



ANNUAL  
REPORT  
2015



Pre-approved by  
the Board of Directors of Mosenergo PJSC  
Minutes No. 17  
dated April 29, 2016

# **Annual Report of Mosenergo for 2015**

*General Director of Gazprom Energoholding LLC  
the Managing Organization of Mosenergo  
D. V. Fedorov*

# CONTENTS

1. LETTERS.....	4
1.1. Message from the Chairman of the Board of Directors .....	4
1.2. Message from the Gazprom Energoholding LLC General Director .....	6
2. MOSENERGO PORTRAIT .....	8
3. INFORMATION FOR INVESTORS .....	10
4. MAIN CORPORATE EVENTS OF 2015 .....	14
5. OVERVIEW OF OPERATING ACTIVITIES.....	16
5.1. Production.....	18
5.2. Sales .....	23
5.3. Fuel Supply .....	26
5.4. Investment and Maintenance Activities.....	27
5.4.1. Investments .....	27
5.4.2. Repairs .....	30
6. ANALYSIS OF FINANCIAL RESULTS.....	32
6.1. Revenues.....	34
6.2. Prime Cost .....	34
6.3. Other Income and Expenses .....	34
6.4. Net Profit.....	34
6.5. Liquidity and Loan Portfolio Management.....	34
6.6. Balance Sheet Analysis .....	35
6.7. Financial Position Indicators.....	35
7. CORPORATE GOVERNANCE.....	36
7.1. Underlying Principles.....	36
7.2. General Shareholder Meeting .....	37
7.3. Board of Directors .....	38
7.3.1. Members of the Board of Directors .....	39
7.3.2. Committees of the Board of Directors .....	41
7.4. Executive Board.....	43
7.5. Audit Committee .....	43
7.6. Remuneration.....	44

<b>8. RISK MANAGEMENT</b> .....	<b>46</b>
8.1. Risk due to Tariff Regulation .....	48
8.2. Market Risk.....	48
8.2.1. Risk Related to the Heating Market.....	48
8.2.2. Inflation Risk .....	49
8.2.3. Risk of Losses due to Unforeseen Fluctuations in Fuel Prices.....	49
8.2.4. Risk of Losses due to Unforeseen Fluctuations in Currency and Interest Rates .....	49
8.2.5. Liquidity Risk .....	49
8.2.6. Credit Risk.....	49
8.2.7. Tax Risks .....	49
8.2.8. Risk of Asset Loss due to Property Damage .....	50
8.3. Risk of Civil Liability.....	50
8.4. Corporate Governance Risk .....	50
8.5. Technical and Production Risk.....	51
8.6. Organizational Risk .....	51
8.7. Investment Risk.....	51
8.8. Legal Risk .....	51
<b>9. SUSTAINABLE DEVELOPMENT</b> .....	<b>52</b>
9.1. Head Count and Staff Structure .....	54
9.2. Corporate Culture.....	55
9.3. Staff Training and Development.....	55
9.4. Motivation and Social Programs.....	57
9.5. Occupational Health and Safety .....	59
9.6. Environmental Protection .....	62
<b>10. ADDITIONAL INFORMATION AND ANNEXES</b> .....	<b>66</b>
10.1. Information Policy .....	66
10.2. History of Mosenergo .....	67
10.3. Report on Compliance with the Corporate Governance Code .....	69
10.4. Information about Related-Party Transactions.....	88
10.5. Financial Statements According to the IFRS .....	98
10.6. Glossary.....	106
10.7. Contact information.....	106

## 1.1 MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



### Dear Shareholders,

Throughout the challenging year of 2015 Gazprom continued to actively develop its electricity activities. As a result of the multiyear work system aimed at improving the efficiency and optimization of production processes and consistently improving the corporate governance system, with the total revenue of the key companies operating in the sector (Mosenergo, MOEK, OGK-2, and TGK-1) at the level of the previous period, their total net profit grew practically threefold reaching 11.7 billion rubles.

This financial result was improved despite of the declining demand for electric and heat energy and was possible in many ways as a result of minimizing the load of inefficient power units, reconfiguring the system of heat supply to Moscow, and putting new generating facilities into operation.

Last year, Mosenergo completed the implementation of an investment program under a power supply agreement (PSA). Thus, on December 22, 2015, when the country traditionally celebrate the Power Engineers' Day, a solemn event took place on which the Company put into operation two modern steam-and-gas units SGU-420 at TPP-20 Mosenergo in Moscow and Serov SDPP "OGK-2" in the Sverdlovsk Region. For the first time in Gazprom's history, two new combined-cycle power generation units with a capacity of 840 MW were launched on the same day. Since entering the power industry in 2007, Gazprom has put into operation over 7 GW of new capacities in total. The PSA program implementation across the Group is coming to an end.

Introduction of modern technologies and equipment with a high efficiency ratio makes it possible to considerably save energy resources and reduce the environmental impact to the maximum effect. Since 2010, total emissions of pollutants at the Group's power plants have fallen by 34%, greenhouse gas emissions – by 14%, volumes of water consumption and water discharge – by 30%. The Group's companies introduce and support efficient Environmental Management Systems (EMS), improving them in accordance with the requirements of international and national standards.

This is extremely important for us as companies of the Gazprom Group to ensure the continuous supply of electricity and heat to the population and industrial consumers of important megacities with multimillion populations such as Moscow and Saint Petersburg.

The Gazprom Group has initiated and modifies configuration of heat supply in Moscow, including transferring heat generating facilities from MOEK to Mosenergo and switching a load from MOEK

heat generating facilities to the TPP. The target model is the concentration of all generating facilities within Mosenergo, heat networks and sale functions to MOEK.

