

# **Appendices to the 2016 Annual Report of ROSSETI**

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## 10.1. Additional Information for Sections of the Annual Report

### Appendices to Section 5 “Corporate Governance” of the Annual Report

Overview of the positive aspects of ROSSETI’s corporate governance in four components of the corporate governance rating assigned by the Russian Institute of Directors

Protection of shareholder rights	<ul style="list-style-type: none"><li>▪ There are no restrictions on the acquisition and sale of shares or restrictions on the quantity of shares held by one shareholder.</li><li>▪ The shareholder register is stored and kept by an independent registrar with a good reputation and reliable technologies, whose functions include acting as the counting commission of the General Meeting of Shareholders.</li><li>▪ The Board of Directors regularly considers issues related to the procurement policy. The Company conducts competitive bidding procedures to select suppliers of goods and services if their value exceeds a certain level, which is specified in the relevant internal document.</li><li>▪ The Board of Directors exercises broadened powers related to decisions on material transactions. The transfer of treasury shares requires approval from the Board of Directors.</li><li>▪ The Company has an internal document that defines the list and procedure for using insider information.</li><li>▪ The Company engages independent appraisers not only as required by law. The requirements applicable to such engagements are set out in internal documents.</li><li>▪ The Company does not hinder shareholders from exercising their rights to participate in the General Meeting of Shareholders. The Company has the approved Regulations for the General Meeting of Shareholders. Shareholders are notified of the General Meeting of Shareholders more than 30 days in advance, which is specified in the Articles of Association. Materials for preparations for the General Meeting of Shareholders are posted on the Company’s corporate website. The list of materials complies with the recommendations of the Russian Corporate Governance Code and satisfies legal requirements. The period of time provided for shareholders in the Articles of Association to submit proposals for the agenda of the Annual General Meeting of Shareholders is longer than required.</li><li>▪ The Company has experience of cooperating with minority shareholders. In the course of preparations for the Annual General Meeting of Shareholders, the Company posts a contact form on its corporate website to clarify issues related to the General Meeting of Shareholders. The Company maintains a shareholder hotline on a constant basis.</li><li>▪ IFRS and RAS financial statements are audited by generally recognized auditing firms selected based on the results of public bidding procedures. Auditors are engaged in rotation. External auditors do not provide consultancy services to the Company.</li><li>▪ The Company has the approved Regulations for Dividend Policy, which set forth the basic principles of dividend policy, establish criteria for determining the amount of dividends, and specify the procedure, period, and method for dividend payment.</li><li>▪ The Board of Directors approved the action plan (road map) to improve corporate governance practices.</li></ul>
Activities of management and control bodies	<ul style="list-style-type: none"><li>▪ The composition of the Board of Directors is well balanced in terms of taking into account the interests of all shareholders and limiting the dominant influence of the principal shareholder and management on decisions taken by the Board of Directors and in terms of the key skills necessary for the effective work of the Board of Directors.</li><li>▪ The number of independent directors exceeds the requirements contained in the Listing Rules of the MICEX Stock Exchange.</li></ul>

	<ul style="list-style-type: none"> <li>▪ Meetings of the Board of Directors are held regularly, including in person, and in accordance with a pre-approved action plan.</li> <li>▪ As specified in the Articles of Association, decisions of the Board of Directors on certain issues in addition to those provided for in law should be adopted by a qualified majority of two-thirds of votes.</li> <li>▪ At its meetings, the Board of Directors considers issues related to approving and implementing the strategy, approves key performance indicators associated with the strategy, considers issues related to approving and monitoring the implementation of the annual budget, the business plan, and the capital investment program, along with issues related to exercising control over material transactions conducted by controlled entities.</li> <li>▪ The Company takes out liability insurance for members of the Board of Directors.</li> <li>▪ The functions and composition of the Audit Committee and the Nomination and Remuneration Committee satisfy the requirements contained in the Listing Rules of the Moscow Exchange and comply with the recommendations of the Russian Corporate Governance Code. The Board of Directors also has the Strategy Committee and the Investment, Technical Policy, Reliability, Energy Efficiency, and Innovation Committee.</li> <li>▪ The Board of Directors approved internal documents governing remuneration and motivation for members of executive bodies.</li> <li>▪ Internal documents obligate executive bodies to provide the Board of Directors on a regular, timely, and comprehensive basis with all material information about the Company's activities.</li> <li>▪ The composition of the Internal Audit Commission proves its independence.</li> <li>▪ The Company has internal documents that define the basic principles, elements, and procedures of the internal control system and the risk management system. The Board of Directors annually evaluates the effectiveness of the risk management system and the internal control system.</li> <li>▪ The Company has an internal audit division, the Directorate for Internal Audit. The functions and activities of the Directorate for Internal Audit comply with the recommendations of the Russian Corporate Governance Code.</li> <li>▪ The Company created and operates a regulatory and methodological framework for risk management and established an internal division responsible for performing the key risk management functions.</li> <li>▪ The Company's staff includes the Corporate Secretary. The Corporate Secretary is accountable to the Board of Directors and performs his or her functions in accordance with the Regulations for the Corporate Secretary. The functions and powers of the Corporate Secretary comply with the recommendations of the Russian Corporate Governance Code.</li> </ul>
Disclosure	<ul style="list-style-type: none"> <li>▪ The Board of Directors approved the Information Policy, which complies with the recommendations of the Corporate Governance Code.</li> <li>▪ The Company set up divisions responsible for shareholder/investor relations, and their contact information is available on the Company's website. The Company regularly holds meetings with shareholders and investors and makes presentations for them with the involvement of members of its management bodies.</li> <li>▪ The Company discloses detailed information on members of the Board of Directors and members of executive bodies in annual reports.</li> <li>▪ The Company's corporate website discloses information on the composition of the committees of the Board of Directors, specifying the chairman of each committee and independent directors, along with information on controlled entities.</li> <li>▪ The Company discloses all the main forms of interim and annual financial statements prepared in accordance with IFRS and RAS. Annual reports prepared in accordance with IFRS are disclosed before the Annual General Meeting of</li> </ul>

	<p>Shareholders discussing the results of the relevant year. Disclosed financial statements are accompanied by auditor's reports.</p> <ul style="list-style-type: none"> <li>▪ The Company's annual report includes executive bodies' explanations regarding annual accounts and records, including an analysis of the Company's financial condition and performance.</li> <li>▪ The Company discloses information concerning the amount of remuneration paid to the external auditor and information that external auditors do not provide consultancy services to the Company.</li> <li>▪ The Company discloses detailed information about material transactions and related party transactions.</li> <li>▪ The annual reports prepared in accordance with the legal requirements for all reporting years are available on the Company's corporate website. The 2015 annual report includes a substantial amount of additional information in accordance with the recommendations of the Corporate Governance Code.</li> <li>▪ The corporate website contains a large amount of up-to-date information about the Company and its key operating results.</li> <li>▪ The Company has an English-language version of the corporate website, which contains a substantial amount of information for shareholders and investors.</li> </ul>
Corporate social responsibility and sustainability	<ul style="list-style-type: none"> <li>▪ Internal documents governing corporate social responsibility policies (Code of Corporate Ethics, Anti-Corruption Policy) were approved by the Company and are available on its corporate website.</li> <li>▪ In the year preceding the assessment, the Company carried out corporate social projects for employees and residents in the regions of its operations, along with charity and sponsorship projects.</li> <li>▪ In public sources of information in the year preceding the assessment, the experts found no evidence of conflicts between the Company and its staff or significant conflicts with competitors and counterparties.</li> <li>▪ In the year preceding the assessment, no penalties were imposed due to the adverse environmental impact of the Company's activities.</li> <li>▪ Preparations are underway for the Company's ISO 9001 quality management certification.</li> <li>▪ The Corporate Governance Code of the Company contains standards for resolving any possible corporate conflicts.</li> <li>▪ The Company prepares social reports. Social reporting complies with the GRI Guidelines.</li> </ul>

## Board of Directors

### Strategy Committee

As resolved by the Board of Directors on August 5, 2015 (Minutes of the Meeting No. 198), the following members of the Committee were appointed:

No.	Name	Position as of the Time of Election
1.	Vyacheslav Mikhailovich Kravchenko Chairman of the Committee	Member of the Board of Directors, ROSSETI Deputy Minister of Energy of the Russian Federation
2.	Stanislav Olegovich Ashirov	Member of the Board of Directors, ROSSETI Director General, Mezhhregionenergosbyt
3.	Oleg Gennadyevich Barkin	Member of the Board of Directors, ROSSETI Deputy Chairman of the Board, NP Market

Council		
4.	Vasily Mikhailovich Belov <i>Independent director</i>	Member of the Board of Directors, ROSSETI Senior Vice-President for Innovations, Non-Profit Organization the Fund for Development of the Center for Elaboration and Commercialization of New Technologies
5.	Roman Nikolaevich Berdnikov	Member of the Management Board and First Deputy Director General for Technical Policy, ROSSETI
6.	Alexander Mikhailovich Borisov	Member of the Presidium, OPORA RUSSIA All- Russian Public Organization of Small and Medium Business
7.	Andrey Aleksandrovich Dyomin	Member of the Management Board, ROSSETI
8.	Alexander Sergeyevich Kalinin <i>Independent director</i> <sup>1</sup>	Member of the Board of Directors, ROSSETI President, OPORA RUSSIA All-Russian Public Organization of Small and Medium Business
9.	Vasily Nikolayevich Kiselyov	Chairman of the Council of Customers of the Government Commission on the Development of the Electric Power Industry
10.	Viktor Viktorovich Mamin	Director of the of the Department for Corporate Governance, Price Conditions and Auditing in Fuel and Energy Industry Branches, Ministry of Energy of the Russian Federation
11.	Sergei Nikolaevich Mironosetsky	Member of the Board of Directors, FGC UES, and member of the Board of Directors, Siberian Generation Company
12.	Natalia Viktorovna Nevmerzhitskaya	Chairperson of the Management Board, Guaranteeing Suppliers and Power Suppliers
13.	Vasily Vladislavovich Nikonov	Director of the Energy Department, Rosneft
14.	Yevgeny Aleksandrovich Olkhovich	Deputy Director of the Department for State Regulation of Tariffs, Infrastructural Reforms and Energy Efficiency, Ministry of Economic Development of the Russian Federation
15.	Nikolay Dmitryevich Rogalev	Rector, Moscow Power Engineering Institute (National Research University)
16.	Pavel Nikolayevich Snikkars	Director of the Electric Power Industry Development Department, Ministry of Energy of the Russian Federation
17.	Oleg Romanovich Fyodorov	Member of the Board of Directors, ROSSETI Member of the Supervisory Board, ALROSA
18.	Alexander Viktorovich Shevchuk	Executive Director, Investor Protection Association
19.	Pavel Viktorovich Shpilevoy	Director for Strategic Development and Head of the Strategic Development Department, FGC UES
20.	Nikolay Grigoryevich Shulginov	First Deputy Chairman of the Management Board, SO UPS

<sup>1</sup> Since the Company entered into the transaction to acquire shares in LENENERGO on December 22, 2015, and pursuant to Ordinance of the Government of the Russian Federation No. 2177-r of October 27, 2015, A. S. Kalinin technically ceased to meet the independence criteria.



From January 2016 to September 2016, the Committee's members specified above adopted decisions on 33 issues documented in 12 meeting minutes, including 15 issues considered at 4 in-person meetings and 8 meeting minutes containing decisions on 18 issues that were addressed at absentee meetings with voting by ballot.<sup>2</sup>

The Committee's members specified above served before September 23, 2016.

#### Audit Committee

As resolved by the Board of Directors on August 5, 2015 (Minutes of the Meeting No. 198), the following members of the Committee were appointed:

No.	Name	Position as of the Time of Election
1.	Vasily Mikhailovich Belov Chairman of the Committee Independent director	Member of the Board of Directors, ROSSETI Senior Vice-President for Innovations, Non-Profit Organization the Fund for Development of the Center for Elaboration and Commercialization of New Technologies
2.	Stanislav Olegovich Ashirov	Member of the Board of Directors, ROSSETI Director General, Mezhtregionenergosbyt
3.	Alexander Sergeyevich Kalinin Independent director <sup>3</sup>	Member of the Board of Directors, ROSSETI President, OPORA RUSSIA All-Russian Public Organization of Small and Medium Business
4.	Alexei Aleksandrovich Makarov Independent director	Member of the Board of Directors, ROSSETI Academician, Russian Academy of Sciences

From January 2016 to September 2016, the Committee's members specified above adopted decisions on 15 issues documented in 6 meeting minutes, including issues considered at 2 in-person meetings and 4 meeting minutes containing decisions on 7 issues that were addressed at absentee meetings with voting by ballot.<sup>4</sup>

The Committee's members specified above served before September 23, 2016.

#### Nomination and Remuneration Committee

As resolved by the Board of Directors on August 5, 2015 (Minutes of the Meeting No. 198), the following members of the Committee were appointed:

No.	Name	Position as of the Time of Election
1.	Alexander Sergeyevich Kalinin Chairman of the Committee Independent director	Member of the Board of Directors, ROSSETI President, OPORA RUSSIA All-Russian Public Organization of Small and Medium Business
2.	Stanislav Olegovich Ashirov	Member of the Board of Directors, ROSSETI Director General, Mezhtregionenergosbyt
3.	Vasily Mikhailovich Belov Independent director	Member of the Board of Directors, ROSSETI Senior Vice-President for Innovations, Non-Profit Organization the Fund for Development of the

<sup>2</sup> The complete list of issues addressed by the Strategy Committee is contained in Section 11.16 of the Appendix to the Annual Report.

<sup>3</sup> Since the Company entered into the transaction to acquire shares in LENENERGO on December 22, 2015, and pursuant to Ordinance of the Government of the Russian Federation No. 2177-r of October 27, 2015, A. S. Kalinin technically ceased to meet the independence criteria.

<sup>4</sup> The complete list of issues addressed by the Audit Committee is contained in Section 11.16 of the Appendix to the Annual Report.

		Center for Elaboration and Commercialization of New Technologies
4.	Alexei Aleksandrovich Makarov <i>Independent director</i>	Member of the Board of Directors, ROSSETI Academician, Russian Academy of Sciences
5.	Oleg Romanovich Fyodorov <i>Independent director</i>	Member of the Board of Directors, ROSSETI Member of the Supervisory Board, ALROSA

In this period, the Committee's members specified above held 9 meetings, including 1 in-person meeting.

The Committee's members specified above served before September 23, 2016.

#### *Investment, Technical Policy, Reliability, Energy Efficiency, and Innovation Committee*

As resolved by the Board of Directors on August 5, 2015 (Minutes of the Meeting No. 198), the following members of the Committee were appointed:

No.	Name	Position as of the Time of Election
1.	Oleg Gennadyevich Barkin <i>Chairman of the Committee</i>	Member of the Board of Directors, ROSSETI Deputy Chairman of the Board, NP Market Council
2.	Boris Ilyich Ayuyev	Member of the Board of Directors, ROSSETI Chairman of the Management Board, SO UPS
3.	Vasily Mikhailovich Belov <i>Independent director</i>	Member of the Board of Directors, ROSSETI Senior Vice-President for Innovations, Non-Profit Organization the Fund for Development of the Center for Elaboration and Commercialization of New Technologies
4.	Roman Nikolaevich Berdnikov	Member of the Management Board and First Deputy Director General for Technical Policy, ROSSETI
5.	Yuri Yefimovich Dolin	Deputy Director General for Capital Construction, Gazprom Energoholding
6.	Vasily Nikolayevich Kiselyov	Chairman of the Council of Customers of the Government Commission on the Development of the Electric Power Industry
7.	Mikhail Aleksandrovich Kolesnikov	Member of the Presidium and Head of the Electric Power Committee, OPORA RUSSIA All-Russian Public Organization of Small and Medium Business
8.	Viktor Vasilyevich Kudryavy	Advisor to President on Energy and Gas Supply and Long-Term Development, EUROCEMENT Group
9.	Aleksey Valeryevich Molsky	Deputy Chairman of the Management Board, FGC UES
10.	Yuri Vladimirovich Osokin	Member of the Presidium, OPORA RUSSIA All-Russian Public Organization of Small and Medium Business
11.	Pavel Nikolayevich Snikkars	Director of the Electric Power Industry Development Department, Ministry of Energy of the Russian Federation
12.	Alexander Viktorovich Shevchuk	Executive Director, Investor Protection Association

In this period, the Committee's members specified above held 5 meetings, including 2 in-person meetings.



The Committee's members specified above served before September 23, 2016.

## Appendices to Section 6 "Internal Control and Risk Management Systems" of the Annual Report

### Roles of Participants in the Internal Control System

Participant in the Internal Control System	Principal Functions in the Internal Control System	Principal Internal Documents Specifying the Functions
Internal Audit Commission	<ul style="list-style-type: none"> <li>■ Exercise control of financial and economic activities</li> <li>■ Prepare proposals/recommendations to improve the internal control system</li> <li>■ Make an independent assessment of the reliability of information contained in the annual report and annual accounting statements</li> </ul>	<ul style="list-style-type: none"> <li>■ Articles of Association</li> <li>■ Internal Control Policy</li> <li>■ Regulations for the Internal Audit Commission</li> </ul>
Board of Directors	<ul style="list-style-type: none"> <li>■ Approve internal documents defining the organization and the development and improvement strategy of the internal control system</li> <li>■ Approve the Internal Control Policy containing the principles of and approaches to the organization of the internal control system</li> <li>■ Control the activities of executive bodies in the principal (high-priority) areas</li> <li>■ Review the results of the evaluation of internal control system effectiveness on an annual basis</li> </ul>	<ul style="list-style-type: none"> <li>■ Articles of Association</li> <li>■ Internal Control Policy</li> </ul>
Audit Committee of the Board of Directors	<ul style="list-style-type: none"> <li>■ Carry out a preliminary review of internal documents defining the organization and the development and improvement strategy of the internal control system, the Internal Control Policy, and subsequent amendments thereto</li> <li>■ Carry out a preliminary review of the results of the evaluation of internal control system effectiveness based on the internal auditor's report on internal control system effectiveness and based on reports on the findings of external independent evaluation and prepare proposals/recommendations to improve the internal control system</li> <li>■ Oversee the reliability and effectiveness of the internal control system as related to supervising the reliability of accounting (financial) statements, selecting the external auditor and conducting the external audit, and ensuring compliance with regulatory and legal requirements and as related to analyzing and assessing the implementation of the Internal Control Policy</li> </ul>	<ul style="list-style-type: none"> <li>■ Internal Control Policy</li> <li>■ Regulations for the Audit Committee</li> </ul>
Other committees of the Board of Directors	<ul style="list-style-type: none"> <li>■ Oversee the attainment of prescribed financial and operational indicators, compliance with the applicable laws, compliance with the rules and procedures set forth in local regulatory documents, and the reliability and timeliness of reporting within their competence specified by the Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li>■ Internal Control Policy</li> <li>■ Committee regulations</li> </ul>
Executive bodies	<ul style="list-style-type: none"> <li>■ Ensure the effective internal control system is created and</li> </ul>	<ul style="list-style-type: none"> <li>■ Articles of Association</li> <li>■ Internal Control Policy</li> </ul>

	<p>kept in working order, including:</p> <ul style="list-style-type: none"> <li>■ defining the areas and plans of developing and improving the internal control system</li> <li>■ approving regulatory and methodological documents relating to the organization and functioning of the internal control system within their competence</li> <li>■ ensuring the implementation of action plans</li> <li>■ preparing and submitting for consideration by the Board of Directors reports on financial and economic activities and on the organization, functioning, and effectiveness of the risk management and internal control systems</li> </ul>	<ul style="list-style-type: none"> <li>■ Procedure for Implementing the Internal Control Policy</li> </ul>
Divisions	<ul style="list-style-type: none"> <li>■ Implement the principles of the internal control system</li> <li>■ Organize and regulate the building of effective processes (areas of activities), including using identified risks to develop and implement new control procedures or change existing control procedures</li> <li>■ Carry out control procedures</li> <li>■ Perform self-assessment in relation to supervised processes (areas of activities) and initiate the improvement of control procedures</li> <li>■ Correct discovered deficiencies in control procedures and processes (areas of activities)</li> </ul>	<ul style="list-style-type: none"> <li>■ Internal Control Policy</li> <li>■ Procedure for Implementing the Internal Control Policy</li> <li>■ Division regulations</li> </ul>
Internal control division	<ul style="list-style-type: none"> <li>■ Develop basic and methodological documents and ensure their implementation in relation to building up and improving the internal control system</li> <li>■ Assist management in building the control environment and formulate recommendations for the description of control procedures and their introduction into processes (areas of activities) and for the assignment of responsibilities to officers</li> <li>■ Coordinate measures to maintain and monitor the intended state of the internal control system</li> <li>■ Prepare information on the state of the internal control system for stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>■ Internal Control Policy</li> <li>■ Procedure for Implementing the Internal Control Policy</li> <li>■ Regulations for the internal control division</li> </ul>
Internal audit division	<ul style="list-style-type: none"> <li>■ Prepare recommendations based on the internal audit results to improve control procedures, specific components (elements) of internal control and the internal control system</li> <li>■ Make the internal evaluation of internal control system effectiveness and provide recommendations to improve the efficiency and effectiveness of the internal control system</li> </ul>	<ul style="list-style-type: none"> <li>■ Internal Control Policy</li> <li>■ Procedure for Implementing the Internal Control Policy</li> <li>■ Internal Audit Policy</li> <li>■ Regulations for the internal audit division</li> </ul>

## Appendices to Section 7 “Information for Shareholders and Investors” of the Annual Report

### Shareholding Structure (Shareholders with a Share of More than 1%) as of May 24, 2016

Shareholders	Percentage, %	
	of Ordinary Shares	of Share Capital

The Russian Federation represented by the Federal Agency for State Property Management	<b>88.75</b>	<b>87.90</b>
Gazprom Finance B.V.	1.31	1.30
Gazprom Energoholding	0.83	0.83
Neft-Aktiv	0.81	0.80
Other	8.30	9.17
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

### Shareholders with a Share of More than 2% as of December 31, 2016

Name	Shareholder Type*	Percentage of Share Capital, %
Federal Agency for State Property Management	O	87.90
National Settlement Depository	NS	8.75
Depository and Corporate Technologies	NS	2.73
<b>TOTAL</b>		<b>99.86</b>

\* "NS" means a nominee shareholder; "O" means an owner.

Ownership of ROSSETI's shares is recorded in a total of 322,123 accounts, including 1,477 and 320,646 accounts of corporate entities and individuals respectively.

### Share Issue Information

#### Ordinary shares:

Share issue registered upon incorporation:

State registration number: 1-01-55385-E

Registration date of the issue and securities issue report: July 29, 2008; Order of the Federal Financial Markets

Service of the Russian Federation No. 08-1731/pz-i

Quantity of issued shares: 41,041,753,984

#### Additional share issues:

State registration number: 1-01-55385-E-001D

Registration date of the issue: May 6, 2010; Order of the Federal Financial Markets Service of the Russian Federation No. 10-1221/pz-i

Registration date of the securities issue report: February 3, 2011; Order of the Federal Financial Markets

Service of the Russian Federation No. 11-194/pz-i

Placed shares: 1,922,313,097

Individual issue code 001D was canceled on May 19, 2011

State registration number: 1-01-55385-E-002D

Registration date of the issue: November 10, 2011; Order of the Federal Financial Markets Service of the Russian Federation No. 11-3021/pz-i

Registration date of the securities issue report: May 24, 2012; Order of the Federal Financial Markets Service of the Russian Federation No. 12-1301/pz-i

Placed shares: 4,907,627,335

Individual issue code 002D was canceled on September 13, 2012

State registration number: 1-01-55385-E-003D

Registration date of the issue: December 3, 2012; Order of the Federal Financial Markets Service of the Russian Federation No. 12-2993/pz-i

Registration date of the securities issue report: March 19, 2013; Order of the Federal Financial Markets Service of the Russian Federation No. 13-614/pz-i

Placed shares: 9,375,608,049

Individual issue code 003D was canceled on June 27, 2013

State registration number: 1-01-55385-E

Registration date of the issue: June 4, 2013; Order of the Federal Financial Markets Service of the Russian Federation No. 13-1273/pz-i

Date of submitting the notice of the additional securities issue results to the Bank of Russia Financial Markets Service: October 1, 2013

Placed shares: 103,831,550,845

State registration number: 1-01-55385-E

Registration date of the issue: October 27, 2015; Notice of the Bank of Russia No. 52-4/14092

Placed shares: 34,916,726,397

State registration number: 1-01-55385-E

Registration date of the issue: December 22, 2016; Notice of the Bank of Russia No. 52-4/15107

Placed shares: in the process of placement

***Preference shares:***

State registration number: 2-01-55385-E

Registration date of the issue and securities issue report: July 29, 2008; Order of the Federal Financial Markets Service of the Russian Federation No. 08-1731/pz-i

Quantity of issued shares: 2,075,149,384

## Pending Legal Proceedings in Which ROSSETI Acts as a Respondent or Claimant in Relation to Debt Recovery Claims as of December 31, 2016

Item	Claimant	Respondent	Third Parties	Case No.	Subject Matter of the Dispute	Note
1	PJSC ROSSETI	ENERGO-finance LLC, Rusenergo Fund Limited		A40-41321/2015	Debt recovery and interest collection in relation to the promissory note in the amount of 2,591,033,081 rubles; interest collection in relation to the use of other persons' funds	The proceedings were suspended until the consideration of the bankruptcy proceedings against ENERGO-finance LLC (A40-5582/2015).
2	PJSC ROSSETI	ENERGO-finance LLC		A40-5582/2015	Inclusion of PJSC ROSSETI's claims in the amount of 2,674,789,531.25 rubles on the register of creditors of ENERGO-finance LLC	PJSC ROSSETI's claims were included on the register of creditors; the administrator's petition to declare the debtor bankrupt and cause the debtor to go into administration is under consideration.
3	PJSC ROSSETI	Ingushenergo, JSC		A18-232/2014	Inclusion of PJSC ROSSETI's claims in the amount of 214,170,000 rubles on the register of creditors of Ingushenergo, JSC	PJSC ROSSETI's claims were included on the register on August 25, 2016.
4	PJSC ROSSETI	Ingushenergo, JSC		A18-232/2014	Inclusion of PJSC ROSSETI's claims in the amount of 19,589,000 rubles on the register of creditors of Ingushenergo, JSC	PJSC ROSSETI's claims will be considered after the commencement of the procedure following the observation procedure.
5	PJSC ROSSETI	NURENERGO, JSC		A40-169853/2016	Debt recovery in relation to NURENERGO, JSC in the amount of 373,030,814.2 rubles	The claim was allowed (effective from January 15, 2017).
6	PJSC ROSSETI	JSC VPEC	AO Engineering Center UES Real Estate and others	A55-4064/2016	Inclusion of PJSC ROSSETI's claims in the amount of 11,007,784.07 rubles on the register of creditors of JSC VPEC	PJSC ROSSETI's claims were included on the register; the bankruptcy proceedings are pending.

## 10.2. Minutes of the Meetings of the Board of Directors and Issues Considered by Committees of the Board of Directors

The minutes of all meetings held by the Board of Directors in 2016, the considered issues, and the adopted decisions are available on ROSSETI's website at <http://www.rosseti.ru/investors/solutions/?year=2016>.

