

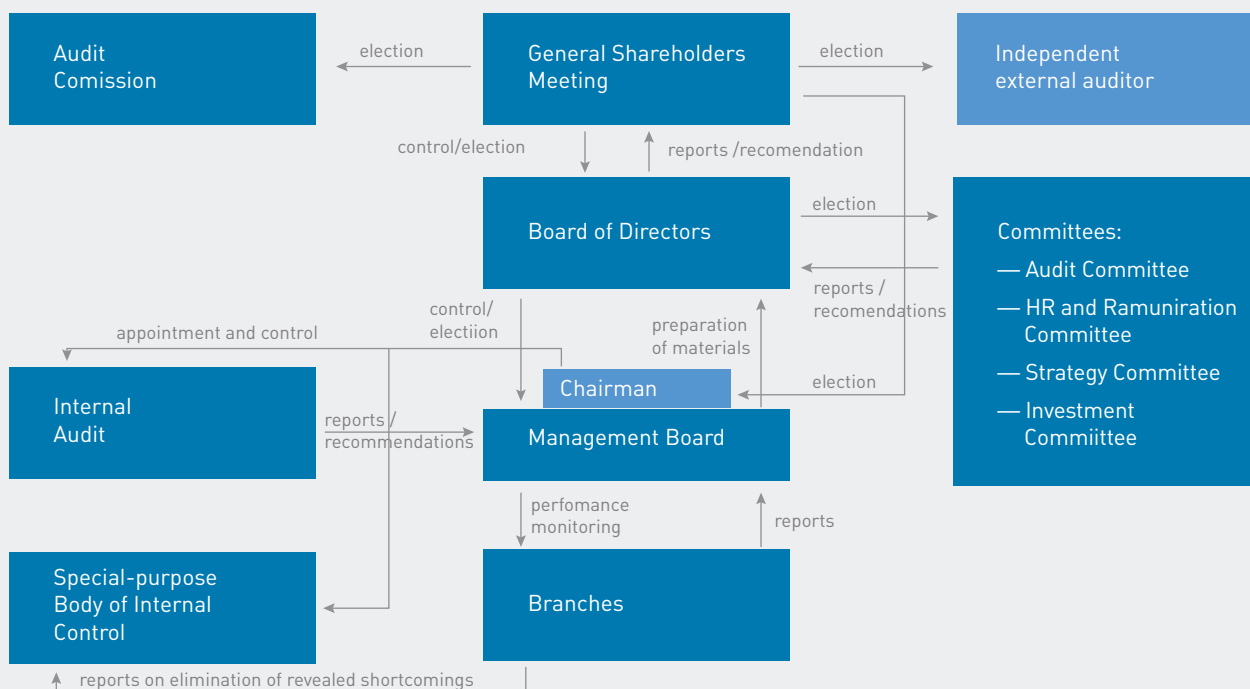
To provide various electric-power entities with access to information on the Grid's long-term development, we have undertaken the following measures:

- Regular announcements of events related to the long-term development of the UNEG on the Company's corporate website and the publication of information on such events in periodicals;
- Joint provision with JSC SO UES of draft documents on long-term development to relevant State bodies and other Russian electric-power entities;
- Providing information on the long-term development of the UNEG at requests of electric-power entities of the Russian Federation, and federal and regional State bodies of executive power;
- Formation of a single information space with electric-power entities of the Russian Federation involved in the process of planning the Grid's long-term development (a single database, single type of modes, etc.).

Management and Control Bodies

The Company's corporate management system has a well-developed structure with a seamless mechanism of interactions between management and control bodies.

Organizational Structure of the Company's Management Bodies



The Company's highest management body is the General Meeting of Shareholders. The Board of Directors sets the overall direction of corporate development and supervises the operations of the Company's Management Board, which carries out the Company's operational management. The Chairman of the Management Board is the Chief Executive Officer (CEO) of the Company. Under the Board of Directors, there are committees aiming to improve the effectiveness and quality of the Board of Directors. The Company employs an efficient control system, both externally by shareholders (the Independent Auditor and the Audit Commission) and internally (special-purpose bodies for internal audit and control).

General Meeting of Shareholders

Each common share grants shareholder the same scope of rights in accordance with current legislation.

A shareholder is entitled to:

- Participate personally or through his/her representatives in the General Meeting of Shareholders with the right to vote on all issues within his/her competence;
- Make proposals for the agenda of the General Meeting of Shareholders in accordance with existing Russian legislation and the Company's Charter;
- Receive information on the Company's operations and to examine documents in accordance with Article 91 of the Russian Federal Law "On Joint Stock Companies";
- Receive dividends declared by the Company;
- Engage in the pre-emptive purchase of additional shares and equity securities placed by open subscription convertible into shares in a quantity that is proportional to the number of owned shares of this category (type);

- Receive a part of the Company's property in case of its liquidation;
- Carry out other rights as stipulated by Russian legislation.

Shareholder(s) owning at least 2 percent of the voting shares of the Company shall be entitled to propose issues to the agenda of the annual General Meeting of Shareholders and nominate candidates to the Board of Directors, the Audit Commission, and a candidate for the position of the sole executive body of the Company (CEO). Submission of proposals to the agenda of the annual General Meeting of Shareholders must be received by the Company not later than 90 days after 31 December of the previous year.

Shareholder(s) owning at least 10 percent of voting shares, may call for the mandatory convening of an Extraordinary General Meeting of Shareholders.

In 2012, the Company held one General Meeting of Shareholders. The Annual General Meeting of Shareholders on 29 June approved the 2011 annual report and financial statement, also approved a new version of the Regulations on the Audit Commission and the Regulations on the payment of remuneration and compensation to the Board of Directors, as well as elected the Board of Directors and the Audit Commission, approved the Company's Auditor, and approved an interested party transaction. Also, the shareholders decided not to pay dividends on common shares for 2011, since based on results of the reporting period the Company incurred a loss.

http://www.fsk-ees.ru/shareholders_and_investors/information_for_shareholders/shareholders_39_meeting/

The Board of Directors

The Board of Directors carries out General Governance of the Company except for issues that fall under the competency of the General Meeting of Shareholders according to either the Federal Law "On Joint Stock Companies" or the Charter of Federal Grid Company to the competency of the General Meeting of Shareholders. In its operations, the Board of Directors is guided by the Federal Law "On Joint Stock Companies", Russian legislation and internal corporate documents.