The integration of Mosenergo and MOEK operations under the Group's management permitted MOEK to receive status of the only heat supplying organization in 2015 ensuring centralized heating and heat water supply in the capital within the zone of operation of the Mosenergo TPP, own sources of heat supply, and also other heat generating facilities, except small local areas of heat supply from isolated institutional and corporate heat sources. This is about 95% of consumers in the capital!

Dear Shareholders, our key objective is the further increase of profitability and share value of the Group's companies. For this purpose, we continue doing our best to strengthen the financial stability of companies, improve profitability of their operations, cut costs and increase the production efficiency. We hope for your support in this work!

*Member of the Gazprom  
PJSC Management Board,  
Chairman of the Mosenergo PJSC*

*Board of Directors  
K. G. Seleznev*

## 1.2 MESSAGE FROM THE GAZPROM ENERGOHOLDING GENERAL DIRECTOR



### Dear Shareholders,

The year of 2015 for Mosenergo, a major territorial generating company of Russia, was another phase of development of its production activities, the main purpose of which is to reliably supply electricity and heat to consumers of Moscow and the Moscow Region.

In 2015, following the commissioning of power units SGU-220 at TPP-12 and SGU-420 at TPP-20, Mosenergo completed the implementation of a large-scale investment program consisting in construction of new generating facilities under power supply agreements (PSA). Since 2007, the Mosenergo power plants put into operation seven state-of-the-art combined-cycle power generation units with the total capacity of about 2.9 GW: a 21% increase on the company's total capacity. The launch of new generating facilities makes it possible to improve the company's production efficiency, financial indicators, to cut fuel consumption and reduce the environmental impact.

In addition, continuous work optimization in regards of the heat load between Mosenergo and MOEK continued in 2015. A number of MOEK heat generating facilities was given over to be managed by Mosenergo; the heat load was shifted from MOEK generation facilities to more efficient ones of the Mosenergo TPP. These arrangements make it possible to save fuel and optimize costs, which results in more efficient heat supply in Moscow in general.

In 2015, electricity produced by the Mosenergo power plants shrank by the 3.4% as compared to the 2014 indicators and amounted to 54.7 billion kWh. This indicator decline was caused by lower electricity consumption in the Moscow area and the growing net power flow to the Moscow free flow zone. At the same time, the share of electricity generation at power units put into operation under PSA in the total production volume grew to 25.7% against 20.7% according to the results of 2014. Heat energy release amounted to 71.7 million Gcal, which is 1.9% higher than the 2014 similar indicator. This indicator rose primarily as a result of transferring a number of MOEK boiler houses to be managed by Mosenergo.

According to the results of 2015, the company considerably improved the financial results of its performance. The Company's revenue grew by 3.6% to reach 164.5 billion rubles. Positive dynamics were demonstrated by both revenue from electricity and power sales (2% growth) and by revenue from heat energy sales (5.6% growth). Mosenergo net profit rose by 4.5 times to reach 6.4 billion rubles.

The high credit quality of Mosenergo in 2015 was confirmed by the rating of Fitch, a leading global rating agency.

Priority areas of work for Mosenergo management include improvement of corporate culture, developing personnel, implementing industrial safety-related projects, environmental protection. As a result of implemented environmental measures, the volume of emissions by Mosenergo power plants remains at a level much lower than allowed by environmental agencies. In 2015, the environmental management system applied at Mosenergo underwent a recertification audit for compliance with the international standard ISO 14001:2004. Moreover, in 2015 Mosenergo became a winner of the Moscow Government environmental protection award by heading the list in the nomination "Best implemented project using environmentally-friendly and energy saving technologies."

In 2016, Mosenergo management will continue improving the efficiency of its production activities, strengthening its financial stability, and liquidity and improving the corporate governance quality. I am confident that the Company will strengthen its leading positions in the country's energy industry.

*General Director of Gazprom  
Energoholding LLC –  
Mosenergo PJSC managing company  
D. V. Fedorov*





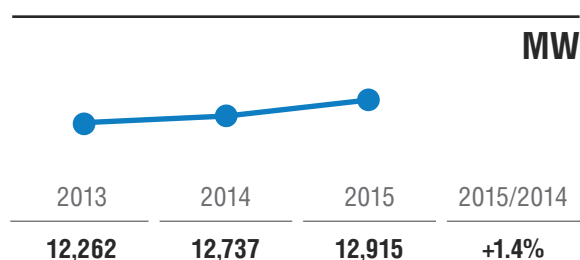
# MOSENERGO PORTRAIT

- Mosenergo is the largest regional power generating company in the Russian Federation.
- Mosenergo owns 15 power plants with an installed electrical capacity of 12.9 GW and a heat capacity of 43.3 thousand Gcal/h.
- Mosenergo produces roughly 6% of the total electricity generated in the Russian Federation (including nuclear power plants).
- Mosenergo is a major producer of electricity and heat energy for the Moscow Region and unites two constituent territories of the Russian Federation – the City of Moscow and the Moscow Region.
- Mosenergo power plants supply approximately 60% of electricity consumed in the Moscow Region.
- Mosenergo provides over 70% of Moscow's heat energy.