### Issues Considered by Committees of the Board of Directors of ROSSETI in 2016

Item	Date and Number of the Meeting Minutes	Considered Issues
<b>Audit Committee</b>		
1.	March 3, 2016; No. 65	<ol style="list-style-type: none"> <li>1. Review of a restated version of the Regulations for the Directorate for Internal Audit of PJSC ROSSETI.</li> <li>2. Review of the report of the Directorate for Internal Audit of PJSC ROSSETI on the implementation of the action plan for 2015, including on the results of end-to-end audits of the ROSSETI Group.</li> </ol>
2.	April 13, 2016; No. 66	<ol style="list-style-type: none"> <li>1. Review of the accounting (financial) statements of PJSC ROSSETI in accordance with Russian Accounting Standards for 2015.</li> <li>2. Comments received by the Audit Committee from the external auditor on the main problems of the accounting (financial) statements of PJSC ROSSETI in accordance with Russian Accounting Standards for 2015.</li> <li>3. Consideration of a nominee for the Auditor of PJSC ROSSETI.</li> </ol>
3.	April 20, 2016; No. 67	<ol style="list-style-type: none"> <li>1. Draft of the consolidated financial statements of the ROSSETI Group in accordance with International Financial Reporting Standards for the year ended December 31, 2015.</li> <li>2. Comments received by the Audit Committee from the external auditor on the main problems of the consolidated financial statements of the ROSSETI Group in accordance with International Financial Reporting Standards for the year ended December 31, 2015.</li> <li>3. Assessment by the Audit Committee of the auditor's report on the accounting (financial) statements of the Company in accordance with Russian Accounting Standards for 2015.</li> <li>4. Consideration of a nominee for the Auditor of PJSC ROSSETI.</li> <li>5. Review of the Annual Report "On the Performance Results for the Schedule (Road Map) for Implementing the Strategy for Developing and Improving the Internal Control System of PJSC ROSSETI and Subsidiaries and Dependent Companies of PJSC ROSSETI."</li> </ol>
4.	May 31, 2016; No. 68	<ol style="list-style-type: none"> <li>1. Consideration of a nominee for the Auditor of PJSC ROSSETI.</li> </ol>
5.	May 24, 2016; No. 69	<ol style="list-style-type: none"> <li>1. Review of the internal auditor's report on the efficiency of the internal control, risk management, and corporate governance system of PJSC ROSSETI and subsidiaries and dependent companies of PJSC ROSSETI for 2015.</li> <li>2. Results of measures aimed at compliance by PJSC ROSSETI with the requirements of laws on insider information control in 2015.</li> </ol>
6.	June 30, 2016; No. 70	<ol style="list-style-type: none"> <li>1. Results of measures aimed at compliance by PJSC ROSSETI with the requirements of laws on insider information control in 2015.</li> <li>2. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Review of the report on the functioning of the risk management system for 2015."</li> </ol>



7.	October 21, 2016; No. 71	<ol style="list-style-type: none"> <li>1. Election of the Deputy Chairman of the Audit Committee of the Board of Directors of PJSC ROSSETI.</li> <li>2. Election of the Secretary of the Audit Committee of the Board of Directors of PJSC ROSSETI.</li> <li>3. Approval of the action plan of the Audit Committee of the Board of Directors of PJSC ROSSETI for the corporate year 2016/17.</li> <li>4. Consent to the appointment of the Head of the Directorate for Internal Audit of PJSC ROSSETI and the determination of the relevant remuneration.</li> <li>5. Quality of auditor services.</li> </ol>
8.	October 14, 2016; No. 72	<ol style="list-style-type: none"> <li>6. Results of measures aimed at compliance by PJSC ROSSETI with the requirements of laws on insider information control in the 1st half of 2016.</li> <li>7. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of a restated version of the Anti-Corruption Policy of PJSC ROSSETI and Subsidiaries and Dependent Companies of PJSC ROSSETI."</li> </ol>
9.	November 24, 2016; No. 73	<ol style="list-style-type: none"> <li>8. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the action plan of the Directorate for Internal Audit of PJSC ROSSETI for 2017."</li> <li>9. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the budget of the Directorate for Internal Audit of PJSC ROSSETI for 2017."</li> </ol>
<b>Investment, Technical Policy, Reliability, Energy Efficiency, and Innovation Committee</b>		
1.	March 10, 2016; No. 69	<ol style="list-style-type: none"> <li>1. Review of the report of the sole executive body on the findings of monitoring metal products purchased by subsidiaries and dependent companies of PJSC ROSSETI in 2015.</li> </ol>
2.	May 23, 2016; No. 70	<ol style="list-style-type: none"> <li>1. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Review of the draft of the consolidated investment program of PJSC ROSSETI for 2016 and for 2017–2021."</li> <li>2. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the model scenario conditions for formulating the investment programs of subsidiaries and dependent companies of PJSC ROSSETI."</li> <li>3. Results of implementing the consolidated Annual Comprehensive Procurement Program of subsidiaries and dependent companies of PJSC ROSSETI for the 2nd half of 2015.</li> </ol>
3.	June 21, 2016; No. 71	<ol style="list-style-type: none"> <li>1. Report on the implementation of the Innovative Development Program of PJSC ROSSETI for 2015.</li> <li>2. Review of the report on the implementation of the consolidated investment program of the ROSSETI Group for the 4th quarter of 2015 and 2015.</li> </ol>
4.	July 29, 2016; No. 72	<ol style="list-style-type: none"> <li>1. Review of the performance report of the Investment, Technical Policy, Reliability, Energy Efficiency, and Innovation Committee of the Board of Directors of PJSC ROSSETI for the corporate year 2015/16.</li> </ol>
5.	August 5, 2016; No. 73	<ol style="list-style-type: none"> <li>1. Review of the report on the implementation of the consolidated investment program of the ROSSETI Group for the 1st quarter of 2016.</li> <li>2. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the model scenario conditions for formulating the investment programs of subsidiaries and dependent companies of PJSC ROSSETI."</li> <li>3. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Amendments to the Regulations for the Uniform Technical Policy in the Electric Grids of JSC ROSSETI."</li> </ol>
6.	October 20, 2016; No. 74	<ol style="list-style-type: none"> <li>1. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the Innovative Development Program of PJSC ROSSETI for 2016–2020 with Long-Term Plans Until 2025."</li> <li>2. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the Energy Conservation and Energy Efficiency Enhancement Program of PJSC ROSSETI for 2015–2019."</li> <li>3. Approval of the action plan of the Investment, Technical Policy, Reliability, Energy Efficiency, and Innovation Committee of the Board of Directors of PJSC</li> </ol>

		ROSSETI for the corporate year 2016/17.
7.	November 23, 2016; No. 75	<ol style="list-style-type: none"> <li>1. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Review of the report on the implementation of the consolidated investment program of PJSC ROSSETI for the 2nd quarter of 2016 and the 1st half of 2016, specifying information about compliance with the construction schedules for capacity delivery schemes in relation to the generation facilities constructed under capacity delivery contracts and about investment efficiency evaluation."</li> <li>2. Report on improving the quality of services provided by the ROSSETI Group for the 1st half of 2016.</li> <li>3. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the Regulations for the Uniform Technical Policy in the Electric Grids of PJSC ROSSETI."</li> </ol>
8.	December 27, 2016; No. 76	<ol style="list-style-type: none"> <li>1. Review of the report on the implementation of the consolidated investment program of PJSC ROSSETI for the 3rd quarter of 2016 and the 9 months of 2016.</li> <li>2. Review of the report on the introduction of the Model Procedure for Commissioning Completed Facilities into subsidiaries and dependent companies of PJSC ROSSETI, including amendments to the accounting policies of subsidiaries and dependent companies, and on implementation of measures to prevent the issuance of acceptance documents for commissioned capital construction facilities in violation of applicable legal regulations.</li> <li>3. Review of the Modernization (Renewal) Program for Electric Grid Facilities of PJSC ROSSETI's Subsidiaries and Dependent Companies.</li> <li>4. Approval of the Energy Conservation and Energy Efficiency Enhancement Program of PJSC ROSSETI for 2015–2019.</li> </ol>
<b>Strategy Committee</b>		
1.	February 1, 2016; No. 131	<ol style="list-style-type: none"> <li>1. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the organization standard development contracts between PJSC ROSSETI and PJSC FTC, which are related party transactions."</li> <li>2. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Defining of the position of PJSC ROSSETI (representatives of PJSC ROSSETI) on the item on the agenda of the meeting of the Board of Directors of JSC Yantarenergo 'Approval of the debt settlement agreement in relation to Services Agreement for Electricity Transmission Through the Unified National (All-Russian) Electric Grid No. 544/P of January 25, 2012, between JSC Yantarenergo and FGC UES, PJSC, which is a major transaction.'"</li> </ol>
2.	February 13, 2016; No. 132	<ol style="list-style-type: none"> <li>1. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the agreement for fee-based technical supervision services between PJSC ROSSETI and FGC UES, PJSC, which is a related party transaction."</li> <li>2. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the agreement between PJSC ROSSETI and OPORA RUSSIA All-Russian Public Organization of Small and Medium Business, which is a related party transaction."</li> <li>3. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the real property sublease agreement between PJSC ROSSETI and PJSC FTC, which is a related party transaction."</li> </ol>

3.	March 15, 2016; No. 133	<ol style="list-style-type: none"> <li>1. Results of the ongoing monitoring of the financial and economic condition of subsidiaries and dependent companies of PJSC ROSSETI for 2015. Forecast for 2016–2018 (taking account of the anticipated loan debt burden and preset tariff growth rates).</li> <li>2. Review of the report on progress in measures taken by subsidiaries and dependent companies of PJSC ROSSETI to reduce receivables for electricity distribution services for the 4th quarter of 2015.</li> <li>3. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue “Approval of a restated version of the Procedure for Interaction of PJSC ROSSETI with the Economic Entities Whose Shares (Stakes) Are Owned by PJSC ROSSETI.”</li> <li>4. Review of the report of the Management Board of PJSC ROSSETI on progress in implementing the Comprehensive Program of Measures to Reduce Above-standard Electricity Losses investment project implemented by the managerial arm and the Ingushetia and Dagestan branches of IDGC of Northern Caucasus, PJSC.</li> <li>5. Review of the Concept of Managing the ROSSETI Group’s Research, Development, and Innovation Activities and the related implementation plan.</li> <li>6. Approval of the action plan to improve the operating efficiency and financial and economic condition of JSC Yantarenergo.</li> </ol>
4.	March 31, 2016; No. 134	<ol style="list-style-type: none"> <li>1. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue: “Defining of the position of the Company (representatives of the Company) on the item on the agenda of the Extraordinary General Meeting of Shareholders of JSC REC IDGC: ‘Approval of the agreement for design and survey work between PJSC LENENERGO and JSC REC IDGC, which is a major transaction.’”</li> <li>2. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue: “Defining of the position of the Company (representatives of the Company) on the item on the agenda of the meeting of the Board of Directors of JSC REC IDGC: ‘Approval of the agreement for design and survey work between PJSC LENENERGO and JSC REC IDGC, which is a major transaction.’”</li> <li>3. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue: “Defining of the position of the Company (representatives of the Company) on the item on the agenda of the Extraordinary General Meeting of Shareholders of JSC REC IDGC: ‘Approval of the agreement for design and survey work between PJSC LENENERGO and JSC REC IDGC, which is a major transaction.’”</li> <li>4. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue “Approval of the agreement for the development of the Organization Standard ‘Emergency Recorders. General Technical Requirements’ between PJSC ROSSETI and OAO Energosetproekt Institute, which is a related party transaction.”</li> <li>5. Review of the Concept of Managing the ROSSETI Group’s Research, Development, and Innovation Activities and the related implementation plan.</li> </ol>
5.	March 31, 2016; No. 135	<ol style="list-style-type: none"> <li>1. Supplement to the Procurement Plan of PJSC ROSSETI approved by the decision adopted by the Board of Directors of PJSC ROSSETI on February 24, 2016, (Minutes of the Meeting No. 221).</li> <li>2. Approval of the list of key performance indicators (KPI) and the KPI attainment for the Director General of PJSC ROSSETI and the executive bodies of subsidiaries of PJSC ROSSETI.</li> <li>3. Preparation and review of the reports on the performance of Agreement for the Transfer of the Powers of the Sole Executive Body No. 18.70.561.12 (2012-EIO) between JSC TDC and EDF Grids Vostok LLC and proposals to take into account the performance of the agreement in the Company’s activities.</li> </ol>
6.	April 4, 2016; No. 136	<ol style="list-style-type: none"> <li>1. Supplement to the Procurement Plan of PJSC ROSSETI approved by the decision adopted by the Board of Directors of PJSC ROSSETI on February 24, 2016, (Minutes of the Meeting No. 221).</li> </ol>

7.	April 19, 2016; No. 137	<ol style="list-style-type: none"> <li>1. Approval of the action plan to improve the operating efficiency and financial and economic condition of branches, subsidiaries, and dependent companies of IDGC of Northern Caucasus, PJSC.</li> <li>2. Measures to provide financial recovery for and improve the financial stability of Kubanenergo.</li> </ol>
8.	April 28, 2016; No. 138	<ol style="list-style-type: none"> <li>1. Recommendations for the Board of Directors concerning the approval of the list of quarterly KPI for the Director General of PJSC ROSSETI for 2016 and concerning the KPI system for 2017 as part of implementing the Strategy Committee's instructions of March 31, 2016, (Minutes of the Meeting No. 135).</li> <li>2. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Review of proposals to sell the ROSSETI Group's energy retailers except for AO Yantarenergosbyt."</li> <li>3. Future operations of Dagestan Grid Company, JSC.</li> <li>4. Consideration of measures to improve the efficiency and financial stability of JSC Yantarenergo for 2016–2020.</li> </ol>
9.	April 29, 2016; No. 139	<ol style="list-style-type: none"> <li>1. Proposals for the Annual General Meeting of Shareholders of PJSC ROSSETI concerning the agenda item "Approval of the liability insurance contract for directors and officers, which is a related party transaction."</li> </ol>
10.	May 31, 2016; No. 140	<ol style="list-style-type: none"> <li>1. Development plans of PJSC ROSSETI's subsidiaries.</li> <li>2. Preliminary review of the attainment of the key performance indicators (KPI) for the Director General of PJSC ROSSETI for 2015, and recommendations for the Board of Directors concerning the approval of the list of quarterly KPI for the Director General of PJSC ROSSETI and the sole executive bodies of subsidiaries and dependent companies of PJSC ROSSETI as applicable from the 3rd quarter of 2016 and the list of annual KPI for the Director General of PJSC ROSSETI and the sole executive bodies of subsidiaries and dependent companies of PJSC ROSSETI as applicable from 2017.</li> </ol>
11.	June 22, 2016; No. 141	<ol style="list-style-type: none"> <li>1. Diversification of financing sources by means of possible borrowings.</li> <li>2. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Updating of the IT strategy".</li> </ol>
12.	June 28, 2016; No. 142	<ol style="list-style-type: none"> <li>1. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "PJSC ROSSETI's holding a stake in OOO Infrastructure Investments-3."</li> <li>2. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the agreements for training of specialists in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation between PJSC ROSSETI and the Moscow Power Engineering Institute (National Research University) (hereinafter, "MPEI (NRU)"), which are related party transactions."</li> </ol>
13.	October 26, 2016; No. 143	<ol style="list-style-type: none"> <li>1. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Amendments to the Long-Term Development Program of PJSC ROSSETI."</li> <li>2. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the Technique for Calculating and Evaluating the Annual Key Performance Indicators (KPI) of the Director General of PJSC ROSSETI and the Sole Executive Bodies of Subsidiaries and Dependent Companies of PJSC ROSSETI for 2016."</li> <li>3. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the Technique for Calculating and Evaluating the Key Performance Indicators (KPI) of the Director General of PJSC ROSSETI and the Sole Executive Bodies of Subsidiaries and Dependent Companies of PJSC ROSSETI as applicable from 2017."</li> <li>4. Review of proposals in connection with abolishing the fee paid by subsidiaries of PJSC ROSSETI for services in relation to organizing the operation of and to</li> </ol>

		<p>developing electric grid facilities and in connection with switching over to financing PJSC ROSSETI's activities out of dividends paid by subsidiaries and dependent companies.</p> <ol style="list-style-type: none"> <li>Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Implementation of the Smart Grid Construction investment project."</li> <li>Review of the report of PJSC ROSSETI's management on the implementation of the development plans of PJSC ROSSETI's subsidiaries for the 9 months of 2016 approved by the Board of Directors of PJSC ROSSETI on June 9, 2016.</li> </ol>
14.	November 11, 2016; No. 144	<ol style="list-style-type: none"> <li>Approval of the action plan of the Strategy Committee of the Board of Directors of PJSC ROSSETI for the corporate year 2016/17.</li> <li>Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Defining of the position of the Company (representatives of the Company) on the item on the agenda of the meeting of the Board of Directors of JSC Power Grid Optical Networks Engineering: 'Approval of the maintenance and support services agreement for PJSC ROSSETI's infrastructure services between JSC Power Grid Optical Networks Engineering and PJSC ROSSETI, which is a major transaction.'"</li> <li>Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the organization standard development contracts between PJSC ROSSETI and PJSC FTC, which are related party transactions."</li> <li>Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the organization standard development contracts between PJSC ROSSETI and PJSC FTC, which are related party transactions."</li> </ol>
15.	November 21, 2016; No. 145	<ol style="list-style-type: none"> <li>Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the Technique for Calculating and Evaluating the Annual Key Performance Indicators (KPI) of the Director General of PJSC ROSSETI and the Sole Executive Bodies of Subsidiaries and Dependent Companies of PJSC ROSSETI for 2016."</li> <li>Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the Technique for Calculating and Evaluating the Key Performance Indicators (KPI) of the Director General of PJSC ROSSETI and the Sole Executive Bodies of Subsidiaries and Dependent Companies of PJSC ROSSETI as applicable from 2017."</li> <li>Consideration of the performance results of the Common Treasury of the ROSSETI Group and its operating efficiency for the ROSSETI Group and for PJSC ROSSETI.</li> <li>Review of the report on the implementation of the Long-Term Development Program of PJSC ROSSETI for the 1st half of 2016.</li> </ol>
16.	December 25, 2016; No. 146	<ol style="list-style-type: none"> <li>Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the Technique for Calculating and Evaluating the Annual Key Performance Indicators (KPI) of the Director General of PJSC ROSSETI and the Sole Executive Bodies of Subsidiaries and Dependent Companies of PJSC ROSSETI for 2016."</li> <li>Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the Technique for Calculating and Evaluating the Key Performance Indicators (KPI) of the Director General of PJSC ROSSETI and the Sole Executive Bodies of Subsidiaries and Dependent Companies of PJSC ROSSETI as applicable from 2017."</li> </ol>
17.	December 14, 2016; No. 147	<ol style="list-style-type: none"> <li>Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the agreement for fee-based consultancy services in relation to 'Updating Informational and Analytical Materials with Respect to Enhancing the Affordability of the Power Infrastructure and Improving the Investor Appeal for Constituent Entities of the Russian Federation,' which is a related party transaction."</li> <li>Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the Innovative Development Program of PJSC ROSSETI</li> </ol>

		for 2016–2020 with Long-Term Plans Until 2025.”
18.	December 21, 2016; No. 148	<ol style="list-style-type: none"> <li>1. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue “Review of the action plan to optimize PJSC ROSSETI’s expenses with due consideration to subsidiaries according to the independent audit results.”</li> <li>2. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue “Approval of the PJSC ROSSETI Budget for 2017.”</li> <li>3. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue “Scenario conditions for setting the indicators of the business plan of the ROSSETI Group for 2017 and the forecast indicators for 2018–2021.”</li> <li>4. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue “Approval of the Technique for Calculating and Evaluating the Key Performance Indicators (KPI) of the Director General of PJSC ROSSETI and the Sole Executive Bodies of Subsidiaries and Dependent Companies of PJSC ROSSETI as applicable from 2017.”</li> </ol>
<b>Nomination and Remuneration Committee</b>		
1.	February 9, 2016; No. 34	1. Changes to the organizational structure of PJSC ROSSETI’s executive arm.
2.	February 16, 2016; No. 35	1. Approval of the Technique for Calculating and Evaluating the Key Performance Indicators of the Director General of PJSC ROSSETI for 2016.
3.	March 14, 2016; No. 36	1. Preliminary review of a restated version of the Regulations for the Nomination and Remuneration Committee of the Board of Directors of PJSC ROSSETI.
4.	April 29, 2016; No. 37	1. Preliminary review of a restated version of the Regulations for the Nomination and Remuneration Committee of the Board of Directors of PJSC ROSSETI.
5.	May 24, 2016; No. 38	<ol style="list-style-type: none"> <li>1. Approval of the attainment of the key performance indicators for the Director General of PJSC ROSSETI for the 4th quarter of 2015.</li> <li>2. Approval of the attainment of the key performance indicators for the Director General of PJSC ROSSETI for 2015.</li> </ol>
6.	May 31, 2016; No. 39	<ol style="list-style-type: none"> <li>1. Introduction of the position of Official Secretary and Deputy Director General into the organizational structure of the executive arm of PJSC ROSSETI.</li> <li>2. Approval of the attainment of the key performance indicators for the Director General of PJSC ROSSETI for the 1st quarter of 2016.</li> </ol>
7.	June 6, 2016; No. 40	1. Recommendations for the Board of Directors of the Company concerning the approval of the list of quarterly KPI for the Director General of PJSC ROSSETI and the sole executive bodies of subsidiaries and dependent companies of PJSC ROSSETI as applicable from the 3rd quarter of 2016 and the list of annual KPI for the Director General of PJSC ROSSETI and the sole executive bodies of subsidiaries and dependent companies of PJSC ROSSETI as applicable from 2017.
8.	June 26, 2016; No. 41	1. Implementation of the long-term motivation program for the ROSSETI Group’s entities.
9.	June 28, 2016; No. 42	1. Review of the performance report of the Nomination and Remuneration Committee of the Board of Directors of PJSC ROSSETI for the corporate year 2015/16.



10.	September 29, 2016; No. 43	1. Election of the Secretary of the Nomination and Remuneration Committee of the Board of Directors of PJSC ROSSETI. 2. Approval of the attainment of the key performance indicators for the Director General of PJSC ROSSETI for the 2nd quarter of 2016.
11.	November 11, 2016; No. 44	1. Approval of the action plan of the Nomination and Remuneration Committee of the Board of Directors of PJSC ROSSETI for the corporate year 2016/17. 2. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the nomination to the post of Deputy Director General of PJSC ROSSETI." 3. Confidential.
12.	November 16, 2016; No. 45	1. Approval of the nominations to PJSC ROSSETI's posts. 2. Changes to the organizational structure of PJSC ROSSETI's executive arm.
13.	November 30, 2016; No. 46	1. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the Technique for Calculating and Evaluating the Key Performance Indicators (KPI) of the Director General of PJSC ROSSETI and the Sole Executive Bodies of Subsidiaries and Dependent Companies of PJSC ROSSETI for 2016." 2. Recommendations for the Board of Directors of PJSC ROSSETI concerning the issue "Approval of the Technique for Calculating and Evaluating the Key Performance Indicators (KPI) of the Director General of PJSC ROSSETI and the Sole Executive Bodies of Subsidiaries and Dependent Companies of PJSC ROSSETI as applicable from 2017."
14.	November 11, 2016; No. 47	1. Approval of the attainment of the key performance indicators for the Director General of PJSC ROSSETI for the 3rd quarter of 2016.

### 10.3. Implementation of Key Instructions Issued by the President and Government of the Russian Federation

Item	Subject	Instructions	Information on Implementation
1	Introducing the provisions of the Corporate Governance Code	Instructions of the Government of the Russian Federation No. ISh-P13-5859 of July 31, 2014	<p>Pursuant to Instructions of the Government of the Russian Federation No. ISh-P13-5859 of July 31, 2014, Directive of the Government of the Russian Federation No. 5667p-P13 of September 2, 2014, and Directive of the Government of the Russian Federation 1039p-P13 of February 25, 2015, "On the Approval of the Action Plan (Road Map) to Introduce the Provisions of the Corporate Governance Code," the Board of Directors of ROSSETI decided to approve the action plan (road map) to introduce the provisions of the Corporate Governance Code into the Company's activities (March 10, 2015; No. 179 (Item 9)).</p> <p>As part of introducing the provisions of the Corporate Governance Code into ROSSETI's activities, the following decisions were adopted: Decision of the Board of Directors of ROSSETI No. 217 of December 25, 2015, (Item 1) on the approval of a restated version of the Regulations for the Audit Committee of the Board of Directors of ROSSETI; Decision of the Board of Directors of ROSSETI No. 221 of February 24, 2016, (Item 6) on the approval of the Information Policy (Regulations for Disclosing Material Information of ROSSETI Under Shareholder Laws and Securities Market Laws); Decision of the Board of Directors of ROSSETI No. 240 of September 23, 2016, (Item 3) on the approval of the Regulations for the Corporate Secretary of ROSSETI, (Item 4) on the composition of the Audit Committee and the Nomination and Remuneration Committee of the Board of Directors of ROSSETI, (Item 5) on the composition of the Strategy Committee and the Investment, Technical Policy, Reliability, Energy Efficiency, and Innovation Committee of the Board of Directors of ROSSETI; Decision of the Board of Directors of ROSSETI No. 243 of October 10, 2016, (Item 4) on the approval of the Regulations for the Nomination and Remuneration Committee of the Board of Directors of ROSSETI, (Item 5) on the composition of committees of the Board of Directors of ROSSETI. On June 30, 2016, the General Meeting of Shareholders resolved to approve a restated version of the Articles of Association.</p>
2	Approving joint-stock companies' long-term development programs and auditing such programs	Subparagraphs 32, 33, and 34 of paragraph 1 of List of Instructions of the President of the Russian Federation No. Pr-3086 of December 27, 2013	<p>Pursuant to subparagraphs 32, 33, and 34 of paragraph 1 of List of Instructions of the President of the Russian Federation No. Pr-3086 of December 27, 2013, the Board of Directors of ROSSETI decided to approve the Long-Term Development Program (December 19, 2014; No. 174 (Item 6)).</p> <p>The Board of Directors of ROSSETI decided to approve the Standard for Auditing the Implementation of the Long-Term Development Program (December 26, 2014; No. 175 (Item 14)).</p> <p>The Board of Directors of ROSSETI decided to ensure that the annual audit of implementing the Long-Term Development Program would be conducted, starting from 2016 (for the reporting financial year 2015) (April 27, 2015; No. 184 (Item 13)).</p> <p>The Board of Directors of ROSSETI decided to approve the draft of the terms of reference for auditing the implementation of the Long-Term Development Program (February 24, 2016; No. 221 (Item 2)).</p>
3	Including the basic parameters of demand for labor in long-term development programs, including with respect to the engineering occupations necessary for the implementation of the main	Subparagraph "b" of paragraph 2 of List of Instructions of the President of the Russian Federation No. Pr-1627 of July 1, 2014	<p>Pursuant to subparagraph "b" of paragraph 2 of List of Instructions of the President of the Russian Federation No. Pr-1627 of July 1, 2014, the Board of Directors of ROSSETI decided to amend the Long-Term Development Program (Section "Human Resource Management. Demand for Personnel; Basic Elements of the Personnel Policy") (December 19, 2014; No. 174 (Item 6)).</p>

	activities of such programs		
4	Causing joint-stock companies to approve key performance indicators	Paragraph 5 of List of Instructions of the President of the Russian Federation No. Pr-1474 of July 5, 2013	Pursuant to paragraph 5 of List of Instructions of the President of the Russian Federation No. Pr-1474 of July 5, 2013, the Board of Directors of ROSSETI decided to approve the Regulations for Key Performance Indicators and the Technique for Calculating and Evaluating the KPI of the Director General (November 20, 2014; No. 170 (Items 1 and 2)).
5	Introducing the KPI-based bonus payment system for managers with due consideration to the necessity for the annual reduction of at least 2–3 percent in operating expenses (costs)	Subparagraphs 4 and 5 of paragraph 1 of List of Instructions of the President of the Russian Federation No. Pr-2821 of December 5, 2014	Pursuant to subparagraphs 4 and 5 of paragraph 1 of List of Instructions of the President of the Russian Federation No. Pr-2821 of December 5, 2014, and Directive of the Government of the Russian Federation No. 2303p-P13 of April 16, 2015, “On the Annual Reduction of at Least 2–3 Percent in Operating Expenses (Costs),” the Board of Directors of ROSSETI decided on the annual reduction of at least 2–3 percent in operating expenses (costs) (May 15, 2015; No. 188 (Item 3)). The Board of Directors of ROSSETI decided to include a related key performance indicator in the management motivation system, starting from 2015 (December 25, 2015; No. 217 (Item 12)).
6	Making and approving the list of internal documents governing joint-stock companies’ activities and ensuring the submission of reports on the implementation of long-term development programs and on the attainment of key performance indicators	Instructions of the President of the Russian Federation No. Pr-3013 of December 27, 2014	Pursuant to Instructions of the President of the Russian Federation No. Pr-3013 of December 27, 2014, the Board of Directors of ROSSETI decided to approve the Risk Management Policy, the Internal Audit Policy, the Regulations for the Quality Management System, the Regulations for the Procedure for Formulating and Implementing the Innovative Development Program, the Investment Efficiency Schedule, and the Operating Efficiency Schedule (November 16, 2015; No. 208). The Board of Directors of ROSSETI decided to approve the Schedule of Improving the Operating Efficiency and Reducing Expenses and the Schedule of Improving the Investment Efficiency and Reducing Expenses (November 27, 2015; No. 212 (Item 3, 4)). The Board of Directors of ROSSETI decided to approve a restated version of the Regulations for the Audit Committee of the Board of Directors (December 25, 2015; No. 217 (Item 1)).  Pursuant to Directive of the Government of the Russian Federation No. 2007p-P13 of April 6, 2016, “On Changes to the Structure of the Annual Report,” and “On the Submission of Reports on the Implementation of Long-Term Development Programs and on the Attainment of Key Performance Indicators,” the Board of Directors of ROSSETI decided to approve supplements to the structure of the Company’s annual report and ensure that the mandatory materials for making preparations for and holding the Annual General Meeting of Shareholders of ROSSETI would include reports on the implementation of the Long-Term Development Program and on the attainment of the key performance indicators (April 27, 2015; No. 184 (Items 8 and 9)). The Board of Directors of ROSSETI decided that information (materials) provided for shareholders in the course of making preparations for the Annual General Meeting of Shareholders of the Company would include (June 1, 2016; No. 230 (Item 1), paragraph 5)): - report on the implementation of the Long-Term Development Program of the Company for 2015.
7	Substituting purchases of foreign-made products (work, services) with purchases of Russian-made products (work, services) with equivalent technical specifications and application characteristics on a phased basis	Instructions of the Government of the Russian Federation No. DM-P9-87pr of November 25, 2013, No. AD-P9-9176 of December 12, 2014, and No. ISh-P13-1419 of March 5, 2015	Pursuant to Instructions of the Government of the Russian Federation No. DM-P9-87pr of November 25, 2013, No. AD-P9-9176 of December 12, 2014, and No. ISh-P13-1419 of March 5, 2015, and Directive of the Government of the Russian Federation No. 1346p-P13 of March 5, 2015 “On Amendments to the Long-Term Development Program” (developing the package (list) of measures to substitute purchases of foreign-made products (work, services) with purchases of Russian-made products (work, services) with equivalent technical specifications and application characteristics on a planned and phased basis, the Board of Directors of ROSSETI decided to amend the Long-Term Development Program as part of implementing the directive on import substitution (March 30, 2015; No. 181 (Item 3)).

