

## PRINCIPLES AND PRACTICES OF DISCLOSURE

Ensuring the openness and transparency of ROSSETI's activities and providing comprehensive and accurate information to all stakeholders are important components of the Company's communications policy. The Company is committed to communicating important corporate events in a regular and timely manner, including disclosing unfavorable information. Using various methods for disclosure of information about ROSSETI's activities makes it possible to substantially speed up the provision of information for the market and makes it easier for stakeholders to obtain information. Therefore, the general public can, at any time, form an objective opinion on the Company's activities.

The following fundamental principles underlie the Company's information policy:

- openness;
- accessibility;
- timeliness;
- regularity;
- reliability;
- completeness.

To disclose information, the Company uses the publicly available media providing the largest coverage in the Russian Federation: television, radio, printed media, news agencies, social networks, websites of the Company and its SDCs.

An important information resource is ROSSETI's corporate website, containing up-to-date relevant information about the activities of the Company and its SDCs.

As an issuer, the ROSSETI Group fulfills all legal requirements for disclosures to investors and shareholders. For this purpose, the Company uses the Interfax Corporate Disclosure Center. The most significant events are internationally disclosed by ROSSETI through the LSE Regulatory News Service.

### **ROSSETI Information Resources;**

Corporate website: [rosseti.ru \(http://www.rosseti.ru/eng/\)](http://www.rosseti.ru/eng/)

Interfax Corporate Disclosure Center;

<http://www.e-disclosure.ru/portal/company.aspx?id=13806> (<http://www.e-disclosure.ru/portal/company.aspx?id=13806>)

LSE Regulatory News Service (RNS):

<http://www.londonstockexchange.com/exchange/prices-and-markets/stocks/summary/companysummary.html?fourWayKey=US47973C2061USUSDIOBE&lang=en>

<http://www.londonstockexchange.com/exchange/prices-and-markets/stocks/summary/companysummary.html?fourWayKey=US47973C2061USUSDIOBE&lang=en>

## IMPLEMENTATION OF THE UNIFORM INFORMATION POLICY

ROSSETI approved the standards, rules, and requirements applicable to communications between the Company and its SDCs. They also apply to relations with all stakeholders. The Company identifies the following top-priority target audiences: governmental authorities; big business; small and medium-sized businesses; the energy-related business, scientist, and expert communities; public organizations; and other stakeholders.

The media centers of grid companies at different levels and the information departments of EMERCOM, the Russian Ministry of the Interior, and regional and municipal administrations interacted effectively in 2014 and signed memorandums on informational interaction.

Special attention is paid to pursuing the uniform information policy of the Company and its SDCs. Specifically, obligatory sections were included in the structure of operating entities' websites in line with ROSSETI's corporate website, and ROSSETI's corporate identity is used for such websites. Uniform standards also apply to other areas of disclosure.

## MAIN AREAS OF INTEGRATED COMMUNICATIONS

### Events of Public Importance

Enhancing the reputations of the Company and SDCs as socially responsible companies was facilitated by cultural events held under a single concept and information algorithm in all of the Russian regions of the ROSSETI Group's operations. For instance, the celebration of the 69th anniversary of the Victory in the Great Patriotic War of 1941–1945 involved SDCs' war veterans, more than 3,600 people. Electric grid companies made wide use of corporate museums' capabilities. Particular attention was paid to the improvement of military memorials and monuments to fallen soldiers. Together with representatives of local government authorities, veteran and youth organizations, students of secondary schools, vocational schools, and universities, energy workers took part in wreath-laying ceremonies, commemorative events, and lessons of history.

The following activities of ROSSETI received information support and extensive coverage in media outlets, social networks, and electronic media and on the corporate website:

- ROSSETI's first anniversary. Company Day was celebrated in Sochi. The ceremonies were attended by subsidiaries' best employees and representatives of labor dynasties, student labor brigades from partner universities, veterans of the energy industry, who visited Olympic Games sites and modern energy infrastructure facilities;
- St. Petersburg International Economic Forum, with ROSSETI's delegation organizing a roundtable discussion on "Integration of Global Energy Systems: Jointly Designing the Future," attended by representatives of Russian federal authorities, foreign ministries and agencies, and executives of major Russian and foreign energy companies. The Forum took place in Saint Petersburg on May 15, 2014;
- Interregional competition among 0.4–10-kV distribution network repair and maintenance crews of ROSSETI subsidiaries, which took place on the training ground of Penzaenergo, a branch of IDGC of Volga, August 4–11, 2014;
- 11th international competition among 0.4–10-kV distribution network repair and maintenance crews of CIS national energy systems, which took place on the training ground of LENENERGO in Peterhof September 22–26, 2014;
- 2nd All-Russian Forum on Network Connection "Accessible Networks: Projects, Experience, Current Issues," which was held in Saint Petersburg on September 5, 2014;
- 5th working season of the electric grid sector's student labor brigades, which was launched at the Moscow Power Engineering Institute (National Research University), ROSSETI's partner university. The closing ceremony of the season, featuring the top 16 labor brigades, took place in Crimea October 8–11, 2014;
- Rugrids-Electro International Electric Power Forum organized by ROSSETI with support from the Federation Council of the Federal Assembly, the State Duma, and the Ministry of Energy. The Forum was held in Moscow October 15–17, 2014;
- 4th International Forum "The Arctic: Present and Future," including the first session held by the Association of Polar Explorers public commission on environmental protection. The session was headed by the Association's vice president Oleg Budargin, Director General of ROSSETI. The Forum took