The Board of Directors shall be elected by the General Meeting of Shareholders via cumulative voting for a period of one year. The Board shall include 11 members, 6 of whom should be representatives of the State according to the Company's Charter. The Company's Charter stipulates compulsory membership of representatives of the Market Council, a non-profit organization incorporated as a non-profit partnership unifying electric power industry entities and large electric and thermal energy consumers on a membership basis.

Four independent directors are elected to the Board of Directors to ensure an unbiased decision-making process and to maintain balanced interests for different shareholder groups.

Composition of the Board of Directors acting from 29 June 2011 to 29 June 2012 (positions are indicated as of the election date):

1. Ernesto Ferlenghi - Chairman of the Board of Directors;
2. Andrey Malyshev - Deputy Chairman of the Board of Directors;
3. Boris Ayuev;
4. Oleg Budargin;
5. Alexey Makarov;
6. Kirill Lyovin;
7. Dmitry Ponomarev;
8. Yuri Solovyev – Independent Director;
9. Denis Fedorov;
10. Igor Khvalin – Independent Director;
11. Rashid Sharipov – Independent Director.

Composition of the Board of Directors acting from 29 June 2012

(positions are indicated as of the election date):

Ernesto Ferlenghi

Chairman of the Board of Directors

Born: 1968

Education: in 1994, he graduated the Tor Vergata University of Rome, the Department of Mathematics, Physics and Natural Sciences.

HOLDS THE FOLLOWING POSITIONS:

- Vice President of Eni S.p.A. (Italy);
- Head of the representative office of Eni (Russian Federation and CIS).

Member of the Board of Directors since 2008, and the Chairman of the Board of Directors since 2011.

Holds no shares of the Company.

Oleg Budargin

Born: 1960

Education: in 1982, he graduated cum laude from the Norilsk Industrial Institute, majoring in Industrial and Civil Construction.

Chairman of the Management Board since 2009, and a member of the Board of Directors of Open Joint Stock Company Federal Grid Company of Unified Energy System, since 2010.

HOLDS THE FOLLOWING POSITIONS:

- Member of the Supervisory Board, Open Joint Stock Company All-Russian Regional Development Bank;
- Member of the Board of Directors, Open Joint Stock Company Inter RAO UES;
- Member of the Supervisory Board, non-profit partnership Association of Solar Energy Enterprises;
- Chairman of the Board of Directors, Open Joint Stock Company of Energy and Electrification of Kuban;
- Chairman of the Board of Directors, Open Joint Stock Company Moscow Joint Electric Grid Company;
- Chairman of the Board of Directors, Open Joint Stock Company Inter-regional Distribution Grid Company of Siberia;
- Chairman of the Management Board, Open Joint Stock Company Holding of the Inter-regional Distribution Grid Companies

Participation share in the Company's share capital: 0.000644%

Share in the Company's ordinary stock: 0.000644%

Member of the Board of
Directors since 2012.

Holds no shares of the
Company.

Boris Kovalchuk

Born: 1977

Education: in 1999, he graduated St. Petersburg State University, majoring in Law, and in 2010, he graduated from the Federal State Agency of Additional Professional Education at the Institute of Advanced Training for Executives and Fuel and Energy Specialists, and the non-profit partnership Corporate Educational and Research Center of UES.

HOLDS THE FOLLOWING POSITIONS:

- Chairman of the Management Board, member of the Board of Directors, Open Joint Stock Company Inter RAO UES;
- Chairman of the Board of Directors, Open Joint Stock Company First Generating Company of the Wholesale Electricity Market;
- Chairman of the Board of Directors, Closed Joint Stock Company Kambarata Hydro Power Plant – 1;
- Member of the Board of Directors, Limited Liability Company InterRAO WorleyParsons;
- Chairman of the Board of Directors, Open Joint Stock Company Mosenergosbyt;
- Member of the Board of Directors, Open Joint Stock Company Petersburg Off-Load Company;
- Member of the Board of Directors, Open Joint Stock Company Federal Hydro-generator Company – RusHydro;
- Member of the Board of Directors, Irkutsk Open Joint Stock Company of Energy and Electrification;
- Chairman of the Board of Directors, Open Joint Stock Company United Energy Trade Company;
- Member of the Management Board, Russian Union of Manufacturers and Entrepreneurs;
- Member of the Management Board, Russian Union of Manufacturers and Entrepreneurs;
- Member of the Board of Directors, Open Joint Stock Company Third Generating Company of the Wholesale Electricity Market;
- Member of the Board of Directors, Open Joint Stock Company Financial Settlements Center;
- Member of the Board of Directors, Open Joint Stock Company All-Russian Regional Development Bank.

Boris Ayuev

Born: 1957

Education: in 1979, he graduated from the Ural Polytechnic Institute, with a major in Electric Power Plants.

HOLDS THE FOLLOWING POSITIONS:

- Chairman of the Management Board, Member of the Board of Directors, Open Joint Stock Company Central Dispatch of the System Operator of Unified Energy System;
- Member of the Board of Directors, Open Joint Stock Company Administrator of the Trading System of the Wholesale Electricity Market;
- Member of the Board of Directors, Joint Stock Company Financial Settlements Center;
- Chairman, non-profit partnership Russian National Committee of CIGRE (International Council on Large High Voltage Electric Systems);
- Member of the Board of Directors, Open Joint Stock Company Federal Hydro-generator Company – RusHydro.

Member of the Company's Board of Directors since 2004

Participation share in the Company's share capital: 0.007158%

Share of the Company's ordinary stock: 0.007158%

Vyacheslav Kravchenko

Independent Director

Born: 1967

Education: in 1995, he graduated from Lomonosov Moscow State University with a degree in Law.

