

APPROVED  
by the decision of the Board of Directors  
of JSC Russian Grids  
of October 21, 2013  
(Minutes No. 137 of October 21, 2013)

REGULATIONS  
FOR THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS  
OF JOINT STOCK COMPANY  
RUSSIAN GRIDS  
(restated version)

Moscow

2013

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## **Article 1. General**

1.1. The Regulations for the Audit Committee of the Board of Directors of Joint Stock Company Russian Grids (hereinafter, the “Regulations”) are formulated in accordance with the laws and legal regulations of the Russian Federation, the Articles of Association of Joint Stock Company Russian Grids (hereinafter, “JSC Russian Grids” or the “Company”), the Corporate Governance Code of the Company, and the Regulations for the Convening and Holding Procedure for Meetings of the Board of Directors of the Company.

1.2. The Audit Committee of the Board of Directors of JSC Russian Grids (hereinafter, the “Committee”) shall be established pursuant to the decision adopted by the Board of Directors of the Company and is an advisory and deliberative body. The decisions adopted by the Committee shall be recommendatory for the Board of Directors of the Company.

1.3. The Committee shall not be a body of the Company and may not act on behalf of the Company.

1.4. The activities of the Committee shall be governed by the laws and legal regulations of the Russian Federation, the Articles of Association of the Company, local regulatory documents of the Company, decisions of the Board of Directors of the Company, and these Regulations containing the provisions with respect to the Committee’s composition, competence, and operating procedure and with respect to the rights and duties of the Committee’s members.

## **Article 2. Goals and Functions of the Committee**

2.1. The goal of the Committee is to provide support for the Board of Directors of the Company in performing its functions of the general management of the Company’s activities within the competence of the Board of Directors of JSC Russian Grids.

2.2. The functions of the Committee include dealing with the most important issues falling within the competence of the Board of Directors of the Company or addressed by the Board of Directors as part of control over the activities of the Company’s executive body. The key functions of the Committee are as follows:

- provide support for the process of selecting and evaluating the auditor(s);
- provide support for assessing the reliability of the Company’s financial statements (including the external auditors’ report);
- assess the external auditors’ report;
- assess the efficiency of the internal control and risk management system and prepare proposals for its improvement;
- provide support for preventing and resolving conflicts of interest within the Company.

2.3. The Committee may perform any other functions except where except where in conflict with the laws of the Russian Federation and the Articles of Association of the Company.

## **Article 3. Competence of the Committee**

3.1. The competence of the Committee shall include preliminary consideration, analysis, and recommendations on the following issues falling within the competence of the Board of Directors of the Company:

3.1.1. Taking part in developing the terms and conditions of bidding for audit firms for the performance of the functions of the auditor(s);

3.1.2. Giving preliminary consideration to the scope of and to the fee for audit services and audit-related services;

3.1.3. Considering a nominee for the external auditor(s) of the Company and its subsidiaries and dependent companies;

3.1.4. Preparing recommendations for the Board of Directors regarding a nominee for the auditor(s) of the Company and regarding a draft of the agreement with the auditor, including with respect to the fee payable by the Company;

3.1.5. Giving preliminary consideration to and analyzing annual financial (accounting) statements prepared in accordance with Russian Accounting Standards (RAS) and International Financial Reporting Standards (IFRS) in order to determine whether they provide a true, fair, and complete view of the Company's performance;

3.1.6. Giving preliminary consideration to and analyzing RAS and IFRS interim statements (for the first six or nine months) in order to determine whether they provide a true, fair, and complete view of the Company's performance;

3.1.7. Reviewing the external audit results of the Company's RAS annual statement and assessing the external auditors' report;

3.1.8. Giving preliminary consideration to the Company's internal regulatory documents that govern the organization and development of the Company's internal control and risk management systems prior to their approval by the Board of Directors of the Company;

3.1.9. Assessing the efficiency of the internal control system and the internal audit function;

3.1.10. Reviewing and analyzing reports of the Company's external auditor on the condition of the internal control system;