8	Implementing programs to dispose of noncore assets	Subsubparagraph 4 of subparagraph “c” of paragraph 2 of Decree of the President of the Russian Federation No. 596 of May 7, 2012	Pursuant to subsubparagraph 4 of subparagraph “c” of paragraph 2 of Decree of the President of the Russian Federation No. 596 of May 7, 2012, and Directive of the Government of the Russian Federation No. 4863p-P13 of July 7, 2016, the Board of Directors of ROSSETI decided on the procedure for identifying and selling noncore assets. The Program for Disposing of Noncore Assets of ROSSETI and Subsidiaries and Dependent Companies of ROSSETI and the register (sale plan) of noncore assets of ROSSETI were approved (November 30, 2016; No. 245 (Item 7)).
9	Ensuring the establishment of the common treasuries of parent, subsidiary, and dependent organizations	Paragraph 1 of List of Instructions of the President of the Russian Federation No. Pr-1032 of May 7, 2014 (for official use only)	Pursuant to paragraph 1 of List of Instructions of the President of the Russian Federation No. Pr-1032 of May 7, 2014 (for official use only) and Directive of the Government of the Russian Federation No. 5110p-P13 of August 8, 2014, “On the Establishment of the Common Treasuries of Parent, Subsidiary, and Dependent Organizations,” the Board of Directors of ROSSETI decided to establish the common treasury of the Company and its subsidiary and dependent organizations (September 10, 2014; No. 164 (Item 4)). The Board of Directors of ROSSETI decided on the annual analysis of the results of setting up the common treasury (April 27, 2015; No. 184 (Item 7)). The Board of Directors of ROSSETI took note of the management report on progress in setting up the common treasury (May 28, 2015; No. 190 (Item 4)). The Board of Directors of ROSSETI took note of the management report on progress in setting up and operating the common treasury (August 5, 2015; No. 198 (Item 5)). The Board of Directors of ROSSETI approved FGC UES’s integration into the Common Treasury of the ROSSETI Group with the rights to monitor FGC UES’s processes of planning and effecting payments (June 29, 2016; No. 234 (Item 3)). The Board of Directors of ROSSETI took note of the management report on the performance results of the Common Treasury of the ROSSETI Group and took special note of the operating efficiency of the Common Treasury for ROSSETI and for the ROSSETI Group (December 5, 2016; No. 246 (Item 3)).
10	Improving workforce productivity and creating and upgrading high-performance jobs	Paragraph 6 of Section 2 of the action plan approved by Ordinance of the Government of the Russian Federation No. 1250-r of July 9, 2014	Pursuant to Paragraph 6 of Section 2 of the action plan approved by Ordinance of the Government of the Russian Federation No. 1250-r of July 9, 2014, and Directive of the Government of the Russian Federation No. 7389p-P13 of October 31, 2014, “On the Improvement of Workforce Productivity,” the Board of Directors of ROSSETI decided to improve the Company’s workforce productivity and amend the Long-Term Development Program of ROSSETI (December 3, 2014; No. 172 (Items 1 and 2)). The Board of Directors of ROSSETI decided to amend the Long-Term Development Program of ROSSETI and the list of management motivation indicators (December 19, 2014; No. 174 (Item 6)).
11	Expanding access of small and medium-sized businesses to purchases of infrastructural monopolies and government-linked companies	Paragraphs 7, 8, 9, 10, 12, 17, 18, 19, 20, 24, 25, 26, 27, 28, 30, and 31 of the action plan (road map) approved by Ordinance of the Government of the Russian Federation No. 867-r of May 29, 2013	Pursuant to paragraphs 7, 8, 9, 10, 12, 17, 18, 19, 20, 24, 25, 26, 27, 28, 30, and 31 of the action plan (road map) approved by Ordinance of the Government of the Russian Federation No. 867-r of May 29, 2013, Directive of the Government of the Russian Federation 6362p-P13 of October 24, 2013, “On Expanding Access of Small and Medium-Sized Businesses to Purchases,” and Directive of the Government of the Russian Federation No. 7377p-P13 of December 7, 2013, “On Measures to Expand Access of Small and Medium-Sized Businesses to Purchases,” the Board of Directors of ROSSETI decided to implement measures specified in the Road Map “Expanding Access of Small and Medium-Sized Businesses to Purchases of Infrastructural Monopolies and Government-Linked Companies” approved by Ordinance of the Government of the Russian Federation No. 867-r of May 29, 2013 (December 27, 2013; No. 142 (Item 15)). ROSSETI established a deliberative body and approved the regulations for the deliberative body in accordance with Order of ROSSETI No. 38 of February 25, 2014, “On the Establishment of the Deliberative Body for Ensuring the Efficiency of ROSSETI’s Purchases, Including Purchases from Small and Medium-Sized Businesses.” ROSSETI developed and approved the Uniform Procurement Standard, which also complies with the standards and requirements contained in the above-mentioned Ordinance of the Government of the Russian Federation (approved

			<p>by the decision adopted by the Board of Directors of ROSSETI on October 30, 2015). ROSSETI's Program of Partnership was approved in accordance with Order of ROSSETI No. 35 of February 18, 2014, "On the Approval of the Program of Partnership Between ROSSETI and Small and Medium-Sized Businesses." In order to involve small and medium-sized businesses in purchases for ROSSETI and ROSSETI SDCs and popularize the Program of Partnership Between PJSC ROSSETI and Small and Medium-Sized Businesses approved by Order of ROSSETI No. 35 of February 18, 2014, the Company approved the action plan to popularize the Program of Partnership Between ROSSETI and Small and Medium-Sized Businesses (Ordinance No. 304r of June 24, 2015) and approved Ordinance No. 190r of May 10, 2016; "On Expanding Access of Small and Medium-Sized Businesses to Financial Resources in Participating in Procurement Procedures of ROSSETI and Subsidiaries and Dependent Companies of ROSSETI." Additionally, the methodology of key performance indicators for ROSSETI's and its SDCs' management was supplemented with the indicator "Share of purchases from small and medium-sized businesses." The targets for 2017 were set in accordance with Resolution of the Government of the Russian Federation No. 1352 of December 11, 2014, and Resolution of the Government of the Russian Federation No. 1442 of December 25, 2015. Electronic purchases accounted for 98.8% of the ROSSETI Group's purchases in 2016.</p>
12	Formulating (updating) the plans (programs) to reduce operating expenses by 10 percent	Paragraph 4 of Section 2 of Minutes of the Meeting No. DM-P13-2pr of January 18, 2016, chaired by the Prime Minister of the Russian Federation and Instructions of the Government of the Russian Federation No. ISh-P13-2047 of April 11, 2016	Pursuant to of paragraph 4 of Section 2 of Minutes of the Meeting No. DM-P13-2pr of January 18, 2016, chaired by the Prime Minister of the Russian Federation, Instructions of the Government of the Russian Federation No. ISh-P13-2047 of April 11, 2016, and Directive of the Government of the Russian Federation No. 4750p-P13 of July 4, 2016, the Board of Directors of ROSSETI decided to formulate (update) the plans (programs) to reduce operating expenses by 10 percent (August 11, 2016; No. 238 (Item 4)).
13	Including the integral key performance indicator of innovation in the list of the key performance indicators of the Long-Term Development Program	Subparagraph "b" of paragraph 2 of Section 2 of Minutes of the Meeting of the Presidium of the Presidential Council on the Economic Modernization and Innovative Development of the Russian Federation No. 2 of April 17, 2015	Pursuant to subparagraph "b" of paragraph 2 of Section 2 of Minutes of the Meeting of the Presidium of the Presidential Council on the Economic Modernization and Innovative Development of the Russian Federation No. 2 of April 17, 2015, and Directive of the Government of the Russian Federation No. 1472p-P13 of March 3, 2016, the Board of Directors of ROSSETI decided to include the integral key performance indicator of innovation, starting from 2016 (April 15, 2016; No. 225 (Item 8)); the Technique for Calculating the Integral Indicator of Innovation Effectiveness was approved by the Board of Directors of ROSSETI (December 5, 2016; No. 246 (Item 1)).
14	Amending the procurement policy as related to innovative building materials	Paragraph 7 of Minutes of the Meeting No. DM-P9-38pr of June 14, 2016, chaired by the Prime Minister of the Russian Federation	Pursuant to Paragraph 7 of Minutes of the Meeting No. DM-P9-38pr of June 14, 2016, chaired by the Prime Minister of the Russian Federation and Directive of the Government of the Russian Federation No. 6558p-P13 of September 5, 2016, the Board of Directors of ROSSETI decided to amend the Uniform Procurement Standard (Procurement Regulations) of ROSSETI as related to innovative building materials (October 14, 2016; No. 525 (Item 2)).
15	Amending joint-stock companies'	Instructions of the	Pursuant to Instructions of the Government of the Russian Federation No. ISh-P13-1872 of April 1, 2016, and



	procurement policy as related to purchases of domestically made competitive software	Government of the Russian Federation No. ISh-P13-1872 of April 1, 2016	Directive of the Government of the Russian Federation No. 4972p-P13 of July 11, 2016, the Board of Directors of ROSSETI decided to purchase domestically made competitive software necessary for ROSSETI's activities (August 18, 2016; No. 239 (Item 3)).
16	Using factoring in the fulfillment of contracts for the supply of goods (performance of work, provision of services) on a wider basis	Instructions of the Government of the Russian Federation No. DM-P13-1100 of March 1, 2016 (paragraph 89 of the Action Plan of the Government of the Russian Federation to Ensure the Stable Socioeconomic Development of the Russian Federation in 2016)	Instructions of the Government of the Russian Federation No. DM-P13-1100 of March 1, 2016 (paragraph 89 of the Action Plan of the Government of the Russian Federation to Ensure the Stable Socioeconomic Development of the Russian Federation in 2016) and Directive of the Government of the Russian Federation No. 7704p-P13 of October 11, 2016, the Board of Directors of ROSSETI decided to amend the Uniform Procurement Standard (Procurement Regulations) as related to the wider use of factoring in the fulfillment of contracts for the supply of goods (performance of work, provision of services) (December 15, 2016; No. 247 (Item 3)).
17	Channeling a portion of net profits in the form of dividends on shares held by the Russian Federation into the federal budget	Ordinance of the Government of the Russian Federation No. 774 of May 29, 2006	Concerning the agenda item "Recommendations to the Annual General Meeting of Shareholders of the Company concerning the amount of dividends on the Company's shares for 2016 and the dividend payment procedure," information was prepared for consideration by the Management Board, the Board of Directors, and the Annual General Meeting of Shareholders.
18	Formulating and approving the regulations ensuring the standardization of purchases and the introduction of purchase standards into joint-stock companies	Paragraph 2 of List of the Government of the Russian Federation No. DM-P9-8413 of December 12, 2015	Pursuant to of paragraph 2 of List of the Government of the Russian Federation No. DM-P9-8413 of December 12, 2015, concerning the standardization of purchases and the development of related standards for goods, work, and services and Directive of the Government of the Russian Federation No. 2793p-P13 of April 19, 2016, the Board of Directors of ROSSETI decided to make the list of goods, work, and services purchased for internal business needs and subject to standardization (July 20, 2016; No. 235 (Item 4)). The list of goods, work, and services purchased for ROSSETI's internal business needs and purchase standards for specific types of goods, work, and services, specifying the ceiling prices of such goods, work, and services and/or the requirements applicable to quantities, consumer properties, and other characteristics and ensuring that the demand for goods, work, and services with no superfluous consumer properties was met, was posted on ROSSETI's corporate website on August 31, 2016.
19	Introducing professional standards into joint-stock companies' activities	Paragraph 3 of Section I of Meeting of the Government of the Russian Federation No. 9dsp of March 24, 2016, subject to the provisions of Federal Law "On Amendments to the Labor Code of the Russian Federation and Articles 11 and 73 of the Federal Law 'On Education in the Russian Federation'" No. 122-FZ of May 2, 2015	Pursuant to of paragraph 3 of Section I of Meeting of the Government of the Russian Federation No. 9dsp of March 24, 2016, subject to the provisions of Federal Law "On Amendments to the Labor Code of the Russian Federation and Articles 11 and 73 of the Federal Law 'On Education in the Russian Federation'" No. 122-FZ of May 2, 2015, and Directive of the Government of the Russian Federation No. 5119p-P13 of July 14, 2016, the Board of Directors of ROSSETI decided to introduce professional standards into the Company's activities (September 30, 2016; No. 242 (Item 1)).



20	Carrying out charity and sponsorship activities	Instructions of the Government of the Russian Federation No. ISh-P13-5231dsp of July 31, 2015	Pursuant to Instructions of the Government of the Russian Federation No. ISh-P13-5231dsp of July 31, 2015, and Directive of the Government of the Russian Federation No. 5024p-P13 of July 31, 2015, the Board of Directors of ROSSETI made a decision (September 15, 2015; No. 202 (Item 7, confidential)).
21	Making payments in Russian rubles under new export contracts	Subparagraph 1 of paragraph 1 of Section 1 of Meeting of the National Council for Financial Stability No. 7 of April 10, 2015	Pursuant to subparagraph 1 of paragraph 1 of Section 1 of Meeting of the National Council for Financial Stability No. 7 of April 10, 2015, and Directive of the Government of the Russian Federation No. 4807p-P13 of July 23, 2015, the Board of Directors of ROSSETI decided to include in new export contracts a clause that allowed payments to be made in Russian rubles and allowed the minimum share of export payments in Russian rubles to be determined (September 15, 2015; No. 202 (Item 6)).
22	Completing the questionnaire about the analysis of introducing internal documents	Paragraph 2 of Instructions of the President of the Russian Federation No. Pr-769 of April 26, 2016, and paragraph 6 of Instructions of the Government of the Russian Federation No. AD-P36-4292 of July 20, 2016	Pursuant to paragraph 2 of Instructions of the President of the Russian Federation No. Pr-769 of April 26, 2016, and paragraph 6 of Instructions of the Government of the Russian Federation No. AD-P36-4292 of July 20, 2016, and in accordance with Letter of the Federal Agency for Management of Federal Property of the Russian Federation No. RB-11/9968 of March 20, 2017, the Company completed on the Interdepartmental Portal the questionnaire about the analysis of introducing internal documents: the Schedule of Improving the Operating and Investment Efficiency and Reducing Expenses, the Regulations for the Procedure for Formulating and Implementing the Innovative Development Program, the Internal Audit Policy, and the Risk Management Policy.

#### 10.4. Instructions Issued by the President and Government of the Russian Federation and Actually Implemented in 2016

Item	ROSSETI Registration Date	Correspondent Registration No.	Organization	Document Description	Actual Date of Implementation
1	August 14, 2015	2	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting of the Working Group on the Implementation of the Concept of Setting up the INO Tomsk Territorial Innovation Center in the Tomsk Region No. 2 of August 10, 2015	April 1, 2016
2	September 17, 2015	DK-P9-151pr	D. N. Kozak Deputy Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting No. DK-P9-151pr of September 8, 2015, on the development of electricity supply in the Kaliningrad Region (KF)	June 24, 2016
3	October 9, 2015	DM-P13-94pr	D. A. Medvedev Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting No. DM-P13-94pr of September 28, 2015, on the improvement of the cost efficiency of government-owned corporations and government-linked companies	February 25, 2016
4	October 20, 2015	AD-P9-215pr	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting No. AD-P9-215pr of October 7, 2015, on the provision of network connections for power-receiving devices of customers in the Skolkovo Innovation Center, chaired by Deputy Prime Minister of the Russian Federation A. V. Dvorkovich	February 20, 2016
5	November 24, 2015	AD-P9-7820	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the provision of information about the construction project of OL 500 kV "Nizhnevartovskaya TPP–Sovetsko-Sosninskaya–Parabel–Tomskaya" pursuant to Instructions No. DM-P9-7223r of October 22, 2015	April 1, 2016

6	December 28, 2015	AD-P36-247pr	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting of the Interdepartmental Working Group on the Attainment of Innovative Development Priorities of the Presidium of the Presidential Council on the Economic Modernization and Innovative Development of the Russian Federation No. AD-P36-247pr of December 17, 2015, chaired by Deputy Prime Minister of the Russian Federation A. V. Dvorkovich	April 1, 2016
7	December 28, 2015	AD-P9-8739	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Instructions No. AD-P9-8739 of December 25, 2015, on the preparation and approval of the action plan to construct (rehabilitate) electric grid facilities and power generation facilities in the Far East to provide a power supply for Gazprom's gas production, processing, and transportation facilities under construction (Instructions No. AD-P9-4273 of June 30, 2015)	February 16, 2016
8	December 30, 2015	3	D. A. Medvedev Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Joint Meeting of the Government Commission on Import Substitution and the Government Commission on the Socioeconomic Development of the Far East and the Baikal Region No. 3 of December 18, 2015, chaired by Prime Minister of the Russian Federation D. A. Medvedev	March 9, 2015
9	December 30, 2015	AD-P9-249pr	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Minutes of Conference Call No. AD-P9-249pr of December 23, 2015, on the strengthening of payment discipline in the supply of natural gas and electric power, chaired by Deputy Prime Minister of the Russian Federation A. V. Dvorkovich	February 8, 2016

10	December 30, 2015	ISh-P9-95pr	I. I. Shuvalov First Deputy Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting No. ISh-P9-95pr of December 28, 2015, on the procedure for setting electricity distribution tariffs for MOESK for 2016 and subsequent periods, chaired by First Deputy Prime Minister of the Russian Federation I. I. Shuvalov	February 8, 2016 February 26, 2016
11	December 31, 2015	AD-P9-252pr	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting No. AD-P9-252pr Of December 23, 2015, on the drafts of the resolution of the Government of the Russian Federation "On the Drafts Proposed by the Ministry of Energy of the Russian Federation for the Resolution and Ordinance of the Government of the Russian Federation to Approve the List of Electric Grid Facilities of the Organization Managing the Unified National (All-Russian) Electric Grid with Network Connections Rated Below 110 kV," chaired by Deputy Prime Minister of the Russian Federation A. V. Dvorkovich	February 2, 2016
12	January 18, 2016	AKh-P16-1pr	A. G. Khloponin Deputy Prime Minister of the Russian Federation	Concerning the sending of the minutes of the meeting on preparations for a meeting of the Government Commission on the Socioeconomic Development of the North Caucasian Federal District, chaired by Deputy Prime Minister of the Russian Federation A. G. Khloponin	January 20, 2016
13	January 25, 2016	AD-P9-254	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Instructions No. AD-P9-254 (KF) of January 20, 2016	February 8, 2016 February 17, 2016

14	January 26, 2016	AD-P11-3pr	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting No. AD-P11-3pr of January 15, 2016; on the development of protected-ground vegetable production, chaired by Deputy Prime Minister of the Russian Federation A. V. Dvorkovich	February 2, 2016
15	January 26, 2016	DM-P9-266r	D. A. Medvedev Prime Minister of the Russian Federation	Concerning the sending of Instructions of Prime Minister of the Russian Federation D. A. Medvedev No. DM-P9-266r January 22, 2016, on adjustments to the investment program of IDGC of Volga for 2017–2020 as part of network connections for economy-class housing development under the Housing for Russian Families program (initiated by Governor of the Samara Region N. I. Merkushkin)	February 10, 2016
16	February 4, 2016	1	I. I. Shuvalov First Deputy Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting of the Presidential Council on Housing Policy and the Improvement of Housing Affordability No. 1 of January 19, 2016, chaired by First Deputy Prime Minister of the Russian Federation I. I. Shuvalov	February 10, 2016
17	February 9, 2016	2	I. I. Shuvalov First Deputy Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting of the Presidential Council on Housing Policy and the Improvement of Housing Affordability No. 2 of January 22, 2016, chaired by First Deputy Prime Minister of the Russian Federation I. I. Shuvalov	February 10, 2016
18	February 10, 2016	A4-26-25	A. Ustinov Presidential Executive Office of the Russian Federation	Concerning the sending of Minutes of the Meeting of the Presidential Commission for Strategic Development of the Fuel and Energy Sector and Environmental Security of the Russian Federation No. A4-26-575 of October 27, 2015	May 24, 2016

19	February 12, 2016	AD-P9-567	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Instructions No. AD-P9-567 (KF) of February 9, 2016, on the submission on proposals to pay Dagestan Energy Supply Company's payables for electricity (capacity) to wholesale electricity (capacity) producers, strengthen payment discipline, and reduce electricity network losses in the Republic of Dagestan	March 3, 2016
20	February 15, 2016	1	D. A. Medvedev Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting of the Government Commission on Import Substitution No. 1 of January 28, 2016, chaired by Prime Minister of the Russian Federation D. A. Medvedev	April 19, 2016
21	February 24, 2016	DM-P13-14pr	D. A. Medvedev Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting No. DM-P13-14pr of February 11, 2016, on the improvement of the efficiency of budgetary expenditures of specific principal federal budget holders, government-owned corporations, and government-linked companies, chaired by Prime Minister of the Russian Federation D. A. Medvedev	June 7, 2016
22	February 25, 2016	AD-P9-19pr	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting No. AD-P9-19pr of February 12, 2016; on the development plans of the ferrous industry in 2016 and the main challenges faced by the industry, chaired by Deputy Prime Minister of the Russian Federation A. V. Dvorkovich	March 18, 2016 April 15, 2016



23	March 2, 2016	N/A	D. A. Medvedev Prime Minister of the Russian Federation	Concerning the sending of the Action Plan of the Government of the Russian Federation to Ensure the Stable Socioeconomic Development of the Russian Federation in 2016 approved by Prime Minister of the Russian Federation D. A. Medvedev	February 26, 2016 March 15, 2016 March 21, 2016 April 21, 2016 May 18, 2016 June 9, 2016 June 17, 2016 June 24, 2016 August 8, 2016 September 28, 2016 November 3, 2016 November 28, 2016 December 5, 2016 December 19, 2016 December 29, 2016 December 30, 2016
24	March 2, 2016	DK-P9-794	D. N. Kozak Deputy Prime Minister of the Russian Federation	Concerning the sending of Instructions No. DK-P9-794 of February 13, 2016, to amend the legal regulations of the Government of the Russian Federation to make it possible to use revenues from export electricity distribution for the rehabilitation and development of electricity networks in the Kaliningrad Region	March 18, 2016
25	March 4, 2016	1	D. A. Medvedev Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting of the Government Commission on the Socioeconomic Development of the Kaliningrad Region No. 1 (KF) of February 26, 2016, chaired by Prime Minister of the Russian Federation D. A. Medvedev	April 13, 2016

26	March 16, 2016	289-r	D. A. Medvedev Prime Minister of the Russian Federation	Concerning the sending of the replaced Ordinance of the Government of the Russian Federation of February 26, 2016 (KF) on amendments to the action plan (road map) for the electricity supply for the Kaliningrad Region and the Integrated Power System of Russia's Northwest	November 30, 2016
27	March 16, 2016	1471p-P13	I. I. Shuvalov First Deputy Prime Minister of the Russian Federation	Concerning the sending of Directive No. 1471p-P13 of March 3, 2016, on the implementation of the Innovative Development Program and the holding of a meeting of the Board of Directors pursuant to paragraph 5 of Instructions No. AD-P36-6296 of September 15, 2015, Instructions No. DM-P36-7563 of November 7, 2015, and paragraph 1 of Instructions No. AD-P36-8381 of December 10, 2015	April 15, 2016
28	March 17, 2016	1472p-P13	I. I. Shuvalov First Deputy Prime Minister of the Russian Federation	Concerning the sending of Directive No. 1472p-P13 of March 3, 2016, on the holding of a meeting of the Board of Directors with an agenda including the item "Innovative development" pursuant to paragraph 5 of Instructions No. AD-P36-6296 of September 15, 2015, Instructions No. DM-P36-7563 of November 7, 2015, and paragraph 1 of Instructions No. AD-P36-8381 of December 10, 2015	April 15, 2016
29	March 21, 2016	AD-P9-1474	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Instructions No. AD-P9-1474 of March 19, 2016, on the reduction of prices (tariffs) for customers and the improvement of the efficiency of electric grid facilities in the Republic of Buryatia	May 4, 2016
30	March 28, 2016	1659p-P13	I. I. Shuvalov First Deputy Prime Minister of the Russian Federation	Concerning the sending of Directive No. 1659p-P13 of March 15, 2016, on the holding of a meeting of the Board of Directors with an agenda including the item "Approval of the Procedure for Recording the Investment Projects Included on the List of Investment Projects"	June 24, 2016

31	March 30, 2016	1	D. A. Medvedev Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting of the Government Commission on the Socioeconomic Development of the North Caucasian Federal District No. 1 of March 11, 2016, chaired by Prime Minister of the Russian Federation D. A. Medvedev	March 22, 2016 March 23, 2016 March 31, 2016 April 22, 2016 June 30, 2016 July 1, 2016 July 4, 2016 July 6, 2016 July 10, 2016 November 1, 2016
32	April 1, 2016	DK-P16-1705	D. N. Kozak Deputy Prime Minister of the Russian Federation	Concerning the provision of information about the creation of the conditions for entrepreneurship in the Kaliningrad Region after April 1, 2016, and failure to implement the instructions as of April 1, 2016, with the assessment of the reasons for such failure and the adverse effects of such failure on the socioeconomic and fiscal condition of the Kaliningrad Region pursuant to paragraph 1 of Section I and paragraph 1 of Section V of Meeting Minutes No. 1 of February 26, 2016 (for official use only)	April 13, 2016
33	April 6, 2016	DM-P9-21pr	D. A. Medvedev Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting No. DM-P9-21pr of March 28, 2016, (for official use only) on the further development of the electric grid sector of the Russian Federation, chaired by Prime Minister of the Russian Federation D. A. Medvedev (Decree No. 156 of November 22, 2012)	June 29, 2016 July 13, 2016 August 8, 2016