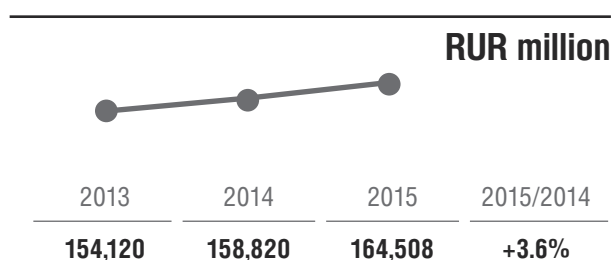
## Key performance indicators

	2013	2014	2015	2015/2014
Installed electric capacity, MW	12,262	12,737	12,915	+1.4%
Installed heat capacity, Gcal/hour	34,810	40,374	43,315	+7.3%
Electricity production, million kW•h	58,642	56,667	54,712	-3.4%
Electricity output, million kW•h	54,018	52,079	50,232	-3.5%
Electricity sale volume, million kW•h	61,710	58,871	56,349	-4.3%
Heat energy output, thousand Gcal	67,595	70,321	71,682	+1.9%
Fuel efficiency for electricity output, cfg/kW•h	240.9	241.3	232.6	-3.6%
Fuel efficiency rate for heat output, kg/Gcal	165.5	165.5	164.8	-0.4%

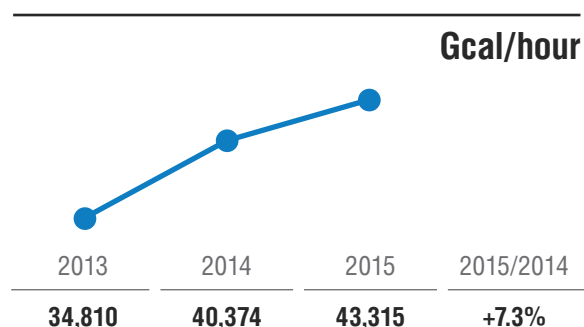
## Installed electric capacity



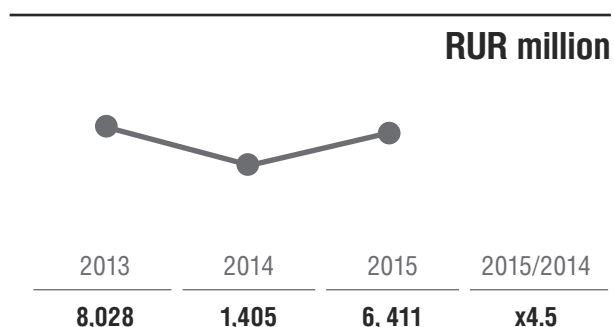
## Revenue



## Installed heat capacity



## Net profit



## Key financial indicators<sup>1</sup>, RUR million

	2013	2014	2015	2015/2014
Revenue	154,120	158,820	164,508	+3.6%
Prime cost	140,224	146,383	149,266	+2.0%
Gross profit	13,896	12,437	15,243	+22.6%
Sales profit	13,636	12,179	14,999	+23.2%
Net profit	8,028	1,405	6,411	x4.5
	<b>31.12.2013</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>2015/2014</b>
Noncurrent assets	189,072	199,420	205,662	+3.1%
Current assets	50,860	69,350	69,823	+0.7%
Long-term liabilities	29,755	58,316	60,328	+3.5%
Short-term liabilities	18,673	19,120	17,797	-6.9%

<sup>1</sup> According to RAS



# INFORMATION FOR INVESTORS

*Mosenergo PJSC's authorized capital amounts to RUR 39,749,359,700, which is divided into 39,749,359,700 ordinary registered shares, each with a par value of RUR 1.00.*

Mosenergo shares are listed on the A1 quotation list on the Moscow Exchange.

Stock tickers:

- Moscow Exchange – MSNG
- Bloomberg – MSNG RU

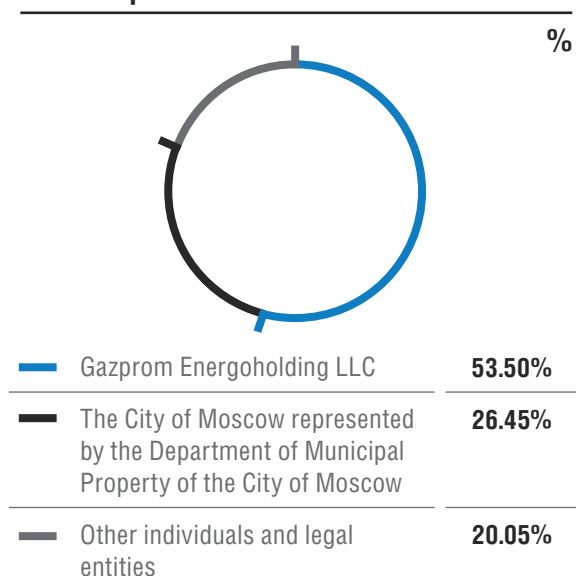
Mosenergo PJSC's depository receipts are listed in the over-the-counter (OTC) market of the New York Stock Exchange and in the IOB sector of the London Stock Exchange.

## Equity market in 2015

The Russian share market demonstrated positive dynamics in 2015. The sector of electric energy companies was not an exception: the industry-specific index MICEX electric energy rose by 18.4%, but was lower than the main index of the Moscow Stock Exchange, which rose by 26.1%.

In 2015, shares of Mosenergo PJSC were much more demanded by investors than in 2014, which led to a higher market share price and more active trade. According to the results of the last year, the Company's shares went up by 28% and outstripped the main and industry-specific indexes in terms of dynamics. The average daily volume of trade of Mosenergo shares more than tripled.

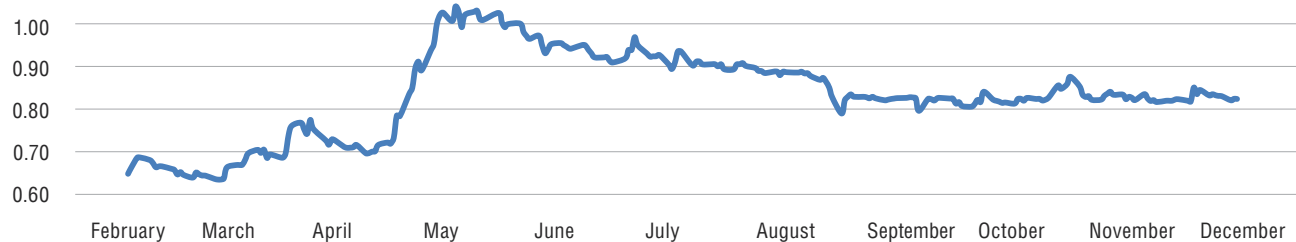
## Share capital<sup>2</sup>



According to the results of 2015, the growth of financial indicators according to the RAS standards led to the improvement of all the monetary multipliers of shares of Mosenergo PJSC and the return to the shareholder, taking into account amounts of dividends recommended to be paid by the Company's Board of Directors, totaled 36.8% according to the results of 2015.