HOLDS THE FOLLOWING POSITIONS:

- Chairman of the Management Board, member of the Supervisory Board, non-profit partnership Council of the Market for the Organization of an Efficient System of Wholesale and Retail Trade of Electric Energy and Power;
- Member of the Board of Directors, Joint Stock Company Financial Settlements Center;
- Chairman of the Board of Directors, Chairman of the Management Board, Open Joint Stock Company Administrator of the Wholesale Electricity Market Trading System;
- Member of the Board of Directors, Open Joint Stock Company Inter RAO UES;
- Member of the Board of Directors, Open Joint Stock Company Holding of Inter-regional Distribution Grid Companies;
- Member of the Board of Directors, Open Joint Stock Company System Operator of Unified Energy System.

Member of the Board of Directors since 2012.

Holds no shares of the Company.

Member of the Company's Board of Directors since 2008. He also serves as Chairman of the Investment Committee.

Holds no shares in the Company.

Andrey Malyshev

Deputy Chairman of the Board of Directors

Born: 1959

Education: in 1982, he graduated from the Moscow Power Engineering University with a degree in heat power automation (as a heat power automation engineer).

HOLDS THE FOLLOWING POSITIONS:

- President, member of the Board of Directors, Open Joint Stock Company GROUP E4;
- Chairman of the Strategy Committee, member of the Board of Directors, Open Joint Stock Company Federal Hydro-generator Company – RusHydro;
- Chairman of the Board of Directors, Closed Joint Stock Company Prepreg – Modern Composite Materials;
- Chairman of the Board of Directors, Limited Liability Company SITRONICS-Nano;
- Deputy Chairman of the Board of Directors, Closed Joint Stock Company TREKPOR TEKHNODGI;
- Chairman of the Board of Directors, Limited Liability Company Lithium-ion Technologies;
- Chairman of the Board of Directors, Closed Joint Stock Company Plakart;
- Chairman of the Board of Directors, Limited Liability Company NT-Pharma;
- Member of the Board of Directors, Closed Joint Stock Company Fiber-Optic Systems;
- Chairman of the Board of Directors, Limited Liability Company SinBio;
- Member of the Board of Directors, Closed Joint Stock Company Composite Holding Company;
- Member of the Board of Directors, Closed Joint Stock Company Novomet – Perm;
- Chairman of the Board of Directors, Limited Liability Company Nanoelectro Research-and-Production Enterprise;
- Chairman of the Board of Directors, Limited Liability Company PET-Technology;
- Member of the Board of Directors, Limited Liability Company RosnanoMedInvest;
- Member of the Board of Directors, Limited Liability Company Ecoalliance;
- Member of the Board of Directors, Open Joint Stock Company Ruspolymet.

Vladimir Rashevsky

Independent Director

Born: 1973

Education: in 1995, he graduated from the Finance Academy under the Government of the Russian Federation, and in 1999, he completed a post-graduate course at the Finance Academy under the Government of the Russian Federation, with a Ph.D. in Economics (focused on world economics).

HOLDS THE FOLLOWING POSITIONS:

- General Director, Chairman of the Management Board, member of the Board of Directors, member of the Strategy Committee, Open Joint Stock Company "Siberian Coal Energy Company";
- Chairman of the Management Board, non-profit organization "Fund of Socio-Economic Support of the Regions SUEK-REGIONAM;
- Member of the Management Board, the All-Russian Association of Employers the Russian Union of Manufacturers and Entrepreneurs;
- Member of the Board of Directors, Limited Liability Company Siberian Generating Company.

Member of the Company's Board of Directors since 2012.

Holds no shares in the Company

Elena Titova

Independent Director

Born: 1967

Education: in 1989, she graduated from the Lomonosov Moscow State University, with a degree in Economics, as an economist and a professor of political economy.

HOLDS THE FOLLOWING POSITIONS:

- Member of the Board of Directors, CEO, Chairman of the Management Board, Morgan Stanley Bank LLC;
- President, Open Joint Stock Company All-Russian Regional Development Bank;
- Member of the Board of Directors, Open Joint Stock Company Holding of Inter-regional Distribution Grid Companies.

Member of the Company's Board of Directors since 2012.

Holds no shares in the Company.

Member of the Company's Board of Directors since 2011. He also serves as the Chairman of the HR and Remuneration Committee, and as a member of the Audit Committee.

Holds no shares in the Company.

Denis Fedorov

Born: 1978

Education: in 2001, he graduated from the Bauman Moscow State University, with a degree in Economics Management; in 2003, he completed a post-graduate course at the Moscow Power Engineering Institute, majoring in Economics and the Industrial Energy Sector. He holds a Ph.D. in Economics.

HOLDS THE FOLLOWING POSITIONS:

- Head of the Department, Open Joint Stock Company Gazprom;
- General Director, Limited Liability Company Gazpromenergoholding;
- General Director, member of the Board of Directors, Open Joint Stock Company Tsentrenergokholding;
- Member of the Management Board, Closed Joint Stock Company Fortis Energy;
- Chairman of the Board of Directors, Open Joint Stock Company Second Generating Company of the Wholesale Electricity Market;
- Member of the Board of Directors, Open Joint Stock Company Territorial Generating Company #1;
- Member of the Management Board, Open Joint Stock Company Kaunas Heat-Electric Generating Plant;
- Member of the Board of Directors, Open Joint Stock Company Mosenergo;
- Member of the Management Board, Closed Joint Stock Company Kaunolectrine;
- Member of the Board of Directors, Open Joint Stock Company Inter RAO UES;
- Member of the Board of Directors, Limited Liability Company Heat Supply Company;
- Chairman of the Board of Directors, Open Joint Stock Company Tyumen Energy Retail Supplier;
- Member of the Management Board, Fund for the Development of Education, Science and Engineering Nadezhda;
- Member of the Board of Directors, Open Joint Stock Company Holding of Inter-regional Distribution Grid Companies.

