office of the Board of Directors of the Company;

16. establishment (liquidation) of branches and opening (liquidation) of representative offices of the Company; respective amendment of the Articles of Association of the Company;

17. adoption of resolutions on participation of the Company in entities other than those specified in subparagraph 10.2.15 of the Articles of Association (admission to the existing entity or establishment of a new entity), acquisition, disposition and encumbrance of their shares and stakes, change in the stake in the authorized capital of the above-mentioned entities;

18. approval of material transactions as provided for by Charter X of the Federal Law “On Joint-Stock Companies”;

19. approval of transactions provided for by Chapter XI of the Federal Law “On Joint-Stock Companies”;

20. determination of the policy and adoption of resolutions related to the obtainment and extension (provision) of advances, loans, credits, guarantees, pledge and warranties in accordance with the procedure specified by the Board of Directors of the Company;

21. approval of the procedure for interaction of the Company with the economic entities whose shares (equities) are owned by the Company; adoption of resolutions falling within its jurisdiction in accordance therewith;

22. determination of position of the Company (representatives of the Company), including instructions to take or not to take part in the voting on agenda items, vote “For”, “Against” or “Abstain”, while voting on draft resolutions on the following agendas of general meetings of shareholders (members) of the subsidiaries and dependent business entities (hereinafter “SDCs”) (except when the functions of general meetings of shareholders of SDCs are performed by the Board of Directors of the Company) and meetings of the Boards of Directors of SDCs (with the exception of the issue of approval of the agenda of general meetings of shareholders of SDCs when the functions of general meetings of shareholders of SDCs are performed by the Board of Directors of the Company), specifically for the Company to exercise control of the resolutions adopted by the subsidiaries and dependent companies of SDCs:

a) determination of agenda of the General Meeting of Shareholders (Members) of SDCs;

b) reorganization or liquidation of SDCs;

c) determination of the number of members of the Board of Directors of SDCs, nomination and election of its members and early termination of their authority;

d) determination of the quantity, par value, category (type) of authorized shares in SDCs and the rights carried by such shares;

e) expansion of the authorized capital of SDCs through an increase in the par value of shares or follow-on offering;

f) placement of securities of SDCs convertible into ordinary shares;

g) split and reverse split of stock of SDCs;

h) approval of material transactions conducted by SDCs;

i) participation of SDCs in any other entities (admission to the existing entity or establishment of a new entity) and (with due account for the provisions of subparagraphs “j” and “k”) acquisition, disposition and encumbrance of shares and stakes in the authorized capitals of entities in which SDCs participate; change in the stake in the authorized capital of the entity concerned;

j) conduct by SDCs of transactions (including acquisition, disposition, pledge or any other encumbrance through the conduct of one or more associated transactions) in shares and stakes in the subsidiaries and dependent companies of SDCs which produce, transmit, dispatch, distribute and sell electricity and heat irrespective of the number of shares (amount of stakes in authorized capital) in such entities;

k) conduct by SDCs of transactions (including acquisition, disposition, pledge or any other encumbrance through the conduct of one or more associated transactions) in shares and stakes in the subsidiaries and dependent companies of SDCs which neither produce, transmit, dispatch, distribute nor sell electricity or heat;

l) conduct by SDCs of transactions (including several associated transactions) concerning the disposal or possibility of disposal of property which constitutes fixed assets, intangible assets, construction-in-progress assets used for the purposes of production, transmission, dispatch and distribution of electricity and heat;

m) conduct by SDCs of any transactions (including several associated transactions) concerning the disposal or possibility of disposal of property which constitutes fixed assets, intangible assets, construction-in-progress assets not used for the purposes of production, transmission, dispatch or distribution of electricity or heat;

n) determination of positions of the representatives of SDCs for issues on the agendas of general meetings of shareholders (members) and meetings of the Boards of Directors of the subsidiaries and dependent companies of SDCs regarding the conduct (approval) of transactions (including several associated transactions) concerning the disposal or possibility of disposal of property which constitutes fixed assets, intangible assets, construction-in-progress assets used for the purposes of production, transmission, dispatch and distribution of electricity and heat;

o) determination of positions of the representatives of SDCs for issues on the agendas of general meetings of shareholders (members) and meetings of the Boards of Directors of the subsidiaries and dependent companies of SDCs which produce, transmit, dispatch, distribute and sell electricity and heat with respect to the reorganization, liquidation, expansion of the authorized capital of such entities through an increase in the par value of shares or follow-on offering, placement of securities convertible into ordinary shares.

The Board of Directors of the Company adopts resolutions on the issues provided for by clauses “j”, “k”, “l”, “m”, “n” in the instances (amounts) provided for by the procedure for interaction of the Company with the economic entities whose shares (equities) are owned by the Company as approved by the Board of Directors of the Company in accordance with subparagraph 11.1.21 of the Company’s Articles of Association.

23. prior approval of resolutions on the conduct of transactions in the non-current assets of the Company worth ten (10) to twenty-five (25) percent of the book value of such assets according to the accounting statements as of the latest reporting date;

24. prior approval of resolutions on the conduct by the Company of transactions (including several associated transactions) concerning the disposal or possibility of disposal of property which constitutes fixed assets, intangible assets, construction-in-progress assets used for the purposes of production, transmission, dispatch and distribution of electricity and heat in such instances (amounts) as specified in the individual resolutions of the Board of Directors of the Company;

25. prior approval of resolutions on the conduct by the Company of transactions (including several associated transactions) concerning the disposal or possibility of disposal of property which constitutes fixed assets, intangible assets, construction-in-progress assets not used for the purposes of production, transmission, dispatch or distribution of electricity or heat in such instances (amounts) as specified in the individual resolutions of the Board of Directors of the Company;

26. approval of the Registrar of the Company and the terms and conditions of the agreement with the Registrar; termination of such agreement;

27. election (appointment) of the Director General of the Company and early termination of his/her authority;

28. adoption of resolutions on the purchase of treasury shares in the Company as provided for by law and disposal of the Company’s treasury shares recorded on the balance sheet of the Company;

29. consideration of the consolidated investment program of the Holding Company;

30. consideration of the consolidated income and expense budget of the Holding Company;

31. approval of the list of Key Performance Indicators for the Director General of the Company;

32. other issues provided for by the Federal Law “On Joint-Stock Companies” and the Articles of Association of the Company.

Executive bodies are not entitled to resolve any issues falling within the competence of the Board of Directors of the Company.

The collegial executive body and the sole executive body are in charge of the Company’s day-to-day activities.

The collegial executive body of the Company is the Management Board of the Company. The competence of the Management Board covers the following issues (Article 13 of the Articles of Association):

- 1) development and submission of high-priority activities of the Company and prospective implementation plans to the Board of Directors for approval;
- 2) preparation of the Company’s financial and economic performance plan;
- 3) exercising the authority of general meetings of shareholders (members) of the wholly owned subsidiaries of the Company;
- 4) nomination of candidates for the positions of Chairmen of the Boards of Directors, sole executive bodies, representatives of the Company on the Boards of Directors and Internal Audit Commissions of entities of any form of incorporation in which the Company participates (except when the functions of the general meetings of shareholders of SDCs are performed by the Management Board of the Company);
- 5) determination of position of the Company (representatives of the Company), including instructions to take or not to take part in the voting on issues on the agendas of the general meetings of shareholders and meetings of the Boards of Directors of SDCs unless the Board of Directors of the Company adopts a resolution on the above-mentioned issues in accordance with the Interaction Procedure.
- 6) resolution of other issues of the Company’s activities pursuant to the resolutions of the General Meetings of Shareholders or the Board of Directors and additional issues submitted by the Director General of the Company for its consideration.

The jurisdiction of the Director General of the Company covers the following issues (Article 14 of the Articles of Association):

The Director General of the Company manages the daily operations of the Company pursuant to the resolutions of the General Meeting of Shareholders and the Board of Directors of the Company adopted within their respective jurisdiction.

The jurisdiction of the Director General of the Company covers all issues related to the management of the Company’s daily operations other than those falling within the jurisdiction of the General Meeting of Shareholders or the Board of Directors of the Company.

The Director General of the Company acts on behalf of the Company without a power of attorney, specifically within the restrictions provided for by the applicable laws, these Articles of Association and the resolutions of the Board of Directors of the Company:

- 1) ensures the implementation of the Company’s action plans necessary to accomplish its objectives;
- 2) organizes the maintenance of accounting records and reports by the Company;
- 3) manages the Company’s property, conducts transactions on behalf of the Company, issues powers of attorney, opens settlement and other accounts of the Company with banks and other credit institutions (and professional corporate participants in the securities market as provided for by laws) except when the resolution is adopted by the Management Board, Board of Directors or General Meeting of Shareholders of the Company;
- 4) issues orders, approves (adopts) instructions, local regulations and other internal documents of the Company on issues falling within its jurisdiction, gives directions binding upon all employees of the Company;
- 5) approves the Regulations for branches and representative offices of the Company;
- 6) approves manning table and basic salaries of the Company’s employees in accordance with the organizational structure of the Company’s executive arm;
- 7) acts as the Chairman of the Management Board of the Company;
- 8) exercises the rights and performs the obligations of the employer in respect of the Company’s employees provided for by the employment laws;
- 9) organizes the functioning of the Management Board of the Company and chairs its meetings;
- 10) submits proposals for the appointment and dismissal of members of the Management Board for consideration by the Board of Directors;
- 11) allocates responsibilities among Deputy Directors General of the Company;
- 12) submits reports on the financial and economic activities of the Company for consideration by the

Board of Directors of the Company;

13) not later than 45 (forty-five) days prior to the date of annual General Meeting of Shareholders submit for consideration by the Board of Directors of the Company the annual report, balance sheet, profit and loss statement of the Company, distribution of the Company's profit and loss;

14) appoints individuals acting on behalf of the Company at the meetings of members of the economic entities whose shares and equities are owned by the Company;

15) develops target key performance indicators (KPIs) for the divisions (executives) of the Company;

16) resolves other issues related to the daily operations of the Company other than those falling within the jurisdiction of the General Meeting of Shareholders and the Board of Directors of the Company.

On June 30, 2014, the Annual General Meeting of Shareholders of JSC Russian Grids resolved to approve a restated version of the Articles of Association of JSC Russian Grids. As of the date of this Quarterly Report, the Articles of Association of JSC Russian Grids (restated version) were not registered. Information concerning the contents of the restated version of the Articles of Association of JSC Russian Grids is given in section 8.9 hereof.

The issuer approved (adopted) the code of corporate conduct or another similar document.

Details of the code of corporate conduct or another similar document:

A restated version of the Corporate Governance Code of the Company was approved by the Board of Directors on November 29, 2012, Minutes of the Meeting No. 101.

The primary objectives of the Corporate Governance Code are to improve and systemize corporate governance, ensure more transparent Company governance and confirm the Company's ongoing willingness to follow the standards of good corporate governance.

The articles of association (constitutive documents) of the issuer or the internal documents governing the activities of the issuer's bodies were amended in the most recent reporting period

Information concerning amendments made to the articles of association of the issuer and the internal documents governing the activities of the issuer's bodies in the most recent reporting period:

On June 30, 2014, the Annual General Meeting of Shareholders of JSC Russian Grids resolved to approve a restated version of the Articles of Association of JSC Russian Grids and the following internal documents governing the activities of the Company's management bodies:

- ***restated version of the Regulations for the General Meeting of Shareholders of JSC Russian Grids;***
- ***restated version of the Regulations for the Board of Directors of JSC Russian Grids;***
- ***restated version of the Regulations for the Management Board of JSC Russian Grids;***
- ***restated version of the Regulations for the Internal Audit Commission of JSC Russian Grids;***
- ***restated version of the Regulations for Remuneration and Compensation for Members of the Board of Directors of JSC Russian Grids;***
- ***restated version of the Regulations for Remuneration and Compensation for Members of the Internal Audit Commission of JSC Russian Grids.***

In addition, the Company's Board of Directors approved the following documents in the reporting quarter:

- ***Procurement Policy of JSC Russian Grids;***
- ***Innovative Development, Energy Conservation, and Energy Efficiency Policy of JSC Russian Grids;***
- ***Internal Audit Policy of JSC Russian Grids;***
- ***Risk Management Policy of JSC Russian Grids;***
- ***Internal Control Policy of JSC Russian Grids;***
- ***Economic Policy of JSC Russian Grids;***
- ***Policy on Society, Customer, and Government Relations of JSC Russian Grids;***
- ***Personnel and Social Policy of JSC Russian Grids.***

The documents specified above are publicly available on the Company's website at

<http://www.rosseti.ru/about/documents/>,

<http://www.e-disclosure.ru/portal/company.aspx?id=13806>

As of the date of this Quarterly Report, the Articles of Association of JSC Russian Grids (restated version) were not registered. Information concerning the contents of the restated version of the Articles of Association of JSC Russian Grids is given in section 8.9 hereof.

5.2. Information Concerning Individual Members of the Issuer's Management Bodies

5.2.1. Members of the Board of Directors (Supervisory Board) of the Issuer

Full Name: *Boris Ilyich Ayuyev*

Year of Birth: *1957*

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2004	present	SO UPS, JSC	Chairman of the Management Board, member of the Board of Directors
2004	2008	RAO UES of Russia	Member of the Management Board
2004	2008	JSC RusHydro	Member of the Board of Directors
2004	2013	JSC FGC UES	Member of the Board of Directors
2005	2011	Energy Forecasting Agency	Member of the Board of Directors
2008	2008	JSC RAO Energy System of East	Member of the Board of Directors
2008	2013	JSC TSA	Member of the Board of Directors
2008	2013	Financial Settling Center	Member of the Board of Directors
2009	2010	GruzRosenergo	Member of the Supervisory Board
2009	present	Russian National Committee of the Council on Large Electric Systems (CIGRE)	Chairman
2012	present	JSC RusHydro	Member of the Board of Directors
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors

Stake held by the individual in the authorized capital of the issuer (%): *0.005501*

Percentage of ordinary shares held by the individual in the issuer (%): *0.005572*

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

Full corporate name: *Open Joint-Stock Company Federal Grid Company of Unified Energy System*

INN (Taxpayer Identification Number): **4716016979**
OGRN (Principal State Registration Number): **1024701893336**

Stake held by the individual in the authorized capital of the entity (%): **0.007115**
Percentage of ordinary shares held by the individual in the entity (%): **0.007115**

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: **Oleg Gennadyevich Barkin**
Year of Birth: **1975**

Education:
higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2008	2012	NP Market Council	Member of the Management Board, Deputy Chairman of the Management Board for Market Development
2012	2014	NP Market Council	Member of the Management Board, Deputy Chairman of the Management Board
2014	present	NP Market Council	Member of the Management Board
2014	present	Joint Stock Company Russian Grids	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Oleg Mikhailovich Budargin***

Year of Birth: ***1960***

Education:

higher education, Candidate of Science (Economics)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2009	Presidential Executive Office of the Russian Federation (Administrative Office of the Plenipotentiary of the President of the Russian Federation in the Siberian Federal District)	Assistant Plenipotentiary of the President of the Russian Federation in the Siberian Federal District
2009	2009	JSC FGC UES	Acting Chairman of the Management Board
2009	2013	JSC FGC UES	Chairman of the Management Board
2010	2011	Energy Forecasting Agency	Member of the Board of Directors
2010	present	JSC FGC UES	Member of the Board of Directors
2011	present	Russian Regional Development Bank	Member of the Supervisory Board
2011	present	JSC Inter RAO	Member of the Board of Directors
2012	present	Association of Solar Energy Enterprises Nonprofit Partnership	Chairman of the Supervisory Board
2012	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Chairman of the Management Board
2012	2013	Kubanenergo	Chairman of the Board of Directors
2012	present	JSC MOESK	Chairman of the Board of Directors
2012	present	IDGC of Siberia, JSC	Chairman of the Board of Directors
2012	present	North-Caucasus Federal University	Member of the Supervisory Board

2012	present	Moscow Power Engineering Institute (National Research University)	Member of the Board of Trustees, member of the Scientific Council
2012	present	Association of Polar Explorers	Member of the Board and Vice President for Environmental Issues
2013	present	Joint Stock Company Russian Grids	Director General
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors
2013	present	World Energy Council (WEC)	Vice Chair, Responsibility for Regional Development
2013	present	Mariinsky Theatre	Member of the Board of Trustees
2014	present	Primorsky Opera and Ballet Theater	Member of the Board of Trustees

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

Full corporate name: ***Open Joint-Stock Company Federal Grid Company of Unified Energy System***

INN (Taxpayer Identification Number): ***4716016979***

OGRN (Principal State Registration Number): ***1024701893336***

Stake held by the individual in the authorized capital of the entity (%): ***0.00064***

Percentage of ordinary shares held by the individual in the entity (%): ***0.00064***

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Anatoly Fyodorovich Dyakov***

Year of Birth: ***1936***

Education:

higher education, Associate Member of the Russian Academy of Sciences, Professor

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
1998	present	Russian National Committee of the World Energy Council	Chairman
2008	present	Scientific and Technical Council of Unified Energy System Non-profit Partnership	President
2008	present	JSC FGC UES	Advisor to the Chairman of the Management Board
2009	present	Russian National Committee of the Council on Large Electric Systems (CIGRE)	Honorary Chairman, Chairman of the Technical Committee
2014	present	Public Council of the Ministry of Energy of the Russian Federation	Member of the Public Council
2014	present	Joint Stock Company Russian Grids	Member of the Board of Directors

Stake held by the individual in the authorized capital of the issuer (%): **0.0031**

Percentage of ordinary shares held by the individual in the issuer (%): **0.00314**

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

Full corporate name: ***Open Joint-Stock Company Federal Grid Company of Unified Energy System***

INN (Taxpayer Identification Number): **4716016979**

OGRN (Principal State Registration Number): **1024701893336**

Stake held by the individual in the authorized capital of the entity (%): **0.004537**

Percentage of ordinary shares held by the individual in the entity (%): **0.004537**

Full corporate name: ***Interregional Distribution Grid Company of Northern Caucasus, Joint-Stock Company***

INN (Taxpayer Identification Number): **2632082033**

OGRN (Principal State Registration Number): **1062632029778**

Stake held by the individual in the authorized capital of the entity (%): **0.001091**

Percentage of ordinary shares held by the individual in the entity (%): **0.001091**

Full corporate name: ***Interregional Distribution Grid Company of North-West, Joint Stock Company***

INN (Taxpayer Identification Number): **7802312751**

OGRN (Principal State Registration Number): **1047855175785**

Stake held by the individual in the authorized capital of the entity (%): **0.00172**

Percentage of ordinary shares held by the individual in the entity (%): **0.00172**

Full corporate name: ***Interregional Distribution Grid Company of Siberia, Joint Stock Company***
INN (Taxpayer Identification Number): **2460069527**
OGRN (Principal State Registration Number): **1052460054327**

Stake held by the individual in the authorized capital of the entity (%): **0.012852**
Percentage of ordinary shares held by the individual in the entity (%): **0.012852**

Full corporate name: ***Interregional Distribution Grid Company of South, Joint Stock Company***
INN (Taxpayer Identification Number): **6164266561**
OGRN (Principal State Registration Number): **1076164009096**

Stake held by the individual in the authorized capital of the entity (%): **0.025509**
Percentage of ordinary shares held by the individual in the entity (%): **0.025509**

Full corporate name: ***Interregional Distribution Grid Company of Urals, Joint Stock Company***
INN (Taxpayer Identification Number): **6671163413**
OGRN (Principal State Registration Number): **1056604000970**

Stake held by the individual in the authorized capital of the entity (%): **0.008024**
Percentage of ordinary shares held by the individual in the entity (%): **0.008024**

Full corporate name: ***Joint-Stock Company Moscow United Electric Grid Company***
INN (Taxpayer Identification Number): **5036065113**
OGRN (Principal State Registration Number): **1057746555811**

Stake held by the individual in the authorized capital of the entity (%): **0.005796**
Percentage of ordinary shares held by the individual in the entity (%): **0.005796**

Full corporate name: ***JOINT-STOCK COMPANY LENENERGO***
INN (Taxpayer Identification Number): **7803002209**
OGRN (Principal State Registration Number): **1027809170300**

Stake held by the individual in the authorized capital of the entity (%): **0.022932**
Percentage of ordinary shares held by the individual in the entity (%): **0.024244**

Full corporate name: ***Interregional Distribution Grid Company of Center and Volga Region, Joint Stock Company***
INN (Taxpayer Identification Number): **5260200603**
OGRN (Principal State Registration Number): **1075260020043**

Stake held by the individual in the authorized capital of the entity (%): **0.001917**
Percentage of ordinary shares held by the individual in the entity (%): **0.001917**

Full corporate name: ***Dagestan Energy Supply Company, Joint-Stock Company***
INN (Taxpayer Identification Number): **0541031172**
OGRN (Principal State Registration Number): **1050562009926**

Stake held by the individual in the authorized capital of the entity (%): **0.020182**

Percentage of ordinary shares held by the individual in the entity (%): **0.020182**

Full corporate name: **JOINT STOCK COMPANY NORTH-WEST ENERGY MANAGING COMPANY**

INN (Taxpayer Identification Number): **7841322263**

OGRN (Principal State Registration Number): **1057812496873**

Stake held by the individual in the authorized capital of the entity (%): **0.04404**

Percentage of ordinary shares held by the individual in the entity (%): **0.05159**

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: **Andrey Yurievich Ivanov**

Year of Birth: **1975**

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2008	2011	Ministry of Finance of the Russian Federation	Deputy Director of the Department for Budgetary Policy in Economic Sectors
2011	2012	Ministry of Finance of the Russian Federation	Director of the Department for Budgetary Policy in Innovation, Civil Industry, Energy, Communications and Public-Private Partnership
2012	present	Ministry of Finance of the Russian Federation	Deputy Minister
2012	present	Internet Initiatives Development Fund of the Agency for Strategic Initiatives	Member of the Executive Board
2012	present	Skolkovo Institute of Science and Technology	Member of the Skolkovo Foundation Board
2012	present	State Corporation Bank for Development and Foreign Economic Affairs (Vnesheconombank)	Member of the Working Group on Consideration of Materials for the Supervisory Board, member of the Nomination and

			Remuneration Committee the Supervisory Board, member of the Working Group of the Contest for Bonuses for Contributions to Russian Socioeconomic Development
2013	present	State Company Russian Highways	Member of the Supervisory Board
2013	present	Innopolis	Member of the Board of Directors
2013	present	Innopolis Special Economic Zone	Member of the Board of Directors
2013	present	North Caucasus Development Corporation	Member of the Board of Directors
2013	2014	Northern Caucasus Resorts	Member of the Board of Directors
2012	present	United Aircraft Corporation	Member of the Board of Directors
2013	present	Special Economic Zones	Member of the Board of Directors
2014	present	Russian Agricultural Bank	Member of the Board of Directors
2014	present	Joint Stock Company Russian Grids	Member of the Board of Directors
2014	present	Russian Railways	Member of the Board of Directors
2014	present	OJSC Rosneftegaz	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Alexander Sergeevich Kalinin***

Year of Birth: **1966**

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2003	present	OOO Granitny Bereg	Director
2012	present	OPORA RUSSIA All-Russian Public Organization of Small and Medium Business	First Vice President for Energy and Infrastructure
2014	present	Joint Stock Company Russian Grids	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Vyacheslav Mikhailovich Kravchenko***

Year of Birth: **1967**

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2004	2008	Ministry of Industry and Energy of the Russian Federation	Deputy Director of the Department for Structural and Investment Policy and Energy, Director of the Electricity

			Industry Department
2008	December 2012	OOO RN-Energo	Chief Executive Officer
August 2008	December 2008	JSC IDGC Holding	Chairman of the Board of Directors
2009	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Board of Directors
2008	2009	OAO Energosetproekt Institute	Member of the Board of Directors
2008	2009	OAO Rosgazifikatsiya	Member of the Board of Directors
2008	2009	OAO Rostopprom	Member of the Board of Directors
2008	2011	OAO Irkutskenergo	Member of the Board of Directors
2008	present	NP Market Council	Member of the Supervisory Board
2007	2014	JSC TSA	Member of the Board of Directors
2009	2010	OAO TGK-11	Member of the Board of Directors
2008	present	JSC Inter RAO	Member of the Board of Directors
2008	2011	Kubanenergo	Member of the Board of Directors
2008	2011	JSC TDC	Member of the Board of Directors
2008	present	Financial Settling Center	Member of the Board of Directors
2010	2011	Russian Regional Development Bank	Member of the Board of Directors
2010	2012	OAO United Energy Sales Company	Chief Executive Officer
2011	2012	OAO United Energy Sales Company	Member of the Board of Directors
2009	2011	Kubanenergobyt	Member of the Board of Directors
2009	2011	OAO Kuban Transmission Networks	Member of the Board of Directors
2009	2011	OAO Kuban Generation Company	Member of the Board of Directors
2009	2011	OAO Tomskenergobyt	Member of the Board of Directors
2009	2011	OAO Tomsk Transmission Networks	Member of the Board of Directors
2009	2011	OAO Tomskenergoremont	Member of the Board of Directors
2009	2011	OAO Tomskelektrosetremont	Member of the Board of Directors
2009	2012	OAO Okha CHPP	Member of the Board of Directors
2011	2012	OAO Altaienergobyt	Member of the Board of Directors

2011	2012	ОАО Saint-Petersburg Sale Company	Member of the Board of Directors
2011	2012	ОАО Saratovenergo	Member of the Board of Directors
2011	2012	ОАО Mosenergosbyt	Member of the Board of Directors
2011	2012	ОАО Tambov Power Sales Company	Member of the Board of Directors
2012	2013	NP Market Council	Chairman of the Management Board
2012	present	JSC FGC UES	Member of the Board of Directors
2012	present	SO UPS, JSC	Member of the Board of Directors
2013	2014	Russian Regional Development Bank	Member of the Supervisory Board
2013	present	Ministry of Energy of the Russian Federation	Deputy Minister of Energy
2014	present	JSC MOESK	Member of the Supervisory Board
2014	present	JSC RusHydro	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Alexei Aleksandrovich Makarov***

Year of Birth: ***1937***

Education:

higher education, Doctor of Science (Economics), Academician of the Russian Academy of Sciences

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
1986	2013	Energy Research Institute of the Russian Academy of Sciences	Director
2013	present	Russian Academy of Sciences	Member of the Presidium, Advisor to the Russian Academy of Sciences
2014	present	Joint Stock Company Russian Grids	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Sergei Nikolaevich Mironosetsky***

Year of Birth: ***1965***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2005	2011	OAO SUEK	Deputy Director General, member of the Management Board
2009	2011	Siberian Generation Company Management Company	Director General, Chairman of the Management Board

2011	2013	Siberian Generation Company	Director General, Chairman of the Management Board
2006	present	IDGC of Siberia, JSC	Member of the Board of Directors
2009	present	Siberian Generation Company	Member of the Board of Directors, member of the Strategy Committee
2014	present	Joint Stock Company Russian Grids	Member of the Board of Directors
2014	present	JSC FGC UES	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Denis Stanislavovich Morozov***

Year of Birth: ***1973***

Education:

higher education, Candidate of Science (Economics)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2008	MMC Norilsk Nickel	President and General Director
2009	2010	Uralkali	President and CEO
2009	2010	United Grain Company	Member of the Board of Directors
2010	2010	Belarusian Potash Company	Member of the Board of Directors

2011	present	European Bank for Reconstruction and Development (EBRD)	Representative of the Russian Federation on the EBRD Board of Directors, Executive Director for the Russian Federation, Belarus and Tajikistan
2011	present	Russian Agency for Export Credit and Investment Insurance	Member of the Board of Directors
2012	present	OJSC ALROSA	Member of the Board of Directors
2013	present	JSC RusHydro	Member of the Board of Directors
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: **Andrey Yevgenyevich Murov**

Year of Birth: **1970**

Education:

higher education, Doctor of Science (Economics)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2012	Pulkovo Airport	Director General
2012	2012	JSC IDGC Holding	Deputy Director General
July 2012	July 2012	JSC IDGC Holding	Acting Director General
2012	2013	JSC FGC UES	First Deputy Chairman of the

			Management Board
2012	2013	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Executive Director
2012	2012	IDGC of Urals, JSC	Member of the Board of Directors
2012	2013	IDGC of Volga, JSC	Chairman of the Board of Directors
2012	2014	IDGC of North-West	Chairman of the Board of Directors
2012	2013	IDGC of Centre, JSC	Chairman of the Board of Directors
2012	2013	Kubanenergo	Member of the Board of Directors
2012	2013	JSC LENENERGO	Chairman of the Board of Directors
2012	2013	JSC MOESK	Member of the Board of Directors
2012	2013	JSC FGC UES	Member of the Management Board
2012	2013	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Management Board
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors
2013	present	JSC FGC UES	Member of the Board of Directors
2013	present	JSC FGC UES	Chairman of the Management Board
2014	present	JSC Inter RAO	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: *Seppo Juha Remes*

Year of Birth: *1955*

Education:

higher education, Ph.D. in Economics

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2001	2008	RAO UES of Russia	Member of the Strategy Committee of the Board of Directors
2002	2011	OAo OMZ	Member of the Board of Directors, Chairman of the Audit Committee
2002	2008	RAO UES of Russia	Member of the Valuation Committee of the Board of Directors
2003	2004	RAO UES of Russia	Member of the Board of Directors
2003	2008	RAO UES of Russia	Chairman of the Audit Committee of the Board of Directors
2004	2010	PONSSE Oyj	Member of the Board of Directors
2004	present	OAo Sollers	Member of the Board of Directors, Chairman of the Audit Committee
2005	2008	RAO UES of Russia	Member of the Board of Directors
2005	2008	OAo OGG-6	Member of the Board of Directors, Chairman of the Audit Committee
2005	2006	ZAO FIM Financial Services Russia	Advisor
2006	present	EOS Russia	Chairman of the Board of Directors
2007	2008	JSC RusHydro	Member of the Board of Directors, Chairman of the Nomination and Remuneration Committee
2008	present	OOO Kiuru	Director General
2007	2008	IDGC of Center and Volga Region, JSC	Member of the Board of Directors
2007	present	OJSC SIBUR Holding	Member of the Board of Directors, Chairman of the Audit Committee, member of the Nomination and Remuneration Committee, member of the Finance Committee
2007	2008	SO UPS, JSC	Member of the Board of Directors

2007	2009	IDGC of Volga, JSC	Member of the Board of Directors, Chairman of the Audit Committee
June 2008	December 2008	JSC FGC UES	Member of the Board of Directors
2008	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Board of Directors
2009	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Audit Committee, member of the Strategy Committee, member of the Valuation Committee
2008	2013	IDGC of North-West	Member of the Board of Directors, Chairman of the Audit Committee
2008	2012	Russian Corporation of Nanotechnologies (since March 2011, RUSNANO)	Member of the Investment Policy Committee of the Supervisory Board
2012	present	RUSNANO	Member of the Board of Directors, Chairman of the Audit Committee
2009	2013	JSC LENENERGO	Member of the Board of Directors, Chairman of the Audit Committee, member of the Strategy and Development Committee
2009	2012	OAO Energosetproekt Institute	Member of the Board of Directors
2011	2013	JSC RAO Energy System of East	Member of the Board of Directors
2012	2014	IDGC of Volga, JSC	Member of the Board of Directors
2013	2014	IDGC of Urals, JSC	Member of the Board of Directors
2013	present	Rusnano Management Company	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was

introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Pavel Olegovich Shatsky***

Year of Birth: ***1972***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2005	2008	ОАО SUEK	Director of the Department for Energy Sector Strategy; from 2006, Deputy Director for Energy, Mergers and Acquisitions
2008	present	ООО Gazprom Energoholding	First Deputy Director General
2009	2011	JSC IDGC Holding	Member of the Board of Directors
2009	present	ОАО ОГК-2	Member of the Board of Directors
2009	2011	ОАО ОГК-6	Member of the Board of Directors
2009	2010	ОАО Volzhskaya TGK	Member of the Board of Directors
2009	present	ОАО Tsentrenergokholding	Member of the Board of Directors
2011	2012	ОАО Mosenergo Thermal Power Company	Member of the Board of Directors
2010	2013	JSC RAO Energy System of East	Member of the Board of Directors
2012	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Board of Directors
2012	present	ZАО Mezhtregion-energostroy	Member of the Board of Directors
2012	present	ООО Mezhtregionenergostroy Shtokman	Chairman of the Board of Directors

Stake held by the individual in the authorized capital of the issuer (%): ***0.000007***

Percentage of ordinary shares held by the individual in the issuer (%): ***0.000001***

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: **Andrey Nikolayevich Shishkin**

Year of Birth: **1959**

Education:

higher education, Candidate of Science (Economics)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2008	2009	Integrated Energy Systems	First Vice President
2009	2010	OAo Tyumen Power Sales Company	Director General
2010	2012	Ministry of Energy of the Russian Federation	Deputy Minister
2012	present	Rosneft	Vice President for Energy, Industrial Safety and Environmental Affairs
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors
2013	present	OAo Tyumen Power Sales Company	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities

when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Sergey Ivanovich Shmatko (Chairman)***

Year of Birth: ***1966***

Education:

higher education, Doctor of Science (Engineering)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2005	2008	ZAO Atomstroyexport	President
2008	2012	Ministry of Energy of the Russian Federation	Minister
2008	2011	JSC IDGC Holding	Chairman of the Board of Directors
2008	2011	JSC RusHydro	Chairman of the Board of Directors
2008	2011	JSC FGC UES	Chairman of the Board of Directors
2008	2011	JSC Inter RAO	Member of the Board of Directors
2008	2010	OJSC ROSNEFTEGAZ	Member of the Board of Directors
2008	2011	JSC Transneft	Chairman of the Board of Directors
2008	2011	Zarubezhneft	Chairman of the Board of Directors
2009	2011	SO UPS, JSC	Chairman of the Board of Directors
2009	2011	OAO Gazprom	Member of the Board of Directors
2009	2012	ROSATOM	Member of the Supervisory Board
2012	present	Presidential Commission for Strategic Development of the Fuel and Energy Sector and Environmental Security of the Russian Federation	Member of the Commission
2013	present	Joint Stock Company Russian Grids	Chairman of the Board of Directors
2013	present	JSC FGC UES	Member of the Board of Directors
2013	present	Scientific and Technical Council of Unified Energy System Non-profit Partnership	Chairman of the Supervisory Board
2013	present	Presidential Executive Office of the Russian Federation	Special Representative of the President of the Russian Federation on International Cooperation in the Electric

			Power Industry
2013	2014	JSC Transneft	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

The Company received from all persons included in this report their consent to processing of personal information.