3.1.11. Assessing the efficiency of the risk management system, including reviewing regular risk management reports;

3.1.12. Reviewing the annual action plan of the internal audit and risk management division and related performance reports;

3.1.13. Considering a nominee for the head of the internal audit and risk management division and the material terms and conditions of the employment contract with him/her;

3.1.14. Considering issues related to the organization of compliance by the Company with laws on the prevention of insider information misuse and market manipulation and related to the efficiency of control procedures applicable to the use of insider information;

3.1.15. Considering issues related to the organization by the Company of measures to prevent and resolve conflicts of interest;

3.1.16. Submitting the Committee's performance reports to the Board of Directors at least once a year;

3.1.17. Other issues falling within the competence of the Board of Directors as instructed by the Board of Directors.

## **Article 4. Rights of the Committee**

4.1. In order to perform its functions, the Committee shall have the following rights:

4.1.1. Conduct inquiries into the issues falling within its competence;

4.1.2. Request and receive from the Director General and officers of the Company documents, reports, explanations, and other information, including confidential information. Such information and documents shall be made available within five (5) business days after the receipt of such requests unless a longer period is specified therein;

4.1.3. Establish, by agreement with the Director General, working groups involving employees of the Company and engaged experts (specialists) with expertise to analyze the issues falling within the competence of the Committee within the limits of the Committee's budget. The persons heading such working groups shall organize their work and ensure that the issues defined by the Committee are analyzed within the period determined by the Committee;

4.1.4. Invite officers and employees of the Company to its meetings;

4.1.5. Hold meetings with the external auditor(s) and the head of the Company's internal audit and risk management division.

## **Article 5. Duties of the Committee**

5.1. The duties of the Committee shall include as follows:

5.1.1. Perform the Committee's functions in accordance with these Regulations, the laws of the Russian Federation, the Articles of Association of the Company, local regulatory documents of the Company, and decisions of the Board of Directors of the Company;

5.1.2. Provide the Board of Directors of the Company with economically viable and legally justified recommendations (opinions) within the competence of the Committee;

5.1.3. Inform the Board of Directors in a timely manner of risks incurred by the Company within the competence of the Committee;

5.1.4. Comply with the confidentiality requirements and keep confidential proprietary information and/or insider information of the Company.

## **Article 6. Composition of the Committee and Appointment Procedure. Rights and Duties of the Members of the Committee**

6.1. The Committee shall be composed of at least three (3) members. The members of the Committee shall be approved by the Board of Directors of the Company from among the nominees proposed by members of the Board of Directors of the Company. Each member of the Board of Directors shall have the right to propose at most one (1) nominee for election to the Committee. Members of the Committee may be elected to the Committee without limitation on the number of terms they may serve.

6.2. Only individuals may be members of the Committee.

6.3. Members of the Board of Directors of the Company shall submit to the Chairman of the Board of Directors of the Company their proposals for nominees for election to the

Committee in writing at least ten (10) days prior to the date of the meeting of the Board of Directors with the agenda containing the issue of electing the Committee's members.

Any proposal for a nominee for the Committee shall contain the following nominee information:

- full name of the nominee;
- place of employment and position of the nominee as of the time of the proposal.

Any proposal for a nominee for the Committee shall be signed by the proposing member of the Board of Directors of the Company.

