

Adhering to the principles of transparency and accessibility, ROSSETI strives to ensure a high level of the transparency of its activities and maintains active communication with all stakeholders by providing them in a timely manner with the necessary information on all aspects of the Company's operations.

In order to maximize its operating efficiency, ROSSETI implements a uniform external and internal information policy aimed at reducing reputational risks and improving the transparency of the Company's activities.

Participation in Conferences and Exhibitions

In the reporting period, the Company took part in the industry's leading exhibitions, forums, and conferences.

St. Petersburg International Economic Forum

In May 2014, ROSSETI traditionally participated in the St. Petersburg International Economic Forum. At the Forum, ROSSETI's delegation held several meetings and 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 an agreement with the Sverdlovsk Region Government to develop wire manufacture and modernize the Urals electric grid sector, an agreement with the Government of Moscow to develop the territory of New Moscow, and an 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.

The Company signed the General Partnership Agreement with the Moscow Power Engineering Institute concerning the development of cooperation in education and R&D and entered into the Scientific and Technical Cooperation Agreement with Tavrida Electric. Additionally, the Director General of ROSSETI signed an agreement with Oboronenergo to cooperate in carrying out measures to secure a reliable electricity supply and create the conditions for network connection. The 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" was also signed at the Forum. As part of the event, documents related to setting up the Federal Testing Center and some other agreements were signed.

CIGRE

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.

ROSSETI's delegation participated in all panel sessions and discussions. The delegation visited the Technical Exhibition, which included negotiations with GE Digital Energy, NR Electric, ABB, EDF, Alstom, CESI, and Schneider Electric. ROSSETI's representatives visited Concept Grid on an EDF testing site, the Ternes underground substation in Paris, the Smart Grids showroom in Paris's neighborhood Grenelle, and the Operation Agency of EDF. As part of the delegation's participation in the event, ROSSETI's management met with representatives of Schneider Electric, CESI, and ABB.

Sochi 2014 International Investment Forum

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 and implementing such projects. Several documents were signed in Sochi while ROSSETI's delegation was participating in the event.

Rugrids-Electro International Electric Power Forum

ROSSETI organized the Rugrids-Electro International Electric Power Forum, which took place 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.

During the Forum, the pentilateral Energy-Efficient City agreement was signed by ROSSETI, Energostroy-MN, and the city administrations of Gudermes, Magas, and Kaspisk, and cooperation agreements were signed between ROSSETI and Teplocom Management Company, between ROSSETI and ABB Electroengineering, between ROSSETI and HIGHVOLT Prüftechnik Dresden, and between ROSSETI and RTSof.

International Cooperation

ROSSETI continued in 2014 to actively build up international cooperation and effective interaction with the global energy community in the areas of primary importance to the Russian electric grid sector.

Cooperation with Foreign Energy Systems

Cooperation between ROSSETI and foreign energy systems in 2014 involved preparing and signing several documents. These include the agreement with Fingrid Oyj, Finland, for the utilization of transmission capacity, the organization of flow metering, and operation. This project was launched in 2008. In 2014, ROSSETI successfully completed trials tests of two-way electricity transmission between Russia and Finland. The implementation of this strategic project will improve the reliability of the Northwestern Federal District energy system.

Additionally, a strategic cooperation agreement was signed with Belenergo, Belarus, to develop both countries' electric grid sectors, provide personnel training, share experience in operating electric grid facilities, apply new technology, and develop smart grids.

Simultaneously, cooperation with the energy systems of the countries of the BRELL (Belarus, Russia, Estonia, Latvia, and Lithuania) Energy Ring included formulating the new regulations for planning interstate electricity flows with due consideration to trading in the Baltic countries' markets in order to secure electricity supply reliability for Russian customers.

In 2014, the Company signed an agreement with Ukrenergo, Ukraine, to measure the deviations of actual interstate flows from the planned values.

The Advisory Committee of the Eurasian Economic Commission approved the Concept of Forming the Common Electricity Market for Russia, Kazakhstan, and Belarus under the Treaty on the Eurasian Economic Union; the Concept was developed with the participation of ROSSETI.

In 2014, ROSSETI took an active part in the Commission for Operational and Technical Coordination of Joint Operation of Energy Systems in the CIS and Baltic Countries and working groups of the Executive Committee of the CIS Electric Power Council (CIS EPC). The CIS EPC was established in accordance with the Agreement for the Coordination of Interstate Relations in the CIS Electric Power Industries. The most important area of its activities is to create the legal framework of the CIS member states for the electric power industry and take joint measures to secure a stable and reliable electricity supply for the member states.

