

General Shareholders' Meeting

The Company strives to conduct a constructive dialogue with its shareholders based on the respect for their rights and legal interests, ensuring a high level of trust between shareholders and the Company in relations arising in connection with the Company's management. Furthermore, the Company adheres to the principle of equal treatment of all its shareholders, including shareholders holding small packages of the Company's securities.

In order to properly observe and protect this right, the Company aims to organize General Meetings of Shareholders so that the participation of shareholders is not too time and money consuming, ensuring equal treatment of all shareholders.

The right of shareholders to receive regular, timely information on the Company's activities in an amount sufficient for making balanced and informed decisions is guaranteed by disclosure requirements of the legislation of the Russian Federation.

In order to timely inform the Company's shareholders of holding a General Shareholders' Meeting the Company gives notice to all persons entitled to attend the General Shareholders' Meeting at least 30 days prior to the date of the General Shareholders' Meeting. In order to provide all shareholders with free and easy access to materials of a General Shareholders' Meeting the Company publishes all materials relating to the agenda of the General Shareholders' Meeting on the Company's website at least 30 days prior to the date of the General Shareholders' Meeting.

In order to ensure effective protection of Company shareholders' rights to participate in the General Shareholders' Meeting and accuracy of voting results, the functions of the Accounting Chamber at the General Shareholders' Meeting are performed by the Company's registrar, JSC Registrar R.O.S.T.

The Company invites members of the Board of Directors, the General Director, members of the Board, the Auditing Commission and the auditor to participate in the General Meeting.

Shareholders freely implement their right to call a General Shareholders' Meeting and make proposals to the agenda of General Meetings of Shareholders of JSC IDGC of the North-West.

In accordance with the current legislation, the Company provides shareholders with an opportunity to see the list of persons entitled to participate in the meeting from the date of its publication.

Shareholders exercise their rights to participate in managing the Company's activities by voting in General Shareholders' Meetings on issues referred to the competence of the General Shareholders' Meeting.

In order to create the most favorable conditions for the participation of shareholders in the General Meeting, JSC IDGC of the North-West provided an opportunity for the shareholders to freely exercise their right to vote in the simplest and most convenient way.

The Company set an order for the General Shareholders' Meeting which provides equal opportunity to all persons participating in the General Meeting to express their opinions and ask questions.

Resolutions of the General Shareholders' Meeting in 2014

In 2014, JSC IDGC of the North-West held two General Shareholders' Meetings:

The Extraordinary General Shareholders' Meeting of JSC IDGC of the North-West held on March 12, 2014 ([Minutes No. 8](#))¹ early terminated authorities of the Board of Directors and the Auditing Commission and elected new members to the Board of Directors and the Auditing Commission of the Company.

Based on the Meeting results, the following person were elected to the Board of Director²:

1. Sergey G. Titov, Chairman of the Board of Directors from April 25, 2014 to June 25, 2014, General Director of JSC IDGC of the North-West.
2. Tatiana P. Dronova, Deputy General Director for Strategy and Development of CJSC Energy Union Investment Holding.
3. Alexey N. Zharikov, Director for Corporate Policy and Shareholder Relations, JSC Elektrosentrionaladka.
4. Svetlana S. Zholnerchik, Deputy General Director of JSC Russian Grids.
5. Marina A. Lavrova, Head of Economics of S&A Office of Economic Planning and Budgeting Department of JSC Russian Grids.
6. Sergey V. Pokrovsky, Deputy Executive Director of the Association for Protection of Investors' Rights.
7. Maxim M. Saukh, Head of Corporate Relations Section of the Department for Corporate Governance and Shareholder and Investor Relations, JSC Russian Grids.
8. Vladimir V. Sofyin, Head of Technological Development and Innovations Department, JSC Russian Grids.
9. Dmitry A. Chevkin, Director of Personnel Policy and Organizational Development Department, JSC Russian Grids.
10. Yulia P. Chermenteyeva, Head of the Development of Laws and Regulations, Legal Department of JSC Russian Grids.

11. Roman A. Filkin, Co-Director, Power Engineering, Machine Building of the Representative Office of Prosperity Capital Management (Russia) Ltd.

The following members were elected to the Auditing Commission³:

1. Marina A. Lelekova, Director of Internal Audit and Control of JSC Russian Grids.
2. Elena Yu. Guseva, Leading Expert, Auditing and Internal Audit Office, Internal Audit and Control Department, JSC Russian Grids.
3. Artem N. Kirillov, Head of Investment Audit Division, Auditing and Internal Audit Office, Internal Audit and Control Department, JSC Russian Grids.
4. Sergey V. Malyshev, Leading Expert, Auditing and Internal Audit Office, Internal Audit and Control Department, JSC Russian Grids.
5. Sergey I. Ochikov, Leading Expert, Auditing and Internal Audit Office, Internal Audit and Control Department, JSC Russian Grids.