34	April 8, 2016	YuT-P9-18pr	Yu. P. Trutnev Deputy Prime Minister of the Russian Federation and Plenipotentiary of the President of the Russian Federation in the Far Eastern Federal District	Concerning the sending of Minutes of the Meeting No. YuT-P9-18pr of March 18, 2016, on network connections for the Power of Siberia gas transportation system, chaired by Deputy Prime Minister of the Russian Federation and Plenipotentiary of the President of the Russian Federation in the Far Eastern Federal District Yu. P. Trutnev	April 14, 2016
35	April 11, 2016	2393p-P13f	S. E. Prikhodko Deputy Prime Minister of the Russian Federation and Head of the Government Executive Office of the Russian Federation	Concerning the sending of Minutes of the Meeting of the Organizing Committee of the St. Petersburg International Economic Forum (SPIEF 2016) No. 2393r-P13f of March 29, 2016, chaired by Deputy Prime Minister of the Russian Federation and Head of the Government Executive Office of the Russian Federation S. E. Prikhodko	June 2, 2016
36	April 22, 2016	AD-P9-52pr	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting No. AD-P9-52pr of April 13, 2016, on the draft of amendments to Draft Law FZ No. 632833-6 "On Amendments to the Federal Law 'On the Electric Power Industry,'" chaired by Deputy Prime Minister of the Russian Federation A. V. Dvorkovich	May 17, 2016
37	April 27, 2016	Pr-278	V. V. Putin President of the Russian Federation	Concerning the sending of Instructions of the President of the Russian Federation No. Pr-278 of February 15, 2016, (for official use only) on the improvement of the payment system for power supply services for retail customers and the approval of the road map to build a system of payment centers included in suppliers of last resort	May 17, 2016

38	May 6, 2016	DM-P17-2666	D. A. Medvedev Prime Minister of the Russian Federation	Concerning the submission of proposals and reports with respect to the implementation of Decree of the President of the Russian Federation No. 147 of April 1, 2016, "On the National Plan of Combating Corruption for 2016–2017"	May 31, 2016
39	May 23, 2016	SP-P17-2915	S. E. Prikhodko Deputy Prime Minister of the Russian Federation and Head of the Government Executive Office of the Russian Federation	Concerning the sending of Instructions No. SP-P17-2915 of May 17, 2016, on nominations for the reserve of managerial human resources	July 29, 2016
40	May 27, 2016	1	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting of the Interdepartmental Working Group on the Attainment of Innovative Development Priorities of the Presidium of the Presidential Council on the Economic Modernization and Innovative Development of the Russian Federation No. 1 of May 13, 2016, chaired by Deputy Prime Minister of the Russian Federation A. V. Dvorkovich	June 22, 2016
41	May 30, 2016	3631p-P13	I. I. Shuvalov First Deputy Prime Minister of the Russian Federation	Concerning the sending of Directive No. 3631p-P13 of May 27, 2016, to representatives of the Russian Federation on the Board of Directors of ROSSETI (AGM 2016)	May 30, 2016
42	May 30, 2016	3632p-P13	I. I. Shuvalov First Deputy Prime Minister of the Russian Federation	Concerning the sending of Directive No. 3632p-P13 of May 27, 2016, to representatives of the Russian Federation on the Board of Directors of FGC UES (AGM 2016)	May 30, 2016

43	June 3, 2016	3795p-P13	I. I. Shuvalov First Deputy Prime Minister of the Russian Federation	Concerning the sending of Directive No. 3795p-P13 of June 1, 2016, to representatives of the Russian Federation on the Board of Directors of RusHydro and on the Board of Directors of ROSSETI on the holding of meetings of the boards of directors with an agenda including the item "External independent cost audit of the Company and the formulation of the action plan for cost optimization for 2016 and for the medium term"	June 21, 2016
44	June 6, 2016	6	D. A. Medvedev Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting of the Government Commission on the Socioeconomic Development of the Far East and the Baikal Region No. 6 of May 25, 2016, chaired by Prime Minister of the Russian Federation D. A. Medvedev	August 5, 2016
45	June 6, 2016	AD-P2-3265	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of the drafts of bilateral documents as part of the Russian-Italian summit meeting on the sidelines of the St. Petersburg International Economic Forum (SPIEF 2016) for their approval for signing	June 10, 2016
46	June 7, 2016	4	Yu. P. Trutnev Deputy Prime Minister of the Russian Federation and Plenipotentiary of the President of the Russian Federation in the Far Eastern Federal District	Concerning the sending of Minutes of the Interdepartmental Meeting No. 4 of May 24, 2016, on preparations for the Eastern Economic Forum (EEF 2016), chaired by Deputy Prime Minister of the Russian Federation and Plenipotentiary of the President of the Russian Federation in the Far Eastern Federal District Yu. P. Trutnev	June 8, 2016



47	June 22, 2016	AD-P12-85pr	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting No. AD-P12-85pr of June 7, 2016, on priorities in taking measures to develop Krasnoyarsk in the implementation of government programs of the Russian Federation, chaired by Deputy Prime Minister of the Russian Federation A. V. Dvorkovich	July 7, 2016
48	July 4, 2016	Pr-1273	V. V. Putin President of the Russian Federation	Concerning the sending of List of Instructions of the President of the Russian Federation No. Pr-1273 of July 1, 2016, on imposing order and strengthening payment discipline in the electric power industry of the Arkhangelsk Region	August 12, 2016
49	July 7, 2016	2	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting of the Interdepartmental Working Group on the Attainment of Innovative Development Priorities of the Presidium of the Presidential Council on the Economic Modernization and Innovative Development of the Russian Federation No. 2 of June 29, 2016, chaired by Deputy Prime Minister of the Russian Federation A. V. Dvorkovich	December 30, 2016
50	July 7, 2016	AD-P9-97pr	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting No. AD-P9-97pr of June 28, 2016, on the development of the power infrastructure of the Baikal-Amur Mainline and the Trans-Siberian Railroad, chaired by Deputy Prime Minister of the Russian Federation A. V. Dvorkovich	July 12, 2016

51	July 13, 2016	P31-34762 (Cover Letter) 5 (Meeting Minutes)	I. A. Zadvornov Government Executive Office of the Russian Federation	Concerning the sending of Minutes of the Interdepartmental Meeting No. 5 of June 10, 2016, on preparations for the Eastern Economic Forum (EEF 2016), chaired by Deputy Prime Minister of the Russian Federation and Plenipotentiary of the President of the Russian Federation in the Far Eastern Federal District Yu. P. Trutnev	July 20, 2016 August 26, 2016
52	July 14, 2016	DK-P9-4095	D. N. Kozak Deputy Prime Minister of the Russian Federation	Concerning the provision of information about the implementation of paragraph 3 of Section I of Minutes of the Meeting of the Working Group on Public Utility Services No. 1 of February 29, 2016 (unification of connection rules for utility networks (heat, gas, electricity, and water supply; water disposal)	May 16, 2016
53	July 21, 2016	4750p-P13	I. I. Shuvalov First Deputy Prime Minister of the Russian Federation	Concerning the sending of Directive No. 4750p-P13 of July 4, 2016, on the holding of meetings of the boards of directors (supervisory boards) with an agenda including the item "Formulation (updating) of the plans (programs) to reduce operating expenses by 10 percent" pursuant to paragraph 4 of Section II of Minutes of the Meeting No. DM-P13-2pr of January 18, 2016	August 11, 2016

54	July 21, 2016	AD-P9-4263	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Instructions No. AD-P9-4263 of July 18, 2016, on the selection of optimal expenses subject to regulation (including technical, organizational, procedural, and financial aspects) with respect to the network delivery of electricity (capacity) produced by small generators (including renewable energy sources) used by customers (including individuals) in the retail electricity markets	August 31, 2016
55	July 29, 2016	YuT-P9-37pr	Yu. P. Trutnev Deputy Prime Minister of the Russian Federation and Plenipotentiary of the President of the Russian Federation in the Far Eastern Federal District	Concerning the sending of Minutes of the Meeting No. YuT-P9-37pr of July 19, 2016, on the concept of the Asia Super Grid, chaired by Deputy Prime Minister of the Russian Federation and Plenipotentiary of the President of the Russian Federation in the Far Eastern Federal District Yu. P. Trutnev	August 1, 2016
56	August 2, 2016	AD-P36-4292	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Instructions No. AD-P36-4292 of July 20, 2016, on the analysis of the reasons for failure to implement Instructions No. Pr-3013 of December 27, 2014, and No. DM-P36-7661 of November 11, 2015, as related to the implementation of long-term development programs and the attainment of key performance indicators	August 11, 2016
57	August 19, 2016	P31-40957 (Cover Letter) 10 (Meeting Minutes)	I. A. Zadornov Government Executive Office of the Russian Federation	Concerning the sending of Minutes of the Interdepartmental Meeting No. 10 of August 9, 2016, on preparations for the Eastern Economic Forum (EEF 2016)	August 25, 2016

58	August 24, 2016	DK-P9-5020	D. N. Kozak Deputy Prime Minister of the Russian Federation	Concerning the submission of proposals with respect to measures to measures under the program to rehabilitate and develop electricity networks of the Kaliningrad Region until 2020	November 2, 2016
59	August 24, 2016	P31-41923 (Cover Letter) 2 (Meeting Minutes)	I. A. Zadornov Government Executive Office of the Russian Federation	Concerning the sending of Minutes of the Meeting of the Organizing Committee of the Eastern Economic Forum (EEF 2016) No. 2 of August 17, 2016, chaired by Deputy Prime Minister of the Russian Federation and Plenipotentiary of the President of the Russian Federation in the Far Eastern Federal District Yu. P. Trutnev	August 25, 2016
60	September 22, 2016	6558p-P13	I. I. Shuvalov First Deputy Prime Minister of the Russian Federation	Concerning the sending of Directive No. 6558p-P13 of September 5, 2016, on the holding of meetings of the boards of directors (supervisory boards) with an agenda including the item "Amendments to the Company's procurement policy as related to innovative building materials"	November 8, 2016
61	September 26, 2016	YuT-P2-5732	Yu. P. Trutnev Deputy Prime Minister of the Russian Federation and Plenipotentiary of the President of the Russian Federation in the Far Eastern Federal District	Concerning the sending of Instructions No. YuT-P2-5732 of September 23, 2016, on the implementation of the decisions and recommendations adopted by the 15th meeting of the Russian-Korean Joint Commission on Economic and Scientific-Technical Cooperation on August 25, 2016, in Seoul (Republic of Korea)	December 26, 2016
62	September 30, 2016	Pr-1827	V. V. Putin President of the Russian Federation	Concerning the sending of List of Instructions of the President of the Russian Federation No. Pr-1827 of September 21, 2016, based on the results of the Eastern Economic Forum in September 2–3, 2016	November 1, 2016

63	September 30, 2016	YuT-P16-5763	Yu. P. Trutnev Deputy Prime Minister of the Russian Federation and Plenipotentiary of the President of the Russian Federation in the Far Eastern Federal District	Concerning the sending of Instructions No. YuT-P16-5763 of September 26, 2016, on the organization of implementing List of Instructions of the President of the Russian Federation No. Pr-1827 of September 21, 2016, based on the results of the Eastern Economic Forum in September 2–3, 2016	November 1, 2016
64	October 10, 2016	1	Yu. P. Trutnev Deputy Prime Minister of the Russian Federation and Plenipotentiary of the President of the Russian Federation in the Far Eastern Federal District	Concerning the sending of Minutes of the Interdepartmental Meeting No. 1 of September 23, 2016, on preparations for and the holding of the Eastern Economic Forum (EEF 2017)	November 15, 2016
65	October 10, 2016	AD-P9-5950	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Instructions No. AD-P9-5950 of October 6, 2016, on the provision of information about progress in negotiations and documents with respect to possible design, financial, and organizational decisions to supply electricity to the Asia-Pacific Region pursuant to subparagraph "a" of paragraph 1 of List of Instructions No. Pr-1827 of September 21, 2016	October 14, 2016
66	October 11, 2016	DM-P9-6032r	D. A. Medvedev Prime Minister of the Russian Federation	Concerning the sending of Instructions No. DM-P9-6032r of October 10, 2016, on the establishment of a ROSSETI-controlled entity in the Republic of Dagestan	October 20, 2016

67	October 18, 2016	AKh-P16-50pr	A. G. Khloponin Deputy Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting No. AKh-P16-50pr of October 11, 2016, on the condition and development problems of the fuel and energy sector in the North Caucasian Federal District, chaired by Deputy Prime Minister of the Russian Federation A. G. Khloponin	October 24, 2016
68	October 18, 2016	AKh-P9-6188	A. G. Khloponin Deputy Prime Minister of the Russian Federation	Concerning the sending of Instructions No. AKh-P9-6188 of October 14, 2016, on the appeal from Head of the Republic of Dagestan R. G. Abdulatipov about debts for electricity delivered to customers pursuant to Instructions No. DM-P9-6032r of October 10, 2016	October 20, 2016
69	October 18, 2016	ISh-P13-6132	I. I. Shuvalov First Deputy Prime Minister of the Russian Federation	Concerning the sending of Instructions No. ISh-P13-6132 of October 13, 2016, on submitting the draft of an ordinance of the Government of the Russian Federation and on ensuring the Shareholders' Agreement for the Procedure for Controlling and Voting Shares in FGC UES pursuant to the instructions issued on April 5, 2016, at a meeting chaired by President of the Russian Federation V. V. Putin (for official use only)	October 25, 2016
70	November 11, 2016	AKh-P9-6733	A. G. Khloponin Deputy Prime Minister of the Russian Federation	Concerning the sending of Instructions No. AKh-P9-6733 of November 10, 2016, in order to implement Directive of the President of the Russian Federation No. Pr-2107 of November 2, 2016 (appeal from Head of the Republic of Dagestan R. G. Abdulatipov (No. 511 of November 1, 2016)	November 16, 2016
71	November 14, 2016	AKh-P9-6589	A. G. Khloponin Deputy Prime Minister of the Russian Federation	Concerning the sending of the instructions in place of previously sent Instructions No. AKh-P9-6589 of November 3, 2016 (North Caucasian Federal District)	November 15, 2016
72	November 25, 2016	AD-P9-159pr	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the sending of Minutes of the Meeting No. AD-P9-159pr of November 14, 2016; on the payment of ROSSETI's dividends	November 30, 2016 December 7, 2016 December 26, 2016

73	December 6, 2016	AD-P9-7350	A. V. Dvorkovich Deputy Prime Minister of the Russian Federation	Concerning the implementation of Instructions No. DM-P9-2232 of April 16, 2016, on the electricity supply for the industrial special economic zone in the Kaluga Region	December 22, 2016
74	December 6, 2016	AKh-P16-7267	A. G. Khloponin Deputy Prime Minister of the Russian Federation	Concerning the submission of information to a regular meeting of the Government Commission on the Socioeconomic Development of the North Caucasian Federal District on the condition and development problems of the fuel and energy sector in the North Caucasian Federal District	December 9, 2016
<b>Instructions with Periodic Reporting</b>					
1	December 27, 2013	9	D. A. Medvedev Prime Minister of the Russian Federation	Concerning the sent minutes of the meeting of the Government Commission on the Socioeconomic Development of the North Caucasian Federal District	January 15, 2016 February 15, 2016 March 17, 2016 April 21, 2016 June 14, 2016 August 11, 2016 September 15, 2016 October 12, 2016 November 11, 2016 December 13, 2016
2	March 30, 2016	1	D. A. Medvedev Prime Minister of the Russian Federation	Concerning the sent minutes of the meeting of the Government Commission on the Socioeconomic Development of the North Caucasian Federal District (March 11, 2016; No. 1; chaired by Prime Minister of the Russian Federation D. A. Medvedev)	May 6, 2016 August 1, 2016 October 31, 2016



## 10.5. Information About ROSSETI's Stakes in the Share Capital and Voting Shares of Joint-Stock Companies

Item	Joint-Stock Company Name	ROSSETI's Stake in Share Capital, %	ROSSETI's Percentages of Votes, %
<b>TRANSMISSION GRID COMPANIES</b>			
1	Federal Grid Company of Unified Energy System, Public Joint-Stock Company	80.13%	80.13%
<b>INTERREGIONAL GRID COMPANIES</b>			
2	Joint Stock Company Tyumenenergo	100.00%	100.00%
3	П Interregional Distribution Grid Company of Volga, Public Joint-Stock Company*	68.08%	68.08%
4	Interregional Distribution Grid Company of Northern Caucasus, Public Joint-Stock Company*	92.00%	92.00%
5	PUBLIC JOINT-STOCK COMPANY LENENERGO	67.48%	67.48%
6	Interregional Distribution Grid Company of North-West, Public Joint Stock Company	55.38%	55.38%
7	Public Joint Stock Company Interregional Distribution Grid Company of Siberia	57.84%	55.59%
8	Interregional Distribution Grid Company of South, Public Joint Stock Company*	51.66%	51.66%
9	Interregional Distribution Grid Company of Urals, Joint Stock Company"	51.52%	51.52%
10	Public Joint-Stock Company Moscow United Electric Grid Company	50.90%	50.90%
11	Interregional Distribution Grid Company of Center and Volga Region, Public Joint Stock Company	50.40%	50.40%

12	Interregional Distribution Grid Company of Centre, Public Joint-Stock Company	50.23%	50.23%
<b>DISTRIBUTION GRID COMPANIES</b>			
13	Yantarenergo Joint-Stock Company	100.00%	100.00%
14	Kuban Power and Electrification Public Joint Stock Company*	92.24%	92.24%
15	Public-Stock Company Tomsk Distribution Company	85.77%	94.58%
16	Chechenenergo, Joint-Stock Company*	72.66%	72.66%
<b>REGIONAL RETAIL COMPANIES</b>			
17	Joint-Stock Company Karachaevo-Cherkesskenenergo	100.00%	100.00%
18	Kalmenergosbyt Joint-Stock Company	100.00%	100.00%
19	Tyvaenergosbyt Joint-Stock Company	100.00%	100.00%
20	Kabardino-Balkarian Energy Supply Joint-Stock Company	65.27%	65.27%
21	Dagestan Energy Supply Company, Public Joint-Stock Company	51.00%	51.00%
22	Sevkavkazenergo Energy Supply Company, Joint-Stock Company	49.00%	49.00%
23	Ingushenergo, Joint-Stock Company	49.00%	49.00%
24	Joint Stock Company NURENERGO	23.00%	23.00%

R&D AND DESIGN COMPANIES			
25	Joint-Stock Company Technical Customer Center	100.00%	100.00%
26	Joint-Stock Company Association VNIPIENERGOPROM	100.00%	100.00%
27	Special Design Bureau of Heat Power Engineering Equipment VTI Open Joint-Stock Company	100.00%	100.00%
28	Joint-Stock Company G. M. Krzhizhanovsky Power Engineering Institute	31.34%	31.34%
29	Urals Power Engineering Company Joint-Stock Company – URALVNIPIENERGOPROM, Uralsenergooproekt, UralTEP, UralORGRES, UralVTI, Uralenergoproekt, Chelyabenergoproekt	25.00%	25.00%
30	Joint Stock Company North-West Power Engineering Center	25.00%	25.00%
31	Joint-Stock Company Volga Power Engineering Center	25.00%	25.00%
CONSTRUCTION, PROCUREMENT, AND SERVICE ORGANIZATIONS			
32	Joint Stock Company Power Grid Optical Networks Engineering	100.00%	100,00%
33	Engineering Center UES Real Estate Joint-Stock Company	100.00%	100,00%
34	JOINT STOCK COMPANY NORTH-WEST ENERGY MANAGING COMPANY	49.00%	57,40%
35	Groenergo Open Joint-Stock Company for Energy and Electrification of the Chechen Republic	49.00%	49,00%
36	IT Energy Service Limited Liability Company	19.99%	
37	Joint-Stock Company ZARUBEZHENERGOSTROY	9.51%	9.51%

\* Excluding the placed shares of the current securities issue.

## 10.6. Income (Dividends) Received by ROSSETI from Interests in ROSSETI SDCs in 2016 for 2015

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Item	Subsidiary/Dependent Company	Dividends (Accrued)
1.	Kubanenergo	1,055,978
2.	MOESK	3,215,806
3.	IDGC of Volga	157,095
4.	IDGC of North-West	225,660
5.	IDGC of Urals	639,590
6.	IDGC of Centre	229,030
7.	IDGC of Center and Volga Region	475,047
8.	IDGC of South	73,402
9.	TDC	362,738
10.	Tyumenenergo	3,235,994
11.	FGC UES	13,602,970
<b>Total for grid companies</b>		<b>23,273,311</b>
12.	IT Energy Service	43
13.	Power Grid Optical Networks Engineering	4,708
14.	Engineering Center UES Real Estate	28,294
15.	NWEMC	405
16.	TCC	4,832
<b>Total for other SDCs</b>		<b>38,281</b>
<b>TOTAL</b>		<b>23,311,593</b>

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

Name of the Group, Holding Company, or Association	Time of the Issuer's Membership	Role (Position) and Functions of the Issuer in the Organization
Corporate Educational and Scientific Center of Unified Energy System (Nonprofit Partnership)	2008	As a member of the Partnership, ROSSETI facilitates the acquisition of knowledge and the enhancement of business and professional skills among personnel engaged in the electric power industry. The Company participates in the General Meeting of Members of the Partnership and in the Supervisory Board of the Partnership.
Council of Electric Power Industry Veterans (Nonprofit Partnership)	2008	As a member of the Partnership, ROSSETI facilitates the accomplishment of the Partnership's principal goal aimed at rendering comprehensive assistance to electric power industry veterans. The Company participates in the General Meeting of Members of the Partnership and in the Supervisory Board of the Partnership.
All-Russia Trade Association of Employers in the Power Industry	2008	As a member of the Association, ROSSETI takes part in negotiations among the parties to social partnership at federal level, plans and monitors methodological activities carried out jointly with the Association for the benefit of the entire electric grid sector. The Company participates in the General Meeting of Members of the Association and in the Supervisory Board of the Association.
Scientific and Technical Council of Unified Energy System Non-profit Partnership	2008	The principal goal of the Council is to assist its members in formulating science-based technical policy in Russia's United Power System (UPS), address the most significant issues of operating and developing the UPS, and examine various projects and activities in new areas of engineering and technology, R&D programs, technical regulation, and standardization.
Russian National Committee of the World Energy Council (Nonprofit Partnership)	2014	Director General of ROSSETI O. M. Budargin is the WEC's Vice Chair and Senior Adviser, Responsibility for Regional Development (this post is not a position in any governing body of the WEC or any other salaried office). In his capacity, O. M. Budargin is authorized to formulate and implement the strategy to form the new Eurasian Committee of the WEC, bringing together Russia and other countries with similar geopolitical interests (Kazakhstan, Ukraine, Belarus, Moldova, Armenia, Georgia, Azerbaijan, Uzbekistan, Tajikistan, Kyrgyzstan, Turkmenistan, Afghanistan, Mongolia, and Iran).
Executive Committee of the Electric Power Council of the Commonwealth of Independent States	2013	Acting on behalf of the CIS EPC, the Executive Committee signed the Cooperation Agreement with ROSSETI. The activities are determined by the action plans of the relevant groups, in which ROSSETI

		<p>participates with its position on all prepared documents and ongoing activities.</p> <p>Working groups of the CIS EPC Executive Committee:</p> <ul style="list-style-type: none"> <li>- WG on the formation of the common electricity market</li> <li>- WG on human resource management and personnel training</li> <li>- WG on equipment operation reliability and occupational safety</li> <li>- WG on metrological support</li> <li>- WG on interaction in accidents and emergency situations</li> <li>- WG on the updating and harmonization of the regulatory and technical framework for the regulation of the CIS electric power industry (technical regulation and technical standard documents)</li> <li>- WG on environmental protection</li> <li>- WG on energy conservation and energy efficiency</li> <li>- Commission for Operational and Technological Coordination</li> </ul> <p>The Coordinating Council of the CIS EPC Executive Committee is responsible for implementing the Strategy for Cooperation in the Electric Power Industry of the CIS Member States.</p>
National Committee of the International Conference on Electricity Distribution (CIRED)	2012	ROSSETI is a member of the National Committee of CIRED.
Russian International Affairs Council	2016	As a Member of the Council, PJSC ROSSETI provides assistance in achieving the Council's principal goal aimed at carrying out international studies in the Russian Federation, improving the process of training specialists in foreign energy policy, and organizing the interaction between Russian scientific organizations and foreign expert and analytical centers on issues of international relations. The Company participates in the General Meeting of Members of the Council.
WorldSkills Russia	2016	As an Associated Partner (Member) of WorldSkills Russia (hereinafter, the "Union"), ROSSETI provides assistance in achieving the Union's principal goal aimed at skills excellence in accordance with the WorldSkills International standards to provide the Russian economy with highly skilled personnel and enhance the role of skills development in the socioeconomic and cultural development of the Russian Federation. The Company participates in the activities of the Industrial Council of the Union.

## 10.8. Information About Shares Held by SDCs in ROSSETI as of December 31, 2016

Company Name	Quantity of Shares, pcs.		Par Value of Shares, RUB*	Stake in Share Capital, %
	Ordinary Shares	Preference Shares		
Karachaevo-Cherkessenergo	118,272	0	118,272.00	0.0001
Tyumenenergo	0	4,993,960	4,993,960.00	0.0025
IDGC of Siberia	526,735	0	526,735.00	0.0003
IDGC of Center and Volga Region	2,080,389	0	2,080,389.00	0.0011
IDGC of Volga	9,400	0	9,400.00	0.0000
Power Grid Optical Networks Engineering	669,200	0	669,200.00	0.0003
<b>TOTAL:</b>				<b>0.0043</b>

\* The par value of 1 share of each category is 1 ruble.



## 10.9. List of ROSSETI's Internal Documents

Document	Basic Provisions
Regulations for the General Meeting of Shareholders of the Company (approved by the AGM <sup>5</sup> of the Company on June 30, 2015)	The Regulations define the procedure for convening, preparing, and holding the Company's General Meeting of Shareholders and for summarizing its results.
Regulations for the Board of Directors of the Company (approved by the AGM of the Company on June 30, 2015)	The Regulations set forth the functions of the Company's Board of Directors.
Regulations for Remuneration and Compensation for Members of the Board of Directors of the Company (approved by the AGM of the Company on June 30, 2015)	The Regulations define the criteria and payment procedure of remuneration for members of the Company's Board of Directors.
Regulations for the Internal Audit Commission of the Company (approved by the AGM of the Company on June 30, 2015)	The Regulations set forth the functions of the Company's Internal Audit Commission.
Regulations for Remuneration and Compensation for Members of the Internal Audit Commission of the Company (approved by the AGM of the Company on June 30, 2015)	The Regulations define the criteria and payment procedure of remuneration for members of the Company's Internal Audit Commission.
Regulations for the Management Board of the Company (approved by the AGM of the Company on June 30, 2015)	The Regulations set forth the time and procedure for convening and holding meetings of the Management Board, the quorum at such meetings, and the procedure for adopting the Management Board's decisions.
Regulations for the Audit Committee of the Board of Directors of the Company (approved by the Company's Board of Directors; Minutes of the Meeting No. 217 of December 28, 2015)	The Regulations define the status and functions of the Audit Committee.
Regulations for the Nomination and Remuneration Committee of the Board of Directors of the Company (approved by the Company's Board of Directors; Minutes of the Meeting No. 243 of October 10, 2016)	The Regulations define the status and functions of the Nomination and Remuneration Committee.
Regulations for the Strategy Committee of the Company (approved by the Company's Board of Directors; Minutes of the Meeting No. 137 of October 21, 2013; subject to the amendments approved by the Company's Board of Directors on September 17, 2014 (Minutes of the Meeting No. 165), on October 6, 2014 (Minutes of the Meeting No. 166), on November 25, 2014 (Minutes of the Meeting No. 171), and on August 5, 2015 (Minutes of the Meeting No. 198)	The Regulations define the status and functions of the Strategy Committee.
Regulations for the Investment, Technical Policy, Reliability, Energy Efficiency, and Innovation Committee of the Company (approved by the Company's Board of Directors; Minutes of the Meeting No. 137 of October 21, 2013; subject to the amendments approved by the Company's Board of Directors on December 15, 2014 (Minutes of the Meeting No. 173)	The Regulations define the status and functions of the Investment, Technical Policy, Reliability, Energy Efficiency, and Innovation Committee.
Regulations for Providing Information for Members of the Board of Directors of the Company (approved by the Company's Board of Directors; Minutes of the Meeting No. 72 of December 29, 2011)	The Regulations set forth the procedure for considering and dealing with requests for information submitted by members of the Company's Board of Directors as part of their exercise of their rights to receive information concerning the Company's activities.