<sup>2</sup> As of December 31, 2015

## Dynamics of the value of shares in Mosenergo PJSC on the Moscow Stock Exchange in 2015, RUR



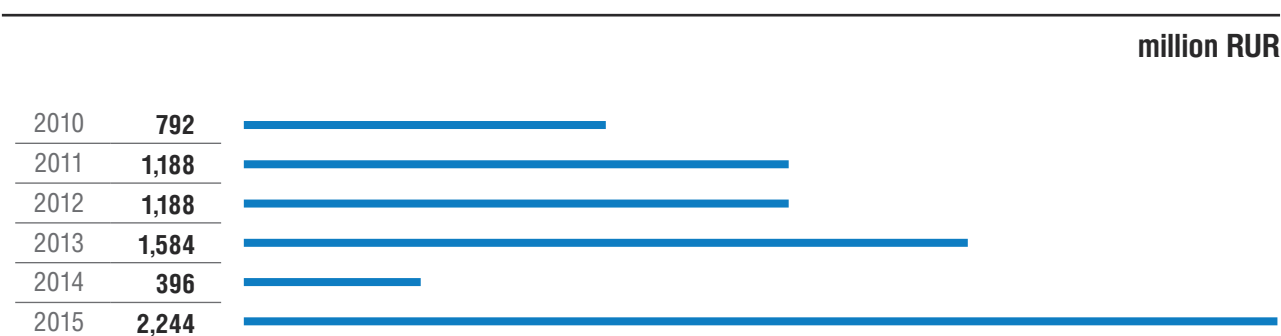
### Information about Mosenergo shares<sup>3</sup>

		2014	2015
Operating earnings per share	RUR	0.31	0.38
Net earnings per share	RUR	0.04	0.16
Operating cash flow per share	RUR	0.46	0.39
Capital per share	RUR	4.81	4.97
Dividends per share	RUR	0.01	0.05665
Share price at the end of the year	RUR	0.6400	0.8190
Highest share price for the year	RUR	0.9100	1.0440
Lowest share price for the year	RUR	0.5435	0.6205
Share price change over the year		-26.8%	+28.0%
MICEX index change		-7.1%	+26.1%
MICEX electric energy index change		-22.7%	+18.4%
Amount of declared dividends	RUR	396,091,303	2,243,857,229
Number of issued shares	shares	39,749,359,700	39,749,359,700
Market capitalization (at the end of the year)	RUR	25,439,590,208	32,554,725,594
Average daily volume of trade in shares on the Moscow Stock Exchange	RUR	11,481,922	36,426,692
Price / EPS		18.11	5.08
Price / Cash flow		1.39	2.12
Dividend yield		1.6%	6.9%
Total shareholder yield per share	RUR	-0.2246	0.2357
Total shareholder yield		neg.	36.8%

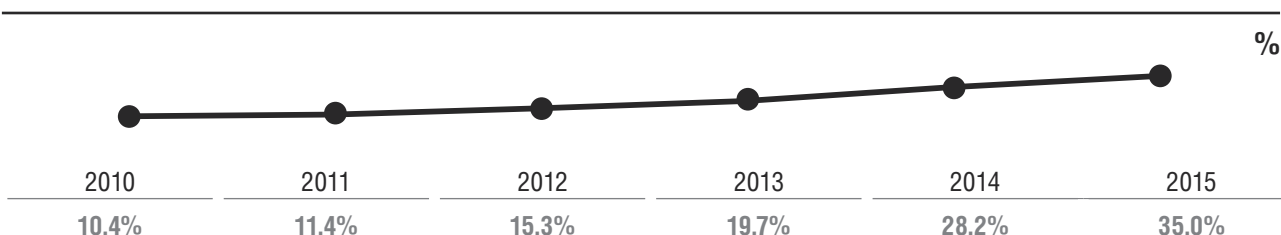
<sup>3</sup> According to the Company's statements under the RAS and the Moscow Stock Exchange data

## Dividends

### Amount of declared dividends



### Share of net profit



Mosenergo's dividend policy was approved by the Board of Directors on December 24, 2010.

Mosenergo's dividend policy was developed in compliance with applicable legislation of the Russian Federation, the Code of Corporate Behavior recommended by the RF CB, Mosenergo's Charter, and Mosenergo's internal documents.

The amount of dividends is calculated from the Company's net profit as reflected in the annual financial statements, produced in accordance with prescribed laws of the Russian Federation.

The following principles are observed when calculating the dividend amounts:

- Transparency of the mechanism for defining dividend payment;
- Balance between short-term (immediate income) and long-term (Company development) shareholder interests;
- Focus on increasing the Company's investment appeal and market capitalization.

The established procedure for the calculation of the dividend amount allows for the distribution of 5% to 35% of the Company's net profit provided that a reserve fund is fully created, as stipulated by the Company's Charter.

The calculation of dividends are carried out as follows:

- Part of the net profit is allocated to the reserve fund as stipulated by the Company's Charter. The allocation of funds from net profit to the reserve fund ceases when the fund reaches the amount required by the Company's Charter.
- Up to 5% of the net profit is used to pay out dividends.
- Up to 95%, but no less than 35% of the net profit, is reserved for the Company's investment goals;
- The remaining part of the net profit after deduction is evenly distributed between dividends and reserves to be used for the Company's investment goals.