The Annual General Shareholders' Meeting of JSC IDGC of the North-West held on June 25, 2014 (Minutes No. 9) approved:

- Company's 2013 Annual Report.
- 2013 Annual Financial Statements.
- Distribution of the Company's profits (losses) for the 2013 fiscal year.
- Company's Auditor.
- New version of the Company's Articles of Association.
- New versions of regulations on the procedures for planning and holding the General Shareholders' Meeting.
- New version of the Regulations on the Auditing Commission.

Elected:

- Members of the Company's Board of Directors;
- Members of the Auditing Commission.

Based on the Meeting results, the following people were elected to the Board of Director:

1. Sergey G. Titov (Chairman of the Board of Directors from July 03, 2014 to January 16, 2015), First Deputy General Director of JSC Lenenergo for Cooperation with JSC IDGC of the North-West.
2. Tatiana P. Dronova, Deputy General Director for Strategy and Development, CJSC Energy Union Investment Holding.
3. Alexey N. Zharikov, Director for Corporate Policy and Shareholder Relations, JSC Elektrosentralladka.
4. Svetlana S. Zholnerchik, Chair of the Board of Directors (since January 17, 2015), Deputy General Director, JSC Russian Grids.
5. Marina A. Lavrova, Head of Economics of S&A Office of Economic Planning and Budgeting Department of JSC Russian Grids.
6. Sergey V. Pokrovsky, Deputy Executive Director of the Association for Protection of Investors' Rights.
7. Maxim M. Saukh — Head of Corporate Relations Section of the Department for Corporate Governance and Shareholder and Investor Relations, JSC Russian Grids.
8. Vladimir V. Sofyin, Head of Technological Development and Innovations Department, JSC Russian Grids.
9. Dmitry A. Chevkin, Director of Personnel Policy and Organizational Development Department, JSC Russian Grids;
10. Roman A. Filkin, Co-Director, Power Engineering, Machine Building of the Representative Office of Prosperity Capital Management (Russia) Ltd.
11. Anton A. Erdyniyev, Deputy Director of the Electricity Development Department, Ministry of Energy of the Russian Federation.

The following members were elected to the Auditing Commission:

1. Marina A. Lelekova, Director of Internal Audit and Control, JSC Russian Grids.
2. Elena Yu. Guseva, Leading Expert, Auditing and Internal Audit Office, Internal Audit and Control Department, JSC Russian Grids.
3. Artem N. Kirillov, Head of Investment Audit Division, Auditing and Internal Audit Office, Internal Audit and Control Department, JSC Russian Grids.
4. Sergey V. Malyshev, Leading Expert, Auditing and Internal Audit Office, Internal Audit and Control Department, JSC Russian Grids.
5. Sergey I. Ochikov, Leading Expert, Auditing and Internal Audit Office, Internal Audit and Control Department, JSC Russian Grids.

Shareholder and Investor Relations

One of the principles on which the Company's corporate governance is based is transparency, ie. timely disclosure of reliable information about all material facts concerning the Company's activity, as well as free access to such information for all interested parties.

The policy of information disclosure which the Company implements is mainly aimed to ensure the highest possible degree of confidence of shareholders, potential investors, partners and other interested parties in the Company by providing information to the above persons for making informed decisions regarding the Company and its securities.

Information disclosure by JSC IDGC of the North-West is primarily governed by the Federal Laws on Joint Stock Companies and on Securities Market, by Regulations on Information Policy and the Code of Corporate Governance approved by the Board of Directors. At the same time, when disclosing information, the Company is not limited to information the disclosure of which is provided by normative legal acts of the Russian Federation, it also discloses additional information providing high degree of the Company's transparency and contributing to the disclosure policy implemented by the Company.

Rules and approaches to information disclosure, the procedure and terms of its disclosure and presentation, list of information and documents subject to disclosure to all stakeholders are determined by the Regulations for Information Policy of IDGC of the North-West.

On September 13, 2013, the Board of Directors approved the new version of the Regulation on Information Policy which takes into account changes in the legislation of the Russian Federation since the date of approval of the previous version, requirements of international corporate governance practices, provisions of the Articles of Association and the Corporate Governance Code of IDGC of the North-West. In developing the Provision, the Company used international standards of information disclosure.

Following the principles of openness and transparency of management, the Company aims at operative availability of information on the Company, its activities and securities to all stakeholders in order to enable them to make well-weighted and informed decisions.