<sup>5</sup> Annual General Meeting of Shareholders.

Regulations for the Corporate Secretary of the Company (approved by the Company's Board of Directors; Minutes of the Meeting No. 240 of September 23, 2016)	The Regulations set forth the status of the Corporate Secretary, the requirements applicable to his or her nomination, the procedure for appointing and dismissing the Corporate Secretary, his or her accountability, the procedure for interacting with the Company's management bodies and divisions, and other issues related to the activities of the Company's Corporate Secretary.
Regulations for Insider Information of the Company (approved by the Company's Board of Directors; Minutes of the Meeting No. 162 of August 25, 2014)	The Regulations set forth the requirements applicable to persons entitled to access insider information, the notification procedure for their transactions related to securities of the Company and its subsidiaries and dependent companies, and the procedure for disclosing information about transactions of persons entitled to access insider information.
Procedure for Interaction of the Company with the Economic Entities Whose Shares (Equities) Are Owned by the Company (approved by the Company's Board of Directors; Minutes of the Meeting No. 57 of April 22, 2011; as amended by the Company's Board; Minutes of the Meeting No. 83 of May 28, 2012)	The Procedure governs the exercise by the Company of the rights of a shareholder in relation to its subsidiaries and dependent companies, which rights are attached to shares, in order to ensure that Company Representatives act effectively in management and control bodies of SDCs. The Procedure describes general conditions for corporate interaction of the Company with SDCs in the areas defined in the Procedure, including corporate planning, the organization and control of corporate action when management bodies of SDCs consider the issues with respect to which, in accordance with the Articles of Association of the Company, the Company's (Company Representatives') position shall be defined.
Strategy for Developing and Improving the Internal Control System of the Company and Subsidiaries and Dependent Companies of the Company (approved by the Company's Board of Directors; Minutes of the Meeting No. 143 of February 13, 2014)	The Strategy defines the principal development areas for the internal control system in all processes (areas of activities) of the Company and SDCs. Special attention is given to the targeted condition of the internal control system and to the areas of improving internal audit, internal control, and risk management.
Corporate Governance Code of the Company (approved by the Company's Board of Directors; Minutes of the Meeting No. 101 of November 30, 2012)	The Code describes the Company's principles of corporate governance, the structure of the Company's management and control bodies and the principles of their interaction, the mechanism for the exercise by shareholders of their rights, and the principles of the Company's interaction with subsidiaries and dependent companies.
Corporate Code of Ethics and Business Conduct of ROSSETI (approved by the Company's Board of Directors; Minutes of the Meeting No. 252 of February 22, 2017)	The Code includes the standards and rules of professional ethics and corporate conduct for ROSSETI that shall be obeyed by all of the Company's employees, irrespective of their positions, and members of the Company's management and control bodies.
Regulations for Financial Incentives for Senior Managers of the Company (approved by the Company's Board of Directors; Minutes of the Meeting No. 26 of November 19, 2009)	The Regulations govern remuneration for the Company's executives and the improvement of their motivation to effectively manage financial, economic, and production activities of the Company and subsidiaries and dependent companies.
Regulations for Dividend Policy of the Company (approved by the Company's Board of Directors; Minutes of the Meeting No. 169 of November 18, 2014)	The Regulations outline the basic principles of the Company's dividend policy and disclose the procedure, period, and other terms and conditions for the payment of dividends on the Company's shares.
Information Policy (Regulations for Disclosing Material Information of the Company Under Shareholder Laws and Securities Market Laws) (approved by the Company's Board of Directors; Minutes of the Meeting No. 221 of February 24, 2016)	The Regulations define the basic principles of the Company's information policy; the rules and approaches applicable to the Company's disclosure of information; and a list of information and documents that should be disclosed to shareholders, investors, creditors, professional participants in the securities market, governmental authorities, and other stakeholders and that set forth the procedure and deadlines for the disclosure and submission of such information.

Regulations for the Uniform Technical Policy in the Electric Grids (approved by the Company's Board of Directors; Minutes of the Meeting No. 252 of February 22, 2017)	The Regulations define the basic areas that determine the improvement of electric grids' reliability and operating efficiency in the short term and in the medium term with the proper industrial and environmental security based on innovative principles of development, providing nondiscriminatory access to electric grids for all market participants.
Economic Policy (approved by the Company's Board of Directors; Minutes of the Meeting No. 156 of June 2, 2014)	The Policy describes the general approaches, priorities, principles, and goals in the Company's activities related to improving the efficiency of the electric grid sector's operating and financial activities, ensuring long-term and transparent tariff regulation, keeping a balance between the interests of electric grid companies and customers, and making the sector as a whole more attractive to investors.
Investment Policy (approved by the Company's Board of Directors; Minutes of the Meeting No. 174 of December 22, 2014)	The Policy defines the goals, objectives, and principles of the Company's and subsidiaries and dependent companies' investment activities.
Policy on Society, Customer, and Government Relations (approved by the Company's Board of Directors; Minutes of the Meeting No. 158 of June 20, 2014)	The Policy defines the goals, objectives, guidelines, and priorities for development and sets forth the basic provisions in relations with governmental authorities, customers, and other external stakeholders in order to achieve the targets of the Strategy for Development of the Electric Grid Sector of the Russian Federation.
Innovative Development, Energy Conservation, and Energy Efficiency Policy (approved by the Company's Board of Directors; Minutes of the Meeting No. 150 of April 23, 2014)	The Policy defines a set of principles and rules of conduct (actions) in the following areas of the Company's activities: - innovative development; - energy conservation and energy efficiency enhancement; - environmental protection.
Personnel and Social Policy (approved by the Company's Board of Directors; Minutes of the Meeting No. 158 of June 20, 2014)	The Policy defines the areas of electric grid companies' activities in human resource management, human resource development, and social management.
Comprehensive Security Policy (approved by the Company's Board of Directors; Minutes of the Meeting No. 169 of November 21, 2014)	The Policy defines a set of goals, objectives, and principles in the areas of the Company's activities: counter-terrorism and counter-crime protection, economic security, information security, and comprehensive security management.
Anti-Corruption Policy of ROSSETI and Subsidiaries and Dependent Companies of ROSSETI (approved by the Company's Board of Directors; Minutes of the Meeting No. 246 of December 8, 2016)	The Policy includes a set of interrelated principles, procedures, and specific measures, and other local regulatory documents and guidance materials aimed at avoiding and combating corruption offenses in an organization's activities.
Uniform Procurement Policy of the Company (approved by the Company's Board of Directors; Minutes of the Meeting No. 149 of April 22, 2014)	The Policy defines the principles, goals, objectives, and standards of organizing the procurement activities of the Company and the Company's subsidiaries and dependent companies.
Uniform Procurement Standard (Procurement Regulations) of the Company (approved by the Company's Board of Directors; Minutes of the Meeting No. 206 of October 30, 2015 (as amended by Minutes of the Meetings 239 of August 19, 2016, No. 244 of November 8, 2016 and No. 247 of December 16, 2016)	The Standard governs the principles of the procurement of goods, work, and services, irrespective of their prices, at the Company and the Company's subsidiaries and dependent companies that have approved the Standard as an internal document of the Company's subsidiaries and dependent companies.
Risk Management Policy of the Company (approved by the Company's Board of Directors; Minutes of the Meeting No. 208	The Policy defines the fundamental principles of organization, implementation and control of risk management processes of the

of November 16, 2015)	Company as part of the Concept of Developing and Improving the Internal Control and Audit System and the Risk Management System of the Company.
Restated version of the Internal Audit Policy of the Company (approved by the Company's Board of Directors; Minutes of the Meeting No. 208 of November 16, 2015)	The Policy defines the goals, principles, and functions of internal audit; the authority of internal auditors and the corresponding obligations of management and other personnel of audited divisions; the requirements for the Company's internal auditors; and internal audit oversight and reporting.
Restated version of the Internal Control Policy of the Company (approved by the Company's Board of Directors; Minutes of the Meeting No. 208 of November 16, 2015)	The Policy defines the binding fundamental principles for organizing the internal control system and forming a common approach to implementing internal control processes within the Company.
Environmental Policy of the Electric Grid Sector (approved by the Company's Board of Directors; Minutes of the Meeting No. 254 of March 3, 2017)	The Policy defines the principle of ROSSETI's operations as dynamic development with the maximally efficient use of natural resources and with the conservation of a favorable environment.

Internal documents of the Company are available on the Company's website at <http://www.rosseti.ru/about/documents/>

## 10.10. List of Registrar Transfer Agents for ROSSETI Shares

Item	Office Name	Postal Code	Constituent Entity of the Russian Federation	Address			Telephone (Area Code)
				Post Town	Post Town	House	
1	<b>Depository, Baikalsky Head Office of Sberbank</b>	664011	Irkutsk Region	Irkutsk	ul. Nizhnyaya Naberezhnaya	10	(3952) 28-21-59, 28-20-94, 28-27-57, 28-22-50, 28-22-70
2	Buryatskoye Branch of Sberbank No. 8601	670031	Republic of Buryatia	Ulan-Ude	ul. Tereshkovoy	3B	(3012) 28-50-41
3	Chitinskoye Branch of Sberbank No. 8600	672010	Trans-Baikal Territory	Chita	ul. P. Osipenko	40	(3022) 33-60-30
1	<b>Sibirsky Head Office of Sberbank</b>	630007	Novosibirsk Region	Novosibirsk	ul. Serebrennikovskaya	20	(383) 212-2220, 212-2221, 212-2222
		656038	Altai Territory	Barnaul	Komsomolsky pr.	106A	(3852) 389-074
		660021	Krasnoyarsk Territory	Krasnoyarsk	ul. Lenina	126	(391) 259-86-53
		660049	Krasnoyarsk Territory	Krasnoyarsk	ul. Karla Marksa	24A	(391) 259-81-95
2	Achinskoye Branch of Sberbank (8646/232)	662150	Krasnoyarsk Territory	Achinsk	8 mikrorayon	6	(39151) 6-80-84, 6-80-06, 7-68-53
3	Achinskoye Branch of Sberbank (8646/0212)	662150	Krasnoyarsk Territory	Achinsk	ul. Kirova	40A	(39151) 6-80-85
4	Lesosibirskoye Branch of Sberbank (8646/0901)	662547	Krasnoyarsk Territory	Lesosibirsk	ul. Parkovaya	9A	89131882932
5	Minusinskoye Branch of Sberbank (8646/0301)	662603	Krasnoyarsk Territory	Minusinsk	ul. Shtabnaya	10	(39132) 2-48-59, 9135107209
6	Norilskoye Branch of Sberbank	663305	Krasnoyarsk Territory	Norilsk	ul. B. Khmel'nitskogo	7	(3919) 47-07-65, 47-07-15
7	Sharypovskoye Branch of Sberbank	662311	Krasnoyarsk Territory	Sharypovo	2 mikrorayon	13	(39153) 61-015
8	Sharypovskoye Branch of Sberbank	662200	Krasnoyarsk Territory	Nazarovo	ul. Kuznechnaya	2	(39155) 5-59-02

9	Abakanskoye Branch of Sberbank	655017	Republic of Khakassia	Abakan	ul. Pushkina	165	(3902) 249-006, 24-90-22
1	<b>Depository, Division for the Organization and Support of Wellbeing Product Sales, Yugo-Zapadny Head Office of Sberbank</b>	<b>344068</b>	<b>Rostov Region</b>	<b>Rostov-on-Don</b>	<b>ul. Yevdokimova</b>	<b>37</b>	<b>(863) 287-82-61</b>
2	Remote Workplace, Depository, Division for the Organization and Support of Wellbeing Product Sales, Yugo-Zapadny Head Office of Sberbank	350000	Krasnodar Territory	Krasnodar	ul. Krasnoarmeyskaya	34	(861) 219-00-98
3	Remote Workplace, Division for the Organization and Support of Wellbeing Product Sales, Yugo-Zapadny Head Office of Sberbank, Stavropol	355035	Stavropol Territory	Stavropol	ul. Lenina	61	(8652) 30-83-45, 30-80-57, 30-82-86, 30-83-82, 30-94-05
1	<b>Severo-Vostochny Head Office of Sberbank</b>	<b>685000</b>	<b>Magadan Region</b>	<b>Magadan</b>	<b>ul. Pushkina</b>	<b>11/11</b>	<b>(413-2) 60-72-27, 69-03-05</b>
2	Additional Office No. 0160, Kamchatskoye Branch of Sberbank No. 8556	688800	Kamchatka Territory	Tilichiki village	ul. Shkolnaya	17	(415-44) 5-27-87
3	Milkovskoye Branch of Sberbank No. 5492	684300	Kamchatka Territory	Milkovo village	ul. Pushkina	5	(415-33) 2-20-55
4	Tigilskoye Branch of Sberbank No. 7465	688600	Koryak Autonomous District	Tigil village	ul. Gagarina	22	(415-37) 21-1-37
5	Kamchatskoye Branch of Sberbank No. 8556	683001	Kamchatka Territory	Petropavlovsk-Kamchatsky	ul. Naberezhnaya	30	(415-2) 21-95-0
6	Chaunskoye Branch of Sberbank No. 7253	689400	Chukotka Autonomous District	Pevek	Kuvaeva	49	(427-37) 4-21-91
7	Bilibinskoye Branch of Sberbank No. 7820	689450	Chukotka Autonomous District	Bilibino	m-n Vostochny	1/4	(427-38) 2-63-2
8	Chukotskoye Branch of Sberbank No. 8557	689000	Chukotka Autonomous District	Anadir	ul. V. Beringa	6	(427-22) 2-45-58

9	Aldanskoye Branch of Sberbank No. 1049	678900	Republic of Sakha (Yakutia)	Aldan	ul. Lenina	9	(411-45) 36-9-3
10	Bulunskoye Branch of Sberbank No. 5033	678400	Republic of Sakha (Yakutia)	Tiksi urban-type settlement	ul. Trusova	10	(411-67) 52-4-69
11	Srednekolymenskoye Branch of Sberbank No. 5034	678790	Republic of Sakha (Yakutia)	Srednekolymsk	Yaroslavskogo	26	(411-56) 4-11-34
12	Vilyuyskoye Branch of Sberbank No. 5037	687200	Republic of Sakha (Yakutia)	Vilyuysk	ul. Oktyabrskaya	7	(411-32) 4-37-87
13	Nyurbinskoye Branch of Sberbank No. 5038	678450	Republic of Sakha (Yakutia)	Nyurba	ul. Lenina	32/2	(411-34) 2-41-31
14	Suntarskoye Branch of Sberbank No. 5039	678290	Republic of Sakha (Yakutia)	Suntar village	ul. Oktyabrskaya	60	(411-35) 2-24-45
15	Additional Office No. 085, Yakutskoye Branch of Sberbank No. 8603	678000	Republic of Sakha (Yakutia)	Pokrovsk	ul. Ordzhonikidze	14	(411-44) 43-7-87, 43-0-20
16	Lenskoye Branch of Sberbank No. 5045	678140	Republic of Sakha (Yakutia)	Lensk	ul. Lenina	66	(411-37) 4-11-27
17	Ust-Aldanskoye Branch of Sberbank No. 5046	678350	Republic of Sakha (Yakutia)	Borogontsy village	ul. Lenina	46/1	(411- 61) 4-14-31
18	Tattinskoye Branch of Sberbank No. 5047	678650	Republic of Sakha (Yakutia)	Ytyk-Kyuyol village	ul. Lenina	11/1	(411-52) 4-17-87
19	Churapchinskoye Branch of Sberbank No. 5048	678670	Republic of Sakha (Yakutia)	Churapcha village	ul. Lenina	34	(411-51) 4-14-51
20	Ust-Mayskoye Branch of Sberbank No. 5049	678620	Republic of Sakha (Yakutia)	Ust-Maya urban-type settlement	ul. Gorkogo	50	(411-41) 4-20-30, 4-29-24
21	Amginskoye Branch of Sberbank No. 5050	678600	Republic of Sakha (Yakutia)	Amga village	ul. Partizanskaya	77	(411-42) 4-17-87
22	Megino-Kangalasskoye Branch of Sberbank No. 5051	678070	Republic of Sakha (Yakutia)	Megino-Kangalassky ulus	ul. Mayskaya	4	(411-43) 4-17-87
23	Verkhnevilyuyskoye Branch of Sberbank No. 5053	678230	Republic of Sakha (Yakutia)	Verkhnevilyuysk village	ul. Lenina	7	(411-33) 4-17-87



24	Oimyakonskoye Branch of Sberbank No. 7251	678730	Republic of Sakha (Yakutia)	Ust-Nera urban-type settlement	ul. Lenina	14	(411-54) 2-18-69
25	Tomponskoye Branch of Sberbank No. 7733	678720	Republic of Sakha (Yakutia)	Khandyga urban-type settlement	ul. Magadanskaya	4	(411-53) 4-11-59
26	Mirninskoye Branch of Sberbank No. 7800	678174	Republic of Sakha (Yakutia)	Mirny	ul. Komsomolskaya	13	(411-36) 4-20-93
27	Ust-Yanskoye Branch of Sberbank No. 8004	678540	Republic of Sakha (Yakutia)	Deputatsky urban-type settlement	m-n Arktika	15	(411-66) 2-76-19
28	Neryungrinskoye Branch of Sberbank No. 8155	678967	Republic of Sakha (Yakutia)	Neryungri	ul. Lenina	27	(411-47) 6-18-92
29	Yakutskoye Branch of Sberbank No. 8603	677980	Republic of Sakha (Yakutia)	Yakutsk	ul. Oktyabrskaya	17	(411-2) 42-08-13, 34-00-42
30	Additional Office No. 0140, Kamchatskoye Branch of Sberbank No. 8556	684415	Kamchatka Territory	Ust-Kamchatsk settlement	ul. 60 let Oktyabrya	29	(415-34) 2-05-78
1	<b>Povolzhsky Head Office of Sberbank</b>	<b>443110</b>	<b>Samara Region</b>	<b>Samara</b>	<b>pr-t Lenina</b>	<b>17</b>	<b>(846) 998-18-85</b>
2	Avtozavodskoye Branch of Sberbank, Samarskoye Branch of Sberbank No. 6991	445027	Samara Region	Tolyatti	ul. Yubileynaya	55	(8482) 95-62-45
3	Volgogradskoye Branch of Sberbank No. 8621	400005	Volgograd Region	Volgograd	ul. Kommunisticheskaya	40	(8442) 74-20-91
4	Saratovskoye Branch of Sberbank No. 8622	410012	Saratov Region	Saratov	ul. Vavilova	1/7	(8452) 50-75-21
5	Orenburgskoye Branch of Sberbank No. 8623	461300	Orenburg Region	Orenburg	ul. Volodarskogo	16	(3532) 98-13-62, 98-13-64
6	Penzenskoye Branch of Sberbank No. 8624	440600	Penza Region	Penza	ul. Suvorova	81	(8412) 20-35-07
7	Astrakhanskoye Branch of Sberbank No. 8625	414000	Astrakhan Region	Astrakhan	ul. Kirova	41	(8512) 32-10-72, 32-12-38
8	Ulyanovskoye Branch of Sberbank No. 8588	432017	Ulyanovsk Region	Ulyanovsk	ul. Goncharova	40A	(8422) 42-68-40

1	<b>Depository, Division for Wellbeing Product Sales, Severo-Zapadny Head Office of Sberbank</b>	191028	<b>Saint Petersburg</b>	<b>Saint Petersburg</b>	<b>ul. Furshtatskaya</b>	<b>5</b>	<b>(812) 329-45-56, 329-37-74</b>
2	Kaliningradskoye Branch of Sberbank No. 8626 (Kaliningrad Remote Workplace, Depository, Division for Wellbeing Product Sales)	236006	Kaliningrad Region	Kaliningrad	Moskovsky pr.	24	(4012) 351-965
3	Murmanskoye Branch of Sberbank No. 8627 (Murmansk Remote Workplace, Depository, Division for Wellbeing Product Sales)	183038	Murmansk Region	Murmansk	pr. Lenina	37	(8152) 280-325, 280-360
4	Karelskoye Branch of Sberbank No. 8628 (Petrozavodsk Remote Workplace, Depository, Division for Wellbeing Product Sales)	185035	Republic of Karelia	Petrozavodsk	ul. Antikaynena	2	(8142) 710-811
5	Novgorodskoye Branch of Sberbank No. 8629 (Novgorod Remote Workplace, Depository, Division for Wellbeing Product Sales)	173000	Novgorod Region	Veliky Novgorod	pr. Mira	32, k. 1	(8162) 986-234
6	Pskovskoye Branch of Sberbank No. 8630 (Pskov Remote Workplace, Depository, Division for Wellbeing Product Sales)	180000	Pskov Region	Pskov	pr. Oktyabrsky	23/25	(8112) 698-770

10.14. Assessment by the Audit Committee of the Board of Directors of ROSSETI of the Auditor's Report Prepared by RSM RUS on the Accounting (Financial) Statements of the Company for 2016

**Approved by the decision  
of the Audit Committee  
of the Board of Directors of PJSC ROSSETI  
April 28, 2017 (Minutes No. 79)**

The public bidding for the right to enter into the agreement for the mandatory annual audit of the statements for 2015–2017 resulted in selecting RSM RUS as the preferred bidder (Minutes of the Meeting of the Procurement Commission No. PRO1 of April 17, 2015).

As resolved by the Annual General Meeting of Shareholders of PJSC ROSSETI on June 30, 2016, (the Minutes of the Meeting of July 5, 2016) and the Board of Directors of the Company on May 30, 2016 (Minutes of the Meeting No. 230 of June 1, 2016), the Company entered into Agreement No. 161a063 of August 23, 2016, with RSM RUS (hereinafter, the “External Auditor”) for the mandatory audit of PJSC ROSSETI's statements for 2016.

Registered address of the External Auditor: Russia, 119285, Moscow, ul. Pudovkina, 4.

RSM RUS is a member of Auditor Association Sodruzhestvo Non-profit Partnership, a self-regulatory audit organization registered on the Uniform State Register of Self-regulatory Organizations of Auditors under number 6 on December 30, 2009, and located at: Russia, 119192, Moscow, Michurinsky pr-t, 21, korp. 4 (Certificate of Membership No. 6938; Principal Entry Registration Number (ORNZ): 11306030308).

The External Auditor conducted the audit of the Company's accounting (financial) statements prepared under Russian Accounting Standards in accordance with the Federal Auditing Standards. The standards require that the applicable standards of ethics be complied with and that the audit be so planned and carried out as to obtain reasonable assurance about whether the accounting statements are free of material misstatements.

The independence of the External Auditor in accordance with the criteria set forth in Article 8 of Federal Law No. 307-FZ of December 30, 2008, “On Auditing” is evidenced by information provided by RSM RUS.

In addition, it should be noted that the External Auditor's independence is evidenced by the fact that RSM RUS has not provided the Company with external audit services for a long period. RSM RUS audited the Company's accounting (financial) statements for 2016 and 2015. RSM RUS did not provide external audit services for the Company before 2015. RSM RUS did not provide any other services for the Company.

The External Auditor prepared and submitted the following documents:

- Written information (audit report) for PJSC ROSSETI's management on the results of the audit of the accounting (financial) statements in accordance with Russian Accounting Standards for 2016 (20 pages);
- Written information (audit report) for PJSC ROSSETI's management on the results of the interim audit of the accounting (financial) statements in accordance with Russian Accounting Standards for the 9 months of 2016 (22 pages);
- Auditor's Report on the accounting statements for 2016 (2 pages).

The Audit Committee of the Company's Board of Directors studied the above-mentioned documents prepared by RSM RUS and discussed with the External Auditor and the Company's management the principal issues related to the Company's accounting (financial) statements prepared in accordance with Russian Accounting Standards (Minutes of the Meeting No. 76 of March 13, 2017; Minutes of the Meeting No. 78 of April 5, 2017).

The procedures conducted by RSM RUS in the course of the external audit of the Company's accounting (financial) statements in accordance with Russian Accounting Standards for 2016 comply with the terms and conditions of the agreement with PJSC ROSSETI and meet the requirements set forth in Federal Law No. 307-FZ of December 30, 2008, "On Auditing."

The contents of the written information (report) prepared by RSM RUS comply with the requirements set forth in paragraph 10 of Rules (Standard) No. 22 "Providing information obtained from the audit to the auditee's management and representatives of the auditee's owner."

The Auditor's Report meets the requirements set forth in Federal Law No. 307-FZ of December 30, 2008, "On Auditing," the Federal Auditing Rules (Standards) approved by Resolution of the Government of the Russian Federation No. 696 of September 2, 2002, and the federal auditing standards established by orders of the Ministry of Finance of the Russian Federation.

## 10.16. Related Party Transactions of ROSSETI in 2016

Below is the list of transactions approved by ROSSETI in 2016, which are deemed to be related party transactions in accordance with the Federal Law “On Joint-Stock Companies” and require approval from ROSSETI’s authorized management body under Chapter XI of the Federal Law “On Joint-Stock Companies,” specifying the related party(ies), the material terms and conditions, and ROSSETI’s approving management body.

Item	Transaction	Counterparty	Subject Matter	Value	Approving Management Body	Related Party
1	Liability insurance contract for directors and officers	The person selected by the procurement procedures to select the insurance company (“Insurer”) <sup>6</sup>	The Insurer agrees, if any insured event specified in the Contract occurs, to pay insurance indemnity under the Contract to the relevant Insured Person and/or, as the case may be, any other person entitled to such indemnity.	The price of the liability insurance contract for directors and officers to be entered into by and between the Company and the person selected by the procurement procedures to select the insurance company shall be equal to the insurance premium of at most twenty-three million, five hundred thousand (23,500,000) rubles.	Annual General Meeting of Shareholders of ROSSETI (Minutes of the Annual General Meeting of Shareholders of July 5, 2016)	All members of the Board of Directors and the Management Board of ROSSETI and Director General of ROSSETI O. M. Budargin
2	Agreement for fee-based technical supervision services	FGC UES (“Customer”)	The Customer engages the Contractor, and the Contractor agrees, to provide the following technical supervision services: - provide methodological and organizational support for the Customer’s interaction with governmental control and supervision authorities in the course of the construction (rehabilitation, modernization, technical upgrading) and operation of the Customer’s electric grid facilities, including interaction with the Federal Service for Environmental, Technological and Nuclear Supervision of the Russian Federation; - provide methodological and organizational support for improving the performance of the Customer’s technical units as part of fulfilling Russian legal requirements, including the Operating Rules for Electric	Forty million, six hundred fifty-two thousand, eighty-five (40,652,085) rubles and 60 kopecks, inclusive of 18% VAT of six million, two hundred one thousand, one hundred sixty-five (6,201,165) rubles and 60 kopecks, per year.	Board of Directors of ROSSETI (Minutes of the Meeting No. 222 of March 17, 2016)	Director General of ROSSETI O. M. Budargin, member of the Board of Directors of ROSSETI S. I. Shmatko, member of the Board of Directors of ROSSETI A. Ye. Murov, member of the Management Board of ROSSETI A. A. Dyomin

<sup>6</sup> The preferred bidder selected by the procurement procedures is SOGAZ INSURANCE.