The above-mentioned members of the Board of Directors of JSC Russian Grids were elected at the Annual General Meeting of Shareholders on June 30, 2014.

Information concerning shares held by members of management bodies in JSC Russian Grids and subsidiaries and dependent companies is specified as of June 30, 2014, according to the information provided by persons who are members of the Company's management bodies.

The Chairman of the Board of Directors of the Company was elected after the end of the reporting quarter.

Information about committees established under the Board of Directors of JSC Russian Grids

The following committees were established under the Board of Directors of JSC Russian Grids:

- Audit Committee;
- Valuation Committee;
- Strategy Committee;
- Nomination and Remuneration Committee;
- Investment, Technical Policy, Reliability, Energy Efficiency, and Innovation Committee;
- Society, Customer, and Government Relations and Information Policy Committee.

The Committees of the Board of Directors are established to preliminarily consider the most important issues falling within its competence and are accountable to the Board of Directors of the Company. The Committees act in accordance with the Regulations for the Committees of the Board of Directors approved by the Board of Directors. Performance reports of the Committees are annually reviewed by meetings of the Board of Directors.

The Committees are composed of people with extensive experience and knowledge in the relevant areas, which raises the efficiency and quality of work of the Board of Directors. Each Committee has the sufficient number of members to comprehensively discuss the issues under consideration with due regard to different opinions.

Therefore, the formation and work of the Committees of the Board of Directors follow global best practices in corporate governance, contribute to the higher quality of decisions, and make it possible to balance the interests of all shareholders of the Company in the course of decision making, improving the Company's operating efficiency and appeal for investors.

Information about the Committees of the Board of Directors and the Committee Regulations are publicly available on the Company's website at

- <http://www.rosseti.ru/about/management/directors/>

- <http://www.rosseti.ru/about/documents/>

5.2.2. Information Concerning the Sole Executive Body of the Issuer

Full Name: *Oleg Mikhailovich Budargin*

Year of Birth: *1960*

Education:

higher education, Candidate of Science (Economics)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2009	Presidential Executive Office of the Russian Federation (Administrative Office of the Plenipotentiary of the President of the Russian Federation in the Siberian Federal District)	Assistant Plenipotentiary of the President of the Russian Federation in the Siberian Federal District
2009	2009	JSC FGC UES	Acting Chairman of the Management Board
2009	2013	JSC FGC UES	Chairman of the Management Board
2010	2011	Energy Forecasting Agency	Member of the Board of Directors
2010	present	JSC FGC UES	Member of the Board of Directors
2011	present	Russian Regional Development Bank	Member of the Supervisory Board
2011	present	JSC Inter RAO	Member of the Board of Directors
2012	present	Association of Solar Energy Enterprises Nonprofit Partnership	Chairman of the Supervisory Board
2012	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Chairman of the Management Board
2012	2013	Kubanenergo	Chairman of the Board of Directors
2012	present	JSC MOESK	Chairman of the Board of Directors
2012	present	IDGC of Siberia, JSC	Chairman of the Board of Directors
2012	present	North-Caucasus Federal University	Member of the Supervisory

			Board
2012	present	Moscow Power Engineering Institute (National Research University)	Member of the Board of Trustees, member of the Scientific Council
2012	present	Association of Polar Explorers	Member of the Board and Vice President for Environmental Issues
2013	present	Joint Stock Company Russian Grids	Director General
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors
2013	present	World Energy Council (WEC)	Vice Chair, Responsibility for Regional Development
2013	present	Mariinsky Theatre	Member of the Board of Trustees
2014	present	Primorsky Opera and Ballet Theater	Member of the Board of Trustees

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

Full corporate name: ***Open Joint-Stock Company Federal Grid Company of Unified Energy System***

INN (Taxpayer Identification Number): ***4716016979***

OGRN (Principal State Registration Number): ***1024701893336***

Stake held by the individual in the authorized capital of the entity (%): ***0.00064***

Percentage of ordinary shares held by the individual in the entity (%): ***0.00064***

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

5.2.3. Members of the Collegial Executive Body of the Issuer

Full Name: ***Oleg Mikhailovich Budargin (Chairman)***

Year of Birth: **1960**

Education:

higher education, Candidate of Science (Economics)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2009	Presidential Executive Office of the Russian Federation (Administrative Office of the Plenipotentiary of the President of the Russian Federation in the Siberian Federal District)	Assistant Plenipotentiary of the President of the Russian Federation in the Siberian Federal District
2009	2009	JSC FGC UES	Acting Chairman of the Management Board
2009	2013	JSC FGC UES	Chairman of the Management Board
2010	2011	Energy Forecasting Agency	Member of the Board of Directors
2010	present	JSC FGC UES	Member of the Board of Directors
2011	present	Russian Regional Development Bank	Member of the Supervisory Board
2011	present	JSC Inter RAO	Member of the Board of Directors
2012	present	Association of Solar Energy Enterprises Nonprofit Partnership	Chairman of the Supervisory Board
2012	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Chairman of the Management Board
2012	2013	Kubanenergo	Chairman of the Board of Directors
2012	present	JSC MOESK	Chairman of the Board of Directors
2012	present	IDGC of Siberia, JSC	Chairman of the Board of Directors
2012	present	North-Caucasus Federal University	Member of the Supervisory Board
2012	present	Moscow Power Engineering Institute (National Research University)	Member of the Board of Trustees, member of the Scientific Council
2012	present	Association of Polar Explorers	Member of the Board and Vice President for Environmental Issues
2013	present	Joint Stock Company Russian Grids	Director General
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors
2013	present	World Energy Council (WEC)	Vice Chair, Responsibility for Regional Development
2013	present	Mariinsky Theatre	Member of the Board of Trustees
2014	present	Primorsky Opera and Ballet Theater	Member of the Board of Trustees

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

Full corporate name: ***Open Joint-Stock Company Federal Grid Company of Unified Energy System***

INN (Taxpayer Identification Number): ***4716016979***

OGRN (Principal State Registration Number): ***1024701893336***

Stake held by the individual in the authorized capital of the entity (%): ***0.00064***

Percentage of ordinary shares held by the individual in the entity (%): ***0.00064***

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Dan Mikhailovich Belenky***

Year of Birth: ***1972***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2008	ZAO Atomstroyexport	Vice President, Division Head
2008	2008	ZAO Atomstroyexport	First Vice President
2008	2008	ZAO Atomstroyexport	Executive Director
2008	2010	ZAO Atomstroyexport	President
2010	2012	Ministry of Energy of the Russian Federation	Deputy Minister of Energy
2012	2013	OOO Plastindustriya	Director for Economic Development
2013	2013	JSC EC UES	Director General
2013	present	Joint Stock Company Russian Grids	First Deputy Director General

			for Investment
2012	present	Joint Stock Company Russian Grids	Member of the Management Board
2014	present	IDGC of South, JSC	Member of the Board of Directors
2014	present	Russian Housing Development Foundation	Member of the Board of Trustees

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Roman Nikolaevich Berdnikov***

Year of Birth: ***1973***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2003	2010	JSC FGC UES	Deputy Head of the Strategic Planning Department, Head of the Strategic Planning Department, Head of the Customer and Market Relations Department, Development and Customer Relations Director
2009	2013	JSC FGC UES	Member of the Management Board
2010	2012	JSC FGC UES	Deputy Chairman of the

			Management Board
2012	2013	JSC FGC UES	First Deputy Chairman of the Management Board
2010	2014	GruzRosenergo	Chairman of the Supervisory Board
2010	2012	JSC ENIN	Member of the Board of Directors
2011	2014	Nonprofit Partnership Council for Organizing Efficient System of Trading at Wholesale and Retail Electricity and Capacity Market (Market Council)	Member of the Supervisory Board
2012	2014	ZAO EnergoRynok	Member of the Board of Directors
2012	2013	JSC Tyumenenergo	Member of the Board of Directors
2012	2013	IDGC of Urals, JSC	Member of the Board of Directors
2012	2013	IDGC of Northern Caucasus, JSC	Member of the Board of Directors
July 2012	October 2012	JSC IDGC Holding	First Deputy Executive Director
2012	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Management Board
2013	present	Joint Stock Company Russian Grids	First Deputy Director General for Technical Policy
2013	2014	IDGC of Siberia, JSC	Member of the Board of Directors
2013	present	Russian National Committee of the Council on Large Electric Systems (CIGRE)	Member of the Presidium
2013	present	Scientific and Technical Council of Unified Energy System Non-profit Partnership	Member of the Supervisory Board
2013	present	Nonprofit Partnership of Territorial Grid Organizations	Chairman of the Supervisory Board
2014	present	OAO Engineering Center UES Real Estate	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

Full corporate name: ***Open Joint-Stock Company Federal Grid Company of Unified Energy System***

INN (Taxpayer Identification Number): ***4716016979***

OGRN (Principal State Registration Number): ***1024701893336***

Stake held by the individual in the authorized capital of the entity (%): ***0.000000195***

Percentage of ordinary shares held by the individual in the entity (%): ***0.000000195***

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Andrey Aleksandrovich Dyomin***

Year of Birth: ***1974***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2005	2007	JSC FGC UES	Head of the Center for Interregional Distribution Grid Facilities Management
2007	2009	JSC FGC UES	Deputy Chairman of the Management Board, member of the Management Board
2009	2010	JSC FGC UES	Member of the Management Board
2010	2012	OOO Mezhhregionsbyt	Advisor to the Director General
2012	2013	JSC FGC UES	Advisor to the Chairman of the Management Board
2013	present	Joint Stock Company Russian Grids	First Deputy Director General for Economic Affairs and Finance
2013	present	Joint Stock Company Russian Grids	Member of the Management Board
2013	present	JSC Tyumenenergo	Member of the Board of Directors
2013	2014	JSC TDC	Chairman of the Board of Directors
2013	present	FEEMC, JSC	Member of the Board of Directors
2014	present	JSC MOESK	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer’s management bodies and/or bodies exercising control of the issuer’s financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Valentin Yefimovich Mezhevich***

Year of Birth: ***1947***

Education:

higher education, Candidate of Science (Engineering)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2008	2014	Nonprofit Partnership Council for Organizing Efficient System of Trading at Wholesale and Retail Electricity and Capacity Market (Market Council)	Deputy Chairman of the Supervisory Board
2013	present	Joint Stock Company Russian Grids	Deputy Director General for Strategic Communications
2012	present	Joint Stock Company Russian Grids	Member of the Management Board
2014	present	IDGC of Northern Caucasus, JSC	Member of the Board of Directors
2014	present	IDGC of Siberia, JSC	Member of the Board of Directors
2014	present	Kubanenergo	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer’s management bodies and/or bodies exercising control of the issuer’s financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

5.3. Information Concerning the Amount of Remuneration, Benefits and/or Reimbursement of Expenses for Each Management Body of the Issuer

Information concerning the amount of remuneration by management body (with the exception of the individual acting as the issuer's sole executive body), specifying all types of remuneration, including salary, bonuses, commissions, benefits and/or reimbursement for expenses and other perquisites:

Board of Directors

Unit of measurement: *rubles in thousands*

Indicator Description	6 months of 2014
Remuneration for participation in the work of the management body	0
Salary	0
Bonuses	0
Commission fees	0
Benefits	0
Expense reimbursement	0
Other remuneration	0
TOTAL	0

Information concerning the existing agreements for such payments in the present fiscal year:

On June 30, 2014, the Annual General Meeting of Shareholders of JSC Russian Grids resolved in accordance with the Regulations for Remuneration and Compensation for Members of the Board of Directors of the Company approved by the Annual General Meeting of Shareholders of the Company on June 23, 2010, (Minutes of June 25, 2010) to pay no remuneration to members of the Company's Board of Directors for serving on the Company's Board of Directors.

The members of the Board of Directors on the staff of the joint-stock company are paid salaries in accordance with the payroll plan and can be eligible for bonuses, commission fees, benefits and/or reimbursement for expenses, and other perquisites. Information concerning these payments to members of the Board of Directors of the Company is specified in payment documents related to remuneration for the collegial executive body.

Collegial executive body

Unit of measurement: *rubles in thousands*

Indicator Description	6 months of 2014
Remuneration for participation in the work of the management body	3,982
Salary	50,815
Bonuses	22,872
Commission fees	0
Benefits	0
Expense reimbursement	0
Other remuneration	4
TOTAL	77,673

Information concerning the existing agreements for such payments in the present fiscal year:

Members of the Management Board as the Company's staff members receive pay according to their job positions under employment contracts; additionally, members of the Management Board can be eligible for bonuses, commission fees, benefits and/or reimbursement for expenses, and other perquisites.

5.4. Information Concerning the Structure and Jurisdiction of Bodies Exercising Control of the Issuer's Financing and Economic Activities

Full description of the structure of bodies exercising control of the issuer's financing and economic activities and their authority as specified in the Articles of Association (constitutive documents) and internal documents of the issuer:

In accordance with Article 15 of the Articles of Association of the Company, the General Meeting of Shareholders elects the Internal Audit Commission of the Company to exercise control of the financing and economic activities of the Company.

The Internal Audit Commission of the Company is elected at the General Meeting of Shareholders of the Company on an annual basis and is composed of 5 members. The Internal Audit Commission of the Company adopts decisions by a majority of votes of its members.

The authority of the Internal Audit Commission of the Company is specified in the Federal Law "On Joint-Stock Companies," the Articles of Association of the Company and the Regulations for the Internal Audit Commission of JSC Russian Grids approved by the decision of the Extraordinary General Meeting of Shareholders of JSC Russian Grids on June 30, 2014.

Audits (inspections) of the financial and economic activities of the Company shall be carried out after the end of the Company's annual performance, and at any time on the initiative of the Company's Internal Audit Commission, pursuant to a decision adopted by the General Meeting of Shareholders or the Company's Board of Directors, or at the request of the Company's shareholder(s) holding an aggregate of at least ten (10) percent of the Company's voting shares.

At the request of the Company's Internal Audit Commission, officers of the Company's management bodies shall provide documents about the Company's financial and economic activities. The Company's Internal Audit Commission shall be entitled to request the convocation of the Extraordinary General Meeting of Shareholders.

The principal objectives of the Internal Audit Commission of the Company are as follows:

- a) exercising control of the Company's financial and economic activities;
- b) ensuring compliance of the financial and economic operations conducted by the Company with the laws of the Russian Federation and the Articles of Association of the Company;
- c) making an independent assessment of information about the Company's financial condition.

Members of the Company's Internal Audit Commission may not be members of the Company's Board of Directors or hold other positions in the Company's management bodies at the same time. Shares held by members of the Company's Board of Directors or officers of the Company's management bodies may not participate in voting on the election of members of the Company's Internal Audit Commission.

Pursuant to a decision adopted by the General Meeting of Shareholders, remuneration and/or reimbursement for expenses associated with the performance of their duties may be paid to members of the Company's Internal Audit Commission during their office. The size of such remuneration and reimbursement

shall be determined by the General Meeting of Shareholders.

The reliability of the Company's accounting statements is confirmed by the auditor (auditing organization) under a contract with the auditor.

The Auditor of the Company shall be recommended to the General Meeting of Shareholders by the Board of Directors of the Company according to the results of a competitive selection of the auditing organization for the mandatory audit of the Company, which selection is conducted in accordance with the procedure prescribed in the Board of Directors of the Company.

The General Meeting of Shareholders shall approve the Auditor (auditing organization) of the Company. The size of the Auditor's fee shall be defined by the Company's Board of Directors.

Information about the Auditor of JSC Russian Grids is contained in paragraph 1.3 of this Quarterly Report.

The Audit Committee of the Board of Directors was established in accordance with the Regulations for the Board of Directors of the Company for the purposes of rendering assistance to the Board of Directors of the Company in the accomplishment of its objectives.

The goal of the Audit Committee is to ensure effective participation of the Board of Directors in exercising control of the financial and economic activities of the Company.

The principal objective of the Audit Committee is to prepare and submit recommendations to the Board of Directors concerning control over:

1. the preparation process and procedures for financial (accounting) statements, including reviewing financial (accounting) statements;
2. the efficiency of the internal control and risk management systems;
3. the selection of the independent external auditor and the evaluation of its performance;
4. the activities of the Company's internal control/audit function;
5. the Company's compliance with Russian laws, industry standards, and its internal regulatory documents.

In order to provide members of the Company's Board of Directors with objective and independent information, the following powers are vested in the Audit Committee to ensure that it achieves its goals:

- Review the Company's financial (accounting) statements.
- Oversee the functioning of the Company's internal control and risk management systems.
- Supervise the selection of an independent external auditor and the evaluation of its work.
- Ensure compliance by the Company with the requirements set forth in laws of the Russian Federation, industry-specific standards, and internal regulatory documents, including the requirements applicable to preventing insider information misuse and market manipulation and the insider information control requirements contained in Directive 2003/6/EC of the European Parliament and of the Council on insider dealing and market manipulation (market abuse) ("EU Directive") as incorporated into English law.

In order for the Audit Committee to exercise its powers, it has the following functions:

1. Interact with the division performing the Company's internal control/audit functions.
2. Interact with the Company's Internal Audit Commission.
3. Interact with the Company's Auditor.
4. Interact with the Company's Director General and officers.
5. Interact with audit committees, executive bodies, and divisions of subsidiaries and dependent companies.

The issuer established an internal audit function (a function different from the internal audit commission (internal auditor) and responsible for the internal control of the issuer's financial and economic activities).

Information concerning the existence of the internal audit function (a function different from the internal audit commission (internal auditor) and responsible for the internal control of the issuer's financial and economic activities), the number of its employees, and the term of their appointment:

The Company's internal audit function has existed since July 1, 2008.

The internal audit functions are imposed by the Company on the **Internal Audit and Control Department** (hereinafter, the "Department"), which is part of the organizational structure of JSC Russian Grids.

The Internal Audit and Control Department is currently composed of the following units:

Control and Risk Division:

- Unit for Consolidated Analysis, Planning and Control;
- Unit for Methodology;

Internal Inspection and Audit Division:

- Unit for Investment Audits;
- Unit for General Audits and Inspections.

Key roles of the internal audit function (a function different from the internal audit commission (internal auditor)); its subordination and interaction with the issuer's executive management bodies and the issuer's Board of Directors (Supervisory Board):

The Internal Audit and Control Department is a function of JSC Russian Grids which reports to the Deputy Director General for Control and Audit Inspections of the Company in accordance with the Company's organizational structure and the functional duties specified in the Order of the Company. The Internal Audit and Control Department reports to the Audit Committee of the Board of Directors of JSC Russian Grids.

The Department relies in its activities on the laws of the Russian Federation, the Articles of Association of the Company, the resolutions of the General Meetings of Shareholders, the Board of Directors, the Audit Committee, the orders and directives of the Company, the Department Regulations.

The Department Regulations set forth the following functions of the Department:

1. Pursuing the objective to develop and implement the Company's and SDCs' common approaches to building the internal control and risk management system, the Department performs the following functions:

- formulate the Strategy for Developing and Improving the Internal Control and Risk Management System of the Electric Grid Sector, ensure its implementation within the Company, and control the activities of SDCs in relation to implementing the Strategy;

- develop methodology and regulations for the Company's and SDCs' activities in relation to building and improving a risk-based internal control system;

- assist management of the Company and SDCs in building a control environment and formulate recommendations for describing control procedures and introducing them into business processes and for prescribing responsibilities for officers;

- coordinate the Company's and SDCs' activities in relation to maintaining and monitoring the target state of the internal control and risk management system;

- develop and ensure the implementation of basic and methodological documents on risk management;

- develop and ensure the implementation of the Company's and SDCs' basic and methodological documents on the organization and effective functioning of the control environment of business processes;

- disclose information about the state of the internal control and risk management system to external users.

2. Pursuing the objective to organize preventive, routine, and follow-up control over the Company's and SDCs' activities, the Department performs the following functions:

As part of preventive control:

In the area of risk management:

- organize and coordinate measures to identify, assess, and manage risks in the Company and SDCs;

- assess the adequacy and effectiveness of the Company's and SDCs' measures related to risk management and the monitoring of carrying out risk management plans;

- issue recommendations to risk owners and management of the Company and SDCs regarding the management of cross-functional risks and the effectiveness of measures;

- organize the review and approval by the Company's executive management bodies of measures related to the management of strategic and the most significant risks in the electric grid sector, the risk appetite, and the strategy for responding to external threats in the Company's and SDCs' activities;

- keep the Company's management bodies informed of the Company's and SDCs' risk management results, trends, and the state of the risk management system.

In the area of building efficient business processes:

- organize the constant monitoring and approval of drafts of the Company's local regulations in order to ensure compliance with internal control requirements and the availability, effectiveness, adequacy, and correctness of the wording of control procedures and prevent any overlapping or incompatibility of functions.

As part of routine control over the Company's and SDCs' activities:

- monitor the implementation of measures and procedures related to the Company's internal control;

- apply additional routine control procedures in key and high-risk business processes (finance, investment, procurement, electricity transportation, network connection, etc.) through participation in working groups, commissions, and collegial bodies and ensure analysis, the issue of opinions, and the preparation of expert opinions;

- coordinate SDCs' measures related to planning and plan implementation in internal audit, internal control, and risk management.

As part of follow-up control over the Company's and SDCs' activities:

As related to ensuring the effective functioning of internal audit:

- carry out the standardization of the Company's internal audit;
 - provide methodological support for SDCs' internal audit;
 - coordinate the Company's and SDCs' measures to implement a unified internal audit system, assist management of SDCs in implementing a unified internal audit system in SDCs;
 - assess the reliability and effectiveness of internal control and risk management in the Company and SDCs;
 - plan, organize, and conduct internal audits of the Company's and SDCs' divisions, business processes, projects, and activities with respect to:
 - effectiveness of building a process and achieving its goals,
 - implementation of internal control policies and the effectiveness of internal controls contained in a process,
 - implementation of risk management policies and the evaluation and analysis of risks in processes,
 - compliance with legal requirements, the industry's regulations, internal procedures, standards, and other regulatory documents, except for any technical regulations, standards, and rules governing the operation of electric grid facilities (compliance audit),
 - formulation and implementation of plans and budgets and the achievement of targets,
 - identification of the causes of deviations from plans and targets and of concealed losses in the use of resources,
 - proper, reasonable, and efficient use of resources,
 - organization of measures to keep assets safe,
 - reliability, accuracy, and completeness of financial and management reporting,
 - implementation of the decisions adopted by management bodies and the directives (instructions) issued by the sole executive body;
 - plan, organize, and audit the implementation by the Company and SDCs of the instructions issued by Russian governmental authorities in relation to the functioning and development of the electric grid sector;
 - prepare reports and opinions on internal audits;
 - formulate recommendations to improve the efficiency and effectiveness of the Company's and SDCs' activities, improve corporate governance, ensure the effectiveness of internal controls and risk management processes in the electric grid sector according to the results of internal audits and evaluations;
 - participate in special (internal) for investigations into irregularities (fraud), damage caused to the Company and SDCs, and improper or inefficient use of resources;
 - carry out expert and analytical measures as instructed by the Director General of the Company;
 - make a summary analysis of the results of the Company's and SDCs' internal audit:
 1. preparation and holding of meetings dealing with the audit results;
 2. organization of the issue of regulations and orders, the preparation and distribution of reviews and information materials concerning the results of internal audit;
 - exercise post-control and monitor the implementation of corrective actions according to the results of the Company's and SDCs' internal audit:
 1. monitoring of the implementation of orders (decisions, directives) issued by the General Director of the Company and the Management Board and orders and opinions of the Deputy Director General for Control and Audit Inspections to correct violations and shortcomings found by internal audits,
 2. monitoring of the implementation of action plans to correct violations and shortcomings found by internal audits;
 3. verification checks with respect to the implementation of corrective actions planned according to the results of previous audits;
 4. analysis of completed corrective actions according to the results of the Company's and SDCs' internal audit;
 - inform the Company's and SDCs' management bodies of the audit results and the state of the internal control and risk management system and major trends and changes in the Company's and SDCs' activities and submit proposals to improve the efficiency of the electric grid sector.
3. As related to ensuring the effective work of SDCs' internal audit commissions:
- make a list of candidates for SDCs' internal audit commissions;
 - organize the unification of SDCs' internal audit commissions and provide methodological support for their work;

- organize and coordinate SDCs' internal audits:
 1. planning of SDCs' internal audits,
 2. arrangement of audits in accordance with the regulations for SDCs' internal audit commissions and audit regulations, including with the participation of experts or employees of other divisions of the Company if necessary,
 3. auditing of financial and economic activities (some business areas) of SDCs, their separate divisions, officers of management bodies and divisions of the executive arm of SDCs with respect to:
 - compliance with legal requirements, the industry's regulations, internal procedures, standards, and other regulatory documents, except for any technical regulations, standards, and rules governing the operation of electric grid facilities (compliance audit),
 - formulation and implementation of plans, budgets, and programs and the achievement of SDCs' targets,
 - identification of the causes of deviations from plans and targets and of concealed losses in the use of resources,
 - proper, reasonable, and efficient use of resources,
 - organization of measures to keep assets safe,
 - evaluation of information concerning SDCs' financial condition,
 - reliability, accuracy, and completeness of SDCs' financial and management reporting,
 - implementation of the decisions adopted by the Company's и SDCs' management bodies and the evaluation of the effectiveness of SDCs' internal control and risk management system;
- prepare opinions (reports) and directives for management of SDCs;
- analyze the audit results, inform the Company's management bodies of major trends and changes in SDCs' activities, and submit proposals to improve the efficiency of the electric grid sector;
- exercise post-control and monitor the correction by SDCs of violations and shortcomings found by internal audits and the implementation of recommendations and directives issued by internal audit commissions:
 1. monitoring of the implementation of action plans to correct violations and shortcomings found by internal audits and the implementation of recommendations and directives issued according to the audit results,
 2. verification checks with respect to the implementation of corrective actions planned according to the results of previous audits;
- monitor compliance by SDCs' internal audit commissions with the requirements of internal documents.
- 4. Pursuing the objective to interact with governmental regulatory and supervisory authorities in relation to internal control, the Department performs the following functions:
 - ensure compliance with the internal control requirements set by governmental regulators and supervisors;
 - ensure interaction with governmental regulatory and supervisory authorities in their control measures related to the Company and SDCs:
 - preparation of analytical, information, reference, and other materials regarding the organization and functioning of the Company's and SDCs' internal control and risk management system,
 - coordination of information exchange between governmental regulators and supervisors and the Company's divisions and the provision of organizational support for their control measures related to the Company;
 - coordinate the Company's and SDCs' activities related to the development of corrective actions aimed at correcting shortcomings and implementing recommendations and directives issued by governmental regulatory and supervisory authorities and monitor their implementation:
 - methodological support for the Company's and SDCs' activities related to taking into consideration the inspections carried out by external control bodies, developing corrective actions aimed at correcting shortcomings and implementing recommendations and directives issued by governmental regulatory and supervisory authorities, and monitoring their implementation;
 - consideration given to the inspections carried out by external control bodies with respect to the Company and the inspection results;
 - organization of the development of the Company's corrective actions aimed at correcting shortcomings and implementing recommendations and directives issued by governmental regulatory and supervisory authorities;

- monitoring of the implementation by the Company of action plans to correct violations and shortcomings found by external inspections of regulators and supervisors and implement recommendations and directives issued according to the inspection results,

- collection and analysis of SDCs reports regarding consideration given to external inspections conducted by regulators and supervisors, the inspection results, and the implementation of corrective actions,

- verification checks with respect to the implementation by the Company and SDCs of corrective actions planned according to the results of previous audits.