6.4. In order for the Company's shares to be included and maintained on Quotation List A of Russian stock exchanges, members of the Committee shall be only members of the Board of Directors other than the sole executive body and/or members of the collegial executive body of the Company and shall meet the following requirements:

- they shall not be officers or employees of the Company (manager) as of their election and for a period of 1 year immediately preceding their election;
- they shall not be officers of any other business entity any officer of which is a member of the nomination and remuneration committee of the board of directors;
- they shall not be spouses, parents, children, or siblings of the Company's officers (manager) (officers of the Company's management organization);
- they shall not be affiliates of the Company other than members of the Board of Directors of the Company;
- they shall not be parties to obligations with the Company whereby they may acquire any property (receive payments) whose value constitutes 10 or more percent of the aggregate annual income of the above-mentioned persons, with the exception of remuneration for participation in the work performed by the Board of Directors of the Company;
- they shall not be representatives of the government, i.e. persons representing the Russian Federation, constituent entities of the Russian Federation, and municipalities on the boards of directors of the joint-stock companies in relation to which a decision is adopted to exercise a special right ("golden share") and persons elected to the Board of Directors from among the nominees proposed by the Russian Federation, constituent entities of the Russian Federation, or municipalities if such members of the Board of Directors should vote in accordance with written directives (instructions, etc.), as the case may be, issued by the Russian Federation, constituent entities of the Russian Federation, or municipalities.

6.5. The Committee shall be headed by a member of the Board of Directors of the Company who meets the requirements specified in paragraph 6.4 of these Regulations. The Chairman of the Committee shall be elected by a majority of votes of all members of the Board of Directors.

6.6. The election of the Chairman of the Committee shall give due consideration to education, professional qualifications, professional experience in the field of the Committee's activities, and other expertise necessary for the exercise of the Chairman's authority.

6.7. The Chairman of the Committee shall organize the work of the Committee, convene and chair its meetings, arrange for minutes of meetings to be kept, report to the Board of Directors of the Company on the activities of the Committee, represent the Committee in its relationship with officers of the Company, the Internal Audit Commission of the Company, the auditor of the Company, and other persons and entities engaged by the Committee or by the Company on the issues falling within the competence of the Committee.

6.8. In the absence of the Chairman of the Committee at and between its meetings or if the Chairman is unable to perform his/her functions, his/her duties shall be performed by the Deputy Chairman of the Committee. The Deputy Chairman of the Committee shall be elected by a simple majority of votes from among members of the Committee.

6.9. The members of the Committee shall be elected for a period until the election of the next membership of the Committee. Pursuant to a decision of the Board of Directors, the authority of all or some members of the Committee may be terminated earlier.

6.10. The Chairman of the Committee, the Deputy Chairman of the Committee, and members of the Committee may divest themselves of their authority upon at least thirty (30) business days' prior notice thereof to the Chairman of the Board of Directors of the Company.

6.11. The members of the Committee may:

- receive necessary information concerning the Company's activities, acquaint themselves with constitutive documents, books and records, regulations and orders, and other documents of the Company, including confidential information, on the issues falling within the competence of the Committee;

- request in writing that a meeting of the Committee be convened;

- propose, discuss, and vote on items on the agenda of a meeting of the Committee;

- express their opinions in writing, including disagreements over decisions of the Committee, and inform the Chairman of the Committee thereof;

- exercise other powers defined by the Board of Directors of the Company within their competence and in accordance with the procedure provided for in these Regulations.

6.12. The members of the Committee shall:

- act to the benefit of the Company in performing their duties and exercise their rights and perform their duties in relation to of the Company in good faith and reasonably;

- take an active part in meetings of the Committee;

- inform the other members of the Committee of any conflict of interest with respect to any item on the agenda;

- not use or disclose to any other persons any information, including confidential information, that becomes known to them about the Company's activities if such information may, when received by third parties, materially affect the Company and its business reputation;

- in the course of performing their duties, comply with the requirements set forth in the applicable laws of the Russian Federation, the Articles of Association of the Company, the Regulations for the Convening and Holding Procedure for Meetings of the Board of Directors of the Company, the Regulations for Remuneration and Compensation for Members of the Board of Directors of the Company, and these Regulations;

- not do any acts that may result in a conflict of interest between a member of the Committee and the Company.

6.13. The Secretary of the Committee shall be appointed to provide organizational, information, and document support for the activities of the Committee both in connection with preparations for and the holding of the Committee's meetings and between its meetings.