			<p>Power Plants and Networks of the Russian Federation (approved by Order of the Ministry of Energy of the Russian Federation No. 229 of June 19, 2003);</p> <ul style="list-style-type: none"> <li>- prepare recommendations based on investigating into the causes of accidents as specified in paragraph 4 of the Rules for Investigating into the Causes of Accidents in the Electricity Industry (approved by Resolution of the Government of the Russian Federation No. 846 of October 28, 2009) and such other accidents and emergencies as agreed upon between the parties;</li> <li>- provide methodological and organizational support for the Customer's measures to correct faults found by the Customer as a result of the work done by the Customer's technical units;</li> <li>- carry out comprehensive audits of the Customer's production activities ("comprehensive audits") in accordance with the comprehensive audit plan and the comprehensive audit programs approved by the Customer;</li> <li>- participate in investigating into the causes of accidents as specified in paragraph 4 of the Rules for Investigating into the Causes of Accidents in the Electricity Industry (approved by Resolution of the Government of the Russian Federation No. 846 of October 28, 2009) at the Customer's electric grid facilities that are part of the Unified National Electric Grid;</li> <li>- participate in the Customer's audits of production activities (freshets, lightning storm and fire seasons, heat deficit periods, etc.) by agreement with the Customer (including in accordance with the audit schedule agreed upon with the Customer) or at its request, and the Customer agrees to accept and pay for such services.</li> </ul> <p>In order to create the necessary conditions for the work of the Contractor in providing the services under the Agreement (the Customer's assistance), the Customer provides the Contractor at its request with</p>			
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			workplaces (premises) having furniture, computers, office appliances and equipment, communications facilities, fixed communications and Internet services, office supplies, and, if necessary, transportation.			
3	Agreement for the provision of advertising and information services at the Forum of OPORA RUSSIA All-Russian Public Organization of Small and Medium Business	OPORA RUSSIA All-Russian Public Organization of Small and Medium Business ("Contractor")	The Contractor agrees to provide advertising and information services at the Forum of OPORA RUSSIA All-Russian Public Organization of Small and Medium Business, namely THE "SMALL AND MEDIUM BUSINESS – A NATIONAL IDEA?" ENTREPRENEURIAL FORUM, and the Customer agrees to accept and pay for the provided services in accordance with the procedure and upon the terms and conditions specified in the Agreement.	The price of advertising and information services is one million (1,000,000) rubles and 00 kopecks (exempt from VAT).	Board of Directors of ROSSETI (Minutes of the Meeting No. 225 of April 15, 2016)	Member of the Board of Directors of ROSSETI A. S. Kalinin
4	Real property sublease agreement	FTC ("Subtenant")	The Sublandlord agrees to provide the real property (hereinafter, the "Property") for the Subtenant's temporary possession and use under a delivery and acceptance certificate for valuable consideration. The subleased Property under the Agreement is nonresidential premises with a total area of ninety-nine point one (99.10) square meters specified in the floor plan, attached as Annex 1 to the Agreement, and located in Block A of the multifunctional public center at: Moscow, ul. Belovezhskaya, 4. The Property is subleased to the Subtenant to provide its personnel with workplaces.	The monthly rent for the Property is two hundred sixteen thousand, nine hundred eighty-one (216,981) rubles and 96 kopecks, inclusive of 18% VAT of thirty-three thousand, ninety-eight (33,098) rubles and 94 kopecks.	Board of Directors of ROSSETI (Minutes of the Meeting No. 225 of April 15, 2016).	Director General of ROSSETI O. M. Budargin, member of the Management Board of ROSSETI R. N. Berdnikov, member of the Board of Directors of ROSSETI V. M. Belov
5	Public funding agreement to be entered into by and between ROSSETI and the Russian Federation as part of the issue of additional shares in ROSSETI	Russian Federation, represented by the Federal Agency for State Property Management of the Russian Federation ("Agency"), Ministry of Energy of the Russian Federation	The additional terms and conditions (except for the terms and conditions whereby the Russian Federation, represented by the Agency, may acquire additional shares in ROSSETI as part of exercising the preemptive right) are included in the public funding agreement, including the terms and conditions with respect to supervising the proper use of the funds received by ROSSETI under the Agreement and ROSSETI's liability for failure to perform the obligations provided for in the Agreement.	The price of the Agreement as related to the conditions for ensuring the performance by ROSSETI of its obligations, which is a related party transaction, shall not be two (2) or more percent of the book value of ROSSETI's assets according to its accounting statements as of the latest balance sheet date immediately preceding the date of the transaction.	Board of Directors of ROSSETI (Minutes of the Meeting No. 226 of April 22, 2016)	ROSSETI's shareholder (Russian Federation, represented by the Federal Agency for State Property Management of the Russian Federation)
6	Agreement for the development of	FTC ("Contractor")	The Customer engages the Contractor, and the Contractor agrees, to perform work on	The price of the services under the Agreement shall	Board of Directors of ROSSETI	Director General of ROSSETI O. M. Budargin,



	the Organization Standard (hereinafter, the "OS") "Reinforced-Concrete Towers for Overhead Lines (OL) Rated 110–500 kV (General Technical Requirements)"		developing the OS in relation to reinforced-concrete towers for overhead lines (OL) rated 110–500 kV (general technical requirements).	be two million, one hundred fifty-nine thousand, four hundred eighty-eight (2,159,488) rubles and 72 kopecks, inclusive of VAT of three hundred eighty-eight thousand, seven hundred seven (388,707) rubles and 96 kopecks.	(Minutes of the Meeting No. 227 of April 29, 2016)	member of the Management Board of ROSSETI R. N. Berdnikov, member of the Board of Directors of ROSSETI V. M. Belov
7	Agreement for the development of the Organization Standard (hereinafter, the "OS") "HF Equipment for Relay Protection (Technical Requirements for HF Equipment of Different Manufacturers to Ensure Joint Operation in One HF Channel)"	FTC ("Contractor")	The Customer engages the Contractor, and the Contractor agrees, to perform work on developing the OS in relation to HF equipment for relay protection (technical requirements for HF equipment of different manufacturers to ensure joint operation in one HF channel).	The price of the services under the Agreement shall be three million, two hundred fifty thousand, seven hundred seventy-five (3,250,775) rubles and 19 kopecks, inclusive of VAT of four hundred ninety-five thousand, eight hundred eighty (495,880) rubles and 96 kopecks.	Board of Directors of ROSSETI (Minutes of the Meeting No. 227 of April 29, 2016)	Director General of ROSSETI O. M. Budargin, member of the Management Board of ROSSETI R. N. Berdnikov, member of the Board of Directors of ROSSETI V. M. Belov
8	Agreement for the development of the Organization Standard (hereinafter, the "OS") "Suspended Polymer Line Insulators for Overhead Lines Rated 10–750 kV (General Technical Requirements)"	FTC ("Contractor")	The Customer engages the Contractor, and the Contractor agrees, to perform work on developing the OS in relation to suspended polymer line insulators for overhead lines rated 10–750 kV (general technical requirements).	The price of the services under the Agreement shall be one million, six hundred thousand, nine hundred forty-nine (1,600,949) rubles and 29 kopecks, inclusive of VAT of two hundred forty-four thousand, two hundred twelve (244,212) rubles and 60 kopecks.	Board of Directors of ROSSETI (Minutes of the Meeting No. 227 of April 29, 2016)	Director General of ROSSETI O. M. Budargin, member of the Management Board of ROSSETI R. N. Berdnikov, member of the Board of Directors of ROSSETI V. M. Belov
9	Agreement for the development of the Organization Standard (hereinafter, the "OS") "Externally Installed Polymer	FTC ("Contractor")	The Customer engages the Contractor, and the Contractor agrees, to perform work on developing the OS in relation to externally installed polymer support insulators rated 6–750 kV (general technical requirements).	The price of the services under the Agreement shall be one million, six hundred thousand, nine hundred forty-nine (1,600,949) rubles and 29 kopecks, inclusive of VAT of two hundred forty-four	Board of Directors of ROSSETI (Minutes of the Meeting No. 227 of April 29, 2016)	Director General of ROSSETI O. M. Budargin, member of the Management Board of ROSSETI R. N. Berdnikov, member of the Board of Directors of ROSSETI V. M. Belov



	Support Insulators Rated 6–750 kV (General Technical Requirements)”			thousand, two hundred twelve (244,212) rubles and 60 kopecks.		
10	Agreement for the development of the Organization Standard (hereinafter, the “OS”) “Software and Hardware System of the Electricity Network Control Center (General Technical Requirements)”	FTC (“Contractor”)	The Customer engages the Contractor, and the Contractor agrees, to perform work on developing the OS in relation to the software and hardware system of the electricity network control center (general technical requirements).	The price of the services under the Agreement shall be one million, eight hundred ten thousand, seven hundred ninety-four (1,810,794) rubles and 08 kopecks, inclusive of VAT of two hundred seventy-six thousand, two hundred twenty-two (276,222) rubles and 83 kopecks.	Board of Directors of ROSSETI (Minutes of the Meeting No. 227 of April 29, 2016)	Director General of ROSSETI O. M. Budargin, member of the Management Board of ROSSETI R. N. Berdnikov, member of the Board of Directors of ROSSETI V. M. Belov
11	Agreement for the development of the Organization Standard (hereinafter, the “OS”) “Voltage Transformers Rated 6–35 kV (General Technical Requirements)”	FTC (“Contractor”)	The Customer engages the Contractor, and the Contractor agrees, to perform work on developing the OS in relation to voltage transformers rated 6–35 kV (general technical requirements).	The price of the services under the Agreement shall be one million, six hundred seventy-one thousand, three hundred six (1,671,306) rubles and 05 kopecks, inclusive of VAT of two hundred fifty-four thousand, nine hundred forty-four (254,944) rubles and 99 kopecks.	Board of Directors of ROSSETI (Minutes of the Meeting No. 227 of April 29, 2016)	Director General of ROSSETI O. M. Budargin, member of the Management Board of ROSSETI R. N. Berdnikov, member of the Board of Directors of ROSSETI V. M. Belov
12	Agreement for the development of the Organization Standard “Emergency Recorders. General Technical Requirements”	Energosetproekt Institute (“Contractor”)	The Customer engages the Contractor, and the Contractor agrees, to perform work on developing the Organization Standard “Emergency Recorders. General Technical Requirements.”	The price of the work under the Agreement is nine hundred fifty-eight thousand, seven hundred eighty (958,780) rubles and 68 kopecks, inclusive of VAT (18%) of one hundred forty-six thousand, two hundred fifty-four (146,254) rubles and 68 kopecks.	Board of Directors of ROSSETI (Minutes of the Meeting No. 216 of December 15, 2015)	ROSSETI’s shareholder (Russian Federation, represented by the Federal Agency for State Property Management of the Russian Federation)
13	Agreements for treasury services	MOESK (“Customer”)	The Contractor agrees to provide the Customer with treasury services in relation to the authorization and/or effecting of the largest payments necessary for the Customer’s day-to-day activities in the amount of at least 50% of total payments for the billing period (hereinafter, the “Services”), and the Customer agrees to accept	The price of the Services provided by the Contractor for one billing period is five million, four hundred twenty-three thousand, nine hundred	Board of Directors of ROSSETI (Minutes of the Meeting No. 233 of June 21, 2016)	Director General of ROSSETI O. M. Budargin, members of the Board of Directors of ROSSETI V. M. Kravchenko and A. A. Dyomin

			and pay for the Services in accordance with the terms and conditions of the Agreement.	seventy-eight (5,423,978) rubles and ninety-one (91) kopecks, plus VAT (18%) of nine hundred seventy-six thousand, three hundred sixteen (976,316) rubles and twenty (20) kopecks, on the basis of the price of the Services in relation to the treasury functions. The billing period of the Services is a quarter.		
14	Agreements for treasury services	Tyumenenergo ("Customer")	The Contractor agrees to provide the Customer with treasury services in relation to the authorization and/or effecting of the largest payments necessary for the Customer's day-to-day activities in the amount of at least 50% of total payments for the billing period (hereinafter, the "Services"), and the Customer agrees to accept and pay for the Services in accordance with the terms and conditions of the Agreement.	The price of the Services provided by the Contractor for one billing period is two million, one hundred ninety-one thousand, seven hundred seventy-nine (2,191,779) rubles and eighty-six (86) kopecks, plus VAT (18%) of three hundred ninety-four thousand, five hundred twenty (394,520) rubles and thirty-eight (38) kopecks, on the basis of the price of the Services in relation to the treasury functions. The billing period of the Services is a quarter.	Board of Directors of ROSSETI (Minutes of the Meeting No. 233 of June 21, 2016)	Member of the Management Board of ROSSETI V. Ye. Mezhevich
15	Agreements for treasury services	LENENERGO ("Customer")	The Contractor agrees to provide the Customer with treasury services in relation to the authorization and/or effecting of the largest payments necessary for the Customer's day-to-day activities in the amount of at least 50% of total payments for the billing period (hereinafter, the "Services"), and the Customer agrees to accept and pay for the Services in accordance with the terms and conditions of the Agreement.	The price of the Services provided by the Contractor for one billing period is one million, eight hundred forty-five thousand, ninety-three (1,845,093) rubles and twenty-eight (28) kopecks, plus VAT (18%) of three hundred thirty-two thousand, one hundred sixteen (332,116) rubles	Board of Directors of ROSSETI (Minutes of the Meeting No. 233 of June 21, 2016)	Director General of ROSSETI O. M. Budargin, member of the Management Board of ROSSETI R. N. Berdnikov

				and seventy-nine (79) kopecks, on the basis of the price of the Services in relation to the treasury functions. The billing period of the Services is a quarter.		
16	Agreements for treasury services	IDGC of Volga ("Customer")	The Contractor agrees to provide the Customer with treasury services in relation to the authorization and/or effecting of the largest payments necessary for the Customer's day-to-day activities in the amount of at least 50% of total payments for the billing period (hereinafter, the "Services"), and the Customer agrees to accept and pay for the Services in accordance with the terms and conditions of the Agreement.	The price of the Services provided by the Contractor for one billing period is one million, nine hundred sixty-seven thousand, fifty-seven (1,967,057) rubles and four (04) kopecks, plus VAT (18%) of three hundred fifty-four thousand, seventy (354,070) rubles and twenty-seven (27) kopecks, on the basis of the price of the Services in relation to the treasury functions. The billing period of the Services is a quarter.	Board of Directors of ROSSETI (Minutes of the Meeting No. 233 of June 21, 2016)	Member of the Management Board of ROSSETI V. Ye. Mezhevich
17	Agreements for treasury services	IDGC of Center and Volga Region ("Customer")	The Contractor agrees to provide the Customer with treasury services in relation to the authorization and/or effecting of the largest payments necessary for the Customer's day-to-day activities in the amount of at least 50% of total payments for the billing period (hereinafter, the "Services"), and the Customer agrees to accept and pay for the Services in accordance with the terms and conditions of the Agreement.	The price of the Services provided by the Contractor for one billing period is two million, eight hundred thirty thousand, one hundred eighty-seven (2,830,187) rubles and ninety-eight (98) kopecks, plus VAT (18%) of five hundred nine thousand, four hundred thirty-three (509,433) rubles and eighty-four (84) kopecks, on the basis of the price of the Services in relation to the treasury functions. The billing period of the Services is a quarter.	Board of Directors of ROSSETI (Minutes of the Meeting No. 233 of June 21, 2016)	Member of the Management Board of ROSSETI N. N. Varlamov

18	Agreement for training of a specialist in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation	MPEI (NRU) ("Contractor"), Yevgeny Mikhailovich Babenko ("Specialist")	The Contractor agrees to provide training services for the Specialist with a higher professional education degree under the "Production Management and Project Management" (Type V) professional retraining program (hereinafter, the "Program"; Appendix 1) in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation in the academic years 2007/08–2015/16 (hereinafter, the "State Plan") as approved by Resolutions of the Government of the Russian Federation No. 177 of March 24, 2007, No. 783 of September 26, 2011, and No. 1126 of December 27, 2010.	The training price for the Specialist under the professional retraining program for the entire training period is eighty-four thousand (84,000) rubles and 00 kopecks, including twenty-eight thousand, five hundred sixty (28,560) rubles and 00 kopecks payable by the Recommending Entity, exempt from VAT.	Board of Directors of ROSSETI (Minutes of the Meeting No. 235 of July 20, 2016)	Director General of ROSSETI O. M. Budargin
19	Agreement for training of a specialist in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation	MPEI (NRU) ("Contractor"), Svetlana Igorevna Vinogradova (Specialist")	The Contractor agrees to provide training services for the Specialist with a higher professional education degree under the "Production Management and Project Management" (Type V) professional retraining program (hereinafter, the "Program"; Appendix 1) in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation in the academic years 2007/08–2015/16 (hereinafter, the "State Plan") as approved by Resolutions of the Government of the Russian Federation No. 177 of March 24, 2007, No. 783 of September 26, 2011, and No. 1126 of December 27, 2010.	The training price for the Specialist under the professional retraining program for the entire training period is eighty-four thousand (84,000) rubles and 00 kopecks, including twenty-eight thousand, five hundred sixty (28,560) rubles and 00 kopecks payable by the Recommending Entity, exempt from VAT.	Board of Directors of ROSSETI (Minutes of the Meeting No. 235 of July 20, 2016)	Director General of ROSSETI O. M. Budargin
20	Agreement for training of a specialist in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation	MPEI (NRU) ("Contractor"), Igor Viktorovich Grebenyuk ("Specialist")	The Contractor agrees to provide training services for the Specialist with a higher professional education degree under the "Production Management and Project Management" (Type V) professional retraining program (hereinafter, the "Program"; Appendix 1) in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation in the academic years 2007/08–2015/16 (hereinafter, the "State Plan") as approved by Resolutions of the Government of the Russian Federation No. 177 of March 24, 2007, No. 783 of September 26, 2011, and No. 1126 of December 27, 2010.	The training price for the Specialist under the professional retraining program for the entire training period is eighty-four thousand (84,000) rubles and 00 kopecks, including twenty-eight thousand, five hundred sixty (28,560) rubles and 00 kopecks payable by the Recommending Entity, exempt from VAT.	Board of Directors of ROSSETI (Minutes of the Meeting No. 235 of July 20, 2016)	Director General of ROSSETI O. M. Budargin
21	Agreement for training of a specialist in	MPEI (NRU) ("Contractor"), Yelena	The Contractor agrees to provide training services for the Specialist with a higher professional education	The training price for the Specialist under the	Board of Directors of ROSSETI	Director General of ROSSETI O. M. Budargin

	accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation	Vladimirovna Ilatovskaya ("Specialist")	degree under the "Production Management and Project Management" (Type V) professional retraining program (hereinafter, the "Program"; Appendix 1) in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation in the academic years 2007/08–2015/16 (hereinafter, the "State Plan") as approved by Resolutions of the Government of the Russian Federation No. 177 of March 24, 2007, No. 783 of September 26, 2011, and No. 1126 of December 27, 2010.	professional retraining program for the entire training period is eighty-four thousand (84,000) rubles and 00 kopecks, including twenty-eight thousand, five hundred sixty (28,560) rubles and 00 kopecks payable by the Recommending Entity, exempt from VAT.	(Minutes of the Meeting No. 235 of July 20, 2016)	
22	Agreement for training of a specialist in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation	MPEI (NRU) ("Contractor"), Alexander Andreyevich Kondratyev ("Specialist")	The Contractor agrees to provide training services for the Specialist with a higher professional education degree under the "Production Management and Project Management" (Type V) professional retraining program (hereinafter, the "Program"; Appendix 1) in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation in the academic years 2007/08–2015/16 (hereinafter, the "State Plan") as approved by Resolutions of the Government of the Russian Federation No. 177 of March 24, 2007, No. 783 of September 26, 2011, and No. 1126 of December 27, 2010.	The training price for the Specialist under the professional retraining program for the entire training period is eighty-four thousand (84,000) rubles and 00 kopecks, including twenty-eight thousand, five hundred sixty (28,560) rubles and 00 kopecks payable by the Recommending Entity, exempt from VAT.	Board of Directors of ROSSETI (Minutes of the Meeting No. 235 of July 20, 2016)	Director General of ROSSETI O. M. Budargin
23	Agreement for training of a specialist in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation	MPEI (NRU) ("Contractor"), Artyom Anatolyevich Korolyov ("Specialist")	The Contractor agrees to provide training services for the Specialist with a higher professional education degree under the "Production Management and Project Management" (Type V) professional retraining program (hereinafter, the "Program"; Appendix 1) in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation in the academic years 2007/08–2015/16 (hereinafter, the "State Plan") as approved by Resolutions of the Government of the Russian Federation No. 177 of March 24, 2007, No. 783 of September 26, 2011, and No. 1126 of December 27, 2010.	The training price for the Specialist under the professional retraining program for the entire training period is eighty-four thousand (84,000) rubles and 00 kopecks, including twenty-eight thousand, five hundred sixty (28,560) rubles and 00 kopecks payable by the Recommending Entity, exempt from VAT.	Board of Directors of ROSSETI (Minutes of the Meeting No. 235 of July 20, 2016)	Director General of ROSSETI O. M. Budargin
24	Agreement for training of a specialist in accordance with the State Plan of	MPEI (NRU) ("Contractor"), Yevgeny Sergeyevich Mitrofanov ("Specialist")	The Contractor agrees to provide training services for the Specialist with a higher professional education degree under the "Production Management and Project Management" (Type V) professional	The training price for the Specialist under the professional retraining program for the entire	Board of Directors of ROSSETI (Minutes of the Meeting No. 235 of	Director General of ROSSETI O. M. Budargin



	Managerial Personnel Training for National Economy Entities of the Russian Federation		retraining program (hereinafter, the "Program"; Appendix 1) in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation in the academic years 2007/08–2015/16 (hereinafter, the "State Plan") as approved by Resolutions of the Government of the Russian Federation No. 177 of March 24, 2007, No. 783 of September 26, 2011, and No. 1126 of December 27, 2010.	training period is eighty-four thousand (84,000) rubles and 00 kopecks, including twenty-eight thousand, five hundred sixty (28,560) rubles and 00 kopecks payable by the Recommending Entity, exempt from VAT.	July 20, 2016)	
25	Agreement for training of a specialist in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation	MPEI (NRU) ("Contractor"), Yulia Gennadyevna Obrezkova ("Specialist")	The Contractor agrees to provide training services for the Specialist with a higher professional education degree under the "Production Management and Project Management" (Type V) professional retraining program (hereinafter, the "Program"; Appendix 1) in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation in the academic years 2007/08–2015/16 (hereinafter, the "State Plan") as approved by Resolutions of the Government of the Russian Federation No. 177 of March 24, 2007, No. 783 of September 26, 2011, and No. 1126 of December 27, 2010.	The training price for the Specialist under the professional retraining program for the entire training period is eighty-four thousand (84,000) rubles and 00 kopecks, including twenty-eight thousand, five hundred sixty (28,560) rubles and 00 kopecks payable by the Recommending Entity, exempt from VAT.	Board of Directors of ROSSETI (Minutes of the Meeting No. 235 of July 20, 2016)	Director General of ROSSETI O. M. Budargin
26	Agreement for training of a specialist in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation	MPEI (NRU) ("Contractor"), Anton Vladimirovich Petrov ("Specialist")	The Contractor agrees to provide training services for the Specialist with a higher professional education degree under the "Production Management and Project Management" (Type V) professional retraining program (hereinafter, the "Program"; Appendix 1) in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation in the academic years 2007/08–2015/16 (hereinafter, the "State Plan") as approved by Resolutions of the Government of the Russian Federation No. 177 of March 24, 2007, No. 783 of September 26, 2011, and No. 1126 of December 27, 2010.	The training price for the Specialist under the professional retraining program for the entire training period is eighty-four thousand (84,000) rubles and 00 kopecks, including twenty-eight thousand, five hundred sixty (28,560) rubles and 00 kopecks payable by the Recommending Entity, exempt from VAT.	Board of Directors of ROSSETI (Minutes of the Meeting No. 235 of July 20, 2016)	Director General of ROSSETI O. M. Budargin
27	Agreement for training of a specialist in accordance with the State Plan of Managerial Personnel Training for	MPEI (NRU) ("Contractor"), Yekaterina Viktorovna Petrova ("Specialist")	The Contractor agrees to provide training services for the Specialist with a higher professional education degree under the "Production Management and Project Management" (Type V) professional retraining program (hereinafter, the "Program"; Appendix 1) in accordance with the State Plan of Managerial	The training price for the Specialist under the professional retraining program for the entire training period is eighty-four thousand (84,000)	Board of Directors of ROSSETI (Minutes of the Meeting No. 235 of July 20, 2016)	Director General of ROSSETI O. M. Budargin

	National Economy Entities of the Russian Federation		Personnel Training for National Economy Entities of the Russian Federation in the academic years 2007/08–2015/16 (hereinafter, the “State Plan”) as approved by Resolutions of the Government of the Russian Federation No. 177 of March 24, 2007, No. 783 of September 26, 2011, and No. 1126 of December 27, 2010.	rubles and 00 kopecks, including twenty-eight thousand, five hundred sixty (28,560) rubles and 00 kopecks payable by the Recommending Entity, exempt from VAT.		
28	Agreement for training of a specialist in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation	MPEI (NRU) (“Contractor”), Sergei Vasilievich Furdyuk (“Specialist”)	The Contractor agrees to provide training services for the Specialist with a higher professional education degree under the “Production Management and Project Management” (Type V) professional retraining program (hereinafter, the “Program”; Appendix 1) in accordance with the State Plan of Managerial Personnel Training for National Economy Entities of the Russian Federation in the academic years 2007/08–2015/16 (hereinafter, the “State Plan”) as approved by Resolutions of the Government of the Russian Federation No. 177 of March 24, 2007, No. 783 of September 26, 2011, and No. 1126 of December 27, 2010.	The training price for the Specialist under the professional retraining program for the entire training period is eighty-four thousand (84,000) rubles and 00 kopecks, including twenty-eight thousand, five hundred sixty (28,560) rubles and 00 kopecks payable by the Recommending Entity, exempt from VAT.	Board of Directors of ROSSETI (Minutes of the Meeting No. 235 of July 20, 2016)	Director General of ROSSETI O. M. Budargin
29	Certification services agreement for ROSSETI’s equipment, materials, and systems	FTC (“Contractor”)	The Customer engages the Contractor, and the Contractor agrees, to provide certification services in relation to ROSSETI’s equipment, materials, and systems.	The price of the services under the Agreement is a fixed price equal to one hundred thousand (100,000) rubles and 00 kopecks, inclusive of VAT of fifteen thousand, two hundred fifty-four (15,254) rubles and 24 kopecks.	Board of Directors of ROSSETI (Minutes of the Meeting No. 240 of September 23, 2016)	Director General of ROSSETI O. M. Budargin, member of the Management Board of ROSSETI R. N. Berdnikov, member of the Board of Directors of ROSSETI V. M. Belov
30	Agreement for fee-based consultancy services in relation to “Updating Informational and Analytical Materials with Respect to Enhancing the Affordability of the Power Infrastructure and Improving the Investor Appeal for Constituent	FTC (“Consultant”)	The Consultant agrees to provide the Customer with consultancy services in relation to “Updating Informational and Analytical Materials with Respect to Enhancing the Affordability of the Power Infrastructure and Improving the Investor Appeal for Constituent Entities of the Russian Federation” upon the terms and conditions and in accordance with the procedure agreed upon by the Parties in the Agreement, and the Customer agrees to pay for such services.	The price of the services provided by the Consultant is seven million, twenty thousand (7,020,000) rubles and 00 kopecks, inclusive of 18% VAT of one million, seventy thousand, eight hundred forty-seven (1,070,847) rubles and 46 kopecks.	Board of Directors of ROSSETI (Minutes of the Meeting No. 249 of 23.12.2016)	Director General of ROSSETI O. M. Budargin, member of the Management Board of ROSSETI R. N. Berdnikov, member of the Board of Directors of ROSSETI V. M. Belov

	Entities of the Russian Federation”					
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O. M. Budargin

Director General

ROSSETI



## 10.17. Information on Sold Noncore Assets

Asset Name	Identification Number (if applicable)	Balance Sheet Item Reflecting the Asset at the Reporting Date Preceding the Asset Sale	Bookkeeping Accounts (Including Subsidiary Accounts) Reflecting Income and Expense from Asset Retirement (91.1xxx/91.2xxx)	Book Value (thousand rubles)	Actual Selling Price (thousand rubles)	Deviation of the Actual Selling Price from the Book Value (thousand rubles)	Reason for the Deviation of the Actual Selling Price from the Book Value
ROSSETI did not sell noncore assets in the reporting period							

## 10.18. Compliance with the Corporate Governance Code

### **REPORT on Compliance with the Principles and Recommendations of the Corporate Governance Code<sup>7</sup>**

This report on compliance with the principles and recommendations of the Corporate Governance Code was reviewed by the Board of Directors of ROSSETI at its meeting on [REDACTED], 2017 (Minutes of the Meeting No. [REDACTED]).