5. Pursuing the objective to organize effective interaction and provide support for activities of the Company's Internal Audit Commission, the Department performs the following functions:

- organize interaction with the Company's Internal Audit Commission;

- provide organizational support for activities of the Company's Internal Audit Commission;

- organize the development of corrective actions according to the results of the Company's internal audits, aimed at correcting shortcomings and implementing recommendations issued by the Company's Internal Audit Commission and monitor their implementation.

6. Pursuing the objective to organize interaction with the external auditor of the Company and SDCs with respect to assessing the effectiveness of the internal control and risk management system, the Department performs the following functions:

- render assistance and provide information about the state of the Company's and SDCs' internal control system;

- approve the external auditor's conclusions about the state of the internal control and risk management system;

- evaluate the quality of the external auditor's services, prepare opinions on such quality evaluation, and make such opinions available to the persons concerned.

7. Pursuing the objective to interact with the Audit Committee of the Company's Board of Directors and coordinate activities of the audit committees of SDCs' boards of directors, the Department performs the following functions:

- interact with the Audit Committee of the Company's Board of Directors with respect to internal control and risk management and internal audits;

- give preliminary consideration to materials submitted to meetings of the Audit Committee of the Company's Board of Directors with respect to other issues falling within the competence of the Audit Committee of the Company's Board of Directors;

- make lists of candidates for the audit committees of SDCs' boards of directors;

- provide support for the work of the audit committees of SDCs' boards of directors;

- participate as experts in the work of the audit committees of SDCs' boards of directors.

Interaction between the internal audit function (a function different from the internal audit commission (internal auditor)) and the issuer's external auditor:

The activities of the Internal Audit and Control Department include its interaction with the Company's external auditor by exchanging information for assessing the company's performance (in accordance with Rule (Standard) No. 29 "Examination of Internal Audit Functions" approved by Resolution of the Government of the Russian Federation No. 523 of August 25, 2006) by means of:

- rendering assistance and providing information about the state of the Company's and SDCs' internal control system;

- approving the external auditor's conclusions about the state of the internal control and risk management system.

The Department also evaluates the quality of the external auditor's services, prepares opinions on such quality evaluation, and makes such opinions available to the persons concerned.

The Company's internal documents governing the operation of bodies that control the financing and economic activities of JSC Russian Grids are publicly available on the Company's website at

<http://www.rosseti.ru/about/documents/>

<http://www.e-disclosure.ru/portal/company.aspx?id=13806>

In June 2013, the Company set up a function responsible for implementing corporate and anti-corruption compliance procedures.

The Department for Corporate and Anti-Corruption Compliance Procedures was established on June 14, 2013.

The Department for Corporate and Anti-Corruption Compliance Procedures is a function of JSC Russian Grids which reports to the Director General of the Company in accordance with the Company's organizational structure and the specified functional duties.

A part of the Department for Corporate and Anti-Corruption Compliance Procedures is the Corporate and Anti-Corruption Compliance Division, composed of three units:

- Unit for Anti-Corruption Compliance;
- Unit for Corporate Compliance;
- Unit for Controlling and Reporting.

The Department for Corporate and Anti-Corruption Compliance Procedures relies in its activities on the laws of the Russian Federation, the Articles of Association of the Company, the resolutions adopted by the General Meetings of Shareholders and the Board of Directors, the orders and directives of the Company, and the Department Regulations.

The principal functions of the Department for Corporate and Anti-Corruption Compliance Procedures, its subordination, and interaction with the issuer's executive management bodies and the issuer's Board of Directors (Supervisory Board) are as follows:

- organize and implement into the Company and SDCs a unified system of corporate and anti-corruption compliance procedures aimed at preventing, detecting, and combating corruption, minimizing reputation and corruption risks and prevent insider information misuse and market manipulation leading to a conflict of interest.

The issuer approved (adopted) the internal document specifying the rules for preventing the misuse of confidential and insider information.

Information concerning the availability of an internal document that lays down the rules for preventing the misuse of confidential and insider information:

The Board of Directors of the Company approved a restated version of the Regulations for Insider Information of JSC IDGC Holding (Minutes of the Meeting No. 103) on December 27, 2012, satisfying the requirements laid down in Federal Law No. 224-FZ of July 27, 2010, "On Combating Insider Information Misuse and Market Manipulation and on Amendments to Certain Legislative Acts of the Russian Federation," Federal Law No. 39-FZ of April 22, 1996, "On the Securities Market," Federal Law No. 208-FZ of December 26, 1995, "On Joint-Stock Companies," and Directive 2003/6/EC of the European Parliament and of the Council on insider dealing and market manipulation (market abuse) as incorporated into English law and applicable to the Company in connection with admitting the global depositary receipts issued for the Company's shares to trading in the regulated market of the London Stock Exchange.

Information for JSC Russian Grids insiders is available on the Company's website at <http://www.rosseti.ru/investors/info/insider/>.

5.5. Information Concerning Individual Members of Bodies Exercising Control of the Issuer's Financing and Economic Activities

Body exercising control of the issuer's financing and economic activities:

Internal Audit Commission

Full Name: ***Astkhik Artashesovna Bashindzhagyan***

Year of Birth: ***1990***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2010	2011	OOO GorKom	Sales Manager, Agent Relations Specialist
2011	2012	FEEMC, JSC	Chief Expert of the Unit for

			Relations with Russian Ministries and Agencies of the Corporate Governance Department
2012	2014	Ministry of Energy of the Russian Federation	Chief Specialist and Expert, Consultant, Deputy Head of the Unit for Corporate Governance of the Department for Corporate Governance, Price Conditions and Auditing in Fuel and Energy Industry Branches
2012	2014	IDGC of Volga, JSC	Member of the Board of Directors
2012	2014	IDGC of North-West	Member of the Board of Directors
2012	2014	JSC Yantarenergo	Member of the Board of Directors
2013	2014	OAo Engineering Center UES Real Estate	Member of the Board of Directors
2014	present	Joint Stock Company Russian Grids	Member of the Internal Audit Commission
2014	present	JSC FGC UES	Chief Expert of the Unit for Securities and Informational and Analytical Support

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Denis Rishievich Kant Mandal***

Year of Birth: ***1987***

Education:
higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2008	2011	OOO Renaissance Broker	Account Manager
2012	2013	Federal Agency for State Property Management of the Russian Federation	1st Category Specialist of the Auction Unit of the Division for Sales and Presales Preparation of Privatized Property
2013	present	Federal Agency for State Property Management of the Russian Federation	Lead Specialist and Expert of the Unit for Privatization of Entities of Regulated Industries of the Division for Property Relations and Privatization of Major Entities
2014	present	Joint Stock Company Russian Grids	Member of the Internal Audit Commission
2014	present	JSC RusHydro	Member of the Internal Audit Commission
2014	present	OJSC Rostelecom	Member of the Internal Audit Commission

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Vladimir Yulianovich Skobarev***

Year of Birth: ***1952***

Education:

higher education, Candidate of Science (Engineering)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in

chronological order, including part-time positions

Period		Entity	Title
From	To		
1992	2014	ZAO NP Consult	Deputy Director General
2003	present	ZAO NP ESKO	Chief Consultant
2004	present	Moore Stephens Rus	General Director
2008	present	OOO Asset Management	Deputy Director General
2009	present	Institute of Professional Auditors	Chairman of the Council, member of the Membership Committee, member of the Professional Ethics Committee
2011	present	Russian Union of Industrialists and Entrepreneurs	Member of the Council for Non-Financial Reporting
2012	2013	Auditing Board of the Ministry of Finance of the Russian Federation	Chairman of the Executive Body
2014	present	ZAO NP Consult	Director General
2014	present	Joint Stock Company Russian Grids	Member of the Internal Audit Commission
2014	present	JSC RusHydro	Member of the Internal Audit Commission

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Alan Fyodorovich Khadziev (Chairman)***

Year of Birth: ***1981***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2008	OOO Board of Tax Consultants	Legal Advisor
2008	2008	OOO Sameta – Corporate Consulting	Legal Advisor
2008	2009	OOO Sameta – Tax and Legal Consulting	Legal Advisor
2009	2010	OAO Mosenergoremont	Deputy Director General
2011	2014	Ministry of Energy of the Russian Federation	Head of the Auditing Unit, Department for Corporate Governance, Price Conditions and Auditing in Fuel and Energy Industry Branches
2013	present	Joint Stock Company Russian Grids	Member of the Internal Audit Commission
2013	2014	FEEMC, JSC	Member of the Internal Audit Commission
2013	present	JSC RusHydro	Member of the Internal Audit Commission
2014	present	FEEMC, JSC	Director for Internal Inspections

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer’s management bodies and/or bodies exercising control of the issuer’s financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Vladimir Vasilyevich Khvorov***

Year of Birth: ***1947***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2008	Ministry of Economic Development and Trade of the Russian Federation	Administrative Assistant, Unit for Energy Industry Restructuring and Utility Services, Department for Governmental Tariff Regulation and Infrastructural Reforms
2008	2008	Ministry of Economic Development and Trade of the Russian Federation	Administrative Assistant, Unit for Energy Industry Restructuring, Department for Governmental Tariff Regulation, Infrastructural Reforms and Economic Management of Natural Resources
2008	2012	Ministry of Economic Development of the Russian Federation	Administrative Assistant, Unit for Electricity Industry Development, Department for Governmental Tariff Regulation, Infrastructural Reforms and Energy Efficiency
2012	present	Ministry of Economic Development of the Russian Federation	Lead Expert, Unit for Electricity Industry Development, Department for Governmental Tariff Regulation, Infrastructural Reforms and Energy Efficiency
2013	present	Joint Stock Company Russian Grids	Member of the Internal Audit Commission
2013	present	JSC RusHydro	Member of the Internal Audit Commission

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Body exercising control of the issuer's financing and economic activities:

Audit Committee of the Board of Directors

Full Name: ***Stanislav Olegovich Ashirov***

Year of Birth: ***1973***

Education:

higher education, Candidate of Science (Economics)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2006	2008	ОАО Межрегионэнергобыт	First Deputy Director General
2008	present	ОАО Межрегионэнергобыт	Director General
2008	present	ОАО Tyumen Power Sales Company	Deputy Director General for Strategic Development (part-time)
2013	present	ОАО Tyumen Power Sales Company	Member of the Board of Directors
2013	present	ООО ТЕК-Енерго	Member of the Board of Directors
2013	present	UAB Fortis Energy	Member of the Management Board
2013	present	ООО Теплосбыт	Member of the Board of Directors
2013	2014	Joint Stock Company Russian Grids	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was

introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Vasily Vladislavovich Nikonov***

Year of Birth: ***1972***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2005	2008	ОАО Volga TGK (TGK-7)	Director General
2008	2010	AVTOVAZ	Advisor to the President
2010	2012	Ministry of Energy of the Russian Federation	Director of the Electric Power Industry Development Department
2011	present	ОАО Volzhskaya TGK	Member of the Board of Directors
2012	present	Rosneft	Director of the Energy Department
2013	present	Association of Energy Consumers Nonprofit Partnership	Member of the Supervisory Board
2013	2014	Joint Stock Company Russian Grids	Member of the Board of Directors
2013	present	NP Market Council	Member of the Disputes Committee of the Supervisory Board

Stake held by the individual in the authorized capital of the issuer (%): ***0.007049***

Percentage of ordinary shares held by the individual in the issuer (%): ***0.007139***

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

Full corporate name: ***Open Joint-Stock Company Federal Grid Company of Unified Energy System***

INN (Taxpayer Identification Number): ***4716016979***

OGRN (Principal State Registration Number): ***1024701893336***

Stake held by the individual in the authorized capital of the entity (%): ***0.00914***

Percentage of ordinary shares held by the individual in the entity (%): ***0.00914***

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes

in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Maria Valerievna Ochirova***

Year of Birth: ***1971***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2002	2008	MMC Norilsk Nickel	Head of the Division for Contracts and Corporate and Legal Affairs of the Corporate Department
2008	2012	MMC Norilsk Nickel	Deputy Director and Head of the Division for Contracts and Corporate and Legal Affairs of the Corporate Department
2012	present	MMC Norilsk Nickel	Director of the Corporate Department
2011	2012	ОАО ОГК-3	Member of the Board of Directors
2012	present	CJSC NORMETIMPEX	Member of the Board of Directors
2013	2014	Joint Stock Company Russian Grids	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Elena Borisovna Titova***

Year of Birth: ***1967***

Education:

higher education, MBA

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2006	2009	OOO Morgan Stanley Bank	Head of the Investment Banking Department, First Deputy Chairperson of the Executive Board
2009	2012	OOO Morgan Stanley Bank	President, Chairperson of the Executive Board
2007	2010	City Mortgage Bank OOO	Member of the Board of Directors
2006	2012	OOO Morgan Stanley Bank	Member of the Board of Directors
2008	2012	Sovcomflot	Member of the Board of Directors
2012	2014	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Board of Directors
2012	2013	JSC FGC UES	Member of the Board of Directors
2012	2013	Russian Regional Development Bank	Managing Director, President
2012	2013	Rosneft	Advisor to the President
2014	present	OOO UBS Bank	Advisor to the Chairman of the Management Board on Government Relations

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Seppo Juha Remes (Chairman)***

Year of Birth: ***1955***

Education:

higher education, Ph.D. in Economics

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2001	2008	RAO UES of Russia	Member of the Strategy Committee of the Board of Directors
2002	2011	OAO OMZ	Member of the Board of Directors, Chairman of the Audit Committee
2002	2008	RAO UES of Russia	Member of the Valuation Committee of the Board of Directors
2003	2004	RAO UES of Russia	Member of the Board of Directors
2003	2008	RAO UES of Russia	Chairman of the Audit Committee of the Board of Directors
2004	2010	PONSSE Oyj	Member of the Board of Directors
2004	present	OAO Sollers	Member of the Board of Directors, Chairman of the Audit Committee
2005	2008	RAO UES of Russia	Member of the Board of Directors
2005	2008	OAO OGG-6	Member of the Board of Directors, Chairman of the Audit Committee
2005	2006	ZAO FIM Financial Services Russia	Advisor

2006	present	EOS Russia	Chairman of the Board of Directors
2007	2008	JSC RusHydro	Member of the Board of Directors, Chairman of the Nomination and Remuneration Committee
2008	present	OOO Kiuru	Director General
2007	2008	IDGC of Center and Volga Region, JSC	Member of the Board of Directors
2007	present	OJSC SIBUR Holding	Member of the Board of Directors, Chairman of the Audit Committee, member of the Nomination and Remuneration Committee, member of the Finance Committee
2007	2008	SO UPS, JSC	Member of the Board of Directors
2007	2009	IDGC of Volga, JSC	Member of the Board of Directors, Chairman of the Audit Committee
June 2008	December 2008	JSC FGC UES	Member of the Board of Directors
2008	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Board of Directors
2009	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Audit Committee, member of the Strategy Committee, member of the Valuation Committee
2008	2013	IDGC of North-West	Member of the Board of Directors, Chairman of the Audit Committee
2008	2012	Russian Corporation of Nanotechnologies (since March 2011, RUSNANO)	Member of the Investment Policy Committee of the Supervisory Board
2012	present	RUSNANO	Member of the Board of Directors, Chairman of the Audit Committee
2009	2013	JSC LENENERGO	Member of the Board of Directors, Chairman of the Audit Committee, member of the Strategy and Development Committee
2009	2012	OAO Energosetproekt Institute	Member of the Board of Directors
2011	2013	JSC RAO Energy System of East	Member of the Board of Directors
2012	2014	IDGC of Volga, JSC	Member of the Board of Directors
2013	2014	IDGC of Urals, JSC	Member of the Board of Directors
2013	present	Rusnano Management Company	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Body exercising control of the issuer's financing and economic activities:

Internal Audit and Control Department

Full Name: ***Marina Alekseyevna Lelekova***

Year of Birth: ***1961***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2004	2009	JSC FGC UES	Head of the Financial Control and Internal Audit Directorate, Deputy Head of the Financial Control and Internal Audit Directorate
2009	2013	JSC FGC UES	Head of the Control and Inspection Department
2013	present	Joint Stock Company Russian Grids	Director of the Internal Audit and Control Department

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Igor Vladimirovich Shmakov***

Year of Birth: ***1974***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2004	2008	Kubanenergo	Head of the Controlling and Internal Control Service
2008	2012	IDGC of South, JSC	Head of the Internal Audit and Risk Management Department
2012	2013	JSC FGC UES	Head of the Internal Control Directorate
2013	present	Joint Stock Company Russian Grids	Head of the Control and Risk Division of the Internal Audit and Control Department

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities

when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Yelena Borisovna Sinitsyna***

Year of Birth: ***1971***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2008	2009	URALCHEM Management Company	Manager of the Unit for Internal Control
2009	2011	OJSC Magma Oil Company	Chief Internal Control Specialist
2012	2013	JSC FGC UES	Head of Control of the Internal Control Directorate
2013	present	Joint Stock Company Russian Grids	Head of the Unit for Methodology of the Control and Risk Division of the Internal Audit and Control Department, Deputy Head of the Control and Risk Division of the Internal Audit and Control Department

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: *Svetlana Anatolyevna Kim*

Year of Birth: *1981*

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2008	2013	JSC FGC UES	Lead Expert, Chief Expert, Head of Investment Control of the Control and Inspection Department
2013	present	Joint Stock Company Russian Grids	Head of the Internal Inspection and Audit Division of the Internal Audit and Control Department

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: *Yelena Aleksandrovna Kabizskina*

Year of Birth: *1964*

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period	Entity	Title
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From	To		
2005	2013	JSC FGC UES	Deputy Head of the Control and Inspection Department, Head of the Internal Control and Risk Management Department
2013	2014	JSC MOESK	Head of the Methodological Support Division
2014	present	Joint Stock Company Russian Grids	Deputy Head of the Internal Inspection and Audit Division of the Internal Audit and Control Department

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Artyom Nikolayevich Kirillov***

Year of Birth: ***1984***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2008	2009	JSC MOESK	Chief Specialist of the Capital Construction Department
2009	2013	JSC FGC UES	Chief Specialist of Investment Control of the Control and Inspection Department
2013	present	Joint Stock Company Russian Grids	Head of the Unit for Investment Audits of the

			Internal Inspection and Audit Division of the Internal Audit and Control Department
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No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Sergey Vladimirovich Malyshev***

Year of Birth: ***1965***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2009	2010	Ministry of Defense of the Russian Federation	Senior Inspector (Internal Auditor) of Area 2 (Control of Use of Budgetary Funds for Capital Investment and Military Construction) of the Finance Inspectorate
2010	2012	CJSC Gazpromneft-Aero	Chief Specialist of the Capital Construction Unit
2013	2013	JSC FGC UES	Head of the Unit for Investment Audits of the Internal Control and Risk Management Department
2013	present	Joint Stock Company Russian Grids	Lead Expert of the Unit for Investment Audits of the Internal Inspection and Audit Division of the Internal Audit

			and Control Department
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No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Yelena Yurievna Guseva***

Year of Birth: ***1970***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2005	2009	Inspectorate of the Federal Taxation Service of the Russian Federation for Georgiyevsk	Head of the Unit for Debt Settlement and Support for Bankruptcy Proceedings
2009	2013	IDGC of South, JSC	Chief Specialist of the Internal Audit and Risk Management Department
2013	present	Joint Stock Company Russian Grids	Lead Expert of the Unit for Investment Audits of the Internal Inspection and Audit Division of the Internal Audit and Control Department; Lead Expert of the Unit for Consolidated Analysis, Planning and Control of the Control and Risk Division of the Internal Audit and Control Department

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Sergey Ivanovich Ochikov***

Year of Birth: ***1983***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2008	2009	IDGC of Siberia, JSC	Lead Specialist of the Internal Audit and Controlling Unit for Krasnoyarskenergo – Khakasenergo of the Internal Audit and Control Department
2009	2013	IDGC of North-West	Lead Specialist of Risk Management and Internal Control of the Internal Audit and Risk Management Division
2013	2013	JSC FGC UES	Chief Expert of the Unit for Investment Audits of the Internal Control and Risk Management Department
2013	present	Joint Stock Company Russian Grids	Lead Expert of the Unit for General Audits and Inspections of the Internal Inspection and Audit Division of the Internal Audit and Control Department

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Maria Viktorovna Bunyaeva***

Year of Birth: ***1983***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2009	OOO ProffStil	Chief Accountant
2009	2010	Administration of the Krasnodar Territory	Chief Specialist (Expert) of the Expert and Analysis Unit for Olympic Games Construction of the Construction Department of the Krasnodar Territory
2010	2012	Kubanenergo	Chief Specialist of the Economic Security Unit of the Security Department
2012	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Lead Expert of the Unit for Economic Security of the Security Department, Lead Expert of the Unit for Internal Inspection and Expert Reviews, Lead Expert of the Unit for General Audits and Inspections of the Internal Inspection and Audit Division of the Internal Audit and Control Department

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

If the issuer has an internal audit function or any other body exercising control of its financing and economic activities (other than the issuer's internal audit commission) composed of over 10 persons, then information provided for in this paragraph should cover at least 10 persons who are members of the issuer's relevant body exercising control of its financing and economic activities, including the head of such body.

5.6. Information Concerning the Amount of Remuneration, Benefits and/or Reimbursement of Expenses for the Body Exercising Control of the Issuer's Financing and Economic Activities

Information concerning the amount of remuneration by body exercising control of financing and economic activities, specifying all types of remuneration, including salary, bonuses, commissions, benefits and/or reimbursement for expenses and other perquisites paid by the issuer in the period from the beginning of the current year to the last date of the reporting quarter:

Body exercising control of the issuer's financing and economic activities: ***Internal Audit Commission***

Remuneration for participation in the work of the control body

Unit of measurement: ***rubles in thousands***

Indicator Description	6 months of 2014
Remuneration for participation in the work of the body exercising control of the issuer's financing and economic activities	607
Salary	469
Bonuses	428
Commission fees	0
Benefits	0
Expense reimbursement	0
Other remuneration	65
TOTAL	1,569

Information concerning the existing agreements for such payments in the present fiscal year:

As of the last date of the reporting quarter, members of the Internal Audit Commission of the Company were paid remuneration for participation in the audits (inspections) of financing and economic activities in accordance with the Regulations for Remunerating and Compensating Members of the Internal Audit Commission of JSC IDGC Holding approved by the decision adopted by the Extraordinary General Meeting on December 30, 2008.

For participation in an audit (inspection) of financial and economic activities, each participating member of the Internal Audit Commission of the Company shall be paid one-off remuneration in the amount equivalent to twenty-five (25) minimum monthly wage rates for a first-category worker as set forth in the Sectoral Wage Rate Agreement in the electricity sector of the Russian Federation as of the time of such audit (inspection), adjusted for the indexation provided for in the Agreement.

The amount of remuneration payable to the Chairman of the Company's Internal Audit Commission in accordance with the Regulations shall be increased by 50%.

Remuneration and compensation for the Chairman and members of the Internal Audit Commission who are subject to any limitation or prohibition under federal law with respect to receiving any payments from for-profit organizations shall not be accrued and shall not be paid.

The members of the Internal Audit Commission on the staff of the Company receive pay in accordance with the payroll plan as specified in employment contracts.

On June 30, 2014, the Annual General Meeting of Shareholders of JSC Russian Grids resolved to approve a restated version of the Regulations for Remuneration and Compensation for Members of the Internal Audit Commission of JSC Russian Grids.

Body exercising control of the issuer's financing and economic activities: ***Audit Committee of the Board of Directors***

Remuneration for participation in the work of the control body

Unit of measurement: ***rubles in thousands***

Indicator Description	6 months of 2014
Remuneration for participation in the work of the body exercising control of the issuer's financing and economic activities	0
Salary	0
Bonuses	0
Commission fees	0
Benefits	0
Expense reimbursement	0
Other remuneration	0
TOTAL	0

Information concerning the existing agreements for such payments in the present fiscal year:

As provided for in the Regulations for the Audit Committee of the Board of Directors of the Company, remuneration and compensation for serving on the Committee are paid to members of the Committee (Chairman of the Committee or Deputy Chairman of the Committee) in accordance with the Regulations for Remuneration and Compensation for Members of the Board of Directors currently in force.

Information about remuneration and compensation paid to members of the Board of Directors is contained in paragraph 5.3 of this Report.

Body exercising control of the issuer's financing and economic activities: ***Internal Audit and Control***

Department

Remuneration for participation in the work of the control body

Unit of measurement: *rubles in thousands*

Indicator Description	6 months of 2014
Remuneration for participation in the work of the body exercising control of the issuer's financing and economic activities	0
Salary	11,046
Bonuses	14,394
Commission fees	0
Benefits	0
Expense reimbursement	0
Other remuneration	445
TOTAL	25,885

Information concerning the existing agreements for such payments in the present fiscal year:

Remuneration is paid to employees of the Internal Audit and Control Department in accordance with the terms and conditions of employment contracts.

The information specified above shows the remuneration paid to all employees of the Internal Audit and Control Department.

Additional information:

The Chairman of the Internal Audit Commission of the Company was elected after the end of the reporting quarter.

5.7. Data Concerning the Headcount and High-Level Data Concerning the Composition of the Issuer's Personnel (Employees) and Changes in the Issuer's Employee (Personnel) Headcount

Unit of measurement: *rubles in thousands*

Indicator Description	6 months of 2014
Average headcount, persons	665
Gross payroll for the reporting period	1,160,637
Social payments for the reporting period	15,911

The change in the issuer's headcount was not material.

No labor union was established.

5.8. Information Concerning Any Obligations of the Issuer to Its Employees (Personnel) Regarding Their Possible Participation in the Authorized (Share) Capital (Unit Trust) of the Issuer

On November 9, 2010, the Board of Directors of the Company approved the Program of Incentives for Managers of JSC IDGC Holding and Its Subsidiaries and Dependent Companies (hereinafter, the "Incentive Program").

Starting from March 2011, the management company of the mutual fund established for the purpose of implementing the Incentive Program and the Incentive Program participants entered into the agreements for the purchase and sale of the Company's treasury shares with the deferred performance of the obligations to transfer

such shares and the Incentive Program participants' obligations to pay for such shares in cash (hereinafter, the "Agreement(s)"). Subject to the terms and conditions of the Agreements, the Incentive Program participants may exercise their right to purchase the shares not earlier than three years after the effective date of the Agreement and shall continue to have such right for a period of five years after the effective date of the Agreement.

Information concerning the issuer's options which are available to or can be issued to the issuer's employees (staff members): the issuer did not issue options.

VI. Information Concerning the Issuer's Members (Shareholders) and Related-Party Transactions Completed by the Issuer

6.1. Information Concerning Total Number of the Issuer's Shareholders (Members)

Total number of persons having non-zero balances in their personal accounts and registered on the issuer's shareholder register as of the last date of the reporting quarter: **282,397**

Total number of nominee holders of the issuer's shares: **13**

Total number of persons included on the latest list of the persons entitled to participate in the issuer's general meeting of shareholders (any other list of persons that is prepared for the purposes of exercising the rights attaching to the issuer's shares and for the preparation of which the nominee holders of the issuer's shares provided details of the persons on whose behalf they held (hold) the issuer's shares): **317,943**

Date of the list of persons included on the latest list of the persons entitled to participate in the issuer's general meeting of shareholders (any other list of persons that is prepared for the purposes of exercising the rights attaching to the issuer's shares and for the preparation of which the nominee holders of the issuer's shares provided details of the persons on whose behalf they held (hold) the issuer's shares): **May 26, 2014**

Holders of the issuer's ordinary shares that were to be included on such list: **283,998**

Holders of the issuer's preference shares that were to be included on such list: **75,724**

6.2. Information Concerning the Issuer's Members (Shareholders) Owning at Least 5 Percent of Its Authorized (Share) Capital (Unit Trust) or at Least 5 Percent of Its Ordinary Shares; Information Concerning Persons Controlling Such Members (Shareholders) or, in the Absence of Such Persons, Concerning Their Members (Shareholders) Owning at Least 20 Percent of the Their Authorized (Share) Capital (Unit Trust) or at Least 20 Percent of Their Ordinary Shares

Issuer's members (shareholders) owning at least 5 percent of its authorized (share) capital (unit trust) or at least 5 percent of its ordinary shares

1.

Full corporate name: ***Russian Federation represented by the Federal Agency for State Property Management***

Short corporate name: ***Russian Federation represented by the Federal Agency for State Property Management***

Location

Russia, 109012, Moscow, Nikolsky pereulok, 9

INN (Taxpayer Identification Number): **7710723134**

OGRN (Principal State Registration Number): **1087746829994**

Stake held by the member (shareholder) in the authorized capital of the issuer (%): **85.31**

Percentage of ordinary shares held by the member (shareholder) in the issuer (%): **86.32**

Persons controlling the member (shareholder) of the issuer

N/A

Members (shareholders) of the entity owning at least 20 percent of its authorized (share) capital (unit trust) or at least 20 percent of its ordinary shares

N/A

Other information specified by the issuer at its discretion:

2.

