

Dividend policy

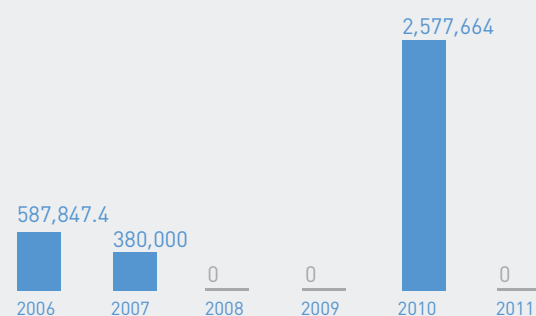
The Company's dividend policy is determined by the Regulations on Dividend Policy, which were approved by the Company's Board of Directors on 16 December 2010. In accordance with the Regulations, the minimum payout rate is set at 10% of net profit under RAS (after compulsory deductions to the reserve fund), adjusted for the amount of profit from the revaluation of financial investments, the recovery of bad debt provisions and non-recurring income from the sale of securities and other assets to finance the investment program.

The General Meeting of Shareholders makes decisions on paying dividends based on recommendations of the Company's Board of Directors.

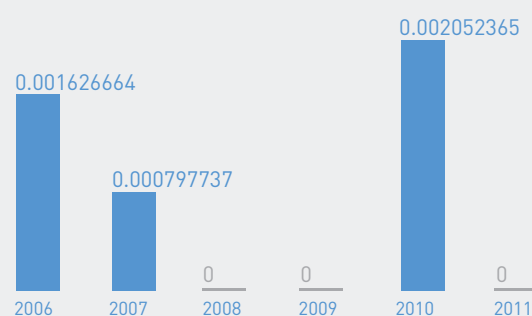
Dividends are determined based on financial results, balancing the interests of the Company and its shareholders.

The Company's Dividend History

Accrued dividends, RUR thousand



Dividends per ordinary share, RUR



2012 Dividends

In accordance with Clause 2 of Article 42 of the Federal Law #208-FZ On Joint Stock Companies (dated 26 December 1995) and Clause 7.5 of Article 7 of Federal Grid Company's Articles of Association, the source of dividend payments is the Company's net profit, which is determined based on the Company's accounting statements.

According to Federal Grid Company's 2012 accounting statements, there was a net loss of RUR24,502 million. The main reasons for the loss were a negative margin on the revaluation of

financial investments in shares listed on the stock market and a reflection of activities on the accrual and recovery of bad debt provisions.

In 2013, the Company's Annual General Meeting of Shareholders will make a resolution to pay 2012 dividends. Shareholders are invited to make a decision not to pay 2012 dividends on the Company's ordinary shares.