The Board of Directors confirms that this report contains complete and true information concerning compliance by the Company with the principles and recommendations of the Corporate Governance Code as of May 1, 2017.

Pursuant to Decree of the President of the Russian Federation No. 1567 of November 22, 2012, "On Joint Stock Company ROSSETI" and 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 currently in force and effect), ROSSETI is formed as a single management company of the Russian electric grid sector.

The Company is managed in accordance with the directives issued by the Government of the Russian Federation under Resolution of the Government of the Russian Federation No. 738 of December 3, 2004, "On the Management of Federally Owned Shares in Joint-Stock Companies and on the Exercise of the Special Right to the Russian Federation's Participation in the Management of Joint-Stock Companies ("Golden Share")" and Ordinance of the Government of the Russian Federation of No. 91-r of January 23, 2003.

Pursuant to Instructions of the Government of the Russian Federation No. ISh-P13-5859 of July 31, 2014, ROSSETI is on the list of major government-linked companies that are given priority in introducing the principles and standards of the Corporate Governance Code.

In 2015, the Company did extensive work on implementing the action plan (road map) to introduce the key provisions of the Corporate Governance Code into the Company's activities as approved by the Board of Directors of the Company.

The Company continued in 2016 to introduce the recommendations of the Corporate Governance Code and corporate best practices into the Company's activities.

The implementation of measures to introduce the recommendations of the Corporate Governance Code in the 13 largest government-linked companies is monitored by the Open Government's experts. As stated in the report of the Working Group published on the website of the Open Government, ROSSETI carried out substantial work in this area in 2016: according to the experts, the Company ranked third among the companies evaluated as of August 22, 2016 (for comparison, fifth as of March 24, 2016, and ninth as of January 29, 2016).

Additionally, ROSSETI invited independent external experts of the Russian Institute of Directors in 2016 to assess the Company's corporate governance. As a result, the Company was rated 7++ in the national corporate governance rating "Developed practice of corporate governance." According to the rating, if rated 7++, the Company complies with the requirements of the Russian laws on corporate governance and implements a considerable number of recommendations of the Russian Corporate Governance Code. The Company is exposed to low risks that it may lose owners in connection with the quality of corporate governance.

In 2017, the Company continues to improve corporate governance with due regard to the recommendations of the Bank of Russia's Corporate Governance Code and the Action Plan to Improve Corporate Governance Practices recommended by the Russian Institute of Directors when ROSSETI was assigned the corporate governance rating.

The Board of Directors of the Company hereby states that the Company is committed to constantly improving its corporate governance practices and intends to continue its work on introducing the key principles and recommendations of the Corporate Governance Code into its activities.

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<sup>7</sup> This report is in accordance with the form provided in the Annex to the Recommendations for the Preparation of the Report on Compliance with the Principles and Recommendations of the Corporate Governance Code appended to the Bank of Russia's Letter No. IN-06-52/8 of February 17, 2016, "On Disclosing the Report on Compliance with the Principles and Recommendations of the Corporate Governance Code in the Annual Report of a Public Joint-Stock Company."

Item	Principles of Corporate Governance	Evaluation Criteria for Compliance with the Principle of Corporate Governance	Status <1> of Compliance with the Principle of Corporate Governance	Explanation <2> of Failure to Meet the Evaluation Criteria for Compliance with the Principle of Corporate Governance
1.1	The company shall ensure the fair and equitable treatment of all shareholders when they exercise their right to participate in managing the company.			
1.1.1	The Company creates for its shareholders the best possible conditions for participation in the general meeting and the conditions for developing a substantiated position on the agenda items of the general meeting and coordinating their activities and enables them to express their opinions on the issues under consideration.	<p>1. Free access is provided with respect to the company's internal document approved by the general meeting and governing the procedures for holding the general meeting.</p> <p>2. The company provides an accessible way of communication with the public, such as a hotline, email, or an Internet forum, allowing shareholders to express their opinions and send questions regarding the agenda during the preparation of the general meeting. These actions were carried out by the company before every general meeting in the reporting period.</p>	<p><input checked="" type="checkbox"/> compliant</p> <p><input type="checkbox"/> partially compliant</p> <p><input type="checkbox"/> not compliant</p>	
1.1.2	The procedure for giving notice of the general meeting and providing materials for the general meeting enables shareholders to properly prepare for participation therein.	<p>1. The notice of the general meeting is posted (published) on the website at least 30 days prior to the general meeting.</p> <p>2. The notice of the general meeting specifies the venue of the general meeting and the documents required for admission to the premises.</p> <p>3. Shareholders were provided with access to information about who proposed agenda items and who</p>	<p><input checked="" type="checkbox"/> compliant</p> <p><input type="checkbox"/> partially compliant</p> <p><input type="checkbox"/> not compliant</p>	

		proposed nominees for election to the board of directors and the internal audit commission of the company.		
1.1.3	In the course of preparing and holding the general meeting, shareholders could, in an unobstructed and timely manner, obtain information about the general meeting and materials for it, ask executive bodies and members of the board of directors for information, and communicate with each other.	<p>1. In the reporting period, shareholders were enabled to ask executive bodies and members of the board of directors for information prior to and during the annual general meeting.</p> <p>2. The position of the board of directors (including the dissenting opinions included in the minutes of the meetings) on each agenda item of the general meetings held in the reporting period was included in the materials for the general meeting.</p> <p>3. The company provided eligible shareholders with access to the list of the persons entitled to participate in the general meeting, starting from the date of its receipt by the company, in all cases of the general meetings in the reporting period.</p>	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
1.1.4	The exercise of the shareholder right to demand the convocation of the general meeting, the propose nominees for election to management bodies, and submit proposals for the inclusion of	<p>1. In the reporting period, shareholders could, within at least 60 days after the end of the relevant calendar year, submit proposals for the inclusion of items on the agenda of the annual general meeting.</p> <p>2. In the reporting period, the company</p>	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant	

	items on the agenda of the general meeting did not involve unjustified difficulties.	did not refuse to accept any proposed agenda items or nominees for election to the company's bodies due to typos and other insignificant flaws in shareholders' proposals.	<input type="checkbox"/> not compliant	
1.1.5	Each shareholder could freely exercise his/her right to vote in the most simple and convenient way.	1. The company's internal document (internal policy) contains the provisions whereby each participant in the general meeting can, before the end of the relevant meeting, request a copy of his/her completed ballot certified by the counting commission.	<input checked="" type="checkbox"/> compliant <input type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	
1.1.6	The company's procedure for holding the general meeting provides all persons present at the meeting with equitable treatment with respect to expressing their opinions and asking questions.	1. In the reporting period, the general meetings in the form of meetings with voting in person (in-person meetings) provided sufficient time to make reports on the agenda items and time to discuss such issues. 2. Nominees for election to the company's management and control bodies were available to answer questions from shareholders at the meeting at which their nominations were put to a vote. 3. When making decisions related to the preparation and holding of the general meetings, the board of directors	<input type="checkbox"/> compliant <input checked="" type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	<b>With respect to evaluation criterion 3:</b> The Company's Board of Directors did not address the issue of using telecommunications facilities in 2016 to provide remote access to shareholders for participation in the AGM because this is not provided for in the Articles of Association. The Company is active in considering this possibility and has plans to amend the Articles of Association and internal documents accordingly at the next General Meeting of Shareholders.

		addressed the issue of using telecommunications facilities in the reporting period to provide remote access to shareholders for participation in the general meetings.		
1.2	Shareholders shall receive equitable and fair treatment with respect to participation in the company's profits by receiving dividends.			
1.2.1	The company developed and implemented a transparent and clear mechanism for determining the amount of dividends and paying dividends.	<p>1. The company developed and disclosed the dividend policy approved by the board of directors.</p> <p>2. If the dividend policy of the company uses the company's reporting indicators to determine the amount of dividends, the relevant provisions of the dividend policy take into account the consolidated indicators of financial statements.</p>	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
1.2.2	The company does not decide to pay dividends if such decision, not violating any legal restrictions technically, is economically unreasonable and may lead to misconceptions about the company's activities.	1. The dividend policy of the company clearly specifies the financial/economic circumstances in which the company should not pay dividends.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	

1.2.3	The company does not allow the deterioration of the dividend rights of existing shareholders.	1. In the reporting period, the company did not take any action leading to the deterioration of the dividend rights of existing shareholders.	<input checked="" type="checkbox"/> compliant <input type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	
1.2.4	The company strives to exclude the use by shareholders any ways to receive profits (income) from the company other than dividends and the liquidation value.	1. In order to exclude the use by shareholders of any ways to receive profits (income) from the company other than dividends and the liquidation value, the company's internal documents contain control mechanisms that ensure the timely detection of and procedure for the approval of transactions with persons affiliated (associated) with significant shareholders (persons having the right to control the votes attaching to voting shares) where the law does not technically recognize such transactions as related party transactions.	<input checked="" type="checkbox"/> compliant <input type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	
1.3	The system and practice of corporate governance shall ensure the equitable treatment of all shareholders owning shares of the same category (type), including minority (small) shareholders and foreign shareholders, and their equitable treatment on the part of the company.			
1.3.1	The company created the conditions for the fair	1. In the reporting period, the procedures for managing potential	<input checked="" type="checkbox"/> compliant	

	treatment of each shareholder on the part of the company's management bodies and controlling entities, including the conditions to ensure the inadmissibility of abuse by major shareholders in relation to minority shareholders.	conflicts of interest of significant shareholders were effective, and the board paid due attention to conflicts between shareholders, if any.	<input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
1.3.2	The company does not take action that leads or may lead to any artificial redistribution of corporate control.	1. There were no quasi-treasury shares, or such shares did not vote in the reporting period.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
1.4	Shareholders shall be provided with reliable and effective methods for recording the rights to shares and shall be enabled to freely and easily dispose of their shares.			
1.4.1.	Shareholders are provided with reliable and effective methods for recording the rights to shares and are enabled to freely and easily dispose of their shares.	1. The quality and reliability of the activities carried out by the company's registrar with respect to keeping the register of securities holders meet the needs of the company and its shareholders.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	



2.1	The board of directors shall carry out the strategic management of the company, define the basic principles of and approaches to organizing the company's risk management and internal control system, shall supervise the activities of the company's executive bodies, and shall perform other key functions.			
2.1.1	The board of directors is responsible for decisions relating to the appointment and dismissal of executive bodies, including in connection with the improper performance of their duties. The board of directors also supervises their activities to ensure that the company's executive bodies act in accordance with the approved development strategy and the main activities of the company.	<p>1. The board of directors has the authority set out in the articles of association to appoint and dismiss members of executive bodies and determine the terms and conditions of contracts in relation to them.</p> <p>2. The board of directors reviewed the report(s) of the sole executive body and members of the collegial executive body on the implementation of the company's strategy.</p>	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
2.1.2	The board of directors determines the principal long-term targets of the company's activities, evaluates and approves the key performance indicators and key business goals of the company, and evaluates and approves the strategy and business plans for the core activities of company.	1. In the reporting period, the meetings of the board of directors addressed the issues related to progress in implementing and updating the strategy, the approval of the financial and economic plan (budget) of the company, and the consideration of criteria and indicators (including interim criteria and indicators) for the strategy and business plans of the company.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
2.1.3	The board of directors defines	1. The board of directors defined the		

	the principles of and approaches to organizing the company's risk management and internal control.	<p>principles of and approaches to organizing the company's risk management and internal control.</p> <p>2. The board of directors evaluated the company's risk management and internal control system in the reporting period.</p>	<input checked="" type="checkbox"/> compliant <input type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	
2.1.4	The board of directors defines the company's policy on remuneration and/or reimbursement (compensation) for members of the board of directors, executive bodies, and other key executives of the company.	<p>1. The company developed and implemented the policy (policies) approved by the board of directors on remuneration and reimbursement (compensation) for members of the board of directors, executive bodies, and other key executives of the company.</p> <p>2. The issues related to such policy (policies) were considered at meetings of the board of directors in the reporting period.</p>	<input checked="" type="checkbox"/> compliant <input type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	
2.1.5	The board of directors plays a key role in the prevention, detection, and resolution of internal conflicts between the company's bodies, shareholders, and employees.	<p>1. The board of directors plays a key role in the prevention, detection, and resolution of internal conflicts.</p> <p>2. The company established a system of the identification of transactions involving conflicts of interest, and a system of measures aimed at resolving such conflicts.</p>	<input checked="" type="checkbox"/> compliant <input type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	

2.1.6	The board of directors plays a key role in ensuring the company's transparency, the timeliness and completeness of the company's disclosures, and in providing shareholders with unhindered access to the company's documents.	<p>1. The board of directors approved the regulations for information policy.</p> <p>2. The company appointed the persons responsible for the implementation of the information policy.</p>	<p><input checked="" type="checkbox"/> compliant</p> <p><input type="checkbox"/> partially compliant</p> <p><input type="checkbox"/> not compliant</p>	
2.1.7	The board of directors oversees the company's corporate governance practices and plays a key role in the company's significant corporate events.	1. In the reporting period, the board of directors considered the issue of the company's corporate governance practices.	<p><input checked="" type="checkbox"/> compliant</p> <p><input type="checkbox"/> partially compliant</p> <p><input type="checkbox"/> not compliant</p>	
2.2	The board of directors shall be accountable to the shareholders of the company.			
2.2.1	Information about the work of the board of directors is provided and disclosed to shareholders.	1. The annual report of the company for the reporting period includes information on individual directors' attendance at meetings of the board of	<input checked="" type="checkbox"/> compliant	

		<p>directors and committees.</p> <p>2. The annual report contains information on the main results of performance evaluation for the board of directors in the reporting period.</p>	<input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
2.2.2	The chairman of the board of directors is available for communication with shareholders of the company.	1. The company has a transparent procedure for enabling shareholders to send their queries to the chairman of the board of directors and their position with respect to them.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
2.3	The board of directors shall be the company's efficient and professional management body able to make objective and independent judgments and make decisions that meet the interests of the company and its shareholders.			
2.3.1	Only persons that have an excellent business and personal reputation and have the knowledge, skills, and experience necessary to make decisions within the competence of the board of directors and required for the effective performance of its functions are elected as members of the board of directors.	<p>1. The company's procedure for evaluating the effectiveness of the board of directors involves the evaluation of the professional qualifications of members of the board of directors.</p> <p>2. In the reporting period, the board of directors (or the nomination committee) evaluated nominees for the board of directors in terms of whether they had the necessary experience, knowledge,</p>	<input type="checkbox"/> compliant  <input checked="" type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	<p><b>With respect to evaluation criterion 2:</b></p> <p>The Company's Board of Directors and the Nomination and Remuneration Committee of the Company's Board of Directors did not evaluate nominees for the Company's Board of Directors in the reporting period. Taking into account the Company's status (ROSSETI is on the special list approved by Ordinance of the Government of the Russian Federation No. 91-r of January 23, 2003), nominees for the Company's Board of Directors are proposed in accordance with</p>

		and business reputation, were exposed to conflicts of interest, etc.		<p>the Ordinance of the Government of the Russian Federation. Nominees that may be proposed for the Company's Board of Directors are selected and evaluated by the commission of the Federal Agency for State Property Management of the Russian Federation on the selection of independent directors and representatives of the Russian Federation for election to management and control bodies of joint-stock companies; however, nominees are preliminarily surveyed and evaluated, including in terms of whether they have the necessary experience, knowledge, and business reputation, are exposed to conflicts of interest, etc.</p> <p>The Company has plans to implement this recommendation in future reporting periods.</p>
2.3.2	Members of the board of directors are elected through a transparent procedure that allows shareholders to receive sufficient nominee information to form an opinion about nominees' personal and professional qualities.	1. In all cases of the general meeting in the reporting period, with the agenda including the election of the board of directors, the company provided shareholders with biographical data of all nominees for the board of directors, with the results of their evaluation by the board of directors (or the nomination committee), with information about whether nominees met the independence criteria in accordance with recommendations 102–107 of the Code, and with the written consent of nominees to election to the board of directors.	<input type="checkbox"/> compliant  <input checked="" type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	<p>In the reporting period, the Company held one meeting with the agenda including the election of the Board of Directors, namely the Annual General Meeting of Shareholders. For the Annual General Meeting of Shareholders, the Company provided shareholders with biographical data of all nominees for the Board of Directors and with other information specified in this paragraph. The Company did not provide information on the results of nominee evaluation because such evaluation was made in the reporting year. However, information on the status of nominees was publicly available (Ordinance of the Government of the Russian Federation No. 549-r of April 30, 2016, specifies nominees for ROSSETI's management and</p>

				control bodies and determines their status as a representative of the Russian Federation or an independent director). The Company has plans to implement this recommendation in future reporting periods.
2.3.3	The composition of the board of directors is well balanced, including in terms of the qualifications of its members, their experience, knowledge, and business qualities, and enjoys the confidence of shareholders.	1. As part of the procedure for performance evaluation for the board of directors in the reporting period, the board of directors analyzed its own needs in the area of professional qualifications, experience, and business skills	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
2.3.4	The number of members of the board of directors makes it possible to organize the activities of the board of directors in the most efficient manner, including the possibility of forming the committees of the board of directors, and enables significant minority shareholders of the company to have the nominees for whom they vote elected to the board of directors.	1. As part of the procedure for performance evaluation for the board of directors in the reporting period, the board of directors considered whether the number of members of the board of directors met the company's needs and shareholders' interests.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
2.4	The composition of the board of directors shall include the sufficient number of independent directors.			

2.4.1	An independent director is a person that has sufficient professionalism, experience, and independence to form his/her own position, is able to form objective and honest opinions independent from executive bodies, separate groups of shareholders, or other stakeholders. It should be noted that, in normal conditions, a nominee (elected member of the board of directors) cannot be regarded as independent if he/she is associated with the company, its significant shareholder, its significant counterparty or competitor is affiliated with the government.	1. In the reporting period, all independent members of the board of directors met all independence criteria for set out in recommendations 102–107 of the Code or were recognized as independent by the board of directors.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
2.4.2	Nominees for election to the board of directors are evaluated for compliance the independence criteria, and independent members of the board of directors are regularly evaluated for compliance with the independence criteria. In such evaluation, content should prevail over form.	1. In the reporting period, the board of directors (or the nomination committee) formed an opinion about each nominee's independence and provided shareholders with such opinion.  2. In the reporting period, the board of directors (or the nomination committee) at least once considered the independence of the current members of the board of directors if such members are indicated by the company as independent directors in the annual report.	<input type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input checked="" type="checkbox"/> not compliant	<b>With respect to evaluation criteria 1 and 2:</b> In 2016, shareholders were not provided with an opinion about the independence of nominees for the Company's Board of Directors because the status of nominees for the Company's Board of Directors is determined by Ordinance of the Government of the Russian Federation No. 549-r of April 30, 2016, on nominees for ROSSETI's management and control bodies, taking into account the opinion of the commission of the Federal Agency for State Property Management of the Russian Federation on the selection of nominees for

		3. The company developed the procedures for determining the necessary actions of members of the board of directors in the event that they cease to be independent, including the obligations to inform the board of directors thereof in a timely manner.		<p>management and control bodies of government-linked joint-stock companies, and the commission's functions include evaluating the independence of such nominees in accordance with the recommendations of the Code and the requirements of the Listing Rules of the Moscow Exchange. However, on October 10, 2016, the Company's Board of Directors approved the Regulations for the Nomination and Remuneration Committee of the Board of Directors of ROSSETI whereby the committee's functions include evaluating the independence of nominees for the Company's Board of Directors. Therefore, the Company has plans to implement this recommendation in future reporting periods.</p> <p><b>With respect to evaluation criterion 3:</b> The Company did not formalize these procedures in the reporting period but the Company surveyed members of the Board of Directors and, on a quarterly basis, with the participation of members of the Board of Directors, updated information in accordance with the listing requirements. The Company formulated and intends to implement this recommendation when the Regulations for the Company's Board of Directors are amended.</p>
2.4.3	Independent directors constitute at least one-third of the elected members of the board of directors.	1. Independent directors constitute at least one-third of the members of the board of directors.	<input type="checkbox"/> compliant	The number and list of independent directors are determined by the Company taking into account the position of its principal shareholder, the government,



			<input checked="" type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	<p>because the Company is included on the list of open joint-stock companies in relation to which the position of the Russian Federation, as a shareholder, on the nomination and election of members of the Board of Directors is determined by the Government of the Russian Federation, the Prime Minister of the Russian Federation, or the Deputy Prime Minister of the Russian Federation acting on his/her behalf.</p> <p>In 2016, 5 independent directors were elected to the Board of Directors of ROSSETI, including 4 nominated by the government (Ordinance of the Government of the Russian Federation No. 549-r of April 30, 2016, on nominees for ROSSETI's management and control bodies determines, inter alia, their status as a representative of the Russian Federation or an independent director), or one-third of the members of the Company's Board of Directors. When surveyed, the number of independent directors was reduced to 4, or less than one-third; but the requirements of the Listing Rules of the Moscow Exchange are satisfied.</p>
2.4.4	Independent directors play a key role in the prevention of the company's internal conflicts and in the company's significant corporate actions.	1. Independent directors (that have no conflicts of interest) preliminarily evaluate significant corporate actions involving possible conflicts of interest, and the results of the evaluation are made available to the board of directors.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant	

			<input type="checkbox"/> not compliant	
2.5	The chairman of the board of directors shall facilitate the most effective performance of the functions entrusted to the board of directors.			
2.5.1	The chairman of the board of directors is an independent director, or the senior independent director is selected from among the elected independent directors to coordinate the work of independent directors and interact with the chairman of the board of directors.	<p>1. The chairman of the board of directors is an independent director, or the senior independent director is selected from among the independent directors. &lt;3&gt;.</p> <p>2. The role, rights, and responsibilities of the chairman of the board of directors (and, if applicable, the senior independent director) are properly defined in the company's internal documents.</p>	<input type="checkbox"/> compliant  <input checked="" type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	<b>With respect to evaluation criterion 1:</b> The Chairman of the Board of Directors of ROSSETI is elected in accordance with directives of the Government of the Russian Federation. In the reporting period, in accordance with directives of the Government of the Russian Federation and pursuant to a decision of the Company's Board of Directors, Minister of Energy A. V. Novak was elected as the Chairman of the Board of Directors of ROSSETI and, in accordance with Ordinance of the Government of the Russian Federation No. 549-r of April 30, 2016, is a representative of the government. The Company's Board of Directors did not select the senior independent director because the Company did not have information about any intention of members of the Board of Directors to elect the senior independent director. However, the Company has plans to make it possible to elect the senior independent director and define his/her role, rights, and responsibilities in the activities of the Company's Board of Directors when the Company's internal documents are amended.
2.5.2	The chairman of the board of	1. The effectiveness of the chairman of		

	directors ensures the constructive environment of meetings, free discussion of the agenda items of meetings, and the monitoring of the implementation of decisions adopted by the board of directors.	the board of directors was evaluated as part of the procedure for performance evaluation for the board of directors in the reporting period.	<input checked="" type="checkbox"/> compliant <input type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	
2.5.3	The chairman of the board of directors takes the necessary measures to provide members of the board of directors in a timely manner with information for deciding on the agenda items.	1. The responsibility of the chairman of the board of directors for taking measures to ensure that members of the board of directors are provided in a timely manner with materials for the agenda items of meetings of the board of directors is specified in the company's internal documents.	<input checked="" type="checkbox"/> compliant <input type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	
2.6	The members of the board of directors shall act reasonably and in good faith in the interests of the company and its shareholders on the basis of sufficient information, with due care and prudence.			
2.6.1	Members of the board of directors adopt decisions based on all available information, with no conflicts of interest, with due consideration to the equitable treatment of the company's shareholders, within the limits	1. The company's internal documents specify that a member of the board of directors should notify the board of directors of any conflict of interest with respect to any agenda item of the meeting of the board of directors or a committee of the board of directors prior to the discussion of the relevant	<input checked="" type="checkbox"/> compliant <input type="checkbox"/> partially compliant	

	of normal business risk.	<p>agenda item.</p> <p>2. The company's internal documents specify that members of the board of directors should abstain from voting on any issue in which they have a conflict of interest.</p> <p>3. The company established a procedure that allows the board of directors to receive professional advice on matters within its competence at the expense of the company.</p>	<input type="checkbox"/> not compliant	
2.6.2	The rights and duties of members of the board of directors are clearly defined and specified in the company's internal documents.	1. The company approved and published an internal document clearly defining the rights and duties of members of the board of directors.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
2.6.3	Members of the board of directors have sufficient time to perform their duties.	1. Individual directors' attendance at meetings of the board of directors and committees, along with the time allocated for preparations for participation in meetings, was taken into account as part of the evaluation procedure for the board of directors in the reporting period.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant	

		2. In accordance with the company's internal documents, members of the board of directors are required to notify the board of directors of their intention to join management bodies of other organizations (apart from controlled and affiliated entities of the company) and of the fact of such appointment.	<input type="checkbox"/> not compliant	
2.6.4	All members of the board of directors have equal access to the company's documents and information. The newly elected members of the board of directors are provided in the shortest possible time with sufficient information about the company and the work of the board of directors.	<p>1. In accordance with the company's internal documents, members of the board of directors have the right to gain access to documents and make inquiries concerning the company and its controlled entities, and the company's executive bodies are required to provide relevant information and documents.</p> <p>2. The company has a formalized program of informational events for the newly elected members of the board of directors.</p>	<input type="checkbox"/> compliant  <input checked="" type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	<p><b>With respect to evaluation criterion 2:</b></p> <p>The Company does not have a formalized program of informational events for the newly elected members of the Board of Directors. The procedure for installing the newly elected members of the Board of Directors in office starts with one-on-one personal meetings with each member of the Board of Directors. These meetings take place either at ROSSETI's office or at the offices where the members of the Board of Directors have primary employment. Such meetings are generally held immediately after election or not later than 1 months after the AGM.</p> <p>At such meetings, the members of the Board of Directors familiarize themselves with the Company and its executives, the current situation and future considerations, and the organization of ROSSETI's corporate governance, including the work of the Board of Directors and its committees.</p> <p>Such meetings are generally arranged by the Deputy Director General for Corporate Governance and members of the Company's Management Board.</p>

				<p>At the meetings for installing them in office, members of the Board of Directors receive necessary answers to their questions. They are also given the main internal documents governing the activities of ROSSETI and its management and control bodies (Articles of Association, Regulations for the Board of Directors, Regulations for the Management Board, Regulations for the Committees of the Board of Directors, Corporate Governance Code, etc.) and provided with information about the Company (for instance, annual reports for the past several years).</p> <p>The Company is active in considering the formalization of installing the newly elected members of the Company's Board of Directors in office; it is planned that this recommendation will be introduced and implemented in future reporting periods.</p>
2.7	Meetings of the board of directors, preparations for such meetings, and participation by members of the board of directors in such meetings shall ensure the efficient operation of the board of directors.			
2.7.1	Meetings of the board of directors are held as and when necessary, taking into account the scope of the company's operations and goals in a certain period.	1. The board of directors held at least six meetings in the reporting year.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	