6.14. The Secretary of the Committee shall be an employee of the Company and shall be elected by a majority of votes of all elected members of the Committee. The Secretary of the Committee shall ensure preparations for and the holding of meetings of the Committee, collect and systematize materials for meetings, determine whether meetings of the Committee have a quorum, keep minutes of meetings, ensure the storage of the Committee's archived documents, and perform other functions in accordance with these Regulations. The Secretary of the

Committee shall not be a member of the Committee and shall act in accordance with these Regulations.

## **Article 7. Operating Procedure of the Committee**

7.1. Meetings of the Committee shall be convened by the Chairman of the Committee.

7.2. Meetings of the Committee shall be held as often as necessary. Any decision of the Committee is valid (a meeting has a quorum) if a meeting is attended by at least half of the total number of members of the Committee.

7.3. Meetings of the Committee shall be in-person meetings (with voting in person) or absentee meetings (with voting by ballot). The Committee shall hold a meeting with voting by ballot as decided by the Chairman of the Committee.

7.4. The Committee shall approve the action plan for six (6) months or for a year, which shall be based on the approved action plan of the Board of Directors of the Company, proposals submitted by members of the Committee, and decisions adopted by the Board of Directors of the Company. In addition to the meetings specified in the action plan of the Committee, the Chairman of the Committee shall be entitled to convene extraordinary meetings at his/her sole discretion, pursuant to a decision of the Board of Directors, at the request of the Internal Audit Commission of the Company, on the initiative of a member of the Committee, and at the written request of the Director General of the Company and the external auditor of the Company.

7.5. The Secretary of the Committee shall inform the members of the Committee of any meeting by sending the Notice in accordance with the form contained in Annex 1 to these Regulations and materials for the meeting, stating the date, time, place, form, and agenda of the meeting, at least three (3) business days prior to the date of the meeting.

The materials related to the items on the agenda of any meeting of the Committee shall include the drafts of the decisions, explanatory notes, and, if necessary, informational and background documents with respect to the items included on the agenda. The Company's division responsible for the issue within its competence as specified in the agenda of the meeting of the Committee shall ensure the preparation and formulation of the materials related to the items on the agenda of the meeting of the Committee.

In the case of absentee meetings of the Committee, the materials related to the items on the agenda of absentee meetings sent to the members of the Committee shall be accompanied by ballots for voting on the agenda items in accordance with the form contained in Annex 2 to these Regulations.

7.6. Technical communications (conference calls, Internet, etc.) may be used to hold the Committee's meetings. The persons invited to meetings, including members of the Committee, may provide their opinions on items on the agenda of meetings in writing.

7.7. Decisions at meetings of the Committee shall be adopted by a majority of votes of the participating members of the Committee. For the purposes of deciding on issues at meetings of the Committee, each member of the Committee shall have one vote. In the event of any equality of votes, the Chairman of the Committee shall have a casting vote. No member of the Committee may appoint any other person, including any other member of the Committee, to vote on his/her behalf.

7.8. For the purposes of determining whether any meeting has a quorum and tallying the votes with respect to any item on the agenda of any meeting the Committee, written opinions of



the members of the Committee's members who are not present at the meeting shall be taken into account, provided that such opinions are received at least one (1) hour prior to the meeting. If the Committee holds a meeting with voting in absentia, a member of the Committee shall deliver the original of his/her completed and signed ballot to the Secretary of the Committee by the deadline date and time for receipt of completed ballots as specified in ballots or its copy by electronic mail or facsimile transmission.

7.9. Any meeting of the Committee shall be documented by minutes in accordance with the form contained in Annex 3 to these Regulations and shall be signed by the Chairman of the Committee and the Secretary of the Committee. Any member of the Committee shall be entitled to express his/her dissenting opinion in writing on items on the agenda. Any such opinion shall be prepared by a member of the Committee, delivered to the Secretary of the Committee not later than the day immediately following the date of a meeting of the Committee, and attached as an appendix to the minutes of the relevant meeting of the Committee.