Nominee holder

Nominee holder details:

Full corporate name: ***National Settlement Depository***

Short corporate name: ***NSD***

Location

Russia, 105066, Moscow, Spartakovskaya, 12

INN (Taxpayer Identification Number): ***7702165310***

OGRN (Principal State Registration Number): ***1027739132563***

Telephone: ***+7 (495) 234-4827***

Fax: ***+7 (495) 232-0275***

E-mail: ***info@nsd.ru***

Details of license of the professional participant in the securities market

Number: ***177-12042-000100***

Issued on: ***February 19, 2009***

Valid until:

Issued for an indefinite term

Issuing authority: ***Federal Financial Markets Service of the Russian Federation***

Quantity of ordinary shares registered on the issuer's shareholder register in the name of their nominee holder: ***13,986,464,176***

Quantity of preference shares registered on the issuer's shareholder register in the name of their nominee holder: ***1,348,423,324***

Other information specified by the issuer at its discretion:

6.3. Information Concerning the Stake Held by the Government or Municipality in the Issuer's Authorized (Share) Capital (Unit Trust) and Special Right ('Golden Share')

Information concerning managers of stakes held by the government or a municipality

N/A

Persons that, on behalf of the Russian Federation, a constituent entity of the Russian Federation, or a municipality, performs the functions of a member (shareholder) of the issuer

Federal property

Name: ***Russian Federation represented by the Federal Agency for State Property Management***

Location: ***Russia, 109012, Moscow, Nikolsky pereulok, 9***

Stake in the authorized (share) capital (unit trust) of the issuer held as the government's (at federal level or at constituent entity level) or a municipality's property: ***85.31***

Property of constituent entities of the Russian Federation

Name: ***Chukotka Autonomous District represented by the Department for Finance, Economics and Property Relations of the Chukotka Autonomous District***

Location: ***Russia, 689000, Chukotka Autonomous District, Anadyr, ul. Otke, 2***

Stake in the authorized (share) capital (unit trust) of the issuer held as the government's (at federal level or at constituent entity level) or a municipality's property: ***0.0023***

Special right of participation of the Russian Federation, constituent entities of the Russian Federation and municipalities in managing the issuer (joint-stock company) ("golden share"), duration of special right ("golden share")

N/A

6.4. Information Concerning Restrictions on Participation in the Issuer's Authorized (Share) Capital (Unit Trust)

Restrictions on participation in the issuer's authorized (share) capital: not applicable

6.5. Information Concerning Changes in the Composition and Value of Stakes Held by the Issuer's Shareholders (Members) Owning at Least 5 Percent of Its Authorized (Share) Capital (Unit Trust) or at Least 5 Percent of Its Ordinary Shares

List of the issuer's shareholders (members) owning at least 5 percent of the issuer's authorized (share) capital and (for issuers from among joint-stock companies) at least 5 percent of the issuer's ordinary shares prepared as of the date of the list of persons entitled to participate in each General Meeting of Shareholders (Members) of the issuer held in the most recently closed fiscal year preceding the last date of the reporting quarter and in the period from the beginning of the current year to the last date of the reporting quarter based on data from the list of persons entitled to participate in each of such meetings.

Date of the list of the persons entitled to participate in the General Meeting of Shareholders (Members) of the issuer: ***February 15, 2013***

List of shareholders (members)

Full corporate name: ***Russian Federation represented by the Federal Agency for State Property Management****

Short corporate name: ***Russian Federation represented by the Federal Agency for State Property Management***

Location: ***Russia, 109012, Moscow, Nikolsky pereulok, 9***

INN (Taxpayer Identification Number): ***7710723134***

OGRN (Principal State Registration Number): ***1087746829994***

Stake held by the entity in the authorized capital of the issuer (%): ***61.7***

Percentage of ordinary shares held by the entity in the issuer (%): ***63.69***

Date of the list of the persons entitled to participate in the General Meeting of Shareholders (Members) of the issuer: ***March 29, 2013***

List of shareholders (members)

Full corporate name: ***Russian Federation represented by the Federal Agency for State Property Management***

Short corporate name: ***Russian Federation represented by the Federal Agency for State Property Management***

Location: ***Russia, 109012, Moscow, Nikolsky pereulok, 9***

INN (Taxpayer Identification Number): ***7710723134***

OGRN (Principal State Registration Number): ***1087746829994***

Stake held by the entity in the authorized capital of the issuer (%): **61.7**

Percentage of ordinary shares held by the entity in the issuer (%): **63.69**

Date of the list of the persons entitled to participate in the General Meeting of Shareholders (Members) of the issuer: **May 23, 2013**

List of shareholders (members)

Full corporate name: ***Russian Federation represented by the Federal Agency for State Property Management***

Short corporate name: ***Russian Federation represented by the Federal Agency for State Property Management***

Location: ***Russia, 109012, Moscow, Nikolsky pereulok, 9***

INN (Taxpayer Identification Number): ***7710723134***

OGRN (Principal State Registration Number): ***1087746829994***

Stake held by the entity in the authorized capital of the issuer (%): **61.7**

Percentage of ordinary shares held by the entity in the issuer (%): **63.69**

Date of the list of the persons entitled to participate in the General Meeting of Shareholders (Members) of the issuer: **May 26, 2014**

List of shareholders (members)

Full corporate name: ***Russian Federation represented by the Federal Agency for State Property Management***

Short corporate name: ***Russian Federation represented by the Federal Agency for State Property Management***

Location: ***Russia, 109012, Moscow, Nikolsky pereulok, 9***

INN (Taxpayer Identification Number): ***7710723134***

OGRN (Principal State Registration Number): ***1087746829994***

Stake held by the entity in the authorized capital of the issuer (%): **85.31**

Percentage of ordinary shares held by the entity in the issuer (%): **86.32**

Additional information:

**** As of the date of the list (February 15, 2013), the stake specified takes account of the Company's registered authorized capital and the additionally issued shares paid up and placed as of February 15, 2013 (1-01-55385-E-003D).***

6.6. Information Concerning Related-Party Transactions Completed by the Issuer

Information concerning the number and monetary value of transactions completed by the issuer recognized as related-party transactions in accordance with the laws of the Russian Federation, which required approval by the duly authorized management body of the issuer for the most recent reporting quarter

Unit of measurement: ***rubles in thousands***

Indicator	Total number	Total monetary value
Related-party transactions completed by the issuer in the	5	1,619,743

reporting period which required approval by the duly authorized management body of the issuer		
Related-party transactions completed by the issuer in the reporting period which were approved by the General Meeting of Shareholders (Members) of the issuer	1	3,466
Related-party transactions completed by the issuer in the reporting period which were approved by the Board of Directors (Supervisory Board) of the issuer	4	1,616,277
Related-party transactions completed by the issuer in the reporting period which required approval but were disapproved by the duly authorized management body of the issuer	0	0

Transactions (groups of interrelated transactions) whose price accounts for 5 percent or more of the book value of the issuer's assets determined based on data from its accounting statements as of the most recent balance sheet date prior to the completion of the transaction completed by the issuer in the most recent reporting quarter:

N/A

Related-party transactions (groups of interrelated transactions) disapproved by the Board of Directors (Supervisory Board) or the General Meeting of Shareholders (Members) of the issuer when such approval is obligatory by operation of law of the Russian Federation

N/A

6.7. Information Concerning the Value of Accounts Receivable

As of the last date of the reporting quarter

Unit of measurement: *rubles in thousands*

Indicator Description	Indicator Value
Accounts receivable from buyers and customers	163,286
including overdue receivables	11,439
Notes receivable	0
including overdue receivables	0
Contributions to authorized capital receivable from members (founders)	0
including overdue receivables	0
Other accounts receivable	5,835,000
including overdue receivables	1,952,470
Total accounts receivable	5,998,286
including total overdue receivables	1,963,909

Debtors accounting for at least 10 percent of total accounts receivable for the above-mentioned reporting period

Full corporate name: *Interregional Distribution Grid Company of Northern Caucasus, Joint-Stock Company*

Short corporate name: *IDGC of Northern Caucasus, JSC*

Location: *Russia, 357506, Stavropol Territory, Pyatigorsk, village of Energetik, ul. Podstantsionnaya, d. 18*

INN (Taxpayer Identification Number): *2632082033*

OGRN (Principal State Registration Number): *1062632029778*

Value of accounts receivable: **1,669,653**
 Unit of measurement: **rubles in thousands**
 Value of and terms applicable to overdue accounts receivable (interest rate, fines, penalties):
1,541,497 thousand rubles of overdue accounts receivable
 Whether or not the debtor is an affiliate of the issuer: **Yes**
 Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization, %:
92.00
 Percentage of ordinary shares held by the issuer in the joint-stock company, %: **92.00**
 Stake held by the entity in the authorized capital of the issuer, %: **0**
 Percentage of ordinary shares held by the entity in the issuer, %: **0**

Full corporate name: **Joint-Stock Company Moscow United Electric Grid Company**
 Short corporate name: **JSC MOESK**
 Location: **Russia, 115114, Moscow, 2-y Paveletsky proezd, 3, str. 2**
 INN (Taxpayer Identification Number): **5036065113**
 OGRN (Principal State Registration Number): **1057746555811**

Value of accounts receivable: **1,504,014**
 Unit of measurement: **rubles in thousands**
 Value of and terms applicable to overdue accounts receivable (interest rate, fines, penalties):
N/A
 Whether or not the debtor is an affiliate of the issuer: **Yes**
 Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization, %: **50.9**
 Percentage of ordinary shares held by the issuer in the joint-stock company, %: **50.9**
 Stake held by the entity in the authorized capital of the issuer, %: **0**
 Percentage of ordinary shares held by the entity in the issuer, %: **0**

VII. Accounting (Financial) Statements of the Issuer and Other Financial Information

7.1. Annual Accounting (Financial) Statements of the Issuer

Not applicable to this reporting quarter.

7.2. Quarterly Accounting (Financial) Statements of the Issuer

Balance Sheet
as of June 30, 2014

	Form No. 1 as per OKUD	Codes
	Date	0710001
Organization: Joint Stock Company Russian Grids	OKPO	30/06/2014
Taxpayer Identification Number:	INN	94129941
Activity type: management of holding companies	OKVED	7728662669
		74.15.2

Legal form of ownership / ownership category:

**open joint-stock company / mixed Russian ownership
with a share of federal ownership**

OKOPF/OKFS

12247/41

Measurement unit: **thousands of rubles**

OKEI

384

Location: **107996, Moscow, Ulansky pereulok, 26**

Notes	ASSETS	Item Code	June 30, 2014	December 31, 2013	December 31, 2012
1	2	3	4	5	6
	I. NONCURRENT ASSETS				
	Intangible assets	1110	19,784	5,107	920
	R&D results	1120	0	0	0
	Intangible exploration assets	1130	0	0	0
	Tangible exploration assets	1140	0	0	0
	Fixed assets	1150	78,900	78,047	3,520,384
	Income-bearing investments in tangible assets	1160	4,160	4,237	4,391
	Financial investments	1170	179,827,771	179,702,771	115,399,165
	Deferred tax assets	1180	17,137	76,108	84,458
	Other noncurrent assets	1190	37,808	42,063	29,246
	Section I Total	1100	179,985,560	179,908,333	119,038,564
	II. CURRENT ASSETS				
	Inventory	1210	21,018	18,026	6,326
	Input value added tax	1220	4,726	7,444	258,402
	Accounts receivable	1230	5,998,286	3,132,237	3,933,389
	Financial investments (excluding cash equivalents)	1240	3,679,871	5,741,874	31,247,082
	Cash and cash equivalents	1250	9,125,302	6,981,543	3,379,176
	Other current assets	1260	21,610	23,424	28,737
	Section II Total	1200	18,850,813	15,904,548	38,853,112
	BALANCE (assets)	1600	198,836,373	195,812,881	157,891,676

Notes	LIABILITIES	Item Code	June 30, 2014	December 31, 2013	December 31, 2012
1	2	3	4	5	6
	III. CAPITAL AND RESERVES				
	Authorized capital (share capital, statutory fund, partnership contributions)	1310	163,154,003	163,154,003	49,946,844
	Treasury stock	1320	-1,779,140	-1,779,140	0
	Revaluation of noncurrent assets	1340	0	0	0
	Additional paid-in capital (net of revaluation)	1350	212,978,109	212,978,109	16,243,928
	Reserve funds	1360	2,155,845	2,155,845	2,155,845
	Undistributed profit (uncovered loss)	1370	-178,547,424	-181,559,166	69,158,609
	Section III Total	1300	197,961,393	194,949,651	137,505,226
	IV. LONG-TERM LIABILITIES				
	Borrowings	1410	0	0	0
	Deferred tax liabilities	1420	6,671	6,254	4,105

	Estimated liabilities	1430	0	0	0
	Other liabilities	1450	0	0	0
	Section IV Total	1400	6,671	6,254	4,105
	V. SHORT-TERM LIABILITIES				
	Borrowings	1510	0	0	0
	Accounts payable	1520	735,087	432,776	19,965,865
	Deferred income	1530	0	0	0
	Estimated liabilities	1540	78,778	376,561	416,280
	Other liabilities	1550	54,444	47,639	200
	Section V Total	1500	868,309	856,976	20,382,345
	BALANCE (liabilities)	1700	198,836,373	195,812,881	157,891,676

**Statement of Financial Performance
for the 6 Months of 2014**

Organization: **Joint Stock Company Russian Grids**
 Taxpayer Identification Number:
 Activity type: **management of holding companies**
 Legal form of ownership / ownership category:
**open joint-stock company / mixed Russian ownership
 with a share of federal ownership**
 Measurement unit: **thousands of rubles**
 Location: **107996, Moscow, Ulansky pereulok, 26**

Form No. 2 as per OKUD

Date

OKPO

INN

OKVED

OKOPF/OKFS

OKEI

Codes
0710002
30/06/2014
94129941
7728662669
74.15.2
12247/41
384

Notes	Item Description	Item Code	6 Months of 2014	6 Months of 2013
1	2	3	4	5
	Revenues	2110	4,284,008	4,562,494
	Cost of sales	2120	-1,667,920	-933,614
	Gross profit	2100	2,616,088	3,628,880
	Selling expenses	2210	0	0
	Administrative expenses	2220	0	0
	Sales profit (loss)	2200	2,616,088	3,628,880
	Income from interests in other entities	2310	0	0
	Interest receivable	2320	603,953	1,532,815
	Interest payable	2330	0	0
	Other income	2340	11,679	272,882
	Other expense	2350	-149,763	-144,985
	Profit (loss) before tax	2300	3,081,957	5,289,592
	Current profit tax	2410	-10,825	-271,022
	including permanent tax liabilities (assets)	2421	-546,178	-710,990
	Change in deferred tax liabilities	2430	-417	-45
	Change in deferred tax assets	2450	-58,971	-75,861
	Other	2460	-2	-1
	Net profit (loss)	2400	3,011,742	4,942,663
	FOR REFERENCE			
	Result of revaluation of noncurrent assets not included in net profit (loss) for accounting period	2510	0	0
	Result of other operations not included in net profit (loss) for accounting period	2520	0	0
	Total financial result for accounting period	2500	3,011,742	4,942,663
	Basic earnings (loss) per share	2900	0.000019	0.000093
	Diluted earnings (loss) per share	2910	0	0

7.3. Consolidated Accounting (Consolidated Financial) Statements of the Issuer

The annual consolidated accounting statements of the issuer prepared in accordance with the requirements specified in the laws of the Russian Federation are not submitted due to the submission of annual consolidated financial statements prepared in accordance with IFRS.

The issuer prepared its consolidated accounting statements for the most recently closed fiscal year in accordance with International Financial Reporting Standards.

2013: IFRS/GAAP

Reporting period

Year: **2013**

Quarter:

Standards (rules) applicable to the consolidated accounting (financial) statements disclosed in this paragraph of the quarterly report

IFRS

Information is attached hereto as an appendix

7.4. Information Concerning the Accounting Policy of the Issuer

Information contained in this paragraph remained unchanged in the reporting quarter.

7.5. Information Concerning Total Exports and Exports as a Percentage of Total Sales

The Issuer is not engaged in any exportation of products (goods, work, services).

7.6. Information Concerning Material Changes in the Composition of the Issuer's Property After the Last Date of the Most Recently Closed Fiscal Year

Information concerning material changes in the issuer's property over the 12 months preceding the last date of the reporting quarter:

Subject matter of the change: ***Disposal of property by the issuer***

Type of property (real property) disposed of (acquired) by the issuer: ***Construction-in-progress real property***

Brief description of property (real property) disposed of (acquired) by the issuer: ***Electric grid facilities located in the Chechen Republic***

Rationale for the change: ***Agreement No. 2010 of July 29, 2013, for the acquisition of additional uncertificated registered ordinary shares in Chechenenergo, JSC***

Date of change: ***July 29, 2013***

Book value of sold property: ***3,727,154***

Unit of measurement: ***rubles in thousands***

Property disposal price: ***3,727,154***

Unit of measurement: ***rubles in thousands***

7.7. Information Concerning the Issuer's Being a Party to Litigation if Such Litigation May Materially Affect the Issuer's Financing and Economic Activities

Over the period from the first date of the most recently closed financial year to the last date of the reporting quarter, the issuer was not and is not a party to any litigation that affected or may affect its financing and economic activities.

VIII. Detailed Information Concerning the Issuer and Issue-Grade Securities Placed by the Issuer

8.1. Additional Information Concerning the Issuer

8.1.1. Information Concerning the Value and Structure of the Issuer's Authorized (Share) Capital (Unit Trust)

Value of the issuer's authorized (share) capital (unit trust) as of the last date of the most recent reporting quarter (rubles): **163,154,002,694**

Ordinary shares

Total par value: **161,078,853,310**

Percentage of the authorized capital (%): **98.728104**

Preference shares

Total par value: **2,075,149,384**

Percentage of the authorized capital (%): **1.271896**

Information about whether the authorized capital specified in this paragraph corresponds to the issuer's constitutive documents:

As specified in this paragraph, the authorized capital corresponds to the Company's constitutive documents.

The issuer's shares are partly traded outside the Russian Federation by means of trading under foreign law in foreign issuers' securities that represent ownership of the above-mentioned shares in the issuer.

Category (type) of shares traded outside the Russian Federation

Type of security: *shares*

Category of shares: *ordinary shares*

Shares traded outside the Russian Federation as a percentage of the total number of shares of the category (type) concerned: **0.036**

Foreign issuer whose securities certify the rights in respect of the issuer's shares of the category (type) concerned

Full corporate name: *The Bank of New York Mellon.*

Place of business: *One Wall Street, New York, New York 10286, USA.*

Overview of the program (type of program) of issuing the foreign issuer's depository securities that represent ownership of shares of the relevant category (type):

JSC Russian Grids-sponsored Regulation S and Rule 144A programs of issuing global depository receipts that represent ownership of ordinary shares in the Company.

The ratio of GDRs to the issuer's ordinary shares is 1:200.

Information concerning the permission received from the federal executive authority in charge of the securities market for the placement of or organizing the trading of the issuer's shares of the relevant category (type) outside the Russian Federation (if applicable):

The decision of the Federal Financial Markets Service of the Russian Federation (Order No. 09-566/pz-i of February 27, 2009) permitted one hundred two million, four hundred twenty-eight thousand, one hundred (102,428,100) uncertificated registered ordinary shares in the Company to be traded outside the Russian Federation.

The decision of the Federal Financial Markets Service of the Russian Federation (Order No. 11-1308/pz-i of May 31, 2011) permitted ten billion, one hundred fifty-eight million, ten thousand, three hundred ninety-six (10,158,010,396) uncertificated registered ordinary shares in the Company to be traded outside the Russian Federation, but not more than 25 percent of the total number of outstanding uncertificated registered ordinary shares.

Name of the foreign trading institutor through which the issuer's shares (depository securities that represent ownership of the issuer's shares) are traded (if applicable):

The Regulation S global depository receipts that represent ownership of ordinary shares in JSC Russian Grids are traded on the London Stock Exchange.

Other information concerning the issuer's shares traded outside the Russian Federation (to be specified at the issuer's option): *N/A*.

Type of security: *shares*

Category of shares: *preference shares*

Type of shares:

Shares traded outside the Russian Federation as a percentage of the total number of shares of the category (type) concerned: *0.031*

Foreign issuer whose securities certify the rights in respect of the issuer's shares of the category (type) concerned:

Full corporate name: *The Bank of New York Mellon*

Place of business: *One Wall Street, New York, New York 10286, USA*

Overview of the program (type of program) of issuing the foreign issuer's depository securities that represent ownership of shares of the relevant category (type):

JSC Russian Grids-sponsored Regulation S and Rule 144A programs of issuing non-listed global depository receipts that represent ownership of preference shares in the Company.

The ratio of GDRs to the issuer's preference shares is 1:200.

Information concerning the permission received from the federal executive authority in charge of the securities market for the placement of or organizing the trading of the issuer's shares of the relevant category (type) outside the Russian Federation (if applicable):

The decision of the Federal Financial Markets Service of the Russian Federation (Order No. 09-566/pz-i of February 27, 2009) permitted six hundred fifty thousand (650,000) uncertificated registered preference shares in the Company to be traded outside the Russian Federation.

The decision of the Federal Financial Markets Service of the Russian Federation (Order No. 11-1308/pz-i of May 31, 2011) permitted five hundred eighteen million, one hundred thirty-seven thousand, three hundred forty-six (518,137,346) uncertificated registered preference shares in the Company to be traded outside the Russian Federation, but not more than 25 percent of the total number of outstanding uncertificated registered preference shares.

Name of the foreign trading institutor through which the issuer's shares (depository securities that represent ownership of the issuer's shares) are traded (if applicable):

not traded through a foreign trading institutor.

Other information concerning the issuer's shares traded outside the Russian Federation (to be specified at the issuer's option): *N/A*.

8.1.2. Information Concerning Changes in the Issuer's Authorized (Share) Capital (Unit Trust)

If, in the most recently closed fiscal year preceding the last date of the reporting quarter and over the period from the first date of the current year to the last date of the reporting quarter, the issuer's authorized (share) capital (unit trust) was changed, information concerning each change to be specified:

Date of change in the authorized capital: *April 2, 2013*

Amount of the authorized capital prior to change (rubles): *49,946,843,800*

Structure of the authorized capital prior to change

Ordinary shares

Total par value: *47,871,694,416*

Percentage of the authorized capital (%): *95.845284*

Preference shares

Total par value: *2,075,149,384*

Percentage of the authorized capital (%): *4.154716*

Amount of the authorized capital after change (rubles): *59,322,451,849*

Structure of the authorized capital after change

Ordinary shares

Total par value: **57,247,302,465**

Percentage of the authorized capital (%): **96.501916**

Preference shares

Total par value: **2,075,149,384**

Percentage of the authorized capital (%): **3.498084**

Name of the issuer's management body that decided to change the issuer's authorized (share) capital (unit trust): ***The amendments to the Company's Articles of Association were registered pursuant to the decision adopted by the Extraordinary General Meeting of Shareholders of JSC IDGC Holding on an increase in the authorized capital by means of the placement of additional shares in JSC IDGC Holding on November 13, 2012, (the Minutes of November 16, 2012) and the Additional Securities Issue Report (State Registration Number of the Additional Issue: 1-01-55385-E-003-D of December 3, 2012) registered on March 19, 2013.***

Date of the minutes of the meeting of the issuer's management body that decided to change the issuer's authorized (share) capital (unit trust): **November 16, 2012**

Number of the minutes: **N/A**

Date of change in the authorized capital: **December 12, 2013**

Amount of the authorized capital prior to change (rubles): **59,322,451,849**

Structure of the authorized capital prior to change

Ordinary shares

Total par value: **57,247,302,465**

Percentage of the authorized capital (%): **96.501916**

Preference shares

Total par value: **2,075,149,384**

Percentage of the authorized capital (%): **3.498084**

Amount of the authorized capital after change (rubles): **163,154,002,694**

Structure of the authorized capital after change

Ordinary shares

Total par value: **161,078,853,310**

Percentage of the authorized capital (%): **98.728104**

Preference shares

Total par value: **2,075,149,384**

Percentage of the authorized capital (%): **1.271896**

Name of the issuer's management body that decided to change the issuer's authorized (share) capital (unit trust): ***The amendments to the Company's Articles of Association were registered pursuant to the decision adopted by the Extraordinary General Meeting of Shareholders of JSC Russian Grids on an increase in the authorized capital by means of the placement of additional shares in JSC Russian Grids on May 6, 2013, (the Minutes of May 8, 2013) and the extract from the issue-grade securities register of JSC Russian Grids of October 17, 2013, issued by the Bank of Russia Financial Markets Service.***

Date of the minutes of the meeting of the issuer's management body that decided to change the issuer's

authorized (share) capital (unit trust): **May 8, 2013**

Number of the minutes: *N/A*

8.1.3. Information Concerning the Procedure for Convening and Holding the Meeting (Session) of the Issuer's Supreme Management Body

Information contained in this paragraph remained unchanged in the reporting quarter.

8.1.4. Information Concerning For-Profit Organizations in Which the Issuer Owns at Least 5 Percent of Authorized (Share) Capital (Unit Trust) or at Least 5 Percent of Ordinary Shares

List of for-profit organizations in which the issuer as of the last date of the most recently closed reporting quarter owns at least 5 percent of authorized (share) capital (unit trust) or at least 5 percent of ordinary shares

1. Full corporate name: *Open Joint-Stock Company Federal Grid Company of Unified Energy System*

Short corporate name: ***JSC FGC UES***

Location

Russia, 117630, Moscow, ul. Akademika Chelomeya, 5A

INN (Taxpayer Identification Number): ***4716016979***

OGRN (Principal State Registration Number): ***1024701893336***

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): ***80.13***

Percentage of ordinary shares held by the issuer in the joint-stock company (%): ***80.13***

Stake held by the entity in the authorized capital of the issuer (%): ***0***

Percentage of ordinary shares held by the entity in the issuer (%): ***0***

2. Full corporate name: *Joint Stock Company Tyumenenergo*

Short corporate name: ***JSC Tyumenenergo***

Location

Russia, 628412, Surgut, Tyumen Region, Khanty-Mansiysk Autonomous District – Yugra, ul. Universitetskaya, 4

INN (Taxpayer Identification Number): ***8602060185***

OGRN (Principal State Registration Number): ***1028600587399***

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): ***100***

Percentage of ordinary shares held by the issuer in the joint-stock company (%): ***100***

Stake held by the entity in the authorized capital of the issuer (%): ***0.003061***

Percentage of ordinary shares held by the entity in the issuer (%): ***0***

3. Full corporate name: *Yantarenergo Joint-Stock Company for Energy and Electrification*

Short corporate name: ***JSC Yantarenergo***

Location

Russia, 236000, Kaliningrad, ul. Teatralnaya, 34

INN (Taxpayer Identification Number): ***3903007130***

OGRN (Principal State Registration Number): ***1023900764832***

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): ***100***

Percentage of ordinary shares held by the issuer in the joint-stock company (%): ***100***

Stake held by the entity in the authorized capital of the issuer (%): ***0***

Percentage of ordinary shares held by the entity in the issuer (%): ***0***

4. Full corporate name: *Joint-Stock Company Karachaevo-Cherkessenergo*

Short corporate name: **JSC Karachaevo-Cherkesskenergo**

Location

Russia, 369000, Karachay-Cherkess Republic, Cherkessk, ul. Osmana Kasayeva, 3

INN (Taxpayer Identification Number): **0901000327**

OGRN (Principal State Registration Number): **1020900510784**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0.000072**

Percentage of ordinary shares held by the entity in the issuer (%): **0.000073**

5. Full corporate name: Kalmenergosbyt Open Joint-Stock Company

Short corporate name: **ОАО Kalmenergosbyt**

Location

Russia, 358000, Republic of Kalmykia, Elista, ul. Lermontova, 7a

INN (Taxpayer Identification Number): **0814166090**

OGRN (Principal State Registration Number): **1050866787982**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

6. Full corporate name: Tyvaenergosbyt Open Joint-Stock Company

Short corporate name: **ОАО Tyvaenergosbyt**

Location

Russia, 667010, Republic of Tyva, Kyzyl, ul. Zavodskaya, 2a

INN (Taxpayer Identification Number): **1701040660**

OGRN (Principal State Registration Number): **1061701024065**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

7. Full corporate name: Joint-Stock Company Research Engineering Centre of IDGC

Short corporate name: **JSC REC IDGC**

Location

Russia, 105062, Moscow, ul. Chaplygina, 6

INN (Taxpayer Identification Number): **7701025510**

OGRN (Principal State Registration Number): **1027700051653**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

8. Full corporate name: Joint-Stock Company Association VNIPIENERGOPROM

Short corporate name: **JSC VNIPIENERGOPROM**

Location

Russia, 105094, Moscow, Semyonovskaya naberezhnaya, 2/1

INN (Taxpayer Identification Number): **7701027557**

OGRN (Principal State Registration Number): **1027739059248**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

9. Full corporate name: Special Design Bureau of Heat Power Engineering Equipment VTI Open Joint-Stock Company

Short corporate name: **ОАО SKB VTI**

Location

Russia, 115280, Moscow, 3 Avtozavodsky pr., 4, korp. 1

INN (Taxpayer Identification Number): **7725055144**

OGRN (Principal State Registration Number): **1027700095444**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

10. Full corporate name: Opened Joint Stock Company Power Grid Optical Networks Engineering

Short corporate name: **JSC Power Grid Optical Networks Engineering**

Location

Russia, 115184, Moscow, ul. Bolshaya Tatarskaya, 35, str. 6

INN (Taxpayer Identification Number): **7705307770**

OGRN (Principal State Registration Number): **1027739252496**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0.00041**

Percentage of ordinary shares held by the entity in the issuer (%): **0.000415**

11. Full corporate name: VNIPIENERGOPROM Real Estate Open Joint-Stock Company

Short corporate name: **ОАО VNIPIENERGOPROM Real Estate**

Location

Russia, 105094, Moscow, Semyonovskaya naberezhnaya, 2/1

INN (Taxpayer Identification Number): **7701761359**

OGRN (Principal State Registration Number): **1077763935545**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

12. Full corporate name: Engineering Center UES Real Estate Open Joint-Stock Company

Short corporate name: **ОАО Engineering Center UES Real Estate**

Location

Russia, 125993, Moscow, Volokolamskoye sh., 2

INN (Taxpayer Identification Number): **7729589570**

OGRN (Principal State Registration Number): **1077763377834**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

13. Full corporate name: North-West Power Engineering Center Real Estate Open Joint-Stock Company

Short corporate name: **OA0 North-West Power Engineering Center Real Estate**

Location

Russia, 191036, Saint Petersburg, Nevsky prospekt, 111/3

INN (Taxpayer Identification Number): **7842373711**

OGRN (Principal State Registration Number): **1079847125852**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

