

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 Valuation Committee  
of the Board of Directors of JSC Russian Grids

**Principal Terms, Definitions, and Abbreviations Used in These Regulations**

Company	JSC Russian Grids
Regulations	Regulations for the Valuation Committee of the Board of Directors of JSC Russian Grids
Committee	Valuation Committee of the Board of Directors of JSC Russian Grids
Chairman of the Committee	Chairman of the Valuation Committee of the Board of Directors of JSC Russian Grids
Deputy Chairman of the Committee	Deputy Chairman of the Valuation Committee of the Board of Directors of JSC Russian Grids
Secretary of the Committee	Secretary of the Valuation Committee of the Board of Directors of JSC Russian Grids
Member of the Committee	Member of the Valuation Committee of the Board of Directors of JSC Russian Grids
SDCs	Subsidiaries and dependent companies of JSC Russian Grids

**1. General**

1.1. The Committee is an advisory and deliberative body and shall be established pursuant to the decision adopted by the Board of Directors of the Company, and its activities shall be governed by the applicable laws, 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, these Regulations, and other internal documents of the Company.

1.2. These Regulations shall be the principal document setting out the legal status, goal and principal objectives, rights and duties of the Committee.

**2. Goal and Principal Objectives of the Committee**

2.1. The goal of the Committee shall be to assist the Board of Directors of the Company in its functions related to developing and supervising (in accordance with the existing procedure) asset

and business valuation for the Company, its SDCs, new companies, and other economic entities involved in transactions in accordance with the requirements set forth in Federal Law of the Russian Federation No. 135-FZ of July 29, 1998, “On Valuation Activities in the Russian Federation” and Federal Valuation Standards.

2.2. The principal objectives of the Committee shall be as follows:

2.2.1. Supervise activities related to the appraisal of assets for the Company and SDCs.

2.2.2. Engage independent experts to advise on the issues falling within the competence of the Committee.

### **3. Number of Members and Composition of the Committee**

3.1. The Committee shall be composed of at most 15 members, including:

- representatives of the government, minority shareholders represented by members of the Board of Directors of the Company, not more than 10 members;
- representatives of the Company’s management, not more than 2 members;
- representatives of the valuation community, not more than 3 members.

3.2. Nominees for the Committee shall be approved by the Board of Directors of the Company as advised by the Chairman of the Committee. Members of the Committee may be elected to the Committee without limitation on the number of terms they may serve.

The Committee shall be headed by the Chairman as approved by the decision adopted by the Board of Directors of the Company.

The Chairman of the Committee shall organize its work, convene meetings of the Committee, and preside at such meetings.

If the Chairman of the Committee is absent, the Chairman’s functions shall be performed by the Deputy Chairman of the Committee approved by the Committee.

The term of office of members of the Committee shall continue until the election of the next membership of the Committee. The powers of any or all members of the Committee may be terminated earlier pursuant to a decision of the Company’s Board of Directors.

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

The Secretary of the Committee shall be paid remuneration and reimbursed for expenses connected with his/her official duties. Remuneration and expenses connected with the Secretary’s official duties shall be included in the Committee’s budget.

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

The Committee shall have the following rights related to its functions:

4.1. Conduct inquiries into the issues in accordance with Section 2 of these Regulations.

4.2. Receive information and documents from officers of the Company and receive information and documents from SDCs through a body or a person authorized to represent the Company in SDCs as a shareholder.

4.3. Request information and documents related to its operation from third-party organizations through executive bodies of the Company.

4.4. Where necessary, invite members of the Board of Directors of the Company, members of executive bodies of the Company, the heads of business units of the Company, and other persons to attend the Committee's meetings.

4.5. Engage third-party organizations to provide professional services or engage (on a contractual basis) individuals to act as experts (advisers) with special knowledge in connection with issues falling within the competence of the Committee. The Committee may engage employees of the Company to act as experts (advisers).

