

Top Executives' KPIs

Payments to the members of top executives are made on the basis of the approved organizational and administrative documents of the Company (are developed by the HR and Remuneration Committee of the Board of Directors) and imply that the top executives have met key performance indicators (KPIs).

In 2012, the following KPIs were applied (Annex № 1 (extract) to the Minutes of the Board of Directors meeting (№ 166 dated 28.06.2012):

Semi-annual KPIs:

- relative number of restrictions on electricity transmission services (%);
- no fatal accidents or group accidents, if there is a casualty that results in a serious injury to an individual;
- financial stability indicator, i.e. the financial leverage ratio;
- meeting schedules for funding and developing the investment program with progressive totals up from the beginning of the year (in %).

Annual KPIs:

- cost reduction for the acquisition of goods (work, services) per unit of output of not less than 10% per year within three years in real terms;
- EBITDA, RUR million;
- efficient implementation of the Cost Management Program (CMP), %;
- No major emergencies;
- electric energy losses in the grid used by Federal Grid Company to provide electricity transmission services (in %);
- meeting schedules bringing on line power facilities and implementing plans for financing and development (in %).

The approved target semi-annual and annual KPIs for the Company's top executives in 2012 have been achieved in full.