## **Article 8. Interaction with the Company's Bodies and Other Persons**

8.1. In performing its functions, the Committee shall maintain effective working relations with the management bodies, control bodies, and divisions of the Company, with the other committees of the Board of Directors of the Company, and with other organizations and persons.

8.2. Interaction with the external auditor(s) of the Company:

- receiving from the auditor of the Company and reviewing the annual formal written report (written information) of the auditor of the Company;
- reviewing the auditors' report on the reliability of the Company's annual financial (accounting) statements prepared in accordance with RAS and IFRS.
- the Committee's assessment of the auditors' report on the Company's annual financial (accounting) statements prepared in accordance with RAS and IFRS shall form an integral part of information (materials) for the Annual General Meeting of Shareholders of the Company.

8.3. Interaction with the executive bodies of the Company:

- with the Director General and officers of the Company in the areas of activities as related to the provision of information and materials necessary for members of the Committee to decide on the issues falling within the competence of the Committee;
- with working groups of employees of the Company and engaged experts (specialists) by agreement with the Director General of the Company as part of analyzing the issues falling within the competence of the Committee;
- with the staff of the division responsible for legal support for the Company as related to the legal review of issues arising out of the performance by the Committee of its functions.

## **Article 9. Confidentiality**

9.1. For the duration of their duties and for a period of three (3) years after the completed performance of their duties on the Committee, the current (former) members of the Committee, the Secretary of the Committee, and any third parties engaged to serve on the Committee shall keep confidential the Company's proprietary information and the Company's insider information received in relation to their activities on the Committee. The scope of the Company's proprietary

information and the Company's insider information shall be determined by the authorized body of the Company.

9.2. Members of the Committee, the Secretary of the Committee, and any third parties engaged to serve on the Committee shall be entitled to receive the information specified in paragraph 9.1 of these Regulations provided that they enter into the Confidentiality Agreement with the Company (Annex 4 to these Regulations).

9.3. Any documents related to the activities of the Committee shall be stored at the Company's office in accordance with the document storage procedure of the Company. The Secretary of the Committee shall be responsible for storing the above-mentioned documents.

## **Article 10. Support for the Committee's Activities**

10.1. A separate financing item (the budget of the Committee) shall be used to support the Committee's activities. As part of the Company's budget, the budget of the Committee shall ensure that the Committee's activities are adequately financed.

10.2. The Chairman of the Committee shall, jointly with the Secretary of the Committee, prepare proposals concerning the total amount of the budget (with itemized information) for consideration by members of the Committee at the first meeting of the Committee after their election. The proposals (adjustments) approved by the Committee with respect to the total amount of the budget shall be submitted for approval by the Board of Directors of the Company.

10.3. The results of implementing the annual budget of the Committee shall be discussed by members of the Committee and submitted to the Board of Directors of the Company as part of the annual performance report of the Committee.

10.4. Remuneration and compensation for serving on the Committee shall be paid to the members of the Committee (the Chairman of the Committee or the Deputy Chairman of the Committee) in accordance with the Regulations for Remuneration and Compensation for Members of the Board of Directors of the Company approved by the decision adopted by the General Meeting of Shareholders of the Company as part of the total budget of the Board of Directors.

10.5. An agreement for the performance of the Secretary's functions may be entered into with the Secretary of the Committee. The terms and conditions of the agreement with the Secretary of the Committee, including the amount of remuneration for the performance of his/her functions, shall be defined by the Committee. The Secretary of the Committee shall be reimbursed for expenses connected with participation in a meeting of the Committee at the reimbursement rates applied by the Company to business travel expenses as of the time of the meeting.

10.6. The Company shall provide a room for meetings and sessions of the Committee, shall provide members of the Committee and invitees with unhampered access thereto, and shall take other measures to hold meetings and/or sessions of the Committee.

## **Article 11. Reports of the Committee**

11.1. The Chairman of the Committee shall submit to the Board of Directors of the Company the Committee's performance reports on an annual basis.