In order to make decisions about the dividend payment, the Board of Directors presents the General Shareholder Meeting with recommendations

concerning the amount to be paid out. After the decision has been made by the General Shareholder Meeting, the dividends are paid out.

### Mosenergo depositary receipt programs

	Level 1	Reg.S	Rule 144-A
Ratio	1:50 shares	1:50 shares	1:50 shares
Brief description	Receipts can be traded freely on the OTC market in the USA and Europe.	Receipts are intended for a wider range of private professional investors than 144A, outside the USA.	Receipts are intended for private offering to a restricted number of institutional investors, primarily in the USA.
Date of issue	1997	2008	2008
Depository bank	The Bank of New York Mellon		

### Number of depositary receipts traded, pcs.

	31.12.2013	31.12.2014	31.12.2015	2015/2014
Level 1	6,141,786	9,044,321	10,710,767	+18.4%
Reg.S	159,363	154,432	150,851	-2.3%
Rule 144-A	21,530	21,530	21,530	0.0%
<b>Total</b>	<b>6,322,679</b>	<b>9,220,283</b>	<b>10,883,148</b>	<b>+18.0%</b>

## 4. MAIN CORPORATION EVENTS OF 2015

2015

### January 06

Mosenergo's TPP-16 was visited by Deputy Chairman of the Russian Federation Government Arkady Dvorkovich. The Vice Prime Minister got acquainted with the operation of the new SGU-420 power unit put into operation in December 2014.

January

March

### March 02

Publication of Mosenergo's statements under the RAS for 2014

### March 16

The Board of Directors of Mosenergo approved the Company's business plan for 2015.

### March 26

Publication of Mosenergo's statements under the IFRS for 2014

### April 13

The Boards of Directors of Mosenergo and OJSC MOEK decided to hold (on May 20, 2015) the extraordinary general meeting of shareholders to consider transferring the powers of the sole executive body to Gazprom Energoholding LLC. These decisions were made to improve the efficiency of management of Mosenergo and MOEK, excluding the repetition of functions and cutting administrative and other costs.

### April 24

The Board of Directors of Mosenergo approved the conclusion of agreements for lease of assets of a number of MOEK power facilities. On May 01, 2015, assets located in the territories of the Pereyaslavskaya RHP, Krylat-skoe RHP, Teply Stan RHP, DHP-54, Lenino-Dachnoe RHP, Nagatino RHP, Chertanovo RHP, Zhulebino RHP, Perovo RHP, Nekrasovka RHP, Kolomenskoe RHP were leased out to Mosenergo.

April

May

### May 01

The new combined cycle power unit SGU-220 was put into operation at Mosenergo's TPP-12.

### May 05

Publication of Mosenergo's statements under the RAS for Q1 2015.

### May 19-20

Mosenergo participated in the Analyst and Investor Day event held at the Gazprom Energoholding Group.

### May 20

At the extraordinary general meeting, Mosenergo's shareholders decided to transfer powers of the sole executive body to Mosenergo's managing company – Gazprom Energoholding LLC. The Board of Directors of Mosenergo decided, on that day, to introduce a position of Managing Director to the Company's executive board. Aleksander Butko was approved as the Managing Director of Mosenergo.

### May 21

Publication of Mosenergo's statements under the IFRS for Q1 2015.

### June 10

The annual general meeting of Mosenergo's shareholders was held. The shareholders approved the revised charter of the Company. One of amendments made to the Charter was a new corporate name of the Company: Mosenergo Public Joint-Stock Company of energy and electrification (Mosenergo PJSC). The state registration of the Mosenergo PJSC's revised Charter took place on June 24, 2015.

June

July

**July 30**

Publication of Mosenergo's statements under the RAS for the first six months of 2015.

August

**August 12**

Publication of Mosenergo's statements under the IFRS for the first six months of 2015.

September

**September 01**

A solemn event was held: the opening of the Uniform Staff Training Center of the Gazprom Energoholding Group based on the Mosenergo PJSC's Training Center.

November

**November 02**

Publication of Mosenergo's statements under the RAS for the nine months of 2015.

**November 02**

Fitch Ratings, an international rating agency, confirmed Mosenergo PJSC's long-term issuer default ratings (IDR) in foreign and national currencies at a level of BB+, short-term IDR in foreign currencies B and national long-term rating AA(rus). Forecast for long-term ratings: Stable.

**November 03**

According to the approved schedule of work of committees for controlling the availability of electric energy assets for the winter season, Mosenergo received a certificate of readiness for work in the autumn and winter season (AWS) of 2015-2016.

**November 25**

Publication of Mosenergo's statements under the IFRS for the nine months of 2015.

December

**December 16**

A solemn event was held by giving the 2015 Environmental Protection Awards of the Moscow Government to the winners. The project "Installation of the SGU-420 unit at TPP-16, a Mosenergo PJSC's branch" was a winner in the nomination "Best implemented project using environmentally-friendly and energy saving technologies".

**December 22**

A solemn event was held: two modern steam-and-gas units were put into operation at TPP-20 of Mosenergo in Moscow and the Serovskaya SDPP of OGK-2 PJSC in the Sverdlovsk Region. The event was visited by RF Energy Minister Aleksandr Novak, Gazprom PJSC Board Chairman Aleksey Miller, and heads of relevant subdivisions and subsidiaries of the company. Communication with TPP-20 and Serovskaya SDPP was made through a teleconference. The order to start power units into operation via a videoconference was given by Russian Federation President Vladimir Putin.





# OVERVIEW OF OPERATING ACTIVITIES

Mosenergo is the largest regional power generating company in the Russian Federation that owns 15 power plants with an installed electrical capacity of 12.9 GW and a heat capacity of 43.3 thousand Gcal/h. Mosenergo is one of World's largest heat supply companies.