14. Full corporate name: Volga Power Engineering Center Real Estate Open Joint-Stock Company

Short corporate name: **OA0 Volga Power Engineering Center Real Estate**

Location

Russia, 443001, Samara, ul. Samarskaya, 203B

INN (Taxpayer Identification Number): **5258073757**

OGRN (Principal State Registration Number): **1076315008703**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

15. Full corporate name: South Center of Power Engineering Real Estate Open Joint-Stock Company

Short corporate name: **OA0 South Center of Power Engineering Real Estate**

Location

Russia, 344002, Rostov-on-Don, Prospekt Budennovsky, 2, korp. 105

INN (Taxpayer Identification Number): **2312144844**

OGRN (Principal State Registration Number): **1072312014521**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

16. Full corporate name: Urals Power Engineering Company Real Estate Open Joint-Stock Company

Short corporate name: **OA0 Urals Power Engineering Company Real Estate**

Location

Russia, 620075, Yekaterinburg, ul. Pervomaiskaya, 56
INN (Taxpayer Identification Number): **6670192820**
OGRN (Principal State Registration Number): **1076670034682**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

17. Full corporate name: Siberian Energy Scientific and Technical Center Real Estate Open Joint-Stock Company

Short corporate name: **ОАО Siberian Energy Scientific and Technical Center Real Estate**

Location

Russia, 630132, Novosibirsk, prospekt Dimitrova, 7
INN (Taxpayer Identification Number): **5407044385**
OGRN (Principal State Registration Number): **1075407032755**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

18. Full corporate name: Interregional Distribution Grid Company of Volga, Joint-Stock Company

Short corporate name: **IDGC of Volga, JSC**

Location

Russia, 410031, Saratov, ul. Pervomaiskaya, 42/44
INN (Taxpayer Identification Number): **6450925977**
OGRN (Principal State Registration Number): **1076450006280**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **67.63**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **67.63**
Stake held by the entity in the authorized capital of the issuer (%): **0.000006**
Percentage of ordinary shares held by the entity in the issuer (%): **0.000006**

19. Full corporate name: Interregional Distribution Grid Company of North-West, Joint Stock Company

Short corporate name: **IDGC of North-West**

Location

Russia, 188300, Leningrad Region, Gatchina, ul. Sobornaya, 31
INN (Taxpayer Identification Number): **7802312751**
OGRN (Principal State Registration Number): **1047855175785**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **55.38**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **55.38**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

20. Full corporate name: Interregional Distribution Grid Company of Urals, Joint Stock Company

Short corporate name: **IDGC of Urals, JSC**

Location

Russia, 620026, Yekaterinburg, ul. Mamina-Sibiryaka, 140

INN (Taxpayer Identification Number): **6671163413**

OGRN (Principal State Registration Number): **1056604000970**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **51.52**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **51.52**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

21. Full corporate name: Interregional Distribution Grid Company of Siberia, Joint Stock Company

Short corporate name: **IDGC of Siberia, JSC**

Location

Russia, 660021, Krasnoyarsk, ul. Bograda, 144a

INN (Taxpayer Identification Number): **2460069527**

OGRN (Principal State Registration Number): **1052460054327**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **55.59**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **55.59**

Stake held by the entity in the authorized capital of the issuer (%): **0.000323**

Percentage of ordinary shares held by the entity in the issuer (%): **0.000327**

22. Full corporate name: Interregional Distribution Grid Company of South, Joint Stock Company

Short corporate name: **IDGC of South, JSC**

Location

Russia, 344002, Rostov-on-Don, ul. Bolshaya Sadovaya, 49

INN (Taxpayer Identification Number): **6164266561**

OGRN (Principal State Registration Number): **1076164009096**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **51.66**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **51.66**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

23. Full corporate name: Interregional Distribution Grid Company of Centre, Joint-Stock Company

Short corporate name: **IDGC of Centre, JSC**

Location

Russia, 127018, Moscow, 2-ya Yamskaya, 4

INN (Taxpayer Identification Number): **6901067107**

OGRN (Principal State Registration Number): **1046900099498**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **50.23**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **50.23**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

24. Full corporate name: Interregional Distribution Grid Company of Center and Volga Region, Joint Stock Company

Short corporate name: **IDGC of Center and Volga Region, JSC**

Location

Russia, 603950, Nizhni Novgorod, ul. Rozhdestvenskaya, 33
INN (Taxpayer Identification Number): **5260200603**
OGRN (Principal State Registration Number): **1075260020043**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **50.4**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **50.4**
Stake held by the entity in the authorized capital of the issuer (%): **0.001275**
Percentage of ordinary shares held by the entity in the issuer (%): **0.001292**

25. Full corporate name: Interregional Distribution Grid Company of Northern Caucasus, Joint-Stock Company

Short corporate name: **IDGC of Northern Caucasus, JSC**

Location

Russia, 357506, Stavropol Territory, Pyatigorsk, village of Energetik, ul. Podstantsionnaya, 18
INN (Taxpayer Identification Number): **2632082033**
OGRN (Principal State Registration Number): **1062632029778**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **92.00**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **92.00**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

26. Full corporate name: JOINT-STOCK COMPANY LENENERGO

Short corporate name: **JSC LENENERGO**

Location

Russia, 196247, Saint Petersburg, Ploshchad Konstitutsii, 1
INN (Taxpayer Identification Number): **7803002209**
OGRN (Principal State Registration Number): **1027809170300**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **49.36**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **53.41**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

27. Full corporate name: Joint-Stock Company Moscow United Electric Grid Company

Short corporate name: **JSC MOESK**

Location

Russia, 115114, Moscow, 2-y Paveletsky proezd, 3, str. 2
INN (Taxpayer Identification Number): **5036065113**
OGRN (Principal State Registration Number): **1057746555811**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **50.9**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **50.9**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

28. Full corporate name: Kuban Power and Electrification Open Joint Stock Company

Short corporate name: **Kubanenergo**

Location

Russia, 350033, Krasnodar, ul. Stavropolskaya, 2
INN (Taxpayer Identification Number): **2309001660**
OGRN (Principal State Registration Number): **1022301427268**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **92.24**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **92.24**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

29. Full corporate name: Joint-Stock Company Tomsk Distribution Company
Short corporate name: **JSC TDC**

Location

Russia, 634041, Tomsk, pr. Kirova, 36
INN (Taxpayer Identification Number): **7017114672**
OGRN (Principal State Registration Number): **1057000127931**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **85.77**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **94.58**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

30. Full corporate name: Chechenenergo, Joint-Stock Company
Short corporate name: **Chechenenergo, JSC**

Location

Russia, 364051, Chechen Republic, Grozny, Staropromyslovskoye shosse, 6
INN (Taxpayer Identification Number): **2016081143**
OGRN (Principal State Registration Number): **1082031002503**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **51.00**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **51.00**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

31. Full corporate name: Kabardino-Balkaria Energy and Electrification Company, Joint-Stock Company
Short corporate name: **Kabbalkenergo, JSC**

Location

Russia, 360000, Kabardino-Balkarian Republic, Nalchik, ul. Shchorsa, 6
INN (Taxpayer Identification Number): **0711008455**
OGRN (Principal State Registration Number): **1020700746901**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **65.27**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **68.42**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

32. Full corporate name: Dagestan Energy Supply Company, Joint-Stock Company
Short corporate name: **Dagestan Energy Supply Company, JSC**

Location

Russia, 367020, Republic of Dagestan, Makhachkala, ul. Dakhadaeva, 73

INN (Taxpayer Identification Number): **0541031172**
OGRN (Principal State Registration Number): **1050562009926**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **51**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **51**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

33. Full corporate name: Ingushenergo, Joint-Stock Company

Short corporate name: **Ingushenergo, JSC**

Location

Russia, 366720, Republic of Ingushetia, Nazran, ul. Mutalieva, 23

INN (Taxpayer Identification Number): **0602013494**
OGRN (Principal State Registration Number): **1020600986042**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **49**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **49**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

34. Full corporate name: Sevkavkazenergo Energy and Electrification Company, Joint-Stock Company

Short corporate name: **Sevkavkazenergo, JSC**

Location

Russia, 362040, Republic of North Ossetia-Alania, Vladikavkaz, ul. Tamaeva, 19

INN (Taxpayer Identification Number): **1502002701**
OGRN (Principal State Registration Number): **1021500580090**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **49**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **49**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

35. Full corporate name: Joint Stock Company NURENERGO

Short corporate name: **NURENERGO, JSC**

Location

Russia, 364000, Chechen Republic, Grozny, Staropromyslovskoye shosse, 6

INN (Taxpayer Identification Number): **2020004046**
OGRN (Principal State Registration Number): **1022002546136**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **23**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **23**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

36. Full corporate name: Grozenergo Open Joint-Stock Company for Energy and Electrification of the Chechen Republic

Short corporate name: **AO Grozenergo**

Location

Russia, 364000, Grozny, Staropromyslovskoye shosse, 6

INN (Taxpayer Identification Number): **2020000186**
OGRN (Principal State Registration Number): **1022002551944**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **49**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **49**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

37. Full corporate name: JOINT STOCK COMPANY NORTH-WEST ENERGY MANAGING COMPANY
Short corporate name: **JSC NWEMC**

Location

Russia, 191186, Saint Petersburg, Marsovo pole, 1

INN (Taxpayer Identification Number): **7841322263**
OGRN (Principal State Registration Number): **1057812496873**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **49**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **57**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

38. Full corporate name: Joint-Stock Company G. M. Krzhizhanovsky Power Engineering Institute
Short corporate name: **JSC ENIN**

Location

Russia, 119991, Moscow, Leninsky prospekt, 19

INN (Taxpayer Identification Number): **7725054454**
OGRN (Principal State Registration Number): **1027739431752**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **31.34**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **31.34**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

39. Full corporate name: Joint Stock Company North-West Power Engineering Center
Short corporate name: **OAO SevZap NTC**

Location

Russia, 191036, Saint Petersburg, Nevsky prospekt, 111/3

INN (Taxpayer Identification Number): **7808042325**
OGRN (Principal State Registration Number): **1027809176196**
Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **25 plus one share**
Percentage of ordinary shares held by the issuer in the joint-stock company (%): **25 plus one share**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

40. Full corporate name: Joint-Stock Company Volga Power Engineering Center
Short corporate name: **JSC VPEC**

Location

Russia, 443001, Samara, ul. Samarskaya, 203B

INN (Taxpayer Identification Number): **6315347487**

OGRN (Principal State Registration Number): **1026300964425**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **25 plus one share**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **25 plus one share**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

41. Full corporate name: Urals Power Engineering Company Joint-Stock Company – URALVNIPIENERGOPROM, Uralselenergoproekt, UralTEP, UralORGRES, UralVTI, Uralenergoproekt, Chelyabenergoproekt

Short corporate name: **Urals Power Engineering Company**

Location

Russia, 620075, Yekaterinburg, ul. Pervomaiskaya, 56

INN (Taxpayer Identification Number): **6660002245**

OGRN (Principal State Registration Number): **1026604943683**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **25 plus one share**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **25 plus one share**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

42. Full corporate name: Joint-Stock Company ZARUBEZHENERGOSTROY

Short corporate name: **ОАО ZES**

Location

Russia, 101928, Moscow, Potapovsky per., 5, str. 3

INN (Taxpayer Identification Number): **7701033416**

OGRN (Principal State Registration Number): **1027700348169**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **9.51**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **9.51**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

43. Full corporate name: IT Energy Service Limited Liability Company

Short corporate name: **ООО IT Energy Service**

Location

Russia, 109074, Moscow, Kitaygorodsky proezd, 7, str. 5

INN (Taxpayer Identification Number): **7729403949**

OGRN (Principal State Registration Number): **1037700018751**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **19.99**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

8.1.5. Information Concerning Material Transactions Completed by the Issuer

In the reporting quarter

The above-mentioned transactions were not completed during this period.

8.1.6. Information Concerning the Issuer's Credit Ratings

Information contained in this paragraph remained unchanged in the reporting quarter.

8.2. Information About Each Category (Type) of the Issuer's Shares

Information contained in this paragraph remained unchanged in the reporting quarter.

8.3. Information Concerning the Previous Issues of Issue-Grade Securities of the Issuer Other than Shares

8.3.1. Information Concerning the Issues All of Whose Securities Were Redeemed

Information contained in this paragraph remained unchanged in the reporting quarter.

8.3.2. Information Concerning Issuances Securities from Which Are Outstanding

Type of security: *exchange-traded bonds*

Form of security: *certificated bearer bonds*

Series: *BO-01*

Other identification characteristics of securities: *inconvertible interest-bearing certificated bearer exchange-traded bonds, Series BO-01, subject to mandatory centralized custody*

The securities issue was not subject to state registration: *Yes*

Identification number of the issue: *4B02-01-55385-E*

Identification number date: *April 28, 2014*

Identification number assigned by: *MICEX Stock Exchange*

Quantity of securities of the issue: *5,000,000*

Total par value of the securities issue: *5,000,000,000*

Par value: *1,000*

In accordance with the laws of the Russian Federation, this type of security comes without a par value: *No*

Status of securities of the issue: *the placement is pending*

Pending the state registration of the securities issue report: *Yes*

Quantity of interest (coupon) periods for which income (coupons, interest) is paid in relation to securities of the issue: *20*

Maturity (redemption date) of the issue of securities: *on the 3,640th day after the start date of the placement of exchange-traded bonds*

Maturity is a specific calendar date: *No*

Webpage containing the text of the Decision on the Securities Issue and the text of the Securities Prospectus: *www.rosseti.ru/investors/emission/exchange_bonds/; http://www.e-disclosure.ru/portal/files.aspx?id=13806&type=7*

Additional issues of securities: *None*

No outstanding obligations in relation to securities of the issue

Type of security: *exchange-traded bonds*

Form of security: *certificated bearer bonds*

Series: *BO-02*

Other identification characteristics of securities: *inconvertible interest-bearing certificated bearer exchange-*

traded bonds, Series BO-02, subject to mandatory centralized custody

The securities issue was not subject to state registration: *Yes*

Identification number of the issue: *4B02-02-55385-E*

Identification number date: *April 28, 2014*

Identification number assigned by: *MICEX Stock Exchange*

Quantity of securities of the issue: *5,000,000*

Total par value of the securities issue: *5,000,000,000*

Par value: *1,000*

In accordance with the laws of the Russian Federation, this type of security comes without a par value: *No*

Status of securities of the issue: *the placement is pending*

Pending the state registration of the securities issue report: *Yes*

Quantity of interest (coupon) periods for which income (coupons, interest) is paid in relation to securities of the issue: *20*

Maturity (redemption date) of the issue of securities: *on the 3,640th day after the start date of the placement of exchange-traded bonds*

Maturity is a specific calendar date: *No*

Webpage containing the text of the Decision on the Securities Issue and the text of the Securities Prospectus: *www.rosseti.ru/investors/emission/exchange_bonds/; http://www.e-disclosure.ru/portal/files.aspx?id=13806&type=7*

Additional issues of securities: *None*

No outstanding obligations in relation to securities of the issue

Type of security: *exchange-traded bonds*

Form of security: *certificated bearer bonds*

Series: *BO-03*

Other identification characteristics of securities: *inconvertible interest-bearing certificated bearer exchange-traded bonds, Series BO-03, subject to mandatory centralized custody*

The securities issue was not subject to state registration: *Yes*

Identification number of the issue: *4B02-03-55385-E*

Identification number date: *April 28, 2014*

Identification number assigned by: *MICEX Stock Exchange*

Quantity of securities of the issue: *5,000,000*

Total par value of the securities issue: *5,000,000,000*

Par value: *1,000*

In accordance with the laws of the Russian Federation, this type of security comes without a par value: *No*

Status of securities of the issue: *the placement is pending*

Pending the state registration of the securities issue report: *Yes*

Quantity of interest (coupon) periods for which income (coupons, interest) is paid in relation to securities of the issue: *20*

Maturity (redemption date) of the issue of securities: *on the 3,640th day after the start date of the placement of exchange-traded bonds*

Maturity is a specific calendar date: *No*

Webpage containing the text of the Decision on the Securities Issue and the text of the Securities Prospectus: *www.rosseti.ru/investors/emission/exchange_bonds/; http://www.e-*

disclosure.ru/portal/files.aspx?id=13806&type=7

Additional issues of securities: *None*

No outstanding obligations in relation to securities of the issue

Type of security: *exchange-traded bonds*

Form of security: *certificated bearer bonds*

Series: *BO-04*

Other identification characteristics of securities: *inconvertible interest-bearing certificated bearer exchange-traded bonds, Series BO-04, subject to mandatory centralized custody*

The securities issue was not subject to state registration: *Yes*

Identification number of the issue: *4B02-04-55385-E*

Identification number date: *April 28, 2014*

Identification number assigned by: *MICEX Stock Exchange*

Quantity of securities of the issue: *10,000,000*

Total par value of the securities issue: *10,000,000,000*

Par value: *1,000*

In accordance with the laws of the Russian Federation, this type of security comes without a par value: *No*

Status of securities of the issue: *the placement is pending*

Pending the state registration of the securities issue report: *Yes*

Quantity of interest (coupon) periods for which income (coupons, interest) is paid in relation to securities of the issue: *20*

Maturity (redemption date) of the issue of securities: *on the 3,640th day after the start date of the placement of exchange-traded bonds*

Maturity is a specific calendar date: *No*

Webpage containing the text of the Decision on the Securities Issue and the text of the Securities Prospectus: www.rosseti.ru/investors/emission/exchange_bonds/; <http://www.e-disclosure.ru/portal/files.aspx?id=13806&type=7>

Additional issues of securities: *None*

No outstanding obligations in relation to securities of the issue

Type of security: *exchange-traded bonds*

Form of security: *certificated bearer bonds*

Series: *BO-05*

Other identification characteristics of securities: *inconvertible interest-bearing certificated bearer exchange-traded bonds, Series BO-05, subject to mandatory centralized custody*

The securities issue was not subject to state registration: *Yes*

Identification number of the issue: *4B02-05-55385-E*

Identification number date: *April 28, 2014*

Identification number assigned by: *MICEX Stock Exchange*

Quantity of securities of the issue: *10,000,000*

Total par value of the securities issue: *10,000,000,000*

Par value: **1,000**

In accordance with the laws of the Russian Federation, this type of security comes without a par value: **No**

Status of securities of the issue: ***the placement is pending***

Pending the state registration of the securities issue report: **Yes**

Quantity of interest (coupon) periods for which income (coupons, interest) is paid in relation to securities of the issue: **20**

Maturity (redemption date) of the issue of securities: ***on the 3,640th day after the start date of the placement of exchange-traded bonds***

Maturity is a specific calendar date: **No**

Webpage containing the text of the Decision on the Securities Issue and the text of the Securities Prospectus: ***www.rosseti.ru/investors/emission/exchange_bonds/; http://www.e-disclosure.ru/portal/files.aspx?id=13806&type=7***

Additional issues of securities: **None**

No outstanding obligations in relation to securities of the issue

Type of security: ***exchange-traded bonds***

Form of security: ***certificated bearer bonds***

Series: ***BO-06***

Other identification characteristics of securities: ***inconvertible interest-bearing certificated bearer exchange-traded bonds, Series BO-06, subject to mandatory centralized custody***

The securities issue was not subject to state registration: **Yes**

Identification number of the issue: ***4B02-06-55385-E***

Identification number date: ***April 28, 2014***

Identification number assigned by: ***MICEX Stock Exchange***

Quantity of securities of the issue: ***10,000,000***

Total par value of the securities issue: ***10,000,000,000***

Par value: ***1,000***

In accordance with the laws of the Russian Federation, this type of security comes without a par value: **No**

Status of securities of the issue: ***the placement is pending***

Pending the state registration of the securities issue report: **Yes**

Quantity of interest (coupon) periods for which income (coupons, interest) is paid in relation to securities of the issue: **60**

Maturity (redemption date) of the issue of securities: ***on the 10,920th day after the start date of the placement of exchange-traded bonds***

Maturity is a specific calendar date: **No**

Webpage containing the text of the Decision on the Securities Issue and the text of the Securities Prospectus: ***www.rosseti.ru/investors/emission/exchange_bonds/; http://www.e-disclosure.ru/portal/files.aspx?id=13806&type=7***

Additional issues of securities: **None**

No outstanding obligations in relation to securities of the issue

Type of security: ***exchange-traded bonds***

Form of security: *certificated bearer bonds*

Series: *BO-07*

Other identification characteristics of securities: *inconvertible interest-bearing certificated bearer exchange-traded bonds, Series BO-07, subject to mandatory centralized custody*

The securities issue was not subject to state registration: *Yes*

Identification number of the issue: *4B02-07-55385-E*

Identification number date: *April 28, 2014*

Identification number assigned by: *MICEX Stock Exchange*

Quantity of securities of the issue: *10,000,000*

Total par value of the securities issue: *10,000,000,000*

Par value: *1,000*

In accordance with the laws of the Russian Federation, this type of security comes without a par value: *No*

Status of securities of the issue: *the placement is pending*

Pending the state registration of the securities issue report: *Yes*

Quantity of interest (coupon) periods for which income (coupons, interest) is paid in relation to securities of the issue: *60*

Maturity (redemption date) of the issue of securities: *on the 10,920th day after the start date of the placement of exchange-traded bonds*

Maturity is a specific calendar date: *No*

Webpage containing the text of the Decision on the Securities Issue and the text of the Securities Prospectus: *www.rosseti.ru/investors/emission/exchange_bonds/; <http://www.e-disclosure.ru/portal/files.aspx?id=13806&type=7>*

Additional issues of securities: *None*

No outstanding obligations in relation to securities of the issue

Type of security: *exchange-traded bonds*

Form of security: *certificated bearer bonds*

Series: *BO-08*

Other identification characteristics of securities: *inconvertible interest-bearing certificated bearer exchange-traded bonds, Series BO-08, subject to mandatory centralized custody*

The securities issue was not subject to state registration: *Yes*

Identification number of the issue: *4B02-08-55385-E*

Identification number date: *April 28, 2014*

Identification number assigned by: *MICEX Stock Exchange*

Quantity of securities of the issue: *15,000,000*

Total par value of the securities issue: *15,000,000,000*

Par value: *1,000*

In accordance with the laws of the Russian Federation, this type of security comes without a par value: *No*

Status of securities of the issue: *the placement is pending*

Pending the state registration of the securities issue report: *Yes*

Quantity of interest (coupon) periods for which income (coupons, interest) is paid in relation to securities of the issue: *20*

Maturity (redemption date) of the issue of securities: *on the 3,640th day after the start date of the placement of exchange-traded bonds*

Maturity is a specific calendar date: *No*

Webpage containing the text of the Decision on the Securities Issue and the text of the Securities Prospectus: www.rosseti.ru/investors/emission/exchange_bonds/; <http://www.e-disclosure.ru/portal/files.aspx?id=13806&type=7>

Additional issues of securities: *None*

No outstanding obligations in relation to securities of the issue

Type of security: *exchange-traded bonds*

Form of security: *certificated bearer bonds*

Series: *BO-09*

Other identification characteristics of securities: *inconvertible interest-bearing certificated bearer exchange-traded bonds, Series BO-09, subject to mandatory centralized custody*

The securities issue was not subject to state registration: *Yes*

Identification number of the issue: *4B02-09-55385-E*

Identification number date: *April 28, 2014*

Identification number assigned by: *MICEX Stock Exchange*

Quantity of securities of the issue: *15,000,000*

Total par value of the securities issue: *15,000,000,000*

Par value: *1,000*

In accordance with the laws of the Russian Federation, this type of security comes without a par value: *No*

Status of securities of the issue: *the placement is pending*

Pending the state registration of the securities issue report: *Yes*

Quantity of interest (coupon) periods for which income (coupons, interest) is paid in relation to securities of the issue: *40*

Maturity (redemption date) of the issue of securities: *on the 7,280th day after the start date of the placement of exchange-traded bonds*

Maturity is a specific calendar date: *No*

Webpage containing the text of the Decision on the Securities Issue and the text of the Securities Prospectus: www.rosseti.ru/investors/emission/exchange_bonds/; <http://www.e-disclosure.ru/portal/files.aspx?id=13806&type=7>

Additional issues of securities: *None*

No outstanding obligations in relation to securities of the issue

Type of security: *exchange-traded bonds*

Form of security: *certificated bearer bonds*

Series: *BO-10*

Other identification characteristics of securities: *inconvertible interest-bearing certificated bearer exchange-traded bonds, Series BO-10, subject to mandatory centralized custody*

The securities issue was not subject to state registration: *Yes*

Identification number of the issue: *4B02-10-55385-E*

Identification number date: *April 28, 2014*

Identification number assigned by: *MICEX Stock Exchange*

Quantity of securities of the issue: **15,000,000**

Total par value of the securities issue: **15,000,000,000**

Par value: **1,000**

In accordance with the laws of the Russian Federation, this type of security comes without a par value: **No**

Status of securities of the issue: ***the placement is pending***

Pending the state registration of the securities issue report: **Yes**

Quantity of interest (coupon) periods for which income (coupons, interest) is paid in relation to securities of the issue: **40**

Maturity (redemption date) of the issue of securities: ***on the 7,280th day after the start date of the placement of exchange-traded bonds***

Maturity is a specific calendar date: **No**

Webpage containing the text of the Decision on the Securities Issue and the text of the Securities Prospectus: ***www.rosseti.ru/investors/emission/exchange_bonds/; http://www.e-disclosure.ru/portal/files.aspx?id=13806&type=7***

Additional issues of securities: **None**

No outstanding obligations in relation to securities of the issue

8.4. Information Concerning the Person(s) That Provided Collateral for Collateralized Bonds of the Issuer and Concerning the Conditions for Securing the Performance of Obligations with Respect to Collateralized Bonds of the Issuer

The issuer did not apply for registration of the prospectus for collateralized bonds; the collateralized bonds were not admitted for trading on the stock exchange.

8.4.1. Conditions for Securing the Performance of Obligations with Respect to Mortgage-Backed Bonds

The issuer has not offered any mortgage-backed bonds with pending obligations.

8.5. Information Concerning Entities Recording the Rights to the Issue-Grade Securities of the Issuer

Information contained in this paragraph remained unchanged in the reporting quarter.

8.6. Information Concerning Legislative Acts Governing Capital Import/Export Aspects Which May Affect Dividend, Interest and Other Payments to Nonresidents

Information contained in this paragraph remained unchanged in the reporting quarter.

8.7. Description of the Procedure for Taxation of Income from the Issue-Grade Securities (Being) Placed by the Issuer

The taxation of income from the issue-grade securities (to be) placed by the issuer is governed by the Tax Code of the Russian Federation (hereinafter also referred to as the "TC") and other legal regulations of the Russian Federation enacted in accordance with the Tax Code of the Russian Federation.

Tax Rates

	Corporate Entities		Individuals	
Type of Income	Residents	Nonresidents	Type of Income	Residents
Income from	20% (including:	20%	13%	30%

the sale of securities	2% to the federal budget; 18% to the budget of the constituent entity)	(subparagraph 1 of paragraph 2 of Article 284 of the TC of the Russian Federation)		
Dividend income from Russian entities	0% (subparagraph 1 of paragraph 3 of Article 284 of the TC of the Russian Federation) and 9% (subparagraph 2 of paragraph 3 of Article 284 of the TC of the Russian Federation)	15% (subparagraph 3 of paragraph 3 of Article 284 of the TC of the Russian Federation)	9%	15%

Procedure for the taxation of individuals.

Tax type: income tax.

Income from sources in the Russian Federation includes:

- dividends and interest received from the Russian entity and interest received from Russian self-employed entrepreneurs and/or foreign entity with respect to the activities of its separate division in the Russian Federation;

- income from the sale in the Russian Federation of shares or other securities and stakes in the authorized capital of entities.

Tax base.

The taxpayer's income in the form of monetary benefit is the monetary benefit from purchasing securities. Tax base is determined as the market value of securities adjusted for the margin of fluctuation of the market price of securities exceeding the sum of actual expenses incurred by the taxpayer in connection with purchasing securities. The procedure for determining the market price of securities and the margin of fluctuation of the market price of securities is prescribed by the federal executive authority in charge of the securities market upon agreement with the Ministry of Finance of the Russian Federation.

The tax base for income from operations involving securities is adjusted for income from the following operations:

- purchase and sale of securities traded in the organized securities market;
- purchase and sale of securities not traded in the organized securities market.

Securities traded in the organized securities market are as follows:

- securities admitted to a Russian securities trading institutor's trading, including on stock exchanges;
- investment shares in open-end unit investment funds managed by Russian management companies;
- securities issued by foreign entities and admitted to trading on foreign stock exchanges.

The financial result of securities transactions is defined as income from transactions less properly documented expenses actually incurred by the taxpayer in connection with the acquisition, sale, and storage of securities.

The above-mentioned expenses include:

- amounts payable to the issuer of securities (management company of a unit investment fund) as payment for placed (delivered) securities, and amounts payable under a securities purchase agreement, including coupon amounts;

- payment for services provided by professional participants in the securities market, stock exchange intermediaries, and clearing centers;

- expenses reimbursable to a professional participant in the securities market or a management company engaged in asset management related to a unit investment fund;

- stock exchange fee (commission);

- payment for the registrar's services;

- tax paid by the taxpayer on securities received by virtue of inheritance;

- tax paid by the taxpayer on shares and stakes received by virtue of gift in accordance with paragraph 18.1 of Article 217 of the Tax Code;

- interest paid by the taxpayer on loans and advances taken to conduct securities transactions within the limits calculated, if such loans and advances are denominated in Russian rubles, at the refinancing rate of the

Bank of Russia as of the interest payment date increased 1.1-fold or, if such loans and advances are denominated in foreign currency, at 9 percent;

- other expenses directly associated with securities transactions or forward transaction instruments, and transactions associated with services provided by professional participants in the securities market or management companies engaged in asset management related to unit investment funds as part of their professional activities.

In this connection, any expenses that cannot be directly attributed to a reduction in income from transactions involving securities traded or not traded in the organized securities market or to a reduction in the relevant type of income are distributed in proportion to the share of each type of income.

Any negative financial result produced in the tax period with respect to specific securities transactions reduces the financial result in the tax period as an aggregate of the relevant transactions.

In this connection, in the case of transactions involving securities traded in the organized securities market, the amount of the negative financial result reducing the financial result of transactions involving securities traded in the organized securities market is determined taking account of the ceiling and bottom values of the fluctuating market price of securities.