11.2. The Chairman of the Committee may submit to the Board of Directors of the Company separate reports on inquiries into the issues falling within the competence of the Committee.

11.3. The Board of Directors of the Company shall be entitled to request at any time that the Committee submit a report on the current activities of the Committee. Any such report shall be prepared and submitted within the period determined by the Board of Directors of the Company.

## **Article 12. Final Provisions**

12.1. These Regulations and any amendments and supplements hereto shall be approved by the Board of Directors of the Company.

12.2. Any matters not covered by these Regulations shall be governed by the Articles of Association of the Company, Regulations for the Convening and Holding Procedure for Meetings of the Board of Directors of the Company, other internal documents of the Company, the applicable laws of the Russian Federation, and decisions of the Board of Directors of the Company.

12.3. If, as a result of any change in the laws or regulations of the Russian Federation, any provisions of these Regulations come into conflict therewith, such provisions shall become null and void, and the activities of the Committee's members shall, until these Regulations are amended, be governed by the laws and subordinate legal regulations of the Russian Federation.

12.4. These Regulations and information about the members of the Committee and, if necessary, certain decisions of the Committee shall be posted on the Company's website. The Secretary of the Committee shall be responsible for posting the information specified in this paragraph.

Annex 1  
to the Regulations for the Audit Committee  
of the Board of Directors  
JSC Russian Grids

**Audit Committee  
of the Board of Directors of JSC RUSSIAN GRIDS**

To the members of the Audit Committee  
of the Board of Directors  
of JSC Russian Grids

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

***DEAR MEMBERS OF THE AUDIT COMMITTEE:***

Please be hereby advised that the Audit Committee JSC Russian Grids will hold a meeting on \_\_\_\_\_, 201\_, to discuss the following items on the **AGENDA:**

<i>Agenda Item No.</i>	<i>Agenda Item Description</i>	<i>Responsible for Preparation of Agenda Item Materials</i>
<b>1</b>		
<b>2</b>		
...		
<b>i</b>		

The meeting of the Audit Committee will be an \_\_\_\_\_.  
*in-person meeting (with voting in person)/absentee meeting (with voting by ballot)*

Place and time of the meeting/Deadline date and time for receipt of completed ballots:

\_\_\_\_\_

Appendices:	1. Agenda (_____ pages);
	2. Materials for the items on the agenda (_____ pages);
	3. Ballot (_____ pages) ( <i>in the case of absentee meetings (with voting by ballot)</i> ).

Chairman of the Audit Committee  
of the Board of Directors  
of JSC Russian Grids

(\_\_\_\_\_)

Annex 2  
to the Regulations for the Audit Committee  
of the Board of Directors  
JSC Russian Grids

**Audit Committee  
of the Board of Directors of JSC RUSSIAN GRIDS**

**BALLOT**

for voting on the items on the agenda of the absentee meeting  
held by the Audit Committee of the Board of Directors of JSC Russian Grids  
on \_\_\_\_\_, 201\_

**Agenda item:**

1. \_\_\_\_\_

**Decision:**

1. \_\_\_\_\_

<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAINED</b>
------------	----------------	------------------

*(please leave uncrossed your variant of voting)*

**Agenda item:**

2. \_\_\_\_\_

**Decision:**

2. \_\_\_\_\_

<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAINED</b>
------------	----------------	------------------

*(please leave uncrossed your variant of voting)*

**Agenda item:**

i. \_\_\_\_\_

**Decision:**

i. \_\_\_\_\_

<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAINED</b>
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*(please leave uncrossed your variant of voting)*

The completed and signed ballot shall be sent by facsimile at \_\_\_\_\_ or by electronic mail at \_\_\_\_\_ or shall be delivered to the Secretary of the Audit Committee prior to or on \_\_\_\_\_.

*/date, time/*

Any ballot received after the deadline specified above will be held invalid and will not be taken into account for the purposes of establishing whether the meeting has a quorum or for the purposes of tallying the votes.