Installed electric capacity

12,915 MW

+1.4%

Installed heat capacity

43,315 GCAL/HOUR

+7.3%

Electricity output

50,232 MLN KW•H

-3.5%

Heat energy output

71,682 THOUS. GCAL

+1.9%

Fuel efficiency for electricity output

232.6 CFG/KW•H

-3.6%

## 5.1 PRODUCTION

In 2015, Mosenergo PJSC's generating operations were not subject to any major disruptions, which ensured the stable operation of power plant equipment and a reliable supply of heat and electricity to consumers in Moscow and the Moscow Region.

The following changes in Mosenergo PJSC's installed capacity occurred in 2015:

«+»

«-»

On May 01, 2015, a unit at SGU-1 of TPP-12 with an installed capacity of 211.6 MW and 157 Gcal/h was certified on the WECM under a power supply agreement.

Since May 01, 2015, Mosenergo PJSC has received 11 RHP and DHPs of the third wave from MOEK PJSC through purchase and lease with subsequent purchase, with the total installed capacity of 3,830.0 Gcal/h.

On May 01, 2015, turbo generator No. 7 at SPP-2, branch SPP-1, with an installed capacity of 10 MW and 60 Gcal/h was taken out of operation.

On July 01, 2015, turbo generators No. 1, 2 at DTPP Lyublino with an installed capacity of 12 MW and 28 Gcal/h were taken out of operation.

On July 01, 2015, turbo generators No. 1, 2 at DTPP Kurianovo with an installed capacity of 12 MW and 22.4 Gcal/h were taken out of operation.

On April 01, 2015, DHP-8 with an installed heating capacity of 33.5 Gcal/h was taken out of operation.

On April 01, 2015, DHP Babushkino-2 with an installed heating capacity of 400.0 Gcal/h was taken out of operation.

On April 01, 2015, three PTVM-100 WB with the total installed heating capacity of 300.0 Gcal/h were taken out of operation at RHP Frezer.

On November 01, 2015, both WB at SPP-2 with the total installed capacity of 200 Gcal/h were taken out of operation.

As a result, the Company's installed capacity at the end of 2015 totaled 12,914.9 MW (+1.4%) and 43,314.51 Gcal/h (+7.3%).

It should be noted that over a period of November 21-24, 2015, CT (comprehensive testing) of U-11 at TPP-20 was conducted, as a result of which the installed capacity was 418 MW. However, in 2015 the unit was not certified on the WECM.

The average annual installed capacity of Mosenergo PJSC in 2015 totaled 12,860.52 MW and 42,395.84 Gcal/h, including:

- for the Company's TPP – 12,848.32 MW and 34,617.88 Gcal/h;
- for DHPP, RHP and DHP, respectively, in total – 12.2 MW and 7,777.96 Gcal/h.

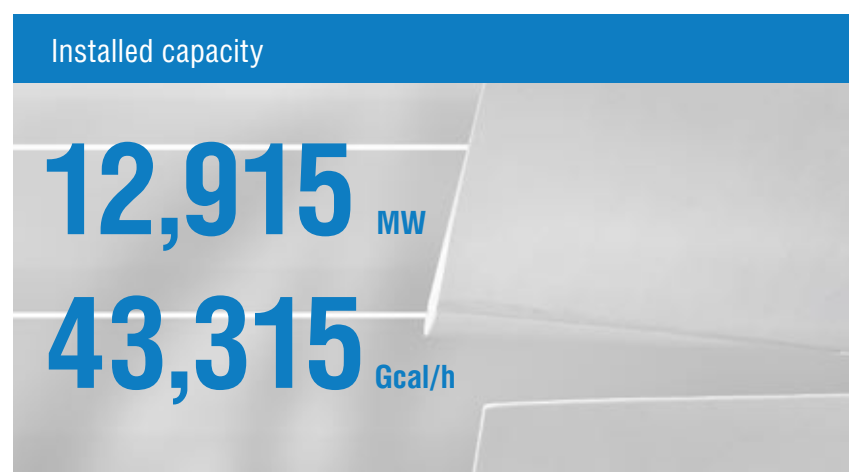
In 2015, the Company produced electricity of 54.7 billion kWh, 3.4% lower than in 2014. In 2014,

this indicator for the Company's TPP amounted to 56.7 billion kWh of electricity.

Power consumption for the Moscow Region declined by 1% (including rose by 0.4% for Moscow); the net power flow at the Moscow FFZ grew by 12.4%.

The volume of electricity generated by SPE (steam power equipment) totaled 40.6 billion kWh for the year, 9.4% lower than the previous year.

The volume of electricity generated by PSA facilities totaled 14 billion kWh, 19.5% higher than the previous year. In 2015, PSA facilities accounted for 25.8% in the electricity generation structure (+4.9 p.p. against the previous year level).



### Electricity output, million kWh

Plant	2014	2015	2015/2014
SPP-1	306	269	-12.1%
SDPP-3	135	118	-12.6%
TPP-8	2,172	1,967	-9.4%
TPP-9	1,214	1,356	+11.7%
TPP-11	1,572	1,585	+0.8%
TPP-12	2,320	1,955	-15.7%
TPP-16	2,008	3,638	+81.2%
TPP-17	230	203	-11.8%
TPP-20	3,033	2,858	-5.8%
TPP-21	8,133	8,257	+1.5%
TPP-22	6,518	5,532	-15.1%
TPP-23	6,298	5,876	-6.7%
TPP-25	7,030	5,890	-16.2%
TPP-26	9,061	8,879	-2.0%
TPP-27	6,637	6,330	-4.6%
<b>TOTAL</b>	<b>56,667</b>	<b>54,712</b>	<b>-3.4%</b>

The heat output from collectors of Mosenergo PJSC heat sources totaled 71.7 million Gcal in 2015, 1.9% higher than in 2014. The indicator growth across the Company was caused by a 7.9% increase of the share of RHP and DHP in the heat output structure.