Rashid Sharipov

Independent Director

Born: 1968

Education: in 1991, he graduated from the Moscow State University of Foreign Affairs, with a degree in international affairs and international law. In 1993, he graduated from the California Western School of Law, with an LL.M degree.

HOLDS THE FOLLOWING POSITIONS:

- Deputy General Director, Limited Liability Company KFK – Consult;
- Member of the Board of Directors, Open Joint Stock Company System Operator of Unified Energy System;
- Member of the Supervisory Board, Open Joint Stock Company All-Russian Regional Development Bank;
- Member of the Board of Directors, Open Joint Stock Company Federal Hydro-generator Company – RusHydro;
- Member of the Fund Board of the non-governmental pension fund Neftegarant.

Member of the Company's Board of Directors since 2008. He also serves as the Chairman of the Audit Committee, and as a member of the HR and Remuneration Committee.

Holds no shares in the Company.

Member of the Company's
Board of Directors since 2012.

Holds no shares in the
Company.

Ilya Scherbovich

Independent Director

Born: 1974

Education: in 1995, he graduated from the Plekhanov Russian Economic Academy, with a degree in Economics and production management.

HOLDS THE FOLLOWING POSITIONS:

- President, Limited Liability Company United Capital Partners Advisory;
- President, United Capital Partners (UCP) Group of Companies;
- Member of the Board of Directors, Limited Liability Company Uralmash Oil and Gas Equipment Holding;
- Member of the Board of Directors, Open Joint Stock Company Rosneft Oil Company;
- Member of the Board of Directors, Open Joint Stock Company Joint stock oil transportation company Transneft;
- Member of the Board of Directors, United Capital Partners Advisory LLC.

Holds the position of Deputy
Chairman of the Manage-
ment Board, Open Joint
Stock Company Federal Grid
Company.

Holds no shares in the
company.

Vladimir Furgalsky

Secretary of the Board of Directors

Born: 1977

Education: in 2000, he graduated from the St. Petersburg University of Economics and Finance, from 1999 till 2001, he studied at the University of Arkansas (USA) (degree: Master of Business Administration (MBA)).

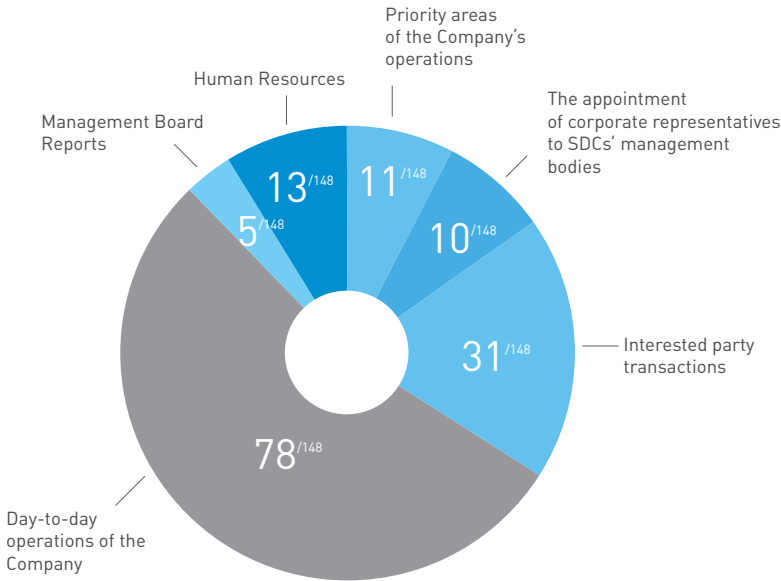
Board of Directors Activities

In 2012, the Board of Directors held 34 meetings, 6 of which were held in the form of joint attendance, and made resolutions on 148 issues. The Board of Directors considered and approved long-term corporate development programs, including:

- The non-core Asset Management Program;
- The Innovative Development Program;
- The Insurance Protection Program;
- The 2012 Cost Management Program and Forecast Activities for 2013-2014;
- Regulations on the Internal Control System;
- Regulations on the Energy Policy;
- Anti-corruption Policy;
- Regulations on the Unified Technical Policy in the Electric Grid Complex of the Russian Federation;
- New Corporate Governance Code;
- Regulations on the Procedures for Procuring Goods, Work and Services for the Needs of JSC Federal Grid Company.

The Board of Directors made the following decisions: on the establishment of a branch of Federal Grid Company (Center of Technical Supervision) and on the adjustment of the 2012 Investment Program of Federal Grid Company.

Structure of Issues Addressed at 2012 Board of Directors Meetings



Committees of the Board of Directors

The Committees' activities aim to boost the performance of the Board of Directors by preliminarily examining the most important issues falling under the competence of the Board of Directors and developing recommendations on such issues.

Four Committees of the Board of Directors operated in 2012:

- The Strategy Committee;
- The Investment Committee;
- The Audit Committee;
- The HR and Remuneration Committee.

The activities of all Committees shall be governed by relevant Provisions on the Committees that define the composition, competence and operational procedures, as well as the rights and obligations of members of the Committees.

The Strategy Committee

The functions of the Committee include addressing and making recommendations to the Board of Directors on issues related to the development of Russia's Unified Energy System.