Please send the original of your ballot to: \_\_\_\_\_.

**Member of the Audit Committee  
of the Board of Directors of JSC Russian Grids** \_\_\_\_\_ / \_\_\_\_\_ /  
(signature) (name)

**THE BALLOT SHALL BE SIGNED BY THE MEMBER OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS, OTHERWISE THE BALLOT WILL BE HELD  
INVALID**

Annex 3  
to the Regulations for the Audit Committee  
of the Board of Directors  
JSC Russian Grids

**Audit Committee  
of the Board of Directors of JSC RUSSIAN GRIDS**

**MINUTES**  
**OF THE \_\_\_\_\_ MEETING OF THE AUDIT COMMITTEE**  
*IN-PERSON/ABSENTEE*  
**OF THE BOARD OF DIRECTORS JSC RUSSIAN GRIDS**

[place] \_\_\_\_\_, 201\_

Form of the meeting: \_\_\_\_\_  
*in-person meeting (with voting in person)/absentee meeting (with voting by ballot)*

Date, place, and time of the meeting/Deadline date and time for receipt of completed ballots:

\_\_\_\_\_

Committee members present at the meeting/participating in the absentee or in-person/absentee meeting:

\_\_\_\_\_;  
\_\_\_\_\_;  
\_\_\_\_\_;  
\_\_\_\_\_.

Invitees (in the case of in-person meetings):

\_\_\_\_\_;  
\_\_\_\_\_;  
\_\_\_\_\_.

The meeting had a quorum.

Agenda:

1. \_\_\_\_\_;
2. \_\_\_\_\_;
- ... \_\_\_\_\_;
- i. \_\_\_\_\_.

Concerning Item 1: \_\_\_\_\_.

DECISION:

1.1. \_\_\_\_\_.

Voting results: \_\_\_\_\_.

Concerning Item 2: \_\_\_\_\_.

DECISION:

2.1. \_\_\_\_\_.

Voting results: \_\_\_\_\_.

Concerning Item i: \_\_\_\_\_.

DECISION:

i.1. \_\_\_\_\_.

Voting results: \_\_\_\_\_.

Dissenting opinions by members of the Audit Committee \_\_\_\_\_  
(Committee member names)

are attached hereto/none.

Ballots attached.

(in the case of absentee meetings)

Chairman of the Audit Committee \_\_\_\_\_ (\_\_\_\_\_)

Secretary of the Audit Committee \_\_\_\_\_ (\_\_\_\_\_)



Annex 4  
to the Regulations for the Audit Committee  
of the Board of Directors  
JSC Russian Grids

**CONFIDENTIALITY AGREEMENT**

Moscow \_\_\_\_\_, 201\_

Joint Stock Company Russian Grids (hereinafter, the JSC Russian Grids), represented by \_\_\_\_\_, acting under \_\_\_\_\_, on the one part, and \_\_\_\_\_, elected to the Audit Committee of the Board of Directors of JSC Russian Grids by the decision of the Board of Directors of \_\_\_\_\_, 201\_ (Minutes No. \_\_\_ of \_\_\_\_\_) (hereinafter, the “Recipient”), on the other part, hereinafter collectively referred to as the “Parties,” enter into this Agreement whereby it is agreed as follows:

In order to provide support for the Board of Directors of JSC Russian Grids in the performance of its functions, the Board of Directors of JSC Russian Grids establishes the Audit Committee as an advisory and deliberative body acting in accordance with the Regulations for the Audit Committee of the Board of Directors of JSC Russian Grids.

In connection with the exercise of his/her rights and the performance of his/her duties, the Recipient is provided with access to confidential information that is disclosed to the Recipient and marked as “proprietary information.” Within the scope of this Confidentiality Agreement (hereinafter, the “Agreement”), the Parties agree upon the terms and conditions relating to restrictions on the use of such information and the subsequent disclosure thereof.