The Company's power plants released to 63.2 million Gcal of heat to consumers, 6.4% less than the previous year. This decline was caused by weather conditions related to the 2015 heating season.

In 2015, DHP and RHP released 8.5 million Gcal of heat, a threefold increase year on year.

Heat output by the PSA facilities totaled 4.0 million Gcal or +11.4% against the previous year. Heat released by the SPE group fell accordingly by 7.4%. The share of PSA facilities in the structure of the TPP heat release rose to 6.3% or +1.0% against 2014.

### Heat output from collectors, thousand Gcal

Plant	2014	2015	2015/2014
SPP-1	1,674	1,497	-10.6%
SDPP-3	468	311	-33.5%
TPP-8	2,545	2,457	-3.4%
TPP-9	1,198	1,151	-3.9%
TPP-11	2,319	2,141	-7.7%
TPP-12	3,225	3,026	-6.2%
TPP-16	3,440	2,920	-15.1%
TPP-17	534	504	-5.6%
TPP-20	4,772	4,473	-6.3%
TPP-21	10,506	9,953	-5.3%
TPP-22	8,856	8,350	-5.7%
TPP-23	8,875	8,373	-5.7%
TPP-25	7,224	7,006	-3.0%
TPP-26	8,225	7,730	-6.0%
TPP-27	3,652	3,289	-10.0%
RHP and DHP	2,807	8,501	x3
<b>TOTAL</b>	<b>70,321</b>	<b>71,682</b>	<b>-6.4%</b>

## Ambient air temperature, °C

	year	period	
		Heating season	Summer period
2015	7.4	1.0	16.4
2014	6.9	-0.1	17.3

## Load factor <sup>5</sup>

Item	LF e			LF h		
	2014	2015	2015/2014	2014	2015	2015/2014
Total for Mosenergo PJSC TPP, including	52.4%	48.6%	-3.8 p.p.	35.6%	33.8%	-1.7 p.p.
Operating PP equipment (SPE)	48.8%	44.3%	-4.5 p.p.	35.8%	34.3%	-1.6 p.p.
PSA facilities	73.3%	66.8%	-6.5 p.p.	32.0%	29.2%	-2.8 p.p.

The average annual electricity load factor from Mosenergo PJSC's power plant turbines amounted in 2015 by 48.6% and declined by 3.8% compared to the level recorded in the previous year.

Electricity under-utilization by the SPE group was caused by lower consumption of power in the Moscow Area (-1%) and higher net power flow to the Moscow free flow zone (FFZ) (+12.4%).

Fuel efficiency rate for electricity and heat production in 2015 reached 23,492,203 tfe, including 1,322,150 tfe for the transmitted boilers.

The conventional fuel consumption for production at Mosenergo power plants during the reporting year reached 22,170,053, 6.7% lower as compared to the previous reporting period.

<sup>5</sup> Excluding boiler houses transferred to MOEK

### Load factor (electricity)

48.6%

### Load factor (heat)

33.8%

## Fuel consumption, tfe

Item	2014	2015	2015/2014
SPP-1	328,962	297,005	-9.7%
SDPP-3	118,193	84,783	-28.3%
TPP-8	989,640	895,619	-9.5%
TPP-9	505,590	533,234	+5.5%
TPP-11	718,698	706,545	-1.7%
TPP-12	1,083,048	933,554	-13.8%
TPP-16	1,033,474	1,270,972	+23.0%
TPP-17	152,771	141,312	-7.5%
TPP-20	1,529,377	1,390,768	-9.1%
TPP-21	3,272,385	3,199,655	-2.2%
TPP-22	3,059,803	2,663,693	-12.9%
TPP-23	2,817,700	2,599,948	-7.7%
TPP-25	2,841,377	2,456,280	-13.6%
TPP-26	3,406,687	3,188,461	-6.4%
TPP-27	1,907,437	1,808,224	-5.2%
<b>Total TPP</b>	<b>23,765,142</b>	<b>22,170,053</b>	<b>-6.7%</b>
RHP and DHP	435,783	1,322,150	x3

## Fuel efficiency rate

	2014	2015
Fuel efficiency rate for electricity output, gfe/kWh	241.3	232.6
Fuel efficiency rate for heat output, kg fe/Gcal	165.9	166.0

Fuel consumption decline in 2015 was caused by decreasing volume of electricity and heat production at Mosenergo power plants.

In general, the Company's specific consumption of conditional fuel totaled 232.2 g/kWh or 164.8 kg/Gcal, including for boiler houses – 0 g/kWh and 155.5 kg/Gcal. RHP contribution amounts to 0.0 g/kWh and minus – 1.2 kg/Gcal.

Fuel efficiency rate by the Company's TPP was as follows: 232.6 g/kWh (-8.7 g/kWh against 2014) and 166.0 kg/Gcal (+0.1 kg/Gcal), including for the PSA facility group – 217.2 g/kWh (+0.1 g/kWh) and 150.0 kg/Gcal (+1.1 kg/Gcal); for the SPE group – 238.2 g/kWh (-9.8 g/kWh) and 167.1 kg/Gcal (+0.2 kg/Gcal).

Savings as compared to the previous year resulted from the optimization of generating equipment groups leading to the improvement of the output structure in the SPE group and the 5.0% increase in the SGU share in the structure of electricity output by the Company's TPP.