Any negative financial result produced in the tax period with respect to specific transactions involving securities that are not traded in the organized securities market but, at the time of their acquisition, were regarded as traded in the organized securities market may reduce the financial result produced in the tax period with respect to transactions involving securities that are traded in the organized securities market.

Any negative financial result related to an aggregate of transactions is recognized as a loss. Losses related to securities are accounted for in accordance with the procedure provided for in Articles 214.1 and 220.1 of the Tax Code.

The date of actual income receipt is defined as the day of:

- payment of income, including the crediting of income to the taxpayer's bank accounts or, on the taxpayer's instructions, to third party accounts (when income is received in cash);
- acquisition of securities (where income is received as financial benefit).

The tax base for securities transactions is determined upon the expiration of the tax period.

The tax agent determines the tax base for the taxpayer in relation to all kinds of income from transactions conducted by the tax agent in favor of the taxpayer.

The tax amount is assessed, withheld, and paid, less the relevant expenses, by the tax agent upon expiration of the tax period or before the expiration of the tax period or before the expiration of the asset management agreement in accordance with the procedure set forth in Chapter 23 of the Tax Code.

If it is not possible to withhold from the taxpayer any assessed tax amount, whether in full or in part, then the tax agent should, within one month after this event occurs, notify in writing the tax authority having jurisdiction over its domicile that it is not possible to withhold such tax and of the taxpayer's tax arrears. In such case, tax should be paid in accordance with Article 228 of the Tax Code

Procedure for the taxation of corporate entities.

Tax type: profit tax.

Income includes:

- revenue from the sale of securities (sales income);
- nonoperating income in the form of interest income and coupon income from securities and/or stakes in other entities.

Tax base.

The taxpayer's income from transactions related to the sale or any other disposal of securities (including redemption) is determined based on the price of sale or any other disposal of a security, plus the amount of accumulated interest (coupon) income paid by the buyer to the taxpayer and the amount of interest (coupon) income paid to the taxpayer by the issuer (maker). However, the taxpayer's income from the sale or any other disposal of securities should not include any amount of interest (coupon) income that has already been recognized for tax purposes.

Expenses in connection with the sale (or any other disposal) of securities are determined based on the security acquisition price (including expenses in connection with its acquisition), costs in connection with its sale, and the amount of discounts on the calculated value of investment units and on the value of accumulated interest (coupon) income paid by the taxpayer to the security seller.

Securities are recognized as traded in the organized securities market, provided that all of the following conditions are fulfilled:

- 1) they are admitted to trading by at least one trading institutor authorized by national laws;

2) information about their prices (quotations) is published in the mass media (including electronic media) or can be provided by the trading institutor or any other duly authorized entity to any person concerned within three years of the date transactions involving securities are completed;

3) over the past three months preceding the date when the taxpayer completes the transaction involving such securities, their market quotation has been calculated where provided for by the applicable laws.

The market price of securities traded in the organized securities market for tax purposes is the actual price of sale or any other disposal of securities if this price is between the bottom and ceiling prices of transactions (price range) involving the above-mentioned security registered by the trading institutor in the securities market on the date of such transaction. If any securities traded in the organized securities market are sold (acquired) at a price lower than the bottom price (higher than the ceiling price) of transactions in the organized securities market, then the bottom (ceiling) price of a transaction in the organized securities market is used for determining the financial result.

With respect to any securities that are not traded in the organized securities market, the actual transaction price is recognized as such for tax purposes if such price is within the bottom and ceiling prices determined based on the calculated security price and on the maximum price deviation.

The maximum security price deviation related to securities that are not traded in the organized securities market is 20 percent more or less than the calculated security price.

If any securities that are not traded in the organized securities market are sold (acquired) at a price lower than the bottom price (higher than the ceiling price) determined based on the calculated security price and on the maximum price deviation, then, the determination of the financial result for tax purposes uses the bottom (ceiling) price determined based on the calculated security price and on the maximum price deviation.

For the purposes of this chapter, the procedure for determining the calculated price of securities that are not traded in the organized securities market is prescribed by the Central Bank of the Russian Federation upon agreement with the Ministry of Finance of the Russian Federation. The calculated price of securities that are not traded in the organized securities market is determined in accordance with the procedure specified in Order of the Federal Financial Markets Service of the Russian Federation No. 10-66/pz-n of November 9, 2010.

The methods used by the issuer for determining the calculated price of securities that are not traded in the organized securities market are contained in paragraph 20.3.4.4 of the Accounting Policy.

In this connection, taxpayers (with the exception of professional participants in the securities market involved in dealer activities) determine the tax base for transactions involving securities that are traded in the organized securities market separately from the tax base for transactions involving securities that are not traded in the organized securities market.

In the case of the sale or any other disposal of securities, the taxpayer selects, at its discretion, either of the following methods of expensing the value of securities disposed of in accordance with the accounting policy adopted for tax purposes:

- 1) based on the value of first-in acquisitions (FIFO); or
- 2) based on the unit value.

In accordance with the issuer's accounting policy, the value of securities disposed of is expensed as follows:

- 1) in the case of issue-grade securities (shares, bonds, etc.), based on the value of first-in acquisitions (FIFO); or
- 2) in the case of non-issue-grade securities (notes, deeds of pledge, checks, etc.), based on the unit value

Taxpayers that incur any loss(es) from transactions involving securities in the previous tax period(s) are entitled to reduce the tax base for transactions involving securities in the reporting (tax) period (carry forward the above-mentioned losses) in accordance with the procedure and upon the terms and conditions provided for in Article 283 of the Tax Code.

In this connection, any losses from transactions involving securities that are not traded in the organized securities market incurred in the previous tax period(s) may be used to reduce the tax base for transactions involving such securities, which tax base is determined in the reporting (tax) period. Losses from transactions involving securities that are traded in the organized securities market incurred in the previous tax period(s) may be used to reduce the tax base from transactions related to the sale of this category of securities.

During the tax period, losses incurred in the relevant reporting period from transactions involving securities that are traded in the organized securities market and securities that are not traded in the organized securities market are carried forward separately for the above-mentioned categories of securities within the profit from transactions involving such securities.

If any foreign entity's tax agent pays income that, in accordance with international conventions (agreements) is taxable in the Russian Federation at reduced rates, then income tax amounts are assessed and

withheld by the tax agent at the applicable reduced rates, provided that such foreign entity provides the tax agent with evidence specified in paragraph 1 of Article 312 of the Tax Code of the Russian Federation.

Where the provisions of international conventions to which the Russian Federation is a party apply, any foreign entity must provide evidence for the tax agent paying income to the effect that such foreign entity is permanently resident in the country that is a party to an international convention (agreement) with the Russian Federation for taxation, which evidence must be certified by the duly authorized agency of the relevant foreign country. If such evidence is in a foreign language, the tax agent should also be provided with its Russian translation.

Where any foreign entity entitled to receive income provides evidence for the tax agent paying income prior to the date of payment of income with respect to which an international convention to which the Russian Federation is a party provides for preferential tax treatment in the Russian Federation, such income is exempt from withholding tax or is subject to withholding tax at reduced rates.

8.8. Information Concerning Declared (Accrued) and Paid Dividends on the Issuer's Shares and Yield on the Issuer's Bonds

8.8.1. Information Concerning Declared and Paid Dividends on the Issuer's Shares

Dividend period

Year: **2010**

Period: **full year**

Issuer's management body that approved the decision to declare dividends: **Annual General Meeting of Shareholders of JSC IDGC Holding**

Date of the meeting held by the issuer's management body that approved the decision to pay (declare) dividends: **June 22, 2011**

Date of the list of the persons entitled to dividends for this dividend period: **May 17, 2011**

Date of the minutes of the meeting: **June 24, 2011**

Number of the minutes of the meeting: **N/A**

Category (type) of shares: **ordinary shares**

Amount of declared dividends on shares of this category (type) on a per share basis, rubles: **0**

Total amount of declared dividends on all shares of this category (type), rubles: **0**

Total amount of paid dividends on all of the issuer's shares of one category (type), rubles: **0**

Source for payment of declared dividends: **the Annual General Meeting of Shareholders decided (Minutes of June 24, 2011) to pay no dividends on the Company's ordinary shares based on performance results in 2010**

Declared dividends as a percentage of the reporting year's net profit, %: **0**

Paid dividends as a percentage of the total amount of declared dividends on shares of this category (type), %: **0**

Category (type) of shares: **preference shares**

Amount of declared dividends on shares of this category (type) on a per share basis, rubles: **0.05**

Total amount of declared dividends on all shares of this category (type), rubles: **103,757,469.2**

Total amount of paid dividends on all of the issuer's shares of one category (type), rubles: **100,111,340.2**

Source for payment of declared dividends: **profit based on performance results in 2010**

Declared dividends as a percentage of the reporting year's net profit, %: **0.21**

Paid dividends as a percentage of the total amount of declared dividends on shares of this category (type), %: **96.49**

Payment period applicable to declared dividends on the issuer's shares:

Dividends are paid within 60 days after the decision to pay such dividends is adopted.

Method and other conditions of payment of declared dividends on the issuer's shares:

Dividends on JSC IDGC Holding's preference shares based on performance results in 2010 are paid in the amount of 0.05 ruble per preference share in the Company in cash.

Declared dividends on the issuer's shares were not paid in full.

Reasons for failure to pay declared dividends:

Dividends based on performance results in 2010 were paid to all of the persons included on the dividend payee list, excluding the persons failing to provide such accurate and complete details as necessary for dividend payment.

Dividend period

Year: **2011**

Period: **full year**

Issuer's management body that approved the decision to declare dividends: **Annual General Meeting of Shareholders of JSC IDGC Holding**

Date of the meeting held by the issuer's management body that approved the decision to pay (declare) dividends: **June 30, 2012**

Date of the list of the persons entitled to dividends for this dividend period: **May 25, 2012**

Date of the minutes of the meeting: **July 4, 2012**

Number of the minutes of the meeting: **N/A**

Category (type) of shares: **ordinary shares**

Amount of declared dividends on shares of this category (type) on a per share basis, rubles: **0**

Total amount of declared dividends on all shares of this category (type), rubles: **0**

Total amount of paid dividends on all of the issuer's shares of one category (type), rubles: **0**

Source for payment of declared dividends: **the Annual General Meeting of Shareholders decided (Minutes of July 4, 2012) to pay no dividends on the Company's ordinary shares based on performance results in 2011**

Declared dividends as a percentage of the reporting year's net profit, %: **0**

Paid dividends as a percentage of the total amount of declared dividends on shares of this category (type), %: **0**

Category (type) of shares: **preference shares**

Amount of declared dividends on shares of this category (type) on a per share basis, rubles: **0**

Total amount of declared dividends on all shares of this category (type), rubles: **0**

Total amount of paid dividends on all of the issuer's shares of one category (type), rubles: **0**

Source for payment of declared dividends: **the Annual General Meeting of Shareholders decided (Minutes of July 4, 2012) to pay no dividends on the Company's preference shares based on performance results in 2011**

Declared dividends as a percentage of the reporting year's net profit, %: **0**

Paid dividends as a percentage of the total amount of declared dividends on shares of this category (type), %: **0**

Category (type) of shares: **preference shares**

Amount of declared dividends on shares of this category (type) on a per share basis, rubles: **0.07**

Total amount of declared dividends on all shares of this category (type), rubles: **145,260,456.88**

Total amount of paid dividends on all of the issuer's shares of one category (type), rubles: **139,842,404.83**

Source for payment of declared dividends: **undistributed profits of prior years**

Declared dividends as a percentage of undistributed net profits of prior years, %: **0.1**

Declared dividends as a percentage of the reporting year's net profit, %: **0**

Paid dividends as a percentage of the total amount of declared dividends on shares of this category (type), %: **96.27**

Payment period applicable to declared dividends on the issuer's shares:

Dividends are paid within 60 days after the decision to pay such dividends is adopted.

Method and other conditions of payment of declared dividends on the issuer's shares:

The Annual General Meeting of Shareholders decided (Minutes of July 4, 2012) as follows:

1. Dividends on the Company's preference and ordinary shares based on performance results in 2011 shall not be paid.

2. Dividends on the Company's preference shares shall be paid out of undistributed profits of prior years in the amount of 0.07 ruble per preference share in the Company within 60 days after the decision to pay such dividends is adopted.

Dividends on preference shares in JSC IDGC Holding are paid in cash.

Declared dividends on the issuer's shares were not paid in full.

Reasons for failure to pay declared dividends:

Dividends based on performance results in 2011 were paid to all of the persons included on the dividend payee list, excluding the persons failing to provide such accurate and complete details as necessary for dividend payment.

Dividend period

Year: **2012**

Period: **full year**

Issuer's management body that approved the decision to declare dividends: **General Meeting of Shareholders (Members)**

Date of the meeting held by the issuer's management body that approved the decision to pay (declare) dividends: **June 28, 2013**

Date of the list of the persons entitled to dividends for this dividend period: **May 23, 2013**

Date of the minutes of the meeting: **July 1, 2013**

Number of the minutes of the meeting: **N/A**

Category (type) of shares: **ordinary shares**

Amount of declared dividends on shares of this category (type) on a per share basis, rubles: **0**

Total amount of declared dividends on all shares of this category (type), rubles: **0**

Total amount of paid dividends on all of the issuer's shares of one category (type), rubles: **0**

Source for payment of declared dividends: **the Annual General Meeting of Shareholders decided to pay no dividends on the Company's ordinary shares based on performance results in 2012**

Declared dividends as a percentage of the reporting year's net profit, %: **0**

Paid dividends as a percentage of the total amount of declared dividends on shares of this category (type), %: **0**

Category (type) of shares: **preference shares**

Amount of declared dividends on shares of this category (type) on a per share basis, rubles: **0**

Total amount of declared dividends on all shares of this category (type), rubles: **0**

Total amount of paid dividends on all of the issuer's shares of one category (type), rubles: **0**

Source for payment of declared dividends: **the Annual General Meeting of Shareholders decided to pay no dividends on the Company's preference shares out of the Company's net profit based on performance results in 2012**

Declared dividends as a percentage of the reporting year's net profit, %: **0**

Paid dividends as a percentage of the total amount of declared dividends on shares of this category (type), %: **0**

Category (type) of shares: **preference shares**

Amount of declared dividends on shares of this category (type) on a per share basis, rubles: **0.08**

Total amount of declared dividends on all shares of this category (type), rubles: **166,011,950.72**
Total amount of paid dividends on all of the issuer's shares of one category (type), rubles: **159,512,586.68**
Source for payment of declared dividends: **undistributed profits of prior years**
Declared dividends as a percentage of undistributed net profits of prior years, %: **0.23**
Declared dividends as a percentage of the reporting year's net profit, %: **0**
Paid dividends as a percentage of the total amount of declared dividends on shares of this category (type), %: **96.09**

Payment period applicable to declared dividends on the issuer's shares:

Dividends are paid within 60 days after the decision to pay such dividends is adopted.

Method and other conditions of payment of declared dividends on the issuer's shares:

The Annual General Meeting of Shareholders decided (Minutes of July 1, 2013) as follows:

1. Dividends on the Company's preference and ordinary shares based on performance results in 2012 shall not be paid.

2. Dividends on the Company's preference shares shall be paid out of undistributed profits of prior years in the amount of 0.08 ruble per preference share in the Company within 60 days after the decision to pay such dividends is adopted.

Dividends on preference shares in JSC Russian Grids are paid in cash.

Declared dividends on the issuer's shares were not paid in full.

Reasons for failure to pay declared dividends:

Dividends based on performance results in 2012 were paid to all of the persons included on the dividend payee list, excluding the persons failing to provide such accurate and complete details as necessary for dividend payment.

It was not decided to pay dividends for 2008, 2009, or 2013.

8.8.2. Information Concerning Accrued and Paid Yields on the Issuer's Bonds

Information concerning each issue of bonds the yield on which was paid for the 5 most recently closed fiscal years or, if the issuer has operated for less than 5 years, for each closed fiscal year and over the period from the first date of the current year to the last date of the reporting quarter.

As of June 30, 2014, no bonds were placed.

8.9. Other Information

On June 30, 2014, the Annual General Meeting of Shareholders of JSC Russian Grids resolved to approve a restated version of the Articles of Association of JSC Russian Grids. Since, as of the date of this Quarterly Report, the Articles of Association of JSC Russian Grids (restated version) were not registered, the information used herein is in accordance with the Company's Articles of Association registered on August 22, 2011, as amended and supplemented.

Information concerning the contents of the restated version of the Articles of Association of JSC Russian Grids:

APPROVED

by the decision of the Annual General
Meeting of

Shareholders of JSC ROSSETI

June 30, 2014

(the Minutes of July 1, 2014)

(the restated version of the Articles of
Association of the Company was registered on
July 25, 2014)

ARTICLES OF ASSOCIATION
of
Joint Stock Company
ROSSETI
(restated version)

Moscow
2014

Article 1. General

1.1. Joint Stock Company ROSSETI (hereinafter, the “Company”), previously known as JSC Interregional Distribution Grid Companies Holding, is established as a result of the reorganization of RAO UES of Russia through a spin-off in accordance with the decision of the Extraordinary General Meeting of Shareholders of RAO UES of Russia (the Minutes of October 30, 2007).

1.2. The Company’s activities shall be governed by the Civil Code of the Russian Federation, the Federal Law “On Joint-Stock Companies,” the Federal Law “On the Electric Power Industry,” the Federal Law “On Particular Issues of Functioning of the Electric Power Industry and on Amendments to Certain Legal Acts of the Russian Federation and Invalidation of Certain Legal Acts of the Russian Federation in Connection with the Enactment of the Federal Law ‘On the Electric Power Industry’,” other laws and regulations of the Russian Federation, and these Articles of Association.

1.3. The full corporate name of the Company is “Открытое акционерное общество «Российские сети»” in the Russian language and “Joint Stock Company ROSSETI” in the English language.

1.4. The short corporate name of the Company is “ОАО «Россети»” in the Russian language and “JSC ROSSETI” in the English language.

The previous short corporate name of the Company is “ОАО «Холдинг МРСК»” in the Russian language and “JSC IDGC Holding” and “JSC Russian Grids” in the English language.

The previous full corporate name of the Company is “Joint Stock Company Russian Grids” in the English language.

The Company’s registered address is Russia, 121353, Moscow, ul. Belovezhskaya, 4.

The period of the Company’s duration shall be perpetual.

Article 2. Legal Status and Liability of the Company

2.1. The legal status of the Company shall be subject to the Civil Code of the Russian Federation, the Federal Law “On Joint-Stock Companies,” other laws and regulations of the Russian Federation, and these Articles of Association.

2.2. The Company is a corporate entity pursuant to the laws of the Russian Federation.

2.3. The Company is a legal successor to RAO UES of Russia in relation to the rights and obligations of RAO UES of Russia that have transferred to the Company in accordance with the separation balance sheet.

2.4. The Company shall hold legal title to its separate assets accounted for in its own balance sheet; it may, on its own behalf, acquire and exercise property rights and personal non-property rights, perform duties, act as a claimant and respondent in court.

2.5. The Company may open bank accounts within and outside the Russian Federation in accordance with the prescribed procedure.

2.6. The Company shall be liable with respect to its liabilities with all of its property.

The Company shall not be liable with respect to any liabilities of the state and its authorities or any liabilities of its shareholders.

The shareholders of the Company shall not be liable with respect to any liabilities of the Company, except where otherwise provided for in the laws of the Russian Federation.

The shareholders may dispose of their shares without the consent of the other shareholders or the Company.

The shareholders of the Company shall bear the risk of loss associated with its activities to the extent of the value of their shareholdings.

2.7. The Company shall have a round seal bearing its full name in Russian and specifying its registered address.

The Company may have stamps, letterheads bearing its corporate name, its own corporate logo, and a duly registered trademark and other visual identity means.

2.8. The Company shall have civil rights and obligations necessary to carry out any activities that are not forbidden by federal laws.

2.9. The Company may establish branch offices and open representative offices both within and outside the Russian Federation.

The Company's branch offices and representative offices are not corporate entities and act on behalf of the Company and pursuant to the regulations approved by the Company.

The Company's branch offices and representative offices are provided with property to be accounted for in their standalone balance sheets and in the balance sheet of the Company.

The manager of any branch office or representative office of the Company shall be appointed by the Director General of the Company and shall act under the power of attorney issued by the Company.

The Company shall be responsible for the activities of its branch office and representative office.

The details of the Company's branch offices and representative offices (if any) are specified in the Appendix to these Articles of Association.

2.10. The Company may have subsidiaries and dependent companies vested with the rights of corporate entities established, if existing within the Russian Federation, in accordance with the Federal Law "On Joint-Stock Companies," other federal laws, and these Articles of Association or, if existing outside the Russian Federation, in accordance with the laws of the foreign country where a subsidiary or dependent company is domiciled, unless otherwise provided for in any international treaty to which the Russian Federation is a party.

Article 3. Purpose and Scope of Business of the Company

3.1. The principal purposes of the Company's activities are as follows:

- earn profit for the Company;
- manage the electric grid sector;
- ensure the Russian Federation's control over the activities of the territorial grid organizations established in the course of reorganizing joint-stock companies for energy and electrification and over the activities of the organization managing the Unified National (All-Russian) Electric Grid;
 - ensure the reliable functioning and development of the electric grid sector;
 - create the necessary conditions for attracting investment with the aim of developing and enhancing the efficiency of the electric grid sector's activities;
 - organize work on introducing advanced research results and innovative solutions into the electric grid sector.

3.2. For the purposes of earning profit, the Company may be engaged in any activities that are not forbidden by law, including:

- exercise of the rights of a shareholder (member) of the economic entities whose shares (stakes) are held by the Company;
- exercise of the authority vested in executive bodies of joint-stock companies and other economic entities in accordance with the procedure provided for in law and agreements entered into by the Company;
 - development of electric grids and other electric grid facilities, including design, engineering research, construction, rehabilitation, re-equipment, installation, and equipment adjustment;
 - development of communications and remote control networks, instrumentation and metering devices, protective relaying and automated emergency control equipment, and other process equipment related to the operation of electric grid facilities, including design, engineering research, construction, rehabilitation, re-equipment, installation, and equipment adjustment;
 - building inspection activities as a property developer or owner under contracts with engaged corporate entities or individual entrepreneurs;
 - organization of construction, rehabilitation, and overhaul repair activities as a property developer or owner under contracts with engaged corporate entities or individual entrepreneurs

(general contractors);

- activities in energy conservation and energy efficiency enhancement;
- asset management;
- provision of advisory services;
- securities-related transactions in accordance with the procedure set forth in the applicable laws of the Russian Federation;
- agency activities;
- design and estimate, exploration, and research and development work;
- foreign economic activities;
- forwarding services;
- performance of work determining the conditions of synchronous operation in accordance with the United Power System of Russia modes under contracts;
- operation of energy facilities that are not owned by the Company under contracts with the owners of such facilities;
- activities related to work associated with environment protection;
- activities related to environmental impact, environment protection, the use of natural resources, and the recovery, storage, and removal of industrial waste;
- supervision over the safe maintenance of electric and heat-consuming equipment used by customers connected to the Company's thermal and electric networks;
- educational activities, including extended education;
- training and knowledge evaluation with respect to rules, regulations, and guidelines related to operational maintenance, occupational health and safety, industrial safety, and fire protection;
- organization and performance of defense activities in connection with mobilization training, civil defense, emergencies, and the protection of national security information in accordance with the laws of the Russian Federation;
- safeguarding activities only for the purposes of the Company's own security within the Security Service of the Company whose operations shall be governed by the Law of the Russian Federation "On Private Detective and Safeguarding Activities in the Russian Federation" and the laws of the Russian Federation;
- support for the operation of power equipment in accordance with the applicable regulations; timely and high quality repair of power equipment; technical upgrading and rehabilitation of power facilities;
- energy supply to customers connected to the Company's electricity and heat networks under contracts;
- mastering of new equipment and technology ensuring the efficient, safe, and environmentally acceptable operation of the Company's facilities;
- activities related to the operation of heat networks;
- development of communications equipment and the provision of communications services;
- storage of oil and its derived products;
- operation of explosion-hazardous production facilities;
- operation of fire-hazardous production facilities;
- operation and maintenance of facilities supervised by the Federal Service for Environmental, Technological and Nuclear Supervision of the Russian Federation;
- operation of buildings and structures;
- metrological support for production;
- activities related to the treatment of hazardous waste;
- activities related to the operation of in-house gas networks;
- activities related to the repair of measuring instruments;
- other activities.

3.3. Certain activities, listed by federal laws, may only be available to the Company subject to a special permit (license).

The Company's right to pursue an activity requiring a license shall arise when such license is granted or on a date specified in such license and shall terminate upon expiration of the license term

unless otherwise specified in law or any other regulations.

Article 4. Authorized Capital and Shares of the Company

4.1. The authorized capital of the Company is composed of the par value of the Company's shares purchased by its shareholders (outstanding shares).

The authorized capital of the Company is one hundred sixty-three billion, one hundred fifty-four million, two thousand, six hundred ninety-four (163,154,002,694) rubles and consists of one hundred sixty-three billion, one hundred fifty-four million, two thousand, six hundred ninety-four (163,154,002,694) shares.

4.2. The Company has placed shares of the following categories:

1) two billion, seventy-five million, one hundred forty-nine, three hundred eighty-four (2,075,149,384) preference shares, each with a par value of 1 ruble.

2) one hundred sixty-one billion, seventy-eight million, eight hundred fifty-three thousand, three hundred ten (161,078,853,310) ordinary shares, each with a par value of 1 ruble.

4.3. The authorized capital of the Company may be increased by raising the par value of the shares or by placing additional shares.

The authorized capital of the Company may be increased by placing additional shares against the Company's property. The Company's authorized capital may be increased by raising the par value of the shares only against the Company's property.

The amount of an increase in the authorized capital of the Company against the Company's property may not exceed the difference between the Company's net asset value and the sum of the Company's authorized capital and reserve fund.

Any decision to increase the authorized capital of the Company by raising the par value of the shares shall be adopted by the General Meeting of Shareholders of the Company.

The following may not be done unless by a decision of the Company's General Meeting of Shareholders on raising the Company's authorized capital, adopted by a majority of three-fourths of votes held by the voting share holders attending the General Meeting of Shareholders:

- place additional shares through a private offering;
- place, through a public offering, additional ordinary shares exceeding 25 percent of the previously placed ordinary shares.

In other cases, any decision to raise the authorized capital by placing additional shares shall be adopted by the Company's Board of Directors. Any decision of the Company's Board of Directors to raise the authorized capital by placing additional shares shall be adopted unanimously by all members of the Company's Board of Directors, disregarding the votes by retired members of the Company's Board of Directors. If there is no unanimity of the Board of Directors on raising the authorized capital by placing additional shares, the Board of Directors may decide to put such issue on the agenda of the General Meeting of Shareholders of the Company.

4.4. Payment for acquired shares may be in the form of money, securities, other property or property rights or any other rights having a money value.

4.5 The authorized capital of the Company may be increased only after it is paid for in full.

Payment for any additional shares placed by the Company may be made through offsetting of claims against the Company if provided for in the Federal Law “On Joint-Stock Companies.”

4.6. The authorized capital of the Company may be decreased by reducing the par value of the shares or by reducing their total quantity, including through the purchase and retirement of a part of the Company’s outstanding shares in accordance with these Articles of Association.

4.7. The authorized capital of the Company shall be decreased in accordance with the procedure set forth in the laws of the Russian Federation and these Articles of Association.

The Company shall be obliged to decrease its authorized capital where provided for in the Federal Law “On Joint-Stock Companies.”

4.8. The Company shall be entitled to purchase its outstanding shares pursuant to a decision adopted by the General Meeting of Shareholders to decrease the authorized capital of the Company by purchasing a part of the outstanding shares with a view to reducing their total quantity.

The General Meeting of Shareholders shall not have the right to adopt any decision to decrease the authorized capital of the Company by purchasing a part of the outstanding shares with a view to reducing their total quantity if, as a result of such decrease, the total par value of the outstanding shares will be less than the minimum size of the authorized capital specified in the Federal Law “On Joint-Stock Companies.”

Any shares purchased by the Company in accordance with this paragraph shall be retired upon the purchase thereof.

Pursuant to a decision adopted by the General Meeting of Shareholders, payment for the shares purchased in accordance with this paragraph may be made in cash and/or in kind.

4.9. In addition to its outstanding uncertificated registered ordinary shares, the Company authorizes fifty-seven billion, two hundred thirty-four million, eight hundred eighty-nine thousand, nine hundred thirty (57,234,889,930) shares, each with a par value of one (1) ruble, with the total par value of fifty-seven billion, two hundred thirty-four million, eight hundred eighty-nine thousand, nine hundred thirty (57,234,889,930) rubles.

The uncertificated registered ordinary shares authorized by the Company shall grant their holders the rights provided for in paragraph 5.2 of these Articles of Association.

Article 5. Rights and Obligations of Shareholders of the Company

5.1. Each ordinary share of the Company shall have the same par value and provide its holder with the same scope of rights.

5.2. Any holders of the Company’s ordinary shares shall have the following rights:

- take part in the Company’s General Meeting of Shareholders with a right to vote on all issues falling within its competence in person or by proxy;
- dispose of the shares that they hold without the consent of the other shareholders or the Company;
- receive a portion of the net profit (dividends) to be distributed among shareholders in accordance with the procedure provided for in the laws of the Russian Federation and these Articles of Association;
- access the Company’s documents in accordance with the procedure provided for in the laws of the Russian Federation and these Articles of Association;
- request that the Company buy back all or some of the shares that they hold where specified in the laws of the Russian Federation;

- enjoy the preemptive right if the Company makes a public placement of additional shares or issue-grade securities convertible into shares in proportion to the quantity of shares of that category (type) that they hold where specified in the laws of the Russian Federation;
- receive some of the Company's property (liquidation value) in accordance with the procedure provided for in the laws of the Russian Federation and these Articles of Association;
- exercise other rights specified in the laws of the Russian Federation, these Articles of Association, and decisions adopted by the General Meeting of Shareholders within its competence.

Conversion of ordinary shares into preference shares, bonds or any other securities shall not be permitted.

5.3. Each preference share of the Company shall have the same par value and provide its holder with the same scope of rights.

Preference share holders shall be entitled to a fixed annual dividend. The total amount to be paid as a dividend on each preference share shall be equal to ten (10) percent of the Company's net profit for the financial year divided by the number of shares constituting twenty-five (25) percent of the Company's authorized capital. If the amount of dividends payable by the Company on each ordinary share in a certain year exceeds the amount payable as a dividend on each preference share, the size of the dividend payable on the latter shall be increased to the size of the dividend payable on ordinary shares.