Composition of the Committee:

1. Vyacheslav Kravchenko
— Independent Director
— Chairman of the Committee, member of the Board of Directors of JSC Federal Grid Company;
— Chairman of the Management Board, member of the Supervisory Board of the Non-Profit Partnership Market Council.
2. Andrey Malyshev
— Deputy Chairman of the Board of Directors of JSC Federal Grid Company;
— President, member of the Board of Directors of JSC GROUP E4.
3. Roman Berdnikov
— First Deputy Chairman of the Management Board of JSC Federal Grid Company.
4. Sergey Vasilyev
— Director of the Department of Electric Power Industry Development for the Russian Ministry of Energy.
5. Anatoly Dyakov
— President of the Unified Energy Complex of the Russian Corporation and the Non-Profit Partnership Scientific and Technical Council of UES.
6. Igor Kozhukhovskiy
— General Director of CJSC APBE.
7. Evgeny Miroshnichnko
— Director of Strategic Development of the Strategy and Investment Alliance of JSC Inter RAO UES.
8. Andrey Naryshkin
— Deputy Chief of Staff of the Chairman of the Board of Directors of JSC Federal Grid Company.
9. Alexey Sukhov
— Deputy Chairman of the Management Board of JSC ATS.
10. Alexander Rogov
— Head of the Energy Sector Development Department at the Energy Sector and Energy Marketing Development Division of JSC Gazprom.
11. Vladimir Fortov
— Member of the Presidium of the Russian Academy of Sciences (RAS).
12. Igor Khvalin
— Deputy Strategy Executive Director of JSC Holding of the Inter-regional Distribution Grid Companies.
13. Nikolay Shulginov
— First Deputy Chairman of the Management Board of JSC SO UES.

The Committee's 2012 Activities

The Strategy Committee held two meetings in the form of joint attendance. The meetings prepared the Committee's work plan, reviewed the issue on subsidiaries and dependent companies, and also gave recommendations to the Board of Directors on activities aimed at increasing the value of JSC Federal Grid Company shares considering a realization of decisions of the Russian Government on the privatization of shares starting from 2012.

The Investment Committee

The Committee is responsible for reviewing and submitting to the Board of Directors recommendations on the Company's investment policy and advising the Board of Directors on any investment risks.

Composition of the Committee:

1. Andrey Malyshev
— Chairman of the Committee;
— Deputy Chairman of the Board of Directors of JSC Federal Grid Company;
— President, member of the Board of Directors of JSC GROUP E4.
2. Alexander Ilyenko
— Director for UES Asset Management of SO UES.
3. Roman Berdnikov
— First Deputy Chairman of the Management Board of JSC Federal Grid Company.
4. Andrey Mourov
— First Deputy Chairman of the Management Board of JSC Federal Grid Company.
5. Valery Goncharov
— Deputy Chairman of the Management Board of JSC Federal Grid Company.
6. Sergey Vasilyev
— Director of the Department of Electric Power Industry Development for the Russian Ministry of Energy.
7. Vyacheslav Kravchenko
— Independent Director
— Member of the Board of Directors of JSC Federal Grid Company;
— Chairman of the Management Board, member of the Supervisory Board of the Non-Profit Partnership Market Council.
8. Ilnar Mirsiyapov
— Member of the Management Board, Head of Strategy and Investment Alliance of JSC Inter RAO UES.
9. Andrey Naryshkin
— Deputy Chief of Staff of the Chairman of the Board of Directors of JSC Federal Grid Company.
10. Alexander Rogov
— Head of the Energy Sector Development Department at the Energy Sector and Energy Marketing Development Division of JSC Gazprom.
11. Sergey Serebrennikov
— Rector of the State Education Institution of Higher Professional Education MPEI (TU).
12. Vladimir Fortov
— Member of the Presidium of the Russian Academy of Sciences (RAS).

The Committee's 2012 Activities

The Investment Committee held 8 meetings, including one in the form of joint attendance. The meetings made recommendations to the Board of Directors, related to the approval of the 2012-2014 investment program, its adjustments and approval of the long-term 2013-2017 investment program.

The Audit Committee

The Committee is responsible for preparing recommendations to the Board of Directors on selecting an independent audit organization and on upgrading the Company's reporting system and internal control.

Composition of the Committee:

1. Rashid Sharipov
 - Independent Director
 - Chairman of the Committee;
 - Member of the Board of Directors of JSC Federal Grid Company;
 - Deputy General Director of LLC KFK
 - Consult.
2. Vladimir Rashevsky
 - Independent Director
 - Member of the Board of Directors of JSC Federal Grid Company;
 - General Director, Chairman of the Management Board of JSC Siberian Coal Energy Company.
3. Elena Titova
 - Independent Director
 - Member of the Board of Directors of JSC Federal Grid Company;
 - President, Chairman of the Management Board of JSC All-Russian Regional Development Bank.
4. Denis Fedorov
 - Member of the Board of Directors of JSC Federal Grid Company;
 - Head of a Division of JSC Gazprom;
 - General Director of LLC Gazpromenergoholding;
 - General Director of JSC Tsentrenergoholding.
5. Ilya Scherbovich
 - Independent Director;
 - Member of the Board of Directors of JSC Federal Grid Company;
 - President of LLC United Capital Partners Advisory;
 - President of the United Capital Partners (UCP) Group of Companies.

The Committee's 2012 Activities

The Audit Committee held nine meetings, including three in the form of joint attendance. The meetings approved and issued recommendations to the Board of Directors on approving the Regulations on Securing Insurance Protection and the Company's 2013 Insurance Protection Program. The Committee also reviewed the report on the Company's securities transactions by insiders, of the Company and the process for calculating profit tax taken into account while developing the Company's 2012 Business Plan and forecast indices for 2013-2014.

The HR and Remuneration Committee

The HR and Remuneration Committee is in charge of preparing recommendations to the Board of Directors related to remuneration and incentive schemes for the Company's and the Audit Commission's top executives, and for outlining candidate selection criteria for the Company's management bodies.

Composition of the Committee:

1. Denis Fedorov
— Chairman of the Committee;
— Member of the Board of Directors of JSC Federal Grid Company;
— Head of a Division of JSC Gazprom;
— General Director of LLC Gazpromenergoholding;
— General Director of JSC Tsentrenergoholding.
2. Elena Titova
— Independent Director;
— Member of the Board of Directors of JSC Federal Grid Company;
— President, Chairman of the Management Board of JSC All-Russian Regional Development Bank.
3. Ilya Scherbovich
— Independent Director;
— Member of the Board of Directors of JSC Federal Grid Company;
— President of LLC United Capital Partners Advisory;
— President of the United Capital Partners (UCP) Group of Companies.