2.7.2	The company's internal documents specify the procedure for preparing and holding meetings of the board of directors, enabling members of the board of directors to prepare adequately for such meetings.	1. The company approved the internal document defining the procedure for preparing and holding meetings of the board of directors, including the provisions specifying that notice of a meeting should generally be given at least 5 days prior to the meeting.	<input checked="" type="checkbox"/> compliant <input type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	
2.7.3	The form of a meeting of the board of directors is determined with due consideration to the importance of the issues on the agenda. The most important issues are addressed at meetings held in person.	1. The company's articles of association or internal documents specify that the most important issues (as listed in recommendation 168 of the Code) should be addressed at meetings held in person.	<input type="checkbox"/> compliant <input checked="" type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	The Company's Articles of Association or internal documents do not specify that the most important issues (as listed in recommendation 168 of the Code) should be addressed at meetings held in person. In practice, most of such issues are addressed in person or with preliminary consideration at in-person meetings of the committees. The form and agenda of a meeting of the Board of Directors are determined by the Chairman of the Board of Directors, the Minister of Energy of the Russian Federation. The Company has plans to amend the Regulations for the Company's Board of Directors to provide that the form of meetings of the Board of Directors is determined by the Chairman of the Board of Directors with due consideration to the importance of agenda items and the recommendations contained in paragraph 168 of the Code.
2.7.4	Decisions on the most	1. The company's articles of association		The Company's Articles of Association do not

	important issues of the company's activities are adopted at a meeting of the board of directors by a qualified majority or by a majority of all elected members of the board of directors.	specify that decisions on the most important issues set forth in recommendation 170 of the Code should be taken at a meeting of the board of directors by a qualified majority of at least three-fourths of the votes or by a majority of all elected members of the board of directors.	<input type="checkbox"/> compliant <input checked="" type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	<p>specify that decisions on the most important issues set forth in recommendation 170 of the Code should be taken at a meeting of the Board of Directors by a qualified majority of at least three-fourths of the votes or by a majority of all elected members of the Board of Directors.</p> <p>However, the Company's Articles of Association specify that decisions on the most important issues related to the Company's activities should be taken by a majority of two-thirds of the members present at a meeting of the Company's Board of Directors.</p> <p>Additionally, as shown by an analysis, the Company complies in practice with this recommendation of the Code: all decisions (unless a special procedure applies to decisions under the laws of the Russian Federation) are adopted by a majority of all elected members of the Company's Board of Directors.</p> <p>The Company has plans to make amendments accordingly at the next General Meeting of Shareholders.</p>
2.8	The board of directors shall establish committees for the preliminary consideration of the most important issues related to the activity of the company.			
2.8.1	For preliminary consideration of issues related to the control of the company's financial and economic activities, the audit committee composed of independent directors is	<p>1. The board of directors formed the audit committee composed of independent directors only.</p> <p>2. The company's internal documents define the objectives of the audit</p>	<input type="checkbox"/> <input checked="" type="checkbox"/> partially compliant	<p><b>With respect to evaluation criterion 4:</b></p> <p>The Company generally meets this criterion. In the 3rd quarter of 2016, the Audit Committee did not hold meetings because the Audit Committee was formed as late as September 23, 2016. The Company intends</p>



	established.	<p>committee, including the objectives contained in recommendation 172 of the Code.</p> <p>3. At least one member of the audit committee, who is an independent director, has experience and expertise in the preparation, analysis, evaluation, and audit of accounting (financial) statements.</p> <p>4. Meetings of the audit committee were held at least once a quarter in the reporting period.</p>	<input type="checkbox"/> not compliant	to meet this criterion in the future.
2.8.2	For preliminary consideration of issues related to the formation of efficient and transparent remuneration practices, the remuneration committee composed of independent directors and chaired by an independent director who is not the chairman of the board of directors is established.	<p>1. The board of directors formed the remuneration committee composed of independent directors only.</p> <p>2. The chairman of the remuneration committee is an independent director who is not the chairman of the board of directors.</p> <p>3. The company's internal documents define the objectives of the remuneration committee, including the objectives contained in recommendation 180 of the Code.</p>	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
2.8.3	For preliminary consideration of issues related to personnel planning (continuity planning), the professional staff, and the	1. The board of directors formed the nomination committee (or the objectives specified in recommendation 186 of the Code are accomplished	<input checked="" type="checkbox"/> compliant	

	effectiveness of the board of directors, the nomination committee composed mostly of independent directors is established.	<p>within another committee &lt;4&gt;) composed mostly of independent directors.</p> <p>2. The company's internal documents define the objectives of the nomination committee (or the relevant committee with combined functions), including the objectives contained in recommendation 186 of the Code.</p>	<input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
2.8.4	Given the scope of operations and the risk level, the board of directors made sure that the composition of its committees fully meets the goals of company. Additional committees either were formed or were not found to be necessary (strategy committee; corporate governance committee; ethics committee; risk management committee; budget committee; health, safety, and environment committee; etc.).	1. In the reporting period, the company's board of directors considered whether the composition of its committees met the objectives of the board of directors and the goals of the company. Additional committees either were formed or were not found to be necessary.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
2.8.5	The composition of the committees is so determined as to allow for the comprehensive discussion of preliminarily considered issues, taking into account the different opinions.	<p>1. The committees of the board of directors are chaired by independent directors.</p> <p>2. The company's internal documents (policies) contain the provisions whereby persons who are not members of the audit committee, the nomination</p>	<input type="checkbox"/> compliant  <input checked="" type="checkbox"/> partially compliant	<p><b>With respect to evaluation criterion 1:</b> Partially compliant, because the Chairman of the Strategy Committee is not an independent director.</p>

		committee, and the remuneration committee may attend committee meetings only at the invitation of the chairman of the relevant committee.	<input type="checkbox"/> not compliant	
2.8.6	The chairmen of the committees regularly inform the board of directors and its chairman of the work of their committees.	1. In the reporting period, the chairmen of the committees regularly reported on the work of the committees to the board of directors.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
2.9	The board of directors shall ensure performance evaluation in relation to the board of directors, its committees, and members of the board of directors.			
2.9.1 of the	Performance evaluation in relation to the board of directors is aimed at determining the degree of effectiveness of the board of directors, the committees and members of the board of directors, their compliance with the needs of the company's development, intensifying the work of the board of directors, and identifying areas in which their work can be improved.	1. Self-assessment or external evaluation in relation to the board of directors in the reporting period included performance evaluation in relation to the committees, individual members of the board of directors, and the board of directors as a whole.  2. The results of self-assessment or external evaluation in relation to the board of directors in the reporting period were discussed at an in-person meeting of the board of directors.	<input type="checkbox"/> compliant  <input checked="" type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	<b>With respect to evaluation criterion 2:</b> The results of self-assessment or external evaluation in relation to the Board of Directors were discussed at an absentee meeting of the Company's Board of Directors. The form of meetings is determined by the Chairman of the Company's Board of Directors, Minister of Energy A. V. Novak, with due consideration to the importance of agenda items and with due regard to the ability of the Board of Directors to deal with agenda items quickly and effectively.

2.9.2	Performance evaluation in relation to the board of directors, its committees, and members of the board of directors is made on a regular basis at least once a year. An independent external organization (consultant) is engaged to make the external evaluation of the board of directors at least once every three years.	1. An independent external organization (consultant) was engaged to make the external evaluation of the board of directors at least once within the last three reporting periods.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
3.1	The corporate secretary of the company shall be responsible for effective day-to-day interaction with shareholders, the coordination of the company's measures to protect the rights and interests of shareholders, and support for the efficient work of the board of directors.			
3.1.1	The corporate secretary has the sufficient knowledge, experience, and expertise for the performance of his/her duties, an impeccable reputation, and enjoys the confidence of shareholders.	1. The company adopted and disclosed an internal document, the regulations for the corporate secretary.  2. The company's website and annual report contain biographical information on the corporate secretary with the same level of detail as on the members of the board of directors and executive managers.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
3.1.2	The corporate secretary has sufficient independence from the company's executive bodies and has the necessary powers and resources to perform his/her tasks.	1. The board of directors approves the corporate secretary's appointment, dismissal, and additional remuneration.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant	

			<input type="checkbox"/> not compliant	
4.1	The level of remuneration paid by the company shall be sufficient to recruit, motivate, and retain individuals with the competencies and qualifications necessary for the company. Remuneration shall be paid to members of the board of directors, executive bodies, and other key executives of the company in accordance with the company's policy on remuneration.			
4.1.1	The level of remuneration provided by the company to members of the board of directors, executive bodies, and other key executives creates the sufficient motivation for them to work effectively, allowing the company to attract and retain competent and skilled employees. However, the company avoids an excessive level of remuneration and an unjustifiably large gap between the levels of remuneration for such officials and employees of the company.	1. The company adopted the internal document(s), namely the policy(ies) on remuneration for members of the board of directors, executive bodies, and other key executives, which clearly defines the approach to remuneration for such persons.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
4.1.2	The company's remuneration policy is developed by the remuneration committee and approved by the board of directors. The board of directors, with the support of	1. In the reporting period, the remuneration committee reviewed the policy(ies) on remuneration and the practice of its (their) introduction and, if necessary, submitted the relevant recommendations to the board of	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant	

	the remuneration committee, supervises the introduction and implementation of the company's remuneration policy and, if necessary, revises and adjusts it.	directors.	<input type="checkbox"/> not compliant	
4.1.3	The company's remuneration policy contains transparent mechanisms for determining the amount of remuneration for members of the board of directors, executive bodies, and other key executives of the company, and regulates all types of payments, benefits, and privileges provided to such persons.	1. The company's remuneration policy(ies) contains (contain) transparent mechanisms for determining the amount of remuneration for members of the board of directors, executive bodies, and other key executives of the company, and regulates (regulate) all types of payments, benefits, and privileges provided to such persons.	<input checked="" type="checkbox"/> compliant <input type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	
4.1.4	The company defines the reimbursement (compensation) policy specifying the list of reimbursable expenses and the level of service for which members of the board of directors, executive bodies, and other key executives of the company may qualify. This policy can be part of the company's remuneration policy.	1. The company's remuneration policy(ies) or other internal documents establish the reimbursement rules for members of the board of directors, executive bodies, and other key executives of the company.	<input checked="" type="checkbox"/> compliant <input type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	
4.2	The system of remuneration for members of the board of directors shall ensure that directors' financial interests become closer to shareholders' long-term financial interests.			

4.2.1	<p>The company pays fixed annual remuneration to members of the board of directors. The company does not pay remuneration for participation in separate meetings of the board of directors or its committees. The company does not use the forms of short-term of motivation or additional financial incentives for members of the board of directors.</p>	<p>1. Fixed annual remuneration was the only form of monetary remuneration for members of the board of directors for their work on the board of directors in the reporting period.</p>	<p><input checked="" type="checkbox"/> compliant</p> <p><input type="checkbox"/> partially compliant</p> <p><input type="checkbox"/> not compliant</p>	
4.2.2	<p>Long-term ownership of shares contributes to the greatest extent to the convergence of the financial interests of members of the board of directors with the long-term interests of shareholders. The company does not make the right to sell shares depend on the achievement of certain performance indicators, and members of the board of directors do not participate in option programs.</p>	<p>1. If the company's internal document(s), namely the remuneration policy(ies), specify that the company's shares may be provided to members of the board of directors, the clear rules for shares owned by members of the board of directors should be established and disclosed with the aim of promoting long-term ownership of such shares.</p>	<p><input checked="" type="checkbox"/> compliant</p> <p><input type="checkbox"/> partially compliant</p> <p><input type="checkbox"/> not compliant</p>	
4.2.3	<p>The company does not provide any additional payment or compensation in the event of the early</p>	<p>1. The company does not provide any additional payment or compensation in the event of the early termination of the powers of members of the board of</p>	<p><input checked="" type="checkbox"/> compliant</p>	

	termination of the powers of members of the board of directors in connection with changed control of the company or other circumstances.	directors in connection with changed control of the company or other circumstances.	<input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
4.3	The system of remuneration for executive bodies and other key executives of the company shall make remuneration dependent upon the company's performance results and upon their personal contribution to achieving such results.			
4.3.1	Remuneration for executive bodies and other key executives of the company is so determined as to provide the reasonable and justified ratio of fixed remuneration to variable remuneration dependent upon the company's performance results and upon employees' personal contribution to achieving the final result.	<p>1. In the reporting period, annual performance indicators approved by the board of were used in determining the amount of variable remuneration for members of executive bodies and other key executives of the company.</p> <p>2. In the course of the last of the evaluation of the system of remuneration for members of executive bodies and other key executives of the company, the board of directors (remuneration committee) made sure that the company used the ratio of the effective ratio of fixed remuneration to variable remuneration.</p> <p>3. The company applies a procedure that ensures bonuses wrongfully obtained by members of the executive bodies and other key executives of the company are returned to the company.</p>	<input type="checkbox"/> compliant  <input checked="" type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	<b>With respect to evaluation criterion 3:</b> The Company does not apply this procedure. In accordance with the laws, this procedure can be applied only in the event of a clerical error and with the consent of the Company's employee.
4.3.2	The company implemented	1. The company implemented the long-		



	the long-term incentive program for members of the executive bodies and other key executives of the company, using the company's shares (options or other derivative instruments whose underlying asset is the company's shares).	term incentive program for members of the executive bodies and other key executives of the company, using the company's shares (financial instruments based on company's shares).  2. The long-term incentive program for members of the executive bodies and other key executives of the company provides that the right to sell shares and other financial instruments used in such program does not begin earlier than three years from the date of their provision. In this case, the right to sell them is conditional on the achievement of certain performance indicators.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
4.3.3	The amount of compensation (golden parachute) paid by the company in the event of the early termination of the powers of members of the executive or key executives on the initiative of the company and in the absence of their unscrupulous actions does not exceed the twofold fixed part of annual remuneration.	1. The amount of compensation (golden parachute) paid by the company in the event of the early termination of the powers of members of the executive or key executives on the initiative of the company and in the absence of their unscrupulous actions did not exceed the twofold fixed part of annual remuneration in the reporting period.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
5.1	The company shall have an effective risk management and internal control system designed to provide reasonable assurance that the company achieves their goals.			
5.1.1	The board of directors defines the principles of and	1. The functions of the company's different management bodies and	<input checked="" type="checkbox"/> compliant	

	approaches to organizing the company's risk management and internal control systems.	divisions in the risk management and internal control system are clearly defined in the company's internal documents/relevant policy approved by the board of directors.	<input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
5.1.2	Executive bodies ensure the establishment and maintenance of the company's effective risk management and internal control system.	1. Executive bodies of the company ensured the distribution of functions and responsibilities with respect to risk management and internal control among divisions and departments subordinate to their head(s).	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
5.1.3	The company's risk management and internal control system provides an objective, fair, and clear view of the company's current state and prospects, the integrity and transparency of the company's reporting, and the reasonableness and acceptability of the risks taken by the company.	1. The company approved the anti-corruption policy.  2. The company organized an accessible method to inform the board of directors or the audit committee of violations of laws, internal procedures, or the code of ethics of the company.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	

5.1.4	The board of directors takes the necessary measures to ensure that the company's current risk management and internal control system meets the principles established by the board of directors and the approaches to its organization and that it functions effectively.	1. In the reporting period, the board of directors or the audit committee of the board of directors evaluated the effectiveness of the company's risk management and internal control system. Information about the main results of this evaluation is included in the company's annual report.	<input checked="" type="checkbox"/> compliant <input type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	
5.2	In order to systematically independently evaluate the reliability and efficiency of the risk management and internal control system and corporate governance practices, the company shall organize internal audit.			
5.2.1	To conduct internal audit, the company established a special division or engages an independent external organization. The functional and administrative accountability of the internal audit division are delineated. Functionally, the internal audit division is accountable to the board of directors.	1. To conduct internal audit, the company established a special division functionally accountable to the board of directors or the audit committee, or engaged an independent external organization with the same principle of accountability.	<input checked="" type="checkbox"/> compliant <input type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	
5.2.2	The internal audit division evaluates the effectiveness of the internal control system, evaluates the effectiveness of the risk management system, and corporate governance.	1. In the reporting period, internal audit evaluated the effectiveness of internal control and risk management. 2. The company uses generally accepted approaches to internal control	<input checked="" type="checkbox"/> compliant <input type="checkbox"/> partially compliant	

	The company uses generally accepted standards of internal audit.	and risk management.	<input type="checkbox"/> not compliant	
6.1	The company and its activities shall be transparent to shareholders, investors, and other stakeholders.			
6.1.1	The company developed and introduced the information policy to ensure the effective information interaction of the company, shareholders, investors, and other stakeholders.	<p>1. The board of directors approved the company's information policy meeting the recommendations of the Code.</p> <p>2. The board of directors (or one of its committees) discussed issues related to the company's compliance with its information policy at least once in the reporting period.</p>	<input type="checkbox"/> compliant  <input checked="" type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	<b>With respect to evaluation criterion 2:</b> The Company's information policy taking account of the recommendation of the Code was approved by the Company's Board of Directors on February 24, 2016 (Minutes of the Meeting No. 221). In the 1st quarter of 2017, this issue was addressed by the Management Board and submitted to the Chairman of the Company's Board of Directors for inclusion in the agenda of a meeting of the Company's Board of Directors. After its inclusion in the agenda of a meeting, this issue will be addressed by the Company's Board of Directors.
6.1.2	The company discloses information on the system and practices of corporate governance, including detailed information on the implementation of the principles and recommendations of the	<p>1. The company discloses information on corporate governance in the company and the general principles of corporate governance applied by the company, including on the company's website.</p> <p>2. The company discloses information</p>	<input type="checkbox"/> compliant  <input checked="" type="checkbox"/> partially compliant	<b>With respect to evaluation criterion 3:</b> ROSSETI's controlling shareholder is the Russian Federation represented by the Federal Agency for State Property Management of the Russian Federation. The Company does not publish a memorandum of the controlling person concerning the plans of the person with respect to corporate

	Code.	<p>on members of executive bodies and the board of directors, the independence of members of the board of directors and their membership in the committees (as defined by the Code).</p> <p>3. In the event of a person having control of the company, the company publishes a memorandum of the controlling person concerning the plans of the person with respect to corporate governance in the company.</p>	<input type="checkbox"/> not compliant	<p>governance in the Company due to its unavailability. The principal plans, programs, and development prospects for the corporate governance of ROSSETI as a government-linked strategic joint-stock company are included in the Russian Federation in legal regulations published in open sources and governing the activities of such companies.</p>
6.2	The company shall disclose complete, updated, and accurate information about the company in a timely manner to enable the company's shareholders and investors to make informed decisions.			
6.2.1	The company discloses information in accordance with the principles of regularity, consistency and timeliness, along with the availability, accuracy, completeness, and comparability of the data disclosed.	<p>1. The information company policy defines approaches to and criteria for determining the information that could materially affect the value of the company and its securities and the procedures to ensure the timely disclosure of such information.</p> <p>2. If securities of the company are traded in foreign regulated markets, disclosure of material information in the Russian Federation and in such markets is synchronous and equivalent during the reporting year.</p> <p>3. If foreign shareholders hold a substantial number of shares in the company, disclosure was carried out during the reporting year not only in</p>	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	

		Russian, but also in one of the most common foreign languages.		
6.2.2	The company avoids a formalistic approach to the disclosure of information and reveals important information about its activities even if the disclosure is not required by law.	<p>1. In the reporting period, the company disclosed the annual and semiannual financial statements prepared in accordance with IFRS. The annual report of the company for the reporting period includes the annual financial statements prepared in accordance with IFRS, together with the auditor's report.</p> <p>2. The company discloses full information on the shareholding structure of the company in accordance recommendation 290 of the Code in the annual report and on the company's website.</p>	<input checked="" type="checkbox"/> compliant <input type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	
6.2.3	The annual report, as one of the most important tools of the information interaction with shareholders and other stakeholders, contains information allowing the assessment of the results of the company's activities for the year.	<p>1. The company's annual report provides information on the key aspects of the operating activities of the company and its financial results.</p> <p>2. The company's annual report contains information about the environmental and social aspects of company.</p>	<input checked="" type="checkbox"/> compliant <input type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	

6.3	The company shall provide equal and unobstructed access to information and documents at a shareholder's request.			
6.3.1	The company provides equal and unobstructed access to information and documents at a shareholder's request.	1. The company's information policy defines the procedure for providing equal and unobstructed access to information, including information about the company-controlled corporate entities, at a shareholder's request.	<input checked="checked" type="checkbox"/> compliant <input type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	
6.3.2	When providing information to the company's shareholders, the company ensures a reasonable balance between the interests of shareholders and the specific interests of the company, which is interested in the confidentiality of important commercial information that may have a material impact on its competitiveness.	1. In the reporting period, the company did not refuse to satisfy the shareholders' requests for information, or such refusals were justified.  2. Where determined by the information policy of the company, shareholders are cautioned about the confidential nature of information and undertake to keep it confidential.	<input checked="checked" type="checkbox"/> compliant <input type="checkbox"/> partially compliant <input type="checkbox"/> not compliant	
7.1	Any actions that significantly affect or may affect the capital structure and financial condition of the company and, therefore, the position of shareholders (significant corporate actions) shall be conducted upon the fair terms and conditions that provide protection for the rights and interests of shareholders and other stakeholders.			

7.1.1	<p>The following actions are deemed to be significant corporate actions: reorganization of the company,</p> <p>acquisition of 30 or more percent of voting shares in the company (takeover),</p> <p>the company's material transactions,</p> <p>increase or decrease in the authorized capital of the company,</p> <p>listing and delisting of shares in the company,</p> <p>and other actions that may lead to significant changes in the shareholders' rights or violation of their interests.</p> <p>The company's articles of association contain a list of (criteria) transactions or other actions that are significant corporate actions, and such actions are within the competence of the board of directors.</p>	<p>1. The company's articles of association contain a list of transactions or other actions that are significant corporate actions and the criteria for their definition. Decisions regarding significant corporate actions are within the competence of the board of directors. In cases where the implementation of these corporate actions is directly attributed by legislation to the general meeting, the board of directors provides shareholders with appropriate recommendations.</p> <p>2. The articles of association of the company define at least the following actions as significant corporate actions: reorganization of the company, acquisition of 30 or more percent of voting shares in the company (takeover), the company's material transactions, increase or decrease in the authorized capital of the company, listing and delisting of shares in the company.</p>	<div data-bbox="1205 288 1290 352"><input type="checkbox"/></div> compliant <div data-bbox="1205 411 1290 475"><input checked="" type="checkbox"/></div> partially compliant <div data-bbox="1205 592 1290 655"><input type="checkbox"/></div> not compliant	<p>The term "significant corporate action" is not defined by the Articles of Association of the Company. At the same time, the Articles of Association list a large number of transactions/items related to significant corporate actions (<i>e.g. reorganization of the company; increase/decrease in the company's authorized capital; share splitting and consolidation; decisions on the company's participation in other organizations and on the acquisition, disposal, and encumbrance of their shares and stakes and change in the ownership interest in the said organizations; decisions on any application for the delisting of the company's shares and/or the company's issue-grade securities convertible into its shares; prior approval of decisions to enter into transactions involving the company's noncurrent assets constituting from 10 percent to 25 percent of the book value of such assets according to the accounting statements as of the latest reporting date; prior approval of decisions on the company entering into transactions (including several associated transactions) in connection with the disposal or possible disposal of capital assets in the instances (to the extent) determined by separate decisions of the board of directors of the company, etc.</i>), the decisions on which are adopted by the General Meeting of Shareholders on the recommendation of the Board of Directors or directly by the Board of Directors. In addition, ROSSETI is a strategic company under the laws of the Russian Federation</p>
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				and the most important corporate actions are conducted by the Company in accordance with directives of the Government of the Russian Federation and certain issues (for instance, amendments to the Company's Articles of Association) are settled in accordance with decrees of the President of the Russian Federation.
7.1.2	The board of directors plays a key role in making decisions or making recommendations about significant corporate actions; the board of directors is guided by the position of independent directors of the company.	1. The company has the procedure whereby independent directors declare their positions on significant corporate actions prior to their approval.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/>  <input type="checkbox"/> not compliant	
7.1.3	When carrying out significant corporate actions affecting the rights and legitimate interests of shareholders, equitable treatment is provided for all shareholders, and if	1. The articles of association of the company, taking into account the particularities of its activities, set the minimum criteria for classifying transactions of the company as significant corporate actions at a lower	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant	

	mechanisms provided for by legislation for protecting the rights of shareholders are not sufficient, further measures are taken to protect the rights and legitimate interests of shareholders of the company. The company is guided not only by compliance with the formal requirements of law but also by the principles of corporate governance set out in the Code.	level than provided for in law.  2. In the reporting period, all significant corporate actions were subject to approval before implementation.	<input type="checkbox"/> not compliant	
7.2	The company shall ensure that significant corporate actions are conducted in accordance with the procedure that allows shareholders to receive complete information on such actions in a timely manner, enables them to influence the conduct of such actions, and guarantees the respect and adequate protection of their rights in the course of conducting such actions.			
7.2.1	Information about significant corporate actions is disclosed with an explanation of the causes, conditions, and consequences of such actions.	1. In the reporting period, the company promptly and thoroughly disclosed information on significant corporate actions of the company, including the reasons and periods of such actions.	<input checked="" type="checkbox"/> compliant  <input type="checkbox"/> partially compliant  <input type="checkbox"/> not compliant	
7.2.2	The rules and procedures relating to significant corporate actions of the company are established in	1. The company's internal documents provide for an independent appraiser engaged to determine the value of property disposed of or acquired under	<input type="checkbox"/> compliant	<b>With respect to evaluation criterion 3:</b> The Company's internal documents do not provide for an expanded list of grounds on which the members of the Board of Directors

	the company's internal documents.	<p>a major transaction or a related party transaction.</p> <p>2. The company's internal documents provide for an independent appraiser engaged to measure the value of acquisition and repurchase of the company's shares.</p> <p>3. The company's internal documents provide for an expanded list of grounds on which the members of the board of directors and other persons specified by laws are deemed to be related parties to transactions of the company.</p>	<div data-bbox="1205 228 1292 288">V</div> partially compliant  <div data-bbox="1205 347 1292 448"></div> not compliant	and other persons specified by laws are deemed to be related parties to transactions of the Company.
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<1> The status "compliant" is indicated only if the company meets all criteria for evaluating compliance with the principles of corporate governance. Otherwise, the status "partially compliant" or "not compliant" is indicate.

<2> Specified for each criterion for evaluating compliance with the principles of corporate governance if the company meets only some of the criteria or does not meet any of the criteria for evaluating compliance with the principle. If the company indicates the status "compliant," this explanation is not required.

<3> Specify which of the two alternative approaches admitted by the principle is introduced into the company and explain the reasons for the approach chosen.

<4> If the nomination committee's objectives are accomplished within another committee, specify its name.

<5> List the established additional committees.

The Company seeks to improve corporate governance, taking into account global best practices in this area and, in the future, will continue to work on introducing the recommendations of the Corporate Governance Code into the Company's activities

## 10.19. Energy Resource Consumption for Business Purposes in Electricity Distribution Grids in 2016

Energy Resource Type	Consumption in Physical	Unit of Measureme	Consumption in mn RUB
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	Terms	nt	
Thermal power	436,725	Gcal	632.653
Electric power	996.952	mn kWh	3,064.266
Gasoline	86,466.750	thsd l	2,540.743
Diesel fuel	49,356.341	thsd l	1,461.380
Natural gas	677.396	thsd l	9.114

The core activities of ROSSETI do not involve the use of:

- nuclear power;
- electromagnetic energy;
- petroleum;
- fuel oil;
- coal, oil shale;
- peat.