- place in Saint Petersburg December 10–11, 2014;
- Package of measures to prevent children’s electrical injuries across Russia.

In addition, the ROSSETI Group secured a reliable power supply for more than 35,000 polling stations on the single day of voting in the Russian regions of its operations. This event also received wide media coverage.

The most important events in the Company’s life were featured in videos. Many of them were regionally broadcast on television, shown in movie theaters, and posted on popular websites. On Energy Worker Day in December 2014, ROSSETI first tried the system of a uniform media space when the country’s leading radio stations congratulated the Company’s best employees.

## Internal Communications

The Company operates and constantly improves its system of internal communications to ensure that employees are informed in a timely and unbiased manner. Given the scale of ROSSETI’s operations, internal communications are an important component of teambuilding policy.

### *Internal Corporate Portal*

In 2014, ROSSETI launched an internal corporate portal. Access to the portal is granted to all employees of the Company and the executive arms of its SDCs. The portal is part of a common information space and is designed to optimize day-to-day operations and raise employees’ awareness.

The corporate portal covers the main events in the Company’s activities through a newswire, video blog, and photo gallery. It contains the latest issue of the corporate newspaper, monitoring results, reviews, documents, and a directory of employees. The section “Personnel Management” contains the key documents in this area, the Company’s organizational and functional structure, and information about personnel changes and employee awards.

### *Rossiyskie Seti Corporate Newspaper*

In September 2013, the Company began to release a corporate monthly with a circulation of more than 40,000. The Rossiyskie Seti newspaper is registered with the Federal Service for Supervision of Communications, Information Technology and Mass Media of the Russian Federation. The publication is distributed to all of the Company’s divisions and SDCs, down to electric grid districts and production units. The key audience of the newspaper is production personnel and the staff of the executive arms of SDCs.

The Company’s SDCs attach their own inserts to the main edition of the Rossiyskie Seti.

### *Publishing*

After the XXII Olympic Winter Games and the XI Paralympic Winter Games, the Olympics Energy in the People photo album was released. It is a 300-page unique publication that contains photographs of over 3,000 employees of the Company, who made a personal contribution to the construction and rehabilitation of the Olympic Games electric grid infrastructure.

The reporting year saw the preparation and publication of booklets and leaflets about activities of ROSSETI and its SDCs, timed to coincide with the XXII Olympic Winter Games in Sochi, the St. Petersburg International Economic Forum, the 5th working season of the electric grid sector’s student labor brigades, the Annual Meeting of Shareholders of ROSSETI, the RUGRID-ELCTRO International Electric Power Forum, and the 4th International Forum “The Arctic: Present and Future.”

### *Videos*

As part of covering the ROSSETI Group’s work in 2014, videos were made to show the Sochi Winter Olympics, the St. Petersburg International Economic Forum, the RUGRID-ELCTRO International Electric Power Forum, the completed season of student labor brigades working at electric grid facilities, the prevention of people’s electrical injuries, the best energy workers listed on ROSSETI’s and SDCs’ recognition boards, etc.

The most popular was the Sochi’s Olympic Energy video about the ROSSETI Group’s contribution to the comprehensive rehabilitation of electric grid facilities in the Sochi district and to the creation of one of the most modern and environmentally friendly energy systems in Russia. A video about the ROSSETI Group’s professional competitions was included in presentations for the Company’s employees who start their careers as electricians.

## External Communications

### *Corporate Website*

A key official source of information concerning the Company’s activities is its corporate website ([www.rosseti.ru](http://www.rosseti.ru) (<http://www.rosseti.ru/eng/>)).

The number of visitors to the Company’s corporate website increased by 47% on the average to 1,018,945 in 2014 (compared with 692,072 in 2013). Foreign visitors (the geographical division is Russia and the rest of the world) to the whole site (not only the English version) accounted for around 34%, or about 346,000 in 2014.

### *Media Relations*

On a regular basis, ROSSETI informs the public about significant corporate achievements and the implementation of the Company’s social programs through media outlets. The Company regards the media as the main and most effective channel of disseminating information on its activities.