The Committee's 2012 Activities

The HR and Remuneration Committee held six meetings in the form of joint attendance and made recommendations to the Board of Directors on approving the methodology for calculating and assessing the achievement of key performance indicators (KPIs) by top managers of JSC Federal Grid Company, as well as on the approval of the report on the accomplishments of the Company's KPIs for H1 2012.

Board of Directors' Members Attendance at 2012 Meetings of the Board of Directors and Its Committees

Name of BoD member	The Board of Directors	Audit Committee	Strategy Committee	HR and Remuneration Committee	Investment Committee
Boris Ayuev	97%				
Oleg Budargin	97%				
Boris Kovalchuk	89%				
Vyacheslav Kravchenko	78%				0%
Kirill Lyovin	100%	100%	100%		
Alexey Makarov	81%		100%		100%
Andrey Malyshev	97%				100%
Dmitry Ponomarev	6%		0%		
Vladimir Rashevsky	89%	100%			
Yuri Solovyev	94%		100%		86%
Elena Titova	89%	100%		100%	
Denis Fedorov	91%	100%		100%	
Ernesto Ferlenghi	100%				
Igor Khvalin	88%	100%	100%	100%	86%
Rashid Sharipov	70%	100%		33%	
Ilya Scherbovich	100%	100%		100%	

The Management Board

Day-to-day operations of the Company are managed by the Chairman of the Management Board and by the Management Board, which are accountable to the General Shareholders Meeting and to the Board of Directors. In its own operations, the Management Board is governed by the Federal Law "On Joint Stock Companies", Russian legislation and other internal corporate documents.

The Chairman of the Management Board is the Chief Executive Officer (CEO).

Information on the Management Board's Compositions in 2012

The Management Board composition below is effective from 1 January 2012 till 11 September 2012:

1. Oleg Budargin – Chairman of the Management Board;
2. Roman Berdnikov;
3. Andrey Cherezov;
4. Valery Chistyakov;
5. Dmitry Gourevich;
6. Andrey Kazachenkov;
7. Yuri Mangarov;
8. Samuil Zilberman;
9. Evgeny Zhuykov.

Changes in the Management Board as of 11 September 2012 (Board of Directors' Meeting Minutes #172):

- A Resolution of the Board of Directors terminated the authorities of: Evgeny Zhuykov, Samuil Zilberman and Dmitry Gourevich;
- A Resolution of the Board of Directors appointed: Andrey Mourov (First Deputy Chairman of the Management Board), Sergey Sergeev (Deputy Chairman of the Management Board), Vladimir Shukshin (Deputy Chairman of the Management Board) and Nikolay Varlamov (Deputy Chairman of the Management Board) as members of the Management Board.

The below Management Board Composition is effective from 11 September 2012 till 20 October 2012:

1. Oleg Budargin – Chairman of the Management Board;
2. Roman Berdnikov;
3. Andrey Cherezov;
4. Valery Chistyakov;
5. Andrey Kazachenkov;
6. Andrey Mourov;
7. Yuri Mangarov;
8. Sergey Sergeyev;
9. Vladimir Shukshin;
10. Nikolay Varlamov.

Changes in the Management Board as of 20 October 2012:

— In accordance with the Russian Federal law "On Joint Stock Companies" and the Charter of JSC Federal Grid Company, due to expiration of the employment contract, the authority of Valery Chistyakov was terminated as of 20 October 2012.

Management Board Composition, effective from 20 October 2012 onwards



Participation share in the
Company's share capital:
0.000644%

Share in the Company's
ordinary stock: 0.000644%

Oleg Budargin

Chairman of the Management Board, member of the Board of Directors

Born: 1960

Education: in 1982, he graduated cum laude from the Norilsk Industrial Institute, with a major in Industrial and Civil Construction.

Biographical Background: From 1984 till 1995, he worked at Norilskstroi PSMO (Production Construction and Assembly Association), Promstroi Trust, the General Construction Division of the Norilsk Mining and Metallurgical Complex (NGMK), and he also served as the Deputy General Director of JSC NGMK. From 2000 to 2002, he served as the Mayor of Norilsk. From 2003 till 2006, he served as the Governor of the Taymyr (Dolgano-Nenets) Autonomous District. From 2007 till 2009, he was appointed Assistant Plenipotentiary Representative of the Russian President in the Siberian Federal District. In July 2009, by a resolution of the Board of Directors of JSC Federal Grid Company, he was appointed Acting Chairman of the Management Board, and as of October 2009, he was elected Chairman of the Management Board by an Extraordinary General Meeting of Shareholders.

HOLDS THE FOLLOWING POSITIONS IN
OTHER ORGANIZATIONS:

- Member of the Supervisory Board, Open Joint Stock Company All-Russian Regional Development Bank;
- Member of the Board of Directors, Open Joint Stock Company Inter RAO UES;
- Member of the Supervisory Board, non-profit partnership Association of the Solar Energy Enterprises;
- Chairman of the Board of Directors, Open Joint Stock Company of Energy and Electrification of Kuban;
- Chairman of the Board of Directors, Open Joint Stock Company Moscow Joint Electric Grid Company;
- Chairman of the Board of Directors, Open Joint Stock Company Inter-regional Distribution Grid Company of Siberia;
- Chairman of the Management Board, Open Joint Stock Company Holding of the Inter-regional Distribution Grid Companies.



Participation interest in the
Company's share capital:
0.0000001957%

Share in the Company's
ordinary stock:
0.0000001957%

Roman Berdnikov

First Deputy Chairman of the Management Board

Born: 1973

Education: in 1998, he graduated from the Moscow Power Engineering Institute, with a major in electric power plants.

Biographical Background: He started his working career at JSC Mosenergo, then worked at JSC SO CDU UES of Russia. From 1999 to 2002, he worked at RAO UES of Russia. He joined Federal Grid Company in 2002. In 2009, he was elected as a Member of the Management Board, and since 2010, he has served as the Deputy Chairman of the Management Board. In October 2012, he was appointed First Deputy Chairman of the Management Board.