#### **5. Support for the Committee's Activities**

5.1. The budget of the Committee shall be approved by the Board of Directors of the Company at the suggestion of the Chairman of the Committee. Prior to approval, the budget of the Committee shall be agreed upon by the Director General of the Company with respect to whether the proposed budget can be financed in the planned amount as part of the Company's economic activities in the relevant planning period.

5.2. The Chairman of the Committee shall be duly authorized to spend the allocated money in accordance with the approved budget.

5.3. The Chairman of the Committee, the Deputy Chairman of the Committee, and members of the Committee may, if so decided by the Committee, take part in international conferences and seminars, including meetings on issues falling within the competence of the Committee with the investor community, audit firms, and consulting companies both within and outside the Russian Federation.

5.4. For participation in a meeting, irrespective of the form of a meeting, the Chairman of the Committee shall be paid remuneration in the amount equal to three minimum monthly wage rates for a first-category worker as set forth in the Sectoral Wage Rate Agreement in the electricity sector of the Russian Federation as of the date of such meeting of the Committee, adjusted for the indexation provided for in the Agreement.

5.5. The Deputy Chairman of the Committee, members of the Committee, and the Secretary of the Committee shall be paid remuneration in the amount calculated as follows:

- the remuneration payable to the Deputy Chairman of the Committee and each member of the Committee for participation in a meeting, irrespective of the form of a meeting, shall be equal to 0.8 of the remuneration payable to the Chairman of the Committee;
- the remuneration payable to the Secretary of the Committee for participation in a meeting, irrespective of the form of a meeting, shall be equal to 0.5 of the remuneration payable to the Chairman of the Committee.

5.6. Remuneration shall be paid to the Chairman of the Committee, the Deputy Chairman of the Committee, the members of the Committee, and the Secretary of the Committee within seven calendar days after the meeting of the Committee.

5.7. In the event that any member of the Board of Directors of the Company simultaneously holds office of a member of the Committee (the Chairman of the Committee or the Deputy Chairman of the Committee), such member of the Committee shall be paid remuneration for participation in the work of the Committee in accordance with the Regulations for Remuneration and Compensation for Members of the Board of Directors of JSC Russian Grids approved by the General Meeting of Shareholders of the Company.

5.8. The Chairman of the Committee, the Deputy Chairman of the Committee, the members of the Committee, and 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.

## **6. Functions of the Committee**

The Committee shall perform the following functions:

- 6.1. Develop regulatory documents governing quality control over work performed by accredited appraisers.
- 6.2. Control quality of valuation work by analyzing information concerning comments on reports prepared by appraisers.
- 6.3. Organize and hold seminars on issues related to valuation activities.
- 6.4. Organize and approve the composition of the Committee's working groups and discuss specific issues related to valuation activities.
- 6.5. Develop the documents necessary for business and asset valuation for the Company and SDCs.
- 6.6. Select and approve corporate consultants for specific areas of valuation activities.

6.7. Review (prior to submission to the Board of Directors of the Company) independent appraisers' reports on valuation of assets and obligations in connection with transactions conducted by the Company or its SDCs on the basis of decisions adopted by the Board of Directors of the Company.

6.8. Deal with other issues related to asset valuation for the Company and SDCs.

6.9. Deprive appraisers of their accreditation to the Company.

## **7. Confidentiality**

7.1. Within their term of office and for a period of one year after their term of office with the Committee expires, the current (former) members of the Committee, the Secretary of the Committee, and any third parties involved in the activities of the Committee shall be obliged to meet the confidentiality requirements in relation to any non-public information received in connection with their work on the Committee. The definition of non-public information related to the activities of the Company and its scope shall be determined by the decision of the authorized management body of the Company.

7.2. Members of the Committee, the Secretary of the Committee, and any third parties involved in the work of the Committee shall be entitled to receive the above-mentioned information, provided that they enter into an agreement with the Company to use the above-mentioned information.

7.3. 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.

## **8. Performance Reports**

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

8.2. 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.

## **9. Final Provisions**

9.1. 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.

9.2. Information about separate decisions adopted by the Committee shall be posted on the Company's corporate website. The Chairman of the Committee shall determine whether it is necessary to make such information public.

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