**Confidentiality and Restricted Use**

1. For the purposes of this Agreement, the term “Confidential Information” shall, in whole or in part, mean any or all information of any kind, whether oral, written, or electronic, that concerns JSC Russian Grids (hereinafter, the “the Disclosing Party”), pertains to its activities, is of actual or potential commercial value because it is unknown to third parties, and is disclosed by the Disclosing Party to the Recipient in accordance with this Agreement, together with all archived records or copies of such information or extracts therefrom contained in data media of any kind.

The Recipient shall protect the Confidential Information with the same degree of care as he/she applies to protect his/her own proprietary confidential information, and such Confidential Information shall not be used, reproduced, or referred to by the Recipient for any purposes. The Confidential Information shall not be disclosed by the Recipient to any third party, whether an individual or a corporate entity.

2. The Recipient may not provide the Confidential Information for any other persons using or able to use it for the purposes that have led or might lead to its disclosure or any other misuse or use prohibited under law and this Agreement, including its use for the purposes of personal enrichment or assistance with enrichment of other persons, whether affiliated to them or not.

The Recipient shall notify the Committee of all of his/her planned and/or completed transactions involving securities of JSC Russian Grids and subsidiaries and dependent companies of JSC Russian Grids.

3. The Recipient shall be liable in accordance with the laws of the Russian Federation with respect to acts of his/her affiliates, including, but not limited to, his/her spouse, parents, children, brothers and sisters of the whole blood and of the half blood, adoptive parents and adoptees, and other persons deemed to be affiliates under law, in relation to the Confidential Information received from the Recipient if such acts have led or might lead to its disclosure or any other misuse, including its use for the purposes of personal enrichment or assistance with enrichment of other persons, or have caused losses to JSC Russian Grids.

4. This Agreement shall not be construed as granting the Recipient any licenses or any other rights in relation to the Confidential Information or its subsequent use.

#### **Return of the Confidential Information**

5. At the Disclosing Party's request or at the Disclosing Party's sole discretion, any and all Confidential Information in any form that the Recipient receives or acquires from the Disclosing Party or for the Disclosing Party shall be returned or, if this is not possible, shall be destroyed within seven (7) days after the receipt of such request, and no copies of such information or data pertaining to such information or extracts therefrom (in any form) shall remain with the Recipient, and the Recipient shall not use or reproduce such information thereafter, in whole or in part, for any purposes whatsoever.

#### **Term and Termination of the Agreement**

6. This Agreement shall become effective as of its execution and shall remain in full force and effect for the duration of the duties performed by any persons as the current (former) members of the Audit Committee, the Secretary of the Audit Committee, and third parties engaged to serve on the Audit Committee and for a period of three years after the completed performance of the duties on the Audit Committee and the duties of third parties engaged to serve on the Audit Committee.

#### **Governing Law**

7. This Agreement shall be governed by the laws of the Russian Federation.

Any claim or controversy which may arise out of or in connection with this Agreement or relating to this Agreement or the legal relationship established by this Agreement shall be referred by the Parties to the competent court having jurisdiction over the domicile of JSC Russian Grids.

#### **Miscellaneous**

8. As of the date of its signing, this Agreement shall constitute the entire agreement between the Parties with respect to the subject matter hereof and, upon its execution, shall supersede and replace any previous arrangements, documents, memorandums, and communications, whether oral or written, between the Parties with respect to the subject matter of this Agreement.

No amendment and/or supplement to this Agreement shall be effective except in writing and signed by both Parties.

This Agreement is made in two identical copies, one copy for each of the Parties.

**Legal Addresses and Particulars of the Parties:**

Disclosing Party  
JSC Russian Grids

Recipient

\_\_\_\_\_  
JSC Russian Grids

Member of the Audit Committee  
of the Board of Directors of JSC Russian Grids

\_\_\_\_\_ (\_\_\_\_\_)

\_\_\_\_\_ (\_\_\_\_\_)