Participation in the World Energy Council

In 2014, ROSSETI's senior executives took part in several events organized by the World Energy Council (WEC), for instance, the World Energy Leaders' Dialogue in Abu Dhabi, UAE. The event focused on discussing energy integration, which would enhance energy efficiency and make national energy systems more reliable through access to partner countries' capacity in emergency situations.

Another important event organized by the WEC was the World Energy Leaders' Summit in Cartagena, Colombia, discussing what was done in 2014 to establish CIS countries' National Committees of the World Energy Council and addressing other projects completed with support from ROSSETI as part of strengthening international partnership.

A significant step in 2014 toward expanding cooperation between ROSSETI and the WEC was that the Company became a member of the Russian National Committee of the World Energy Council. ROSSETI's plans include continuing with its efforts to form the Eurasian Committee of the WEC and attracting new countries to participation in the World Energy Council.

Cooperation with the Association of Polar Explorers

ROSSETI works on carrying out programs of environmental conservation and protection for polar regions through cooperation with the Association of Polar Explorers. Cooperation between the energy company and polar explorers started with signing a cooperation agreement during the St. Petersburg International Economic Forum in 2014. The agreement is aimed at developing the Far North, Arctic, and Antarctic and performing long-term work in area of government policy in these regions.

At the 4th International Forum "The Arctic: Present and Future" in December 2014, the Association of Polar Explorers public commission held the first session on environmental protection. The participants formulated the key priorities for the new body and defined the basic principles of submitting and dealing with initiatives to improve the environment in the Arctic region, which is of great importance to Russia.

In order to continue cooperation between ROSSETI and the Association of Polar Explorers, there are plans to hold the next sessions of the public commission in 2015 as part of the St. Petersburg International Economic Forum and the 5th International Forum "The Arctic: Present and Future."

Public and Media Relations

The main activities in public relations are communication with the media, governmental authorities, public organizations, and the business and industry community and participation in conferences and exhibitions.

The reporting period focused on the coverage of the Company's production operations, on the implementation of programs for modernization, connection to the Company's networks, and the introduction of innovations and cutting-edge technological solutions, and on the improvement of the management model.

One of the main channels of communication with the external audience is the Company's corporate website at <http://www.rosseti.ru> (<http://www.rosseti.ru>) in English and Russian.

The Media page at <http://www.rosseti.ru/press/news/> (<http://www.rosseti.ru/press/news/>) publishes news and information messages, management statements, interviews with senior managers, photographs and videos about the Company's activities, and the archive of the corporate newspaper. The number of site visitors is regularly on the increase: for instance, the previous year saw an increase of 47% on 2013. An important feature of the Company's corporate website is that it is updated on a daily basis.

The ROSSETI Group receives the regular media coverage of its activities. For example, in the reporting period, the leading federal media (Kommersant, Vedomosti, RBC, VGRK, etc.) published more than 25,000 news items, including interviews with top managers and videos about the Company's operations.

In order to secure the interests of different target groups in the provision of information, the Company maintains its official pages on social networks, constantly increasing the number of subscribers.

The Department for Information Policy and Public Relations holds regular events as part of implementing the targeted communication programs aimed at preventing injuries from electric shocks and reducing the information risks associated with the heat deficit period.

The Company publishes the corporate newspaper ROSSETI, which is an important communication tool for many thousands of the Company's employees. The main purpose of the publication is to inform personnel about the implementation of the Company's strategy and about industry events, increase employee loyalty, and develop intracompany communication channels.

Much attention is paid to social actions. For instance, in the reporting period, extensive media coverage was given to the Company's environmental action of planting trees, a patriotic event dedicated to Victory Day, and the Energy of Olympic Sochi project.

The uniform information policy implemented by all subsidiaries of ROSSETI contributes to the fullest and accurate coverage of the Company's and SDCs' activities in the media and to the formation of a positive image.

Based on the performance results in 2014, the media relations service of the Company was recognized as the best in the electricity industry in the KonTEKst contest organized by the Ministry of Energy. In 2014, the successful launch of the strategic communication system in the management of the electric grid sector was awarded the Russian Media Manager National Prize in the media business.