HOLDS THE FOLLOWING POSITIONS IN
OTHER ORGANIZATIONS:

- Chairman of the Supervisory Board, Joint Stock Company United Energy System GruzRosenergo;
- Member of the Supervisory Board, Non-Profit Partnership The Market Council for the Efficient System of Wholesale and Retail Trade;
- Member of the Board of Directors, Closed Joint Stock Company EnergoRynok (Energo Market);
- Member of the Board of Directors, Open Joint Stock Company Tyumenenergo;
- Member of the Board of Directors, Open Joint Stock Company Inter-regional Distribution Grid Company of the North Caucasus;
- Member of the Board of Directors, Open Joint Stock Company Inter-regional Distribution Grid Company of the Urals;
- Member of the Management Board, Open Joint Stock Company Holding of the Inter-regional Distribution Grid Companies.

Andrey Kazachenkov

First Deputy Chairman of the Management Board

Born: 1980

Education: He graduated cum laude from the St. Petersburg State Engineering and Economic University, majoring in engineering plant economics and management. He also received an MBA from the University of Wisconsin (Madison, USA), and completed courses for numerous specialized programs in Economics and Finance at the business schools at IMD (Switzerland) and INSEAD (France).

Biographical Background: He started his career in 2004 at JSC Lenenergo, in 2005, he worked at JSC OGK -1. He has been at Federal Grid Company since 2009, holding the position of Deputy Chairman of the Management Board, he was elected as a member of the Management Board in 2010, and as of May 2012, he was appointed First Deputy Chairman of the Management Board.

HOLDS THE FOLLOWING POSITIONS IN OTHER ORGANIZATIONS:

- Member of the Fund Board, Non-government Pension Fund for Power Engineering (non-profit organization);
- Member of the Board of Directors, Open Joint Stock Company Realty EC UES;
- Member of the Board of Directors, Open Joint Stock Company Inter-regional Distribution Grid Company of the Center;
- Member of the Board of Directors, Open Joint Stock Company of Energy and Electrification Lenenergo.



Participation interest in the Company's share capital: 0.0000005524%

Share in the Company's ordinary stock: 0.0000005524%

Andrey Mourov

First Deputy Chairman of the Management Board

Born: 1970

Education: In 1993, he graduated from the Legal Department of St. Petersburg State University, majoring in Jurisprudence. In 1998, he participated in a specialized re-training course in Financial Management at the Inter-disciplinary Institute of Professional Development and Refresher Courses for Executives; and, in 2009, he graduated from the State University of Civil Aviation, majoring in Freight Regulation and Air Transport Management, holding a Ph.D. in Economics.

Biographical Background: He worked at the St. Petersburg City Bar Association, then at JSC ICN October. From 2000 to 2004, he worked in the telecommunications and construction industries. From 2004 to 2012, he held executive positions at the Federal State Unitary Enterprise Pulkovo Airport and at JSC Pulkovo Airport. In 2012, he moved from JSC Holding of the Inter-regional Distribution Grid Companies to Federal Grid Company. In June 2012, he was appointed First Deputy Chairman of the Management Board, and in September 2012, he was elected as a member of the Company's Management Board. He also currently holds the post of Executive Director of JSC Holding of the Inter-regional Distribution Grid Companies.

HOLDS THE FOLLOWING POSITIONS IN OTHER ORGANIZATIONS:

- Executive Director, Open Joint Stock Company Holding of the Inter-regional Distribution Grid Companies;
- Chairman of the Board of Directors, Open Joint Stock Company Inter-regional Distribution Grid Company of Volga;
- Chairman of the Board of Directors, Open Joint Stock Company Inter-regional Distribution Grid Company of the Center;
- Member of the Board of Directors, Open Joint Stock Company of Energy and Electrification of Kuban;
- Chairman of the Board of Directors, Open Joint Stock Company of Energy and Electrification Lenenergo;
- Member of the Board of Directors, Open Joint Stock Company Moscow Unified Electric Grid Company;
- Chairman of the Board of Directors, Open Joint Stock Company Inter-regional Distribution Grid Company of the North-West;
- Member of the Management Board, Open Joint Stock Company Holding of the Inter-regional Distribution Grid Companies.



Holds no shares in the Company.



Holds no shares in the
Company.

Nikolay Varlamov

Deputy Chairman of the Management Board

Born: 1974

Education: In 1996, he graduated from the Asia and Africa Institute of the Lomonosov Moscow State University, and in 2000, he graduated from the Finance Academy under the Government of the Russian Federation with a master's degree in Economics.

Biographical Background: He started his career at the Central Bank of the Russian Federation; and, in 2002, he moved to the Financial Monitoring Committee of the Russian Federation (subsequently – The Federal Financial Monitoring Service). From 2007 to 2008, he worked as an assistant to the Prime Minister of the Government of the Russian Federation. In 2008, he was appointed Secretary of State as Deputy Head of the Federal Financial Monitoring Service. Since 2011, he has worked in Federal Grid Company, as the Deputy Chairman of the Management Board. In September 2012, he was elected as a member of the Company's Management Board.

Does not hold positions in other organizations.



Holds no shares in the
Company.

Yuri Mangarov

Deputy Chairman of the Management Board – Chief of Staff

Born: 1956

Education: In 1978, he graduated from the Plekhanov Moscow Institute of the National Economy, majoring in Economic Cybernetics.

Biographical Background: He worked in the mining and metallurgical industry for 26 years. In 2009, he joined Federal Grid Company, as the Deputy Head of Financial Control and Internal Audit. In October 2009, he was appointed Director for Internal Control and Auditing Activities, and in March 2010, he became the Deputy Chairman of the Company's Management Board. In September 2010, he was elected as a member of the Company's Management Board. From June 2012, he has served as the Deputy Chairman of the Management Board – the Chief of Staff.