The year 2014 saw a considerable increase in publications about the Company’s and SDCs’ activities, up by 88% to 220,500; radio and TV broadcasters aired 600 items. Building up its relations with the journalist community, ROSSETI regularly organizes press tours of the Company’s and its SDCs’ facilities, timed to coincide with the Company’s significant events. In the reporting period, ROSSETI arranged 285 press tours resulting in about 4,500 publications.

In the reporting year, the topical subjects of publications about the Company’s activities were as follows:

- financial performance;
- effectiveness of the capital investment program;
- debt and nonpayment management;
- tariff policy;
- cooperation with State Grid Corporation of China;
- import substitution policy in the electric grid sector.

In 2014, ROSSETI was mentioned in more than 25,500 printed and electronic publications. Among electric grid companies, the greatest activity was shown by IDGC of Centre (98,611 publications), FGC UES (31,508), IDGC of Center and Volga Region (17,092), and IDGC of Urals (12,575).

In 2014, neutral publications accounted for the largest share (over 58%). Overall, negative and positive publications represented 4% and 38% respectively.

### *Social Media*

#### *Public Relations*

In cooperation with nationwide and regional media outlets, the Company SDCs regularly inform the public about significant corporate achievements and the implementation of their social programs.

A priority of the Company’s information policy is to prevent outsiders’ electrical injuries at electric grid facilities. All SDCs, jointly with the executive arm of ROSSETI, carry out a package of measures, including in collaboration with the media, to inform the public about the danger of electric currents and about the safety precautions that should be obeyed by outsiders while they are close to electrical installations. Preventive measures to protect children

from electrical injuries include technical and outreach programs. In 2014 alone, the Company's employees gave about 7,000 lessons across the country.

### *Participation in Conferences and Exhibitions*

In 2014, the ROSSETI Group took part in the industry's events: exhibitions, conferences, and forums.

During the annual the St. Petersburg International Economic Forum, the Company organized a roundtable discussion on "Integration of Global Energy Systems: Jointly Designing the Future," attended by representatives of Russian federal authorities, foreign ministries and agencies, and executives of major Russian and foreign energy companies. The Company's participation in the Forum resulted in signing several important documents, including as follows:

- agreement with the Sverdlovsk Region Government to develop wire manufacture and modernize the Urals electric grid sector;
- agreement with the Government of Moscow to develop the territory of New Moscow;
- agreement with the Arkhangelsk Region Government to implement measures to secure a reliable electricity supply and create the conditions for network connection in the Arkhangelsk Region;
- General Partnership Agreement with the Moscow Power Engineering Institute concerning the development of cooperation in education and R&D;
- agreement with Oboronenergo to cooperate in carrying out measures to secure a reliable electricity supply and create the conditions for network connection;
- Memorandum on Cooperation among ROSSETI, the Agency for Housing Mortgage Lending, and the Agency for Financing of Housing Construction concerning the implementation of the project "Construction and Rehabilitation of Electric Grid Facilities for the Purpose of Providing Citizens of the Russian Federation with Affordable and Comfortable Housing and Public Utility Services."

With support from the Federation Council of the Federal Assembly, the State Duma, and the Ministry of Energy, the Company organized and held the RUGRIDS-Electro International Electric Power Forum, which took place in Moscow in October 2014. The main components of the Forum were an exhibition, an extensive business program, a podium of innovative solutions, a business contact exchange, and a youth policy area. The Forum's three days included 28 discussion events.

The ROSSETI Group presented the results of its efforts to reduce the risk of injuries affecting personnel and outsiders at power facilities at the 5th SAPE (Safety and Protection in Energy) International Exhibition and Conference in Moscow. This is the energy industry's leading event related to industrial and occupational safety with a full range of modern equipment and recent developments.

ROSSETI took an active part in the 2nd All-Russian Forum on Network Connection "Accessible Networks: Projects, Experience, Current Issues."

In August 2014, ROSSETI's delegation took part in the 45th Session of the Council on Large Electric Systems (CIGRE), currently one of the most reputable scientific and technical associations bringing together researchers and experts in electric power systems from all around the world.

In September 2014, the Company took part in the Sochi 2014 International Investment Forum. The Forum deals with making innovation projects more attractive to investors. Several documents were signed in Sochi while ROSSETI's delegation was participating in the event, including the pentilateral Energy-Efficient City agreement signed by ROSSETI, Energostroy-MN, and the city administrations of Gudermes, Magas, and Kaspiysk.

In addition to industry-specific and economic events, the Company paid attention to environmental efforts. As part of the 4th International Forum "The Arctic: Present and Future," the first session was held by the Association of Polar Explorers public commission on environmental protection. The session was headed by the Association's vice president Oleg Budargin, Director General of ROSSETI.