Dividends shall be paid to preference share holders annually within the time periods specified in paragraph 8.5 of these Articles of Association and, additionally, on the date of dividend payment for ordinary shares if, subject to this paragraph, the size of the dividend on preference shares shall be increased to the size of the dividend payable on ordinary shares.

5.4. The Company shall not be entitled to pay dividends on preference shares following a procedure different from the procedure provided for in these Articles of Association.

5.5. The Company shall not have the right to pay dividends on ordinary shares before it pays dividends on preference shares.

5.6. Preference share holders shall be entitled to attend General Meetings of Shareholders with a right to vote on all issues falling within its competence, starting from the meeting following the Annual General Meeting of Shareholders which, for any reason, does not decide to pay dividends or decides to pay partial dividends on preference shares. Preference share holders' right to attend General Meetings of Shareholders shall terminate from the date of the first full payment of dividends on such shares.

5.7. Preference share holders shall attend the Company's General Meeting of Shareholders with a right to vote in deciding issues pertaining to the Company's reorganization and liquidation.

Preference share holders shall acquire a right to vote when the Company's General Meeting of Shareholders discusses amendments to the Company's Articles of Association restricting the rights of holders of preference shares of such type and providing holders of preference shares of other types with advantages in terms of dividend payment priority and/or liquidation value of shares. Any decision on such amendments shall be deemed adopted if supported by at least three-fourths of votes held by the voting share holders attending the General Meeting of Shareholders, except for the votes of preference share holders, and three-fourths of votes held by all preference share holders.

Preference share holders owning a certain type of preference share shall acquire a right to vote when the Company's General Meeting of Shareholders discusses on an application for the delisting of such type of preference share. Any decision on such issues shall be deemed adopted if supported by at least three-fourths of votes held by the voting share holders attending the General Meeting of Shareholders, except for the votes of preference share holders owning such type of preference share, and three-fourths of votes held by all preference share holders owning such type of preference share.

5.8. The Company's shareholders shall have the preemptive right to acquire publicly placed additional shares of the Company and issue-grade securities convertible into the Company's shares in proportion to the number of their shares of that category (type).

The Company's shareholders who vote against or do not participate in the voting on any private placement of the Company's shares or issue-grade securities convertible into the Company's shares shall have the preemptive right to acquire additional shares and issue-grade securities convertible into the Company's shares and placed privately in proportion to the number of their shares of that category (type). The said right shall not apply to the private placement of shares and other issue-grade securities convertible into shares among the existing shareholders only if the shareholders may acquire a whole number of such shares or any other issue-grade securities convertible into shares in proportion to the number of their shares of the relevant category (type).

5.9. In the event that the Company is liquidated, the Company's property remaining after the creditors' claims are met shall be used for payments in the following order of priority:

first, payments for shares which shall be bought back pursuant to Article 75 of the Federal Law "On Joint-Stock Companies";

second, payment of accrued and unpaid dividends on preference shares and the liquidation value payable in relation to preference shares as specified in the Articles of Association of the Company;

third, distribution of the property among ordinary share holders and holders of all types of preference shares.

Article 6. Bonds and Other Issue-Grade Securities of the Company

6.1. The Company shall have the right to place bonds or any other issue-grade securities of the Company convertible into the Company's shares through a public or private offering.

6.2. Placement of issue-grade securities of the Company convertible into shares through a private offering shall require a decision of the Company's General Meeting of Shareholders adopted by a majority of three-fourths of votes held by the voting share holders attending the General Meeting of Shareholders.

Placement of issue-grade securities convertible into ordinary shares exceeding 25 percent of the previously placed ordinary shares through a public offering shall require a decision of the Company's General Meeting of Shareholders adopted by a majority of three-fourths of votes held by the voting share holders attending the General Meeting of Shareholders.

In other cases, the decision to place bonds and other issue-grade securities of the Company convertible into the Company's shares shall be adopted by the Company's Board of Directors.

6.3. Additional shares and other issue-grade securities of the Company placed through a subscription shall be placed only if they are fully paid

Article 7. Funds of the Company

7.1. The Company shall set up a reserve fund and, subject to a decision adopted by the Board of Directors, other funds and reserves which are necessary for its activities.

7.2. The Company shall have a reserve fund equal to five (5) percent of its authorized capital.

The reserve fund of the Company shall be designed to cover its losses and redeem the Company's bonds and buy back the Company's shares if there are no other funds available for these purposes, and it may not be used for any other purposes.

7.3. The procedure of forming and using the Company's funds shall be defined by the Company's Board of Directors.

Article 8. Dividends of the Company

8.1. The Company shall be entitled, based on the results of the first quarter, half, or nine months of the financial year and/or based on the results of the financial year, to decide on (declare) payment of dividends on the Company's outstanding shares, unless otherwise provided for in the Federal Law "On Joint-Stock Companies." Any decision to pay (declare) dividends based on the results of the first quarter, half, or nine months of the financial year may be adopted within three (3) months after the end of the relevant period.

The Company shall be obliged to pay the declared dividends on shares of each category (type), unless otherwise provided for in the Federal Law "On Joint-Stock Companies."

8.2. The General Meeting of Shareholders shall be entitled to decide not to pay dividends on shares of a certain category and not to pay dividends on preference shares in full.

8.3. The Company may not decide on (declare) payment of dividends on shares:

- until the Company's authorized capital is paid in full;
- until all shares to be bought back under Article 76 of the Federal Law "On Joint-Stock Companies" have been bought back;
- if, on the date of such decision, the Company meets the insolvency (bankruptcy) criteria under the laws of the Russian Federation on insolvency (bankruptcy) or if said criteria are met as a result of dividend payment;
- if, on the date of such decision, the net asset value of the Company is less than its authorized capital and reserve fund and the excess of the liquidation value of outstanding preference shares specified in these Articles of Association over the par value or becomes so following such decision;
- otherwise as provided for in federal laws.

8.4. The Company may not pay declared dividends on shares:

- if, on the date of such payment, the Company meets the insolvency (bankruptcy) criteria under the laws of the Russian Federation on insolvency (bankruptcy) or if said criteria are met as a result of dividend payment;

- if, on the date of such payment, the net asset value of the Company is less than its authorized capital and reserve fund and the excess of the liquidation value of outstanding preference shares specified in these Articles of Association over the par value or becomes so following such decision;

- otherwise as provided for in federal laws.

Upon cessation of the circumstances specified in this paragraph, the Company shall pay the declared dividends to the shareholders.

8.5. Any decision to pay (declare) dividends shall be subject to approval by the General Meeting of Shareholders. Such decision shall determine the amount of dividends on shares of each category (type), the dividend payment method, the dividend payment procedure other than in cash, and the date on which the persons entitled to dividends are determined. In this connection, any decision related to setting the date on which the persons entitled to dividends are determined shall be made only as proposed by the Company's Board of Directors. The amount of dividends may not exceed the amount of dividends recommended by the Company's Board of Directors.

Any decision to pay (declare) dividends on a certain type of preference share shall be adopted by a majority of votes held by the Company's voting share holders attending the General Meeting of Shareholders. In this connection, any votes held by preference share holders owning such type of preference share and cast "against" and "abstained" in relation to the voting variants shall not be taken into account for the purposes of tallying the votes and for the purposes of determining whether the General Meeting of Shareholders has a quorum to decide on such issue.

The date on which the persons entitled to dividends are determined in accordance with any decision to pay (declare) dividends may not be earlier than 10 days after the date of such decision to pay (declare) dividends or later than 20 days after the date of such decision.

Any dividend payment period in the case of such nominee shareholders and asset managers that are professional securities market participants as registered on the shareholder register shall not exceed 10 business days or, in the case of any other persons registered on the shareholder register, 25 business days after the date on which the persons entitled to dividends are determined.

8.6. Dividends shall be paid to the persons that hold shares of the relevant category (type) or the persons that exercise the rights attaching thereto under federal laws at the close of trading on the date on which the persons entitled to dividends are determined in accordance with any decision to pay (declare) dividends.

Payment of dividends in cash shall be made by bank transfer by the Company or, on its instructions, by the registrar keeping the Company's shareholder register or by a credit institution.

Payment of dividends in cash to any individuals whose rights to shares are recorded in the Company's shareholder register shall be made by postal order or, if so requested by such persons, by bank transfer into their accounts and, in the case of any other persons whose rights to shares are recorded in the Company's shareholder register, by bank transfer into their accounts. The Company shall be deemed to have performed its obligation to pay dividends to such persons as of the date when money is accepted by a federal postal organization for such postal order or as of the date when money is received by the credit institution that maintains the bank account of the person entitled to such dividends.

The persons that are entitled to dividends and whose rights to shares are recorded with any nominee shareholder shall receive dividends in cash in accordance with the procedure provided for in the securities laws of the Russian Federation. Any nominee shareholder that receives dividends and fails to perform the obligation to deliver such dividends as provided for in the securities laws of the

Russian Federation for any reason beyond the control of such nominee shareholder shall return them to the Company within 10 days after the expiration of a period of one month after the expiration date of the dividend payment period.

Any person failing to receive dividends because the correct and necessary address or bank details are not available to the Company or the registrar or due to any other delay on the part of the creditor shall have the right to submit a request to pay such dividends (unclaimed dividends) within three years after the decision to pay such dividends.

If any deadline for requests to pay unclaimed dividends is missed, such deadline may not be reset unless any person entitled to dividends fails to submit such request on account of violence or threats.

Upon the expiration of such period, the declared dividends that have not been claimed by any shareholder shall be restored as part of the Company's undistributed profit, and the obligation to pay such dividends shall terminate.

Article 9. Management Bodies of the Company

9.1. The Company's management bodies shall include:

- General Meeting of Shareholders;
- Board of Directors of the Company;
- Management Board of the Company (collegial executive body);
- Director General of the Company (sole executive body).

9.2. The Company's Internal Audit Commission shall control the Company's financial and economic activities.

Article 10. General Meeting of Shareholders of the Company

10.1. The Company's highest management body is the General Meeting of Shareholders.

Once a year, the Annual General Meeting of Shareholders shall be held, not earlier than five months and not later than six months after the end of the financial year.

The Annual General Meeting of Shareholders shall elect the Company's Board of Directors, the Company's Internal Audit Commission, approve the Company's Auditor, resolve issues specified in paragraph 10.2.10 of these Articles of Association, and it may resolve other issues falling within the competence of the Company's General Meeting of Shareholders.

Any General Meeting of Shareholders other than the Annual General Meeting of Shareholders shall be extraordinary.

The date and procedure of the General Meeting of Shareholders, the list of materials (information) provided for shareholders during preparations for the General Meeting of Shareholders shall be determined by the Company's Board of Directors in accordance with the provisions of the Federal Law "On Joint-Stock Companies," other laws and regulations, and these Articles of Association.

10.2. The competence of the General Meeting of Shareholders shall include the following issues:

1) amendments and supplements to the Company's Articles of Association or approval of a restated version of the Company's Articles of Association;

2) reorganization of the Company in accordance with the procedure provided for in federal law and these Articles of Association;

3) liquidation of the Company, appointment of a liquidation commission, and approval of an interim and final liquidation balance sheets;

4) election of members of the Company's Board of Directors and early termination of their powers, determination of the size of remuneration and compensation for members of the Company's Board of Directors;

5) determination of the quantity, par value, category (type) of authorized shares and rights attaching thereto;

6) increase in the Company's authorized capital by raising the par value of the shares or by placing additional shares of the Company where specified in these Articles of Association;

7) decrease in the Company's authorized capital by reducing the par value of the shares, by the Company's purchase of some shares in order to reduce their total quantity, and by retirement of the shares acquired or bought back by the Company;

8) election of members of the Company's Internal Audit Commission and early termination of their powers, determination of the size of remuneration and compensation for members of the Company's Internal Audit Commission;

9) approval of the Company's Auditor;

10) approval of annual reports, annual financial statements, including profit and loss statements (profit and loss accounts) of the Company; distribution of profits, including payment (declaration) of dividends except for any profits distributed as dividends based on the results of the first quarter, half, or nine months of the financial year, and losses of the Company for the financial year;

11) establishment of the procedure for holding the General Meeting of Shareholders;

12) share splitting and consolidation;

13) decisions to authorize transactions as specified in Article 83 of the Federal Law "On Joint-Stock Companies";

14) decisions to authorize material transactions as specified in Article 79 of the Federal Law "On Joint-Stock Companies";

15) decisions on the Company's participation in financial industrial groups, associations, and other groupings of commercial entities;

16) approval of internal documents governing the activities of the Company's bodies;

17) payment (declaration) of dividends based on the results of the first quarter, half, or nine months of the financial year;

18) decisions on any application for the delisting of the Company's shares and/or the Company's issue-grade securities convertible into its shares;

19) other issues specified in the Federal Law "On Joint-Stock Companies."

10.3. Issues falling within the competence of the General Meeting of Shareholders may not be delegated to the Board of Directors of the Company, the Management Board of the Company, and the Director General of the Company.

The General Meeting of Shareholders shall not be entitled to discuss or adopt decisions on any issues falling beyond its competence as specified in the Federal Law "On Joint-Stock Companies."

Decisions on the issues specified in subparagraphs 1–3, 5, 14, and 18 of paragraph 10.2 of these Articles of Association in relation to the placement of additional shares through a private offering, in relation to the placement of additional shares exceeding twenty-five (25) percent of the previously placed ordinary shares through a public offering, in relation to a decrease in the authorized capital of the Company by reducing the par value of shares or by the Company's acquiring a part of shares in order to reduce their total quantity, and in relation to any other issues provided for in the Federal Law "On Joint-Stock Companies" and these Articles of Association shall be adopted at the General Meeting of Shareholders by a majority of three-fourths of votes held by the voting share holders attending the General Meeting of Shareholders unless a different number of votes is specified in the Federal Law "On Joint-Stock Companies."

In other matters, decisions shall be adopted by a majority of votes held by the Company's voting share holders attending the General Meeting of Shareholders unless otherwise provided for in the Federal Law "On Joint-Stock Companies" or these Articles of Association.

Decisions on the issues specified in subparagraphs 2, 6, and 12–16 of paragraph 10.2 of the Company's Articles of Association, the issue in relation to a decrease in the authorized capital of the Company by reducing the par value of shares, and the issue in relation to determining the date of the list of the persons entitled to dividends shall be adopted by the General Meeting of Shareholders only subject to a proposal by the Company's Board of Directors.

The General Meeting of Shareholders shall not be entitled to adopt any decisions on matters which are not included on the agenda or change the agenda.

Decisions adopted by the General Meeting of Shareholders on any issues not included on the agenda of the General Meeting of Shareholders (except where attended by all of the Company's shareholders) or with failure to comply with the competence of the General Meeting of Shareholders, in the absence of a quorum for the General Meeting of Shareholders, or without such majority of votes held by shareholders as necessary to adopt decisions shall be invalid whether or not they are appealed by recourse to court proceedings.

A decision may be adopted by the General Meeting of Shareholders without holding a meeting (physical presence of shareholders for the purposes of discussing the agenda and adopting decisions on issues put to a vote) by absentee voting.

The General Meeting of Shareholders whose agenda includes the election of the Board of Directors and the Internal Audit Commission, the approval of the Company's Auditor, and the issues specified in paragraph 10.2.10 of these Articles of Association may not be held in absentia.

The following persons shall have a right to vote on issues put to a vote at the General Meeting of Shareholders:

holders of the Company's ordinary shares;

holders of the Company's preference shares where specified in the Federal Law "On Joint-Stock Companies" and these Articles of Association.

10.4. The list of the persons entitled to participate in the General Meeting of Shareholders shall be made according to the information in the Company's shareholder register.

The date of the list of the persons entitled to participate in the General Meeting of Shareholders may not be earlier than ten (10) days after the date of adopting a decision to hold the General Meeting of Shareholders or later than fifty (50) days before the date of the General Meeting of Shareholders or, in the event specified in paragraph 10.6.2 of these Articles of Association, later than eighty (80) days before the date of the General Meeting of Shareholders.

At the request of persons included on the list and holding at least one (1) percent of the votes, the Company shall provide access to the list for the persons entitled to participate in the General Meeting of Shareholders. The document details and postal addresses of the individuals on that list shall be provided only with the consent of the persons concerned.

10.5. Notices of the General Meeting of Shareholders shall be posted on the Company's website at www.rosseti.ru at least thirty (30) days before the date of the General Meeting of Shareholders.

In the instances specified in paragraph 10.6.2 of these Articles of Association and paragraphs 2 and 8 of Article 53 of the Federal Law "On Joint-Stock Companies," the date of the Extraordinary General Meeting of Shareholders shall be announced at least seventy (70) days before the scheduled date.

Any notice of the General Meeting of Shareholders shall specify as follows:

- full corporate name of the Company and the registered address of the Company;
- form of the General Meeting of Shareholders (in person or in absentia);
- date, place, time of the General Meeting of Shareholders and the postal address to which completed ballots may be sent or, if the General Meeting of Shareholders is held in absentia, the deadline date for receipt of ballots and the postal address to which completed ballots shall be sent;
- date of the list of the persons entitled to participate in the General Meeting of Shareholders;
- agenda of the General Meeting of Shareholders;
- procedure of access to information (materials) to be provided during preparations for the General Meeting of Shareholders, and the address(es) where it is available.

10.6. Proposals for the agenda of the Company's General Meeting of Shareholders.

10.6.1. Any shareholder(s) of the Company holding an aggregate of at least two (2) percent of the Company's voting shares shall have the right to include items on the agenda of the Annual General Meeting of Shareholders and nominate persons for the Board of Directors of the Company or the Internal Audit Commission of the Company, the number of such nominees not to exceed the number of members of the Company's relevant body. Such proposals shall arrive at the Company not later than ninety (90) days after the end of the financial year.

10.6.2. If any proposed agenda of the Extraordinary General Meeting of Shareholders includes the election of the Company's Board of Directors, any shareholder(s) of the Company holding an aggregate of at least two (2) percent of the Company's voting shares shall have the right to

nominate up to as many directors as there are on the Board of Directors of the Company. Such proposals shall arrive at the Company not later than thirty (30) days before the date of the Extraordinary General Meeting of Shareholders.

10.6.3. Proposals to include any items on the agenda of the Company's General Meeting of Shareholders and nomination proposals shall be in writing, specifying the name of the proposing shareholder(s), the quantity and category (type) of shares that they hold, and shall be signed by the shareholder(s).

10.6.4. Any proposal to include items on the agenda of the Company's General Meeting of Shareholders shall contain the wording for each proposed item, and any nomination proposal shall contain the name of each nominee and the details of each nominee's identity document (document series and/or number, date and place of issue, issuing authority), the name of the body for which such nominee is proposed, and any other information about the nominees as provided for in the Regulations for the Preparation and Holding Procedure for the General Meeting of Shareholders of the Company. Any proposal to include items on the agenda of the Company's General Meeting of Shareholders may contain the wording of a decision on each proposed item.

10.6.5. The Company's Board of Directors shall consider any incoming proposals and decide either to include them on the agenda of the General Meeting of Shareholders or to refuse to do so not later than five (5) days after the end of the periods specified in paragraphs 10.6.1 and 10.6.2 of these Articles of Association. Any item proposed by the shareholder(s) shall be included on the agenda of the General Meeting of Shareholders, and nominees shall be included on the list of nominees for the relevant body of the Company to be put to a vote, unless:

- the deadlines specified in paragraphs 10.6.1 and 10.6.2 of these Articles of Association are not met by the shareholder(s);
- the shareholder(s) do not hold the required number of voting shares of the Company as specified in paragraphs 10.6.1 and 10.6.2 of these Articles of Association;
- the proposal does not satisfy the requirements specified in paragraphs 10.6.3 and 10.6.4 of these Articles of Association;
- the proposed item on the agenda for the Company's General Meeting of Shareholders falls beyond its competence and/or does not comply with the requirements of the Federal Law "On Joint-Stock Companies" or any other laws and regulations of the Russian Federation.

10.6.6. A substantiated decision of the Company's Board of Directors to refuse to include any proposed item on the agenda of the General Meeting of Shareholders or include any nominee on the list of nominees for the Company's Board of Directors or Internal Audit Commission shall be sent to the proposing or nominating shareholder(s) within three (3) days from the date of the decision.

10.6.7. Apart from items proposed by shareholders for the agenda of the General Meeting of Shareholders, and if there are no such proposals, or none or an insufficient number of the nominees are proposed by shareholders for the relevant body of the Company, the Board of Directors shall be entitled to include items on the agenda of the Company's General Meeting of Shareholders or include nominees on the list of nominees at its discretion.

10.7. Extraordinary General Meeting of Shareholders.

10.7.1. The Extraordinary General Meeting of Shareholders shall be held pursuant to a decision adopted by the Board of Directors on its own initiative or at the request of the Company's Internal Audit Commission, the Company's Auditor, and any shareholder(s) holding at least ten (10) percent of the Company's voting shares as of the date of the request.

The Extraordinary General Meeting of Shareholders requested by the Company's Internal Audit Commission, the Company's Auditor, or any shareholder(s) holding at least ten (10) percent of the Company's voting shares shall be convened by the Company's Board of Directors.

10.7.2. The Extraordinary General Meeting of Shareholders requested by the Company's Internal Audit Commission, the Company's Auditor or any shareholder(s) holding at least ten (10) percent of the Company's voting shares shall be held within fifty (50) days from the date of the request to hold the Extraordinary General Meeting of Shareholders.

If the proposed agenda of the Extraordinary General Meeting of Shareholders includes the election of the Company's Board of Directors:

Any shareholder(s) of the Company holding an aggregate of at least two (2) percent of the Company's voting shares shall be entitled to nominate up to as many directors as there are on the Board of Directors of the Company.

Such proposals shall arrive at the Company not later than thirty (30) days before the date of the Extraordinary General Meeting of Shareholders.

The Company's Board of Directors shall consider any incoming proposals and decide either to include them on the agenda of the Extraordinary General Meeting of Shareholders or to refuse to do so not later than five (5) days after the end of the period specified in the fourth subparagraph of this subparagraph.

Notice of the Extraordinary General Meeting of Shareholders shall be given not later than seventy (70) days before the date of such meeting.

10.7.3. In the event that the Company's Board of Directors shall be obliged to decide to hold the Extraordinary General Meeting of Shareholders to elect members of the Company's Board of Directors pursuant to the Federal Law "On Joint-Stock Companies," such General Meeting of Shareholders shall be held within ninety (90) days from the date of the relevant decision of the Company's Board of Directors.

10.7.4. Any request to hold the Extraordinary General Meeting of Shareholders shall contain the wording of the items to be included on the agenda. Any request to hold the Extraordinary General Meeting of Shareholders may contain the wording of decisions on each of the items and specify the proposed form of the General Meeting of Shareholders.

The Company's Board of Directors may not make any changes in the wording of any items on the agenda, any decisions on such items or change the proposed form of the Extraordinary General Meeting of Shareholders convened at the request of the Company's Internal Audit Commission, the Company's Auditor, or any shareholder(s) holding at least ten (10) percent of the Company's voting shares.

10.7.5. In the event that the convocation of the Extraordinary General Meeting of Shareholders is requested by any shareholder(s), the request shall contain the name(s) of the shareholder(s) requesting such convocation and specify the number and category (type) of shares that they hold.

Any request to convene the Extraordinary General Meeting of Shareholders shall be signed by the person(s) requesting the convocation of such Extraordinary General Meeting of Shareholders.

10.7.6. Within five (5) days from the date of the request by the Company's Internal Audit Commission, the Company's Auditor, or any shareholder(s) holding at least ten (10) percent of the Company's voting shares to convene the Extraordinary General Meeting of Shareholders, the

Company's Board of Directors shall decide to convene the Extraordinary General Meeting of Shareholders or refuse to do so.

A decision to refuse to convene the Extraordinary General Meeting of Shareholders requested by the Company's Internal Audit Commission, the Company's Auditor, or any shareholder(s) holding at least ten (10) percent of the Company's voting shares may be adopted if:

- the submission of a request to convene the Extraordinary General Meeting of Shareholders fails to comply with the procedure prescribed in this paragraph;
- the shareholder(s) requesting the Extraordinary General Meeting of Shareholders do not hold the number of the Company's voting shares as specified in paragraph 10.7.1 of these Articles of Association
- none of the items on the agenda proposed for the Extraordinary General Meeting of Shareholders falls within its competence and/or fails to comply with the requirements of the Federal Law "On Joint-Stock Companies" or any other laws and regulations of the Russian Federation.

10.7.7. Any decision of the Company's Board of Directors to convene the Extraordinary General Meeting of Shareholders or its substantiated refusal to convene it shall be communicated to the persons requesting such meeting within three (3) days from the date of such decision/refusal.

Any decision of the Company's Board of Directors to refuse to convene the Extraordinary General Meeting of Shareholders is subject to appeal in court.

10.7.8. In the event that, within the time period specified in these Articles of Association, the Company's Board of Directors fails to adopt a decision to convene the Extraordinary General Meeting of Shareholders or refuses to convene it, then the Company's body or persons requesting that it be convened may take legal action seeking the Company's being ordered to hold the Extraordinary General Meeting of Shareholders.

A court decision to order the Company to hold the Extraordinary General Meeting of Shareholders shall specify the time and procedure for holding such meeting. Such court decision shall be put into effect by the claimant or, if petitioned by the claimant, by the Company's body or any other person, subject to their consent. Such body may not be the Company's Board of Directors. In this connection, the Company's body or any person that, pursuant to a court decision, holds the Extraordinary General Meeting of Shareholders shall have all such powers necessary to convene and hold such meeting as specified in the Federal Law "On Joint-Stock Companies." In the event that, pursuant to a court decision, the Extraordinary General Meeting of Shareholders is held by the claimant, the costs of preparing and holding such meeting may be reimbursable at the Company's expense pursuant to a decision adopted by the General Meeting of Shareholders.

10.8. Any shareholder may exercise the right to attend the General Meeting of Shareholders either in person or by proxy.

Any shareholder shall at any time be entitled to replace such shareholder's representative at the General Meeting of Shareholders or attend the General Meeting of Shareholders in person.

A shareholder's representative at the General Meeting of Shareholders shall act to the extent of the powers based on federal laws or regulations of authorized government bodies or under a written power of attorney. The power of attorney shall contain information about the represented person and the representative (in the case of an individual, the name, identity document details (series and/or number, date and place of issue, issuing authority); in the case of a corporate entity, the name and registered address). The power of attorney to vote shall be issued in accordance with the requirements set forth in paragraphs 4 and 5 of Article 185 of the Civil Code of the Russian Federation or shall be

notarized.

In the event that any share is transferred after the date of the list of the persons entitled to participate in the General Meeting of Shareholders and before the date of the General Meeting of Shareholders, the person included on the list shall give to the transferee a power of attorney to vote or vote at the General Meeting of Shareholders as instructed by such transferee if so provided for in the share transfer agreement.

In the event that any share of the Company is jointly owned by several persons, then the voting right shall be exercised at the General Meeting of Shareholders at their discretion either by one of the co-owners or by their joint representative. The powers of each of the said persons shall be properly formalized.

10.9. Quorum of the General Meeting of Shareholders.

10.9.1. The General Meeting of Shareholders shall be legally qualified (shall have a quorum) if attended by shareholders holding an aggregate of more than half the votes of the Company's outstanding voting shares.

The shareholders who are registered as attendees of the General Meeting of Shareholders and the shareholders whose ballots are received not later than two (2) days before the date of the General Meeting of Shareholders shall be deemed to be attendees of the General Meeting of Shareholders. The shareholders whose ballots are received prior to the deadline date for receipt of ballots shall be deemed to be attendees of the General Meeting of Shareholders held in absentia.

10.9.2. If the agenda of the General Meeting of Shareholders includes any items to be voted on by different sets of voters, the decision-making quorums for those items shall be defined separately. The absence of a quorum to resolve issues to be voted on by one set of voters shall not prevent decision-making on issues to be voted on by a different set of voters for which there is a quorum.

10.9.3. If any Annual General Meeting of Shareholders fails to have a quorum, the General Meeting of Shareholders shall be held again to discuss the same agenda. If any Extraordinary General Meeting of Shareholders fails to have a quorum, the General Meeting of Shareholders may be held again to discuss the same agenda.

The General Meeting of Shareholders held again shall be legally qualified (shall have a quorum) if attended by shareholders holding an aggregate of at least thirty (30) percent of votes of the Company's outstanding voting shares.

10.9.4. In the event that the General Meeting of Shareholders is held again less than 40 days after the failed General Meeting of Shareholders, the persons entitled to participate in the General Meeting of Shareholders shall be defined in accordance with the list of the persons entitled to attend the failed General Meeting of Shareholders.

If any Annual General Meeting of Shareholders to be held pursuant to a court decision fails to have a quorum, the General Meeting of Shareholders shall be held again within sixty (60) days to discuss the same agenda. In this connection, no further recourse to court proceedings is required. The General Meeting of Shareholders held again shall be convened and held by the person or the Company's body specified in a court decision, and, if such person or such body of the Company fails to convene the Annual General Meeting of Shareholders within the period prescribed in a court decision, such meeting shall be convened and held again by other persons or the Company's body taking legal action, provided that such persons or such body of the Company are specified in a court decision.

If any Extraordinary General Meeting of Shareholders to be held pursuant to a court decision fails to have a quorum, the General Meeting of Shareholders shall not be held again.

10.10. Voting on the items on the agenda of the General Meeting of Shareholders shall be only by ballot.

Any ballot shall be sent by registered mail or delivered, against a signed acknowledgement of receipt, to each person specified in the list of the persons entitled to participate in the General Meeting of Shareholders not later than twenty (20) days before the date of the General Meeting of Shareholders.

10.11. Voting at the General Meeting of Shareholders shall comply with the principle “one voting share equals one vote,” except for cumulative voting related to the election of members of the Company’s Board of Directors.

10.12. The functions of the counting commission at the General Meeting of Shareholders shall be performed by the Company’s registrar.

10.13. The minutes of the General Meeting of Shareholders shall be made in two copies not later than three (3) business days after the General Meeting of Shareholders is declared closed. Both copies shall be signed by the Presiding Officer of the General Meeting of Shareholders and the Secretary of the General Meeting of Shareholders.

Any voting report shall be made and signed by the Company’s registrar within three (3) business days after the General Meeting of Shareholders is declared closed or, if the General Meeting of Shareholders is held in absentia, after the deadline date for receipt of ballots.