HOLDS THE FOLLOWING POSITIONS IN
OTHER ORGANIZATIONS:

- Member of the Board of Directors, Open Joint Stock Company Tyumenenergo;
- Member of the Board of Directors, Open Joint Stock Company of Energy and Electrification Yantarenergo;
- Deputy Executive Director – Chief of Staff, Open Joint Stock Company Holding of the Inter-regional Distribution Grid Companies.

Valery Sedunov

General Director, JSC Federal Grid Company subsidiary –
MES Center (Transmission Grid of The Center),
member of the Management Board

Born: 1950

Education: In 1972, he graduated from the Ivanovo Energy Institute, with a degree in the Automation of Electric Energy Production and Distribution.

Biographical Background: He has worked in the electric energy industry since 1972, first at the Volga substation of the Division for the Operation of Distant Electric Energy Transmission, then, he continued at MES Center, where he went from engineer to General Director. In December 2012, he was elected as a member of the Management Board.

HOLDS THE FOLLOWING POSITIONS IN OTHER ORGANIZATIONS:

- Member of the Board of Directors, Open Joint Stock Company IDGC of the Center;
- Member of the Board of Directors, Open Joint Stock Company IDCG of the Center and Volga Regions;
- Member of the Board of Directors, Open Joint Stock Company MOESK.



Participation interest in the Company's share capital:
0.0000274868%

Share in the Company's ordinary stock:
0.0000274868%

Sergey Sergeyev

Deputy Chairman of the Management Board

Born: 1976

Education: In 1998, he graduated cum laude from the Novocherkassk State Technical University, majoring in Industrial and Civil Construction.

Biographical Background: He started his career in 1998 at LLC Soyuzstroy in Rostov-on-Don. Since 2000, he has worked in enterprises within OJSC Transneft Inc. Since 2009, he has worked at Federal Grid Company. In 2010, he was appointed Deputy Chairman of the Management Board. Since April 2012, he has worked as the General Director of JSC "Engineering and Construction Management Center of the Unified Energy System". In September 2012, he was elected as a member of the Company's Management Board.

HOLDS THE FOLLOWING POSITIONS IN OTHER ORGANIZATIONS

- General Director, member of the Boards of Directors, Open Joint Stock Company Engineering and Construction Management Center of the Unified Energy System;
- Member of the Board of Directors, Open Joint Stock Company EnergostroySNabcomplect UES.



Holds no shares in the Company.



Holds no shares in the
Company.

Andrey Cherezov

Chairman of the Management Board, Chief Engineer

Born: 1967

Education: In 1993, he graduated from Altay State Technical University, majoring in Power Supply. He completed the executive training program for Russian national economy enterprises for professional administration in economics and corporate management.

Biographical Background: He has worked in the electric energy industry for more than 18 years. He has held executive positions at Federal Grid Company's subsidiaries, and has also worked as the Company's Deputy Chief Engineer. In 2011, he was appointed Deputy Chairman of the Management Board and Chief Engineer and was elected as a member of the Management Board.

HOLDS THE FOLLOWING POSITIONS:

- Member of the Board, Non-profit Partnership to Aid the Development of the Quality and Safety of Construction Work, Self-Regulatory Organization Inzhspetsstroy – Electrosetstroy.



Holds no shares in the
Company.

Vladimir Shukshin

Deputy Chairman of the Management Board

Born: 1959

Education: In 1991, he graduated from the State Central Institute of Physical Training, and in 1999, he graduated from the Russian Academy of the Federal Security Service. In 2003, he graduated from the Russian Academy of Government Services under the President of the Russian Federation, with a Ph.D. in Politics.

Biographical Background: He served in the Soviet Armed Forces, working within security and law enforcement agencies. He has also worked in the Moscow Mayor's Office. In 2012, he worked as the Deputy General Director for Security at OJSC Holding of the Inter-regional Distribution Grid Companies. Since June 2012, he has worked as the Deputy Chairman of the Management Board at Federal Grid Company, in September 2012, he was elected as a member of the Company's Management Board. This is in addition to the job of Deputy Executive Director for Security at OJSC Holding of the Inter-regional Distribution Grid Companies.

HOLDS THE FOLLOWING POSITIONS IN
OTHER ORGANIZATIONS:

- Chairman of the Boards of Directors, Open Joint Stock Company Inter-regional Distribution Grid Company of the North Caucasus;
- Deputy Executive Director for Security, Open Joint Stock Company Holding of the Inter-regional Distribution Grid Companies.

Information on transactions with the Company's shares as carried out by members of management bodies in 2012

Name of the member of the Company's Management Bodies	Transaction Date	Number of Shares Covered by a Transaction	Change in Shares After a Transaction
Oleg Budargin Chairman of the Management Board, Member of the Board of Directors	25.05.2012	5,210,000	0.0000008278%
Andrey Kazachenkov Member of the Management Board, First Deputy Chairman of the Management Board	28.05.2012	4,100,000	0.0010008132%

Management Bodies' Remuneration

The Company does not offer remuneration to persons in respect to whom Russian legislation restricts or prohibits the receipt of any payments from commercial organizations.

The Board of Directors

The payment of remuneration to members of the Board of Directors is based on Regulations on Remuneration and Compensation Payments to members of the Board of Directors of JSC Federal Grid Company, as approved by the Annual General Meeting of Shareholders on 29 June 2012 (Meeting Minutes #12 as of 7 July 2012).

The amount of remuneration to each member of the Board of Directors for his/her contribution to the operations of the Board of Directors is calculated given the total number of Board of Directors meetings held during the previous corporate year, the number of Board of Directors meetings attended by the member and corporate revenues for the respective fiscal year.

Remuneration for the Chairman of the Board of Directors is increased 30%. Compensation for expenses to members of the Board of Directors is not provided. Allowances are also set for members of the Board for their work in Committees: the Chairman of the Committee receives a 20% bonus, and a Committee member receives 10%.

The total remuneration for each member of the Board of Directors, given all premiums, cannot exceed RUR900 thousand.

Since the Company incurred a loss for the 2012 fiscal year, in accordance with the Regulation, a decision was made not to pay remuneration to the Board of Directors.