The endeavor of the Company to build an actually productive system of information disclosure and insurance of the high transparency level is reflected in the principles of information policy set forth in the Regulations:

- regularity and efficiency (The Company regularly provides to the shareholders and their representatives, potential investors and other interested parties information on its activities by using all means of communication available to the Company);
- availability of information (The Company uses channels and means of communication to distribute information on its activities, providing free, easy and non selective access of shareholders, creditors, potential investors and other interested parties to the disclosed information);
- completeness of information (The Company provides information that allows to create a complete view of shareholders and all stakeholders about the real situation in the Company);
- completeness and accuracy of disclosed information (the Company provides to all stakeholders information which is true and accurate, without avoiding the disclosure of negative information, in the volume giving true and fair view of the Company and its performance);
- maintaining a reasonable balance between the Company's transparency and care of its commercial interests (the Company maintains a reasonable balance between the transparency, on the one part, and confidentiality, on the other part, for the purpose of protection of information referred by the Company to proprietary information or commercial secret).

Compliance with the above principles in implementing the information policy enables the Company to respect the rights of shareholders, investors and other stakeholders to the receipt of information on the Company's activities to the maximum extent.

The corporate website of the Company www.mrsksevzap.ru is used as a means of informing stakeholders. Information subject to disclosure in accordance with the requirements set forth by the Federal Financial Markets Service of Russia is published on [the Internet page](#) provided by the information disseminator in the securities market (AK&M information agency).

In addition to the information that must be disclosed on the corporate website, the Company publishes quarterly accounting (financial) statements prepared in accordance with Russian accounting standards, consolidated financial statements of the Company prepared in accordance with IFRS (on a quarterly basis, starting from the financial statements for nine months of 2012), other information about the Company and its operations.

The Company also discloses insider information. The concept, the list of and the disclosure procedure for such information are determined in the Regulations on Insider Information of the Company. The new version of the Regulations is approved by the Board of Directors of JSC IDGC of the North-West on June 07, 2013.

In order to ensure equal access to information by all stakeholders and, in particular, to ensure the respect of information rights and interests of foreign shareholders and investors the Company maintains an English version of its corporate website. In preparation of a General Shareholders' Meeting information (materials) to be provided to persons entitled to attend the General Shareholders' Meeting is (are) published on the English version of the website 30 days prior to the General Shareholders' Meeting, i.e. simultaneously with placement of the same information in Russian.

During the year the Company's management maintains a permanent dialogue with the investment community, organizing regular meetings, conference calls, presentation of the results of financial activities and strategic plans, and participates in various economic events of the year involving leading international investors, Russian and foreign independent experts, state and public figures and CEOs of the largest companies.

Thus, in February 2014 there was a meeting of representatives of the Company's management with Sergey Pigarev, an analyst of Rye, Man & Gor Securities. During the meeting, they discussed the Company's current financial and business operations.

In August 2014, Moscow hosted a business breakfast with representatives of the Company's majority shareholders. At the meeting shareholders were represented by Yuri Goncharov, Deputy General Director for Corporate Governance of JSC Russian Grids; Alexander Branis, Director of Prosperity Capital Management (Russia) Ltd.; members of the Board of Directors of the company: Roman Filkin, Director, Prosperity Capital Management (Russia) Ltd. (electric power, engineering industry); Tatiana Dronova, Deputy General Director for Strategy and Development of CJSC Energy Union Investment Holding; Sergey Pokrovsky, Deputy Executive Director of Association for Protection of Investors' Rights.

On December 11, 2014, there was a meeting with Larry Sillantaka, a portfolio manager of EOS Russia, Swedish investment company, and Vladimir Sklyar, Head of Analytic Department of Renaissance Capital in Russia.

In order to maintain a high level of transparency of companies and create a positive image the Company simultaneously participates in the completion of annual reports of issuers held by JSC Moscow Exchange, Rating Agency Expert RA and RCB Media Group on an annual basis. JSC IDGC of the North-West was named one of the winners of the XV annual competition of annual reports held by JSC Moscow Exchange — diploma for 3rd place in the nomination Best Information Disclosure in the Annual Report by Company with Capitalization of up to 10 Billion Rubles. The 2012 Annual Report of IDGC of the North-West was the winner in the nomination Breakthrough of the Year, the 10th annual contest of annual reports held by the Energy Market magazine.

1: (Minutes No. 8) - Resolutions adopted by General Shareholders' Meetings are available on the website of JSC IDGC of the North-West at <http://www.mrsksevzap.ru>.

2: Based on the Meeting results, the following person were elected to the Board of Director - Information about positions available as at the date of submission of proposals by shareholders on the nomination to the Board of Directors of JSC IDGC of the North-West.

3: The following members were elected to the Auditing Commission - Information about positions available as at the date of submission of proposals by shareholders on the nomination to the Auditing Commission of JSC IDGC of the North-West.