The decisions adopted by the General Meeting of Shareholders and the voting results may be announced at the General Meeting of Shareholders during which such voting takes place and shall be communicated as the Voting Report to the persons included on the list of the persons entitled to participate in the General Meeting of Shareholders in accordance with the same procedure as prescribed for publishing the notice of the General Meeting of Shareholders within four (4) business days after the General Meeting of Shareholders is declared closed or, if the General Meeting of Shareholders is held in absentia, after the deadline date for receipt of ballots.

If, on the date of the list of the persons entitled to participate in the General Meeting of Shareholders, any nominee shareholder is registered on the Company’s shareholder register, then the Voting Report shall be sent electronically (as electronic documents certified with a digital signature) to such nominee shareholder. The nominee shareholder shall make the Voting Report received in accordance with this paragraph of the Company’s Articles of Association available to its depositors in accordance with the procedure and within the period set forth in legal regulations of the Russian Federation or the agreements with its depositors.

Article 11. Board of Directors of the Company

11.1. The competence of the Company’s Board of Directors shall include the general management of the Company’s activities except for any issues that, in accordance with the Articles of Association of the Company, fall within the competence of the General Meeting of Shareholders.

The competence of the Board of Directors shall include the following issues:

1. determine the priority areas of the Company’s activities;
2. convene the Annual and Extraordinary General Meetings of Shareholders, except where otherwise specified in paragraph 10.7.8 of these Articles of Association;
3. approve the agenda of the General Meeting of Shareholders;

4. define the date of the list of the persons entitled to participate in the General Meeting of Shareholders, and other matters falling within the competence of the Company's Board of Directors in accordance with the provisions of Chapter VII of the Federal Law "On Joint-Stock Companies" and associated with the preparation and holding of the General Meeting of Shareholders;
5. submit for review by the General Meeting of Shareholders the issues specified in subparagraphs 2, 6, and 12–16 of paragraph 10.2 of these Articles of Association, the issue related to a decrease in the authorized capital of the Company by reducing the par value of shares, and the issue in relation to determining the date of the list of the persons entitled to dividends;
6. increase the authorized capital of the Company by means of the Company's placement of additional shares where specified in these Articles of Association;
7. approve decisions on the issue (additional issue) of securities, issue prospectus, report on the issue of securities; approve reports on the purchase of shares from the Company's shareholders, reports on the retirement of shares, and reports on the Company's shareholders' requests to purchase their shares;
8. decide on the Company's placement of additional shares into which the Company's outstanding preference shares of a certain type are converted, which shares are convertible into ordinary or preference shares of other types, provided that such placement does not involve any increase in the Company's authorized capital, and on the Company's placement of bonds or other issue-grade securities except for shares;
9. determine the value (money value) of the property and the offering price, or the procedure for determining the offering price, and the buyback price of issue-grade securities where specified in the Federal Law "On Joint-Stock Companies";
10. acquire shares, bonds, and other issue-grade securities placed by the Company where specified in the Federal Law "On Joint-Stock Companies";
11. appoint the person authorized to define the terms and conditions and sign the employment contracts with the Company's Director General and the members of the Company's Management Board;
12. make recommendations concerning the size of remuneration and compensation payable to members of the Company's Internal Audit Commission and set the size of the Auditor's fees;
13. make recommendations as to the size of dividends on shares and the procedure for dividend payment;
14. prescribe the procedure for forming and using the Company's funds;
15. approve the Company's internal documents, except for internal documents that, in accordance with these Articles of Association, shall be approved by the General Meeting of Shareholders or the Company's executive bodies;
16. set up (liquidate) branch offices and open (liquidate) representative offices of the Company; amend the Company's Articles of Association accordingly;
17. decide on the Company's participation in other organizations (including nonprofit partnerships) except for those specified in paragraph 10.2.15 of these Articles of Association (on joining an operating organization or establishing a new organization) and on the acquisition, disposal, and encumbrance of their shares and stakes and change in the ownership interest in the said organizations;

18. authorize material transactions as specified in Chapter X of the Federal Law “On Joint-Stock Companies”;

19. authorize transactions specified in Chapter XI of the Federal Law “On Joint-Stock Companies”;

20. define a policy and adopt decisions concerning the obtaining and granting (extending) of loans, advances, guarantees, pledges and suretyship in accordance with the procedure defined by the Company’s Board of Directors;

21. approve the procedure for the Company’s interaction with economic entities whose shares and stakes are held by the Company (“Interaction Procedure”) and adopt decisions falling within its competence in accordance therewith;

22. define the position of the Company (representatives of the Company), including instructions to participate or not participate in voting on the items on the agenda, vote for or against or abstain from voting, on the following items on the agendas of general meetings of shareholders (members) of subsidiaries and dependent companies (“SDCs”) and meetings of boards of directors of SDCs, including for the purposes of the Company controlling the decisions adopted by subsidiaries and dependent companies of SDCs:

a) define agendas of General Meetings of Shareholders (Members) of SDCs;

b) reorganize or liquidate SDCs;

c) determine the number of members of the boards of directors of SDCs, nominate and elect such members and decide on early termination of their powers;

d) determine the quantity, par value, category (type) of the authorized shares of SDCs and rights attaching thereto;

e) increase the authorized capital of SDCs by increasing the par value of shares or placing additional shares;

f) place SDCs’ securities convertible into ordinary shares;

g) decide on the splitting and consolidation of SDCs’ shares;

h) approve material transactions entered into by SDCs;

i) decide on participation of SDCs in other organizations (on joining an operating organization or establishing a new organization) and (subject to the provisions of subparagraphs “j” and “k”) on the acquisition, disposal, and encumbrance of shares and stakes in the authorized capital of organizations in which SDCs participate, and on the change in the ownership interest in the relevant organization;

j) decide on entering into transactions by SDCs (including acquiring, disposing of, pledging or otherwise encumbering by entering into one or more associated transactions) in relation to shares and stakes of subsidiaries and dependent companies of SDCs which are engaged in the generation, transmission, dispatching, distribution, and sale of electricity and heat, irrespective of the number of shares (amount of interests in the authorized capital) of such companies;

k) decide on entering into transactions by SDCs (including acquiring, disposing of, pledging or otherwise encumbering by entering into one or more associated transactions) in relation to shares and stakes of subsidiaries and dependent companies of SDCs which are not engaged in the generation, transmission, dispatching, distribution, or sale of electricity and heat;

l) decide on entering into transactions by SDCs (including several associated transactions) in relation to the acquisition, disposal or possible disposal of the property that constitutes fixed assets, intangible assets, and construction-in-progress intended for the generation, transmission, dispatching, and distribution of electricity and heat;

m) decide on entering into transactions by SDCs (including several associated transactions) in relation to the acquisition, disposal or possible disposal of the property that constitutes fixed assets, intangible assets, and construction-in-progress not intended for the generation, transmission, dispatching, or distribution of electricity and heat;

n) define the position of SDCs' representatives on the items on the agendas of general meetings of shareholders (members) and meetings of the boards of directors of subsidiaries and dependent companies of SDCs in relation to entering into (approving) transactions (including several associated transactions) connected with the acquisition, disposal or possible disposal of the property that constitutes fixed assets, intangible assets, and construction-in-progress intended for the generation, transmission, dispatching, and distribution of electricity and heat;

o) define the position of SDCs' representatives on the items on the agendas of general meetings of shareholders of (members) and meetings of the boards of directors of subsidiaries and dependent companies of SDCs engaged in the generation, transmission, dispatching, distribution, and sale of electricity and heat with respect to the reorganization of, liquidation of, and increase in the authorized capital of such companies by increasing the par value of the shares or by placing additional shares, and placing of securities convertible into ordinary shares.

The Board of Directors of the Company shall adopt decisions on issues provided for in items "i," "k," "l," "m," and "n" of subparagraph 22 of paragraph 11.1 of Article 11 of these Articles of Association in the instances (to the extent) defined by the Interaction Procedure approved by the Board of Directors of the Company in accordance with subparagraph 21 of paragraph 11.1 of Article 11 of these Articles of Association.

In the absence of any decision adopted by the Board of Directors of the Company to define the position of the Company (representatives of the Company) on such items on the agendas of meetings of SDCs' management bodies as specified in subparagraph 22 of paragraph 11.1 of Article 11 of these Articles of Association, the Company's representative shall vote "against" or forbear from voting on items on the agendas of meetings of SDCs' management bodies.

The Board of Directors of the Company is not required to decide on defining the position of the Company (representatives of the Company) on such items on the agendas of meetings of SDCs' management bodies as specified in subparagraph 22 of paragraph 11.1 of Article 11 of these Articles of Association if the size of any stake held by the Company in SDCs or the number of the Company's representatives in SDCs' management bodies does not allow the Company to influence the decisions adopted by SDCs' management bodies.

In the event that any issues are required to be included on the agenda of annual general meetings of shareholders (members) of SDCs under law and in the event that any issues are required to be included on the agenda of annual general meetings of shareholders (members) of SDCs as requested by internal audit commissions of SDCs, auditors of SDCs, and shareholders of SDCs, then the Board of Directors of the Company is not required to decide on defining the position of the Company (representatives of the Company) on the issue specified in item "a" of subparagraph 22 of paragraph 11.1 of Article 11 of these Articles of Association.

23. tentatively approve decisions to enter into transactions involving the Company's non-current assets constituting from ten (10) percent to twenty-five (25) percent of the book value of such assets according to the accounting statements as of the latest reporting date;

24. tentatively approve decisions on the Company entering into transactions (including several associated transactions) in connection with the disposal or possible disposal of the property that constitutes fixed assets, intangible assets, and construction-in-progress intended for the generation, transmission, dispatching, and distribution of electricity and heat in the instances (to the extent) defined by separate decisions of the Board of Directors of the Company;

25. tentatively approve decisions on the Company entering into transactions (including several associated transactions) in connection with the disposal or possible disposal of the property that constitutes fixed assets, intangible assets, and construction-in-progress not intended for the generation, transmission, dispatching, or distribution of electricity and heat in the instances (to the extent) defined by separate decisions of the Board of Directors of the Company;

26. approve the Company's registrar and the terms and conditions of the contract therewith and the termination thereof;

27. decide on the election (appointment) of the Company's Director General and the members of the Company's Management Board and on the early termination of their powers;

28. decide on the suspension of the powers of a management organization (manager);

29. decide on the acquisition of the Company's own shares as provided for in law and on the disposal of the Company's treasury shares;

30. review the consolidated investment program of the Holding Company;

31. review the consolidated income and expenditure budget of the Holding Company;

32. approve the system of key performance indicators for the Director General of the Company;

33. make an application for the listing of the Company's shares and/or the Company's issue-grade securities convertible into its shares;

34. establish the Committees of the Company's Board of Directors, appoint members of the Committees of the Company's Board of Directors, elect the Chairmen of the Committees of the Company's Board of Directors, and approve the Regulations for the Committees of the Company's Board of Directors (including the approval of amendments and supplements thereto and restated versions of the Regulations);

35. elect the Secretary of the Company's Board of Directors and terminate his or her powers earlier;

36. approve uniform standards, regulations, and other documents related to the electric power industry with respect to various areas of the Company's activities;

37. resolve other issues specified in the Federal Law "On Joint-Stock Companies" and the Company's Articles of Association.

Issues falling within the competence of the Company's Board of Directors may not be delegated to executive bodies. The Company's Board of Directors may prescribe the procedure and terms governing the exercise of the powers of the Company's Board of Directors and executive bodies in relation to entering into transactions and making individual decisions on the issues specified in paragraph 11.1 of these Articles of Association.

11.2. The Board of Directors shall consist of fifteen (15) members. Members of the Company's Board of Directors shall be elected by the General Meeting of Shareholders by cumulative vote for a term until the next Annual General Meeting of Shareholders. The General Meeting of

Shareholders may decide on early termination of their powers only with regard to all members of the Board of Directors.

If any Annual General Meeting of Shareholders is not held within the period specified in paragraph 10.1 of these Articles of Association, the powers of the Company's Board of Directors shall terminate except for the powers to prepare, convene, and hold the Annual General Meeting of Shareholders.

Only an individual may be a member of the Board of Directors.

The members of the Company's Management Board may not constitute more than one-fourth of the members of the Company's Board of Directors.

Persons elected to the Board of Directors may be reelected for any number of successive terms.

The Chairman of the Board of Directors shall be elected by members of the Board of Directors from among themselves by a majority of votes of all members of the Board of Directors.

The Board of Directors shall be entitled to reelect its Chairman at any time by a majority of votes of all members of the Board of Directors.

During his/her term in office, the Director General of the Company may not hold office as the Chairman of the Board of Directors of the Company.

11.3. Any decisions adopted by the Company's Board of Directors shall be legally qualified if their discussion involved at least half the members of the Company's Board of Directors.

Decisions at any meeting of the Company's Board of Directors shall be adopted by a majority of votes of the members of the Company's Board of Directors present at such meeting, except where otherwise provided for in the laws of the Russian Federation and these Articles of Association.

If any transaction requires approval for several different reasons (as specified in these Articles of Association and as specified in Chapter X or Chapter XI of the Federal Law "On Joint-Stock Companies"), the provisions of the Federal Law "On Joint-Stock Companies" shall apply to the procedure for its approval.

Decisions related to paragraphs 11.1.6 and 11.1.18 of these Articles of Association and as specifically set forth in the Federal Law "On Joint-Stock Companies" and these Articles of Association shall be adopted unanimously.

Decisions related to paragraphs 11.1.17, 11.1.20, 11.1.23, and 11.1.25 of these Articles of Association shall be adopted by a majority of two-thirds of votes (including where the relevant transactions meet the description of transactions defined by Chapter IX of the Federal Law "On Joint-Stock Companies").

In making decisions related to paragraphs 11.1.17 and 11.1.23 of these Articles of Association, the Board of Directors shall, pursuant to Article 77 of the Federal Law "On Joint-Stock Companies," also determine the value (money value) of the property that is the subject of such transactions.

Decisions of the Board of Directors may also be adopted by absentee voting (by ballot).

In determining a quorum and the voting results related to an item on the agenda of a meeting of the Board of Directors, written opinions of members of the Board of Directors who are absent from

the meeting shall be taken into account, provided that such opinions are received before the voting results are obtained in relation to the relevant item on the agenda.

In the event of equality of votes, the Chairman of the Board of Directors shall have the decisive vote.

11.4. Meetings of the Board of Directors shall be held as often as necessary, but at least once every six weeks.

11.5. The Chairman of the Company's Board of Directors shall organize the work of the Board of Directors, convene and chair meetings of the Company's Board of Directors, arrange for minutes of meetings of the Board of Directors to be kept, and chair the Company's General Meeting of Shareholders.

If the Chairman of the Company's Board of Directors is unavailable, his/her functions shall be performed by a member of the Board of Directors as decided by the Board of Directors.

11.6. Members of the Board of Directors shall act to the benefit of the Company and exercise their rights and perform their obligations in good faith, reasonably, and in the best way to the benefit of the Company.

Members of the Board of Directors shall be liable to the Company for losses incurred by the Company due to their faulty acts (omissions) unless any other grounds for or scope of liability is specified in federal laws.

11.7. Decisions adopted by the Company's Board of Directors with failure to comply with the competence of the Company's Board of Directors, in the absence of a quorum for a meeting of the Company's Board of Directors, or without such majority of votes held by members of the Company's Board of Directors as necessary to adopt decisions shall be invalid whether or not they are appealed by recourse to court proceedings.

Article 12. Executive Bodies of the Company

12.1. The collegial executive body, the Management Board of the Company, and the sole executive body, the Director General of the Company, shall be in charge of the Company's day-to-day activities.

12.2. The Management Board of the Company and the Director General of the Company shall be accountable to the General Meeting of Shareholders and the Board of Directors of the Company.

12.3. Pursuant to a decision adopted by the General Meeting of Shareholders, the powers of the Company's sole executive body may be vested in a management organization or manager under a contract.

The rights and obligations of the management organization (manager) in relation to managing the Company's day-to-day activities shall be subject to the laws of the Russian Federation and the contract between the Company and the management organization (manager).

The contract with the management organization (manager) shall be signed on behalf of the Company by the Chairman of the Company's Board of Directors or the person authorized by the Company's Board of Directors.

The terms and conditions of the contract with the management organization (manager), including with respect to the term of the powers, shall be defined by the Company's Board of Directors.

12.4. The formation of the Company's executive bodies and the early termination of their powers shall be approved by decisions of the Company's Board of Directors except where otherwise provided for in federal laws and these Articles of Association.

12.5. The rights and obligations of the Company's Director General and the members of

the Company's Management Board in relation to managing the Company's day-to-day activities shall be subject to the laws of the Russian Federation, these Articles of Association, and the employment contract between each of them and the Company.

The employment contract on behalf of the Company shall be signed by the Chairman of the Company's Board of Directors or the person authorized by the Company's Board of Directors.

The terms and conditions of the employment contract, including with respect to the term of the powers of the Company's Director General and the members of the Company's Management Board, shall be defined by the Chairman of the Company's Board of Directors or the person authorized by the Company's Board of Directors to sign the employment contract.

The employer's rights and obligations on behalf of the Company in relation to the Company's Director General and the members of the Company's Management Board shall be exercised and performed by the Chairman of the Company's Board of Directors or the person authorized by the Company's Board of Directors.

12.6. The Director General of the Company may not simultaneously hold office in other organizations' management bodies or have any other gainful employment at other organizations without the consent of the Company's Board of Directors.

12.7. The members of the Company's Management Board may not simultaneously hold office in other organizations' management bodies without the consent of the Company's Board of Directors.

12.8. The powers of the Company's Director General and the members of the Company's Management Board shall be terminated for the reasons specified in the laws of the Russian Federation and the employment contracts between the Company and the Company's Director General and the members of the Company's Management Board.

12.9. The Board of Directors of the company may at any time decide on the termination of the powers of the Company's Director General and the members of the Company's Management Board and establish a new executive body of the Company.

12.10. The General Meeting of Shareholders may at any time decide on the early termination of the powers of the management organization or the manager.

12.11. In exercising their rights and performing their obligations, the Company's Director General, the members of the Company's Management Board, and the management organization (manager) shall act to the benefit of the Company and exercise their rights and perform their obligations in relation to the Company in good faith and reasonably.

12.12. The Company's Director General, the members of the Company's Management Board, and the management organization (manager) shall be liable to the Company for losses incurred by the Company due to their faulty acts (omissions) unless any other grounds for or scope of liability is specified in federal laws.

Article 13. Management Board of the Company

13.1 The Management Board of the Company shall be the Company's collegial executive body headed by the Director General of the Company. The members of the Company's Management Board shall be elected by the Company's Board of Directors.

The number of the members of the Management Board shall be determined by the Company's Board of Directors at the suggestion of the Company's Director General.

The time and procedure for convening and holding meetings of the Management Board, a quorum of meetings of the Management Board, and the procedure for adopting the Management Board's decisions shall be governed by the Company's internal document approved by the General Meeting of Shareholders.

13.2 The competence of the Management Board shall include the following issues:

- 1) develop the priority areas of the Company's activities and long-term implementation plans and submit them for approval by the Board of Directors;
- 2) prepare a report on the Company's financial and economic activities;

3) exercise the powers of general meetings of shareholders (members) of the Company's wholly-owned SDCs;

4) nominate persons as chairmen of boards of directors, sole executive bodies, and the Company's representatives on boards of directors and in internal audit commissions of organizations of any legal form of ownership in which the Company participates (except where the functions of general meetings of shareholders of SDCs are performed by the Company's Management Board and except where (with respect to nominating persons as chairmen of boards of directors and sole executive bodies of SDCs) the size of any stake (interest) held by the Company in SDCs or the number of votes of any nonprofit organizations to which the Company is entitled does not allow the Company to influence the decisions adopted by SDCs' or nonprofit organizations' management bodies on the election of chairmen of boards of directors and sole executive bodies of SDCs and nonprofit organizations from among the persons nominated by the Company);

5) define the position of the Company (the Company's representatives), including the instructions to vote or not to vote on any issues on the agendas of general meetings of shareholders and meetings of boards of directors of SDCs provided for in subparagraphs "i," "k," "l," "m," and "n" of paragraph 11.1.22 of these Articles of Association, unless, pursuant to the Interaction Procedure, the Company's Board of Directors shall decide on such issues;

6) resolve other issues related to the Company's activities pursuant to decisions adopted by the General Meeting of Shareholders or the Board of Directors, and other issues submitted by the Company's Director General for its review.

Any decisions adopted by the Company's Management Board shall be recorded, with records to be signed by the Company's Director General.

The members of the Management Board shall act to the benefit of the Company and exercise their rights and perform their obligations in good faith, reasonably, and in the best way to the benefit of the Company.

Article 14. Director General of the Company

14.1. The Director General of the Company shall be in charge of the Company's day-to-day activities pursuant to decisions adopted by the General Meeting of Shareholders and the Board of Directors of the Company within their competence.

14.2. The competence of the Director General of the Company shall include all matters related to the management of the Company's day-to-day activities, except for any issues falling within the competence of the General Meeting of Shareholders, the Board of Directors, or the Management Board of the Company.

14.3. The Director General of the Company shall act on behalf of the Company without a power of attorney, including subject to the restrictions specified in the applicable laws, these Articles of Association, and decisions adopted by the Company's Board of Directors:

1) ensure the implementation of the Company's action plans necessary to attain its objectives;

2) arrange for keeping the Company's records and accounts;

3) dispose of the Company's property, enter into transactions on behalf of the Company, issue powers of attorney, and open the Company's settlement and other accounts with banks and other credit institutions (and, as provided for in law, with organizations that are professional participants in the securities market) except where subject to a decision to be adopted by the Management Board, the Board of Directors, or the General Meeting of Shareholders of the Company;

4) issue orders, approve directives, local regulatory documents, and other internal documents of the Company, give instructions which shall be binding upon all employees of the Company;

5) approve the Regulations for the Company's branch offices and representative offices;

6) approve the staffing table and official salaries of the Company's employees in accordance with the organizational structure of the Company's executive staff;

7) perform the functions of the Chairman of the Company's Management Board;

- 8) exercise the rights and perform the obligations of an employer in relation to the Company's employees as provided for in labor law;
- 9) organize the work of the Company's Management Board and preside at its meetings;
- 10) submit for review by the Board of Directors the proposals for the nomination and dismissal of members of the Management Board;
- 11) distribute duties among the deputies of the Company's Director General;
- 12) submit for review by the Company's Board of Directors the reports on financial and economic activities of the Company;
- 13) not later than forty-five (45) days before the date of the Annual General Meeting of Shareholders of the Company, submit for review by the Company's Board of Directors the annual report, annual accounting statements, profit and loss account, and the distribution of the Company's profits and losses;
- 14) appoint the persons representing the Company at meetings of members of the economic entities whose shares and stakes are held by the Company;
- 15) develop the target values of key performance indicators (KPI) for the Company's business units (officers);
- 16) resolve other issues related to the Company's day-to-day activities, except for any issues falling within the competence of the General Meeting of Shareholders, the Board of Directors, and the Management Board of the Company.

14.4. The Director General of the Company shall be elected by the Company's Board of Directors. Any persons shall be nominated as the Director General of the Company in accordance with the procedure set forth in the internal document governing the convocation and holding of meetings of the Company's Board of Directors.

Article 15. Control of the Company's Financial and Economic Activities

15.1. The Company's Internal Audit Commission shall be elected annually by the General Meeting of Shareholders of the Company and shall consist of five (5) members. The Company's Internal Audit Commission shall adopt decisions by a majority of votes of its members.

The Company's Internal Audit Commission shall act within the limits of the powers specified in the Federal Law "On Joint-Stock Companies."

The Company's Internal Audit Commission shall act in accordance with the procedure set forth in an internal document of the Company approved by the General Meeting of Shareholders.

Audits (inspections) of the financial and economic activities of the Company shall be carried out after the end of the Company's annual performance, and at any time on the initiative of the Company's Internal Audit Commission, pursuant to a decision adopted by the General Meeting of Shareholders or the Company's Board of Directors, or at the request of the Company's shareholder(s) holding an aggregate of at least ten (10) percent of the Company's voting shares.

At the request of the Company's Internal Audit Commission, officers of the Company's management bodies shall provide documents about the Company's financial and economic activities.

The Company's Internal Audit Commission shall be entitled to request the convocation of the Extraordinary General Meeting of Shareholders in accordance with paragraph 10.7.1 of these Articles of Association.

Members of the Company's Internal Audit Commission may not be members of the Company's Board of Directors or hold other positions in the Company's management bodies at the same time.

Shares held by members of the Company's Board of Directors or officers of the Company's management bodies may not participate in voting on the election of members of the Company's Internal Audit Commission.

Pursuant to a decision adopted by the General Meeting of Shareholders, remuneration and/or reimbursement for expenses associated with the performance of their duties may be paid to members of the Company's Internal Audit Commission during their office. The size of such remuneration and reimbursement shall be determined by the General Meeting of Shareholders.

15.2. The Company's Auditor (auditing organization) shall audit the Company's financial and economic activities in accordance with the laws and regulations of the Russian Federation under a contract with the Auditor.

The Auditor of the Company shall be recommended to the General Meeting of Shareholders by the Board of Directors of the Company according to the results of a competitive selection of the auditing organization for the mandatory audit of the Company, which selection is conducted in accordance with the procedure prescribed in the Board of Directors of the Company.

The General Meeting of Shareholders shall approve the Auditor (auditing organization) of the Company. The size of the Auditor's fee shall be defined by the Company's Board of Directors.

Article 16. Accounting and Reporting. Documents of the Company. Information About the Company

16.1. The Company shall keep accounts and submit financial statements in accordance with the procedure provided for in the Federal Law "On Joint-Stock Companies" and other laws and regulations of the Russian Federation.

The Director General of the Company shall be responsible for the organization, maintenance, and reliability of the Company's records and accounts, the timely submission of the annual report and other financial statements to the relevant authorities, and the provision of information about the Company's activities for shareholders, creditors and the mass media pursuant to the Federal Law "On Joint-Stock Companies," other laws and regulations of the Russian Federation, and the Company's Articles of Association.

The reliability of data contained in the Company's annual report and annual financial statements shall be confirmed by the Company's Internal Audit Commission.

Before making the above-mentioned documents public, the Company shall engage an auditing organization that does not share property interests with the Company or its shareholders to conduct an annual audit of and confirm the annual financial statements.

The Company's annual report shall be pre-approved by the Company's Board of Directors not later than thirty (30) days before the date of the General Meeting of Shareholders.

16.2. The Company shall keep the following documents:

- Articles of Association of the Company, amendments and supplements to the Articles of Association of the Company registered in accordance with the prescribed procedure, the decision to establish the Company, and the document certifying the Company's state registration;
- documents confirming the Company's right to the property accounted for in its balance sheet;

- internal documents of the Company;
- regulations for the Company’s branch offices and representative offices;
- annual reports;
- accounting documents;
- records and accounts;
- minutes of General Meetings of Shareholders, meetings of the Company’s Board of Directors, and meetings of the Company’s Internal Audit Commission and the Company’s Management Board;
- ballots for voting and powers of attorney (copies thereof) to participate in the General Meeting of Shareholders;
- independent appraisers’ reports;
- lists of the Company’s affiliates;
- lists of the persons entitled to participate in the General Meeting of Shareholders and of the persons entitled to dividends, and other lists made by the Company for the exercise by shareholders of their rights pursuant to the Federal Law “On Joint-Stock Companies”;
- statements by the Company’s Internal Audit Commission, the Company’s Auditor, governmental and municipal financial supervision authorities;
- decisions on the issue of securities, prospectuses, reports on the issue of securities, quarterly reports of the issuer of securities, and other documents containing information to be published or otherwise disclosed pursuant to the Federal Law “On Joint-Stock Companies” and other federal laws;
- notices of signed shareholders’ agreements sent to the Company and lists of the persons that have entered into such agreements;
- court rulings on disputes related to incorporating, managing, or holding a stake in the Company;
- other documents required by the Federal Law “On Joint-Stock Companies,” the Company’s Articles of Association, the Company’s internal documents, decisions of the General Meetings of Shareholders, the Company’s Board of Directors, the Company’s Management Board, and the Company’s Director General, and documents required by laws and regulations of the Russian Federation.

The Company shall keep the above-mentioned documents at the Company’s registered address in accordance with the procedure and within the period required by the Bank of Russia.

16.3. Information about the Company shall be disclosed by the Company pursuant to the Federal Law “On Joint-Stock Companies” and other laws and regulations of the Russian Federation.

16.4. The Company shall provide shareholders with access to the documents specified in paragraph 16.2 of these Articles of Association. Accounting documents and minutes of meetings of the Company’s Management Board shall be made available to the shareholder(s) holding an aggregate of at least twenty-five (25) percent of the Company’s voting shares.

Article 17. Liquidation and Reorganization of the Company

17.1. The Company may be liquidated on a voluntary basis in accordance with the procedure set forth in the Civil Code of the Russian Federation and subject to the requirements of the Federal Law “On Joint-Stock Companies” and the Company’s Articles of Association.

The Company may be liquidated pursuant to a court decision for the reasons set forth in the Civil Code of the Russian Federation.

The liquidation of the Company shall entail its dissolution without any transfer of its rights and obligations to legal successors.

17.2. The Company may be reorganized on a voluntary basis through a merger, takeover, split-up, spin-off, and transformation in accordance with the procedure provided for in the Federal Law “On Joint-Stock Companies.”

17.3. The Company shall be deemed to be reorganized, except for the reorganization through a takeover, as of the state registration of the new legal entities. In the case if the Company’s reorganization through its takeover of any other company, the Company shall be deemed to be reorganized as of the time when the dissolution of the taken over company is registered on the Uniform State Register of Juridical Persons.

Appendix
to the Articles of Association of JSC ROSSETI

INFORMATION ON BRANCHES AND REPRESENTATIVE OFFICES
OF JOINT STOCK COMPANY ROSSETI

1	Technical Supervision Center, a branch of Joint Stock Company ROSSETI (TSC, a branch of JSC ROSSETI)	107996, Moscow, Ulansky pereulok, 26
2	Representative Office of Joint Stock Company ROSSETI in the Crimean Federal District	Russia, 295011, Simferopol, ul. Samokisha, 16

**8.10. Information Concerning Represented Securities and the Issuer of Represented Securities,
Title to Which Is Certified by Russian Depository Receipts**

The issuer did not issue any represented securities, title to which is certified by Russian depository receipt