Fuel efficiency rate for electricity output

**232.6** gfe/kWh

Fuel efficiency rate for heat output

**166.0** kgfe/Gcal

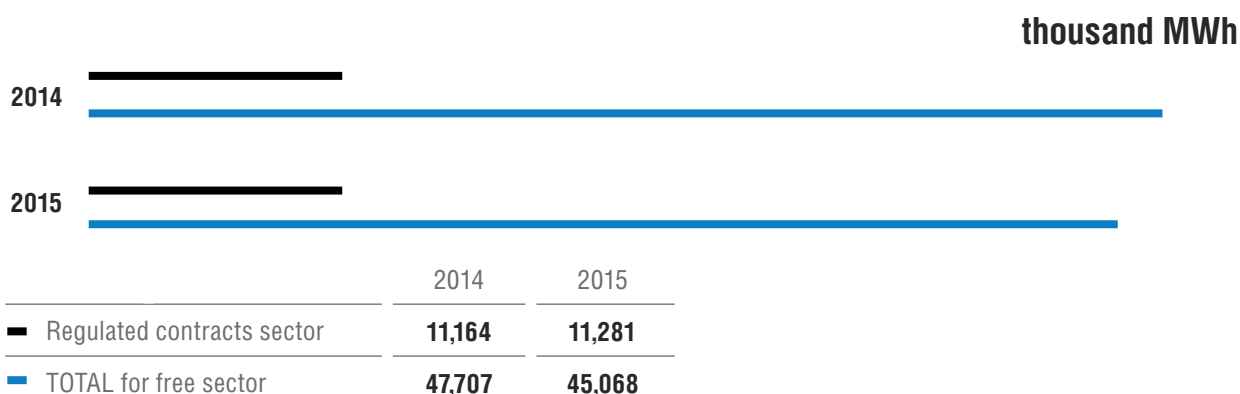
The main reasons of higher fuel efficiency rate for heat by the Company's TPP include declining volumes of heat release due to the weather conditions of the heating season and a lowering PWHB share in the heat release structure.

## 5.2 SALES

Total electricity sales in 2015 fell by 2,522.17 thousand MWh or 4.3% compared to the previous reporting period and totaled 56,349.33 thousand

MWh. Total sales of capacity in 2015 reached 11,410 MW, an increase of 403.71 MW, or 3.7% compared to total sales in the previous year.

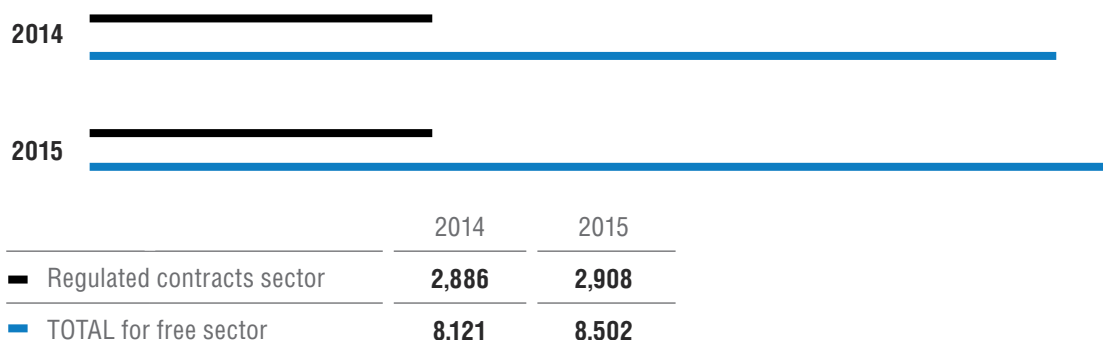
### Electricity sales





## Capacity sales

MW



One of the most important factors to influence the decline in electricity sales in 2015 as compared to the same period of last year was the drop in electricity production associated with an increase in the balance of power flow to the Moscow energy system due to an increased production of NPP in the UES of the Center by approximately 6.1% as compared to 2014.

Increased sales of capacities in 2015 were due to the launch of SGU-420 at TPP-16 on December 01, 2014 and SGU-220 at TPP-12 on May 01, 2015 on the wholesale market.

Revenue from sales of electricity and capacities amounted in 2015 to RUR 94,002.19 million, an increase of RUR 1,870.72 million or 2% against 2014 figures.

Prices and Tariffs. Sales of Mosenergo PJSC electricity in 2015 were conducted mainly on the energy and capacity wholesale market (hereafter referred to as WECM), at market prices and regulated tariffs.

Electricity sales (capacity) at regulated prices (tariffs) were conducted as follows:

- Under regulated contracts to supply public consumers and their equivalent (RC sector);
- Electricity (capacity) supplied by power plants which have been assigned an “emergency generator” status.

All heat energy is supplied to the Moscow and the Moscow regional retail markets at regulated tariffs.

Description	2014	2015	2015/2014
Weighted average sales price for electricity, RUR/MWh, including:	1,121.76	1,126.22	+0.4%
Weighted average Regulated Contracts tariff rate, RUR/MWh	857.66	854.45	-0.4%
Weighted average sales price in the free sector, RUR/MWh	1,183.60	1,194.25	+1.0%
Weighted average sales price for new capacity, RUR/MWh/mth	488,230.97	584,727.12	+20.0%
Weighted average sales price for old capacity, RUR/MWh/mth	144,658.76	139,561.65	-4.0%
Weighted average tariff for heat energy, RUR/Gcal, including:	912.37	944.77	+3.6%
Weighted average tariff for heat generation and sales, RUR/Gcal	806.62	851.92	+5.6%

## Revenue from sales of electricity and capacities

# 94,003

 million RUR

The key factors influencing price increases for electricity and capacity are as follows:

- Rise in fuel prices,
- Lack of indexation in 2015 and the price-cap for Moscow free flow zone at the 2014 level: 133,000 RUR/MWh,
- Increase in the average yield from 7.17% to 8.93% of long-term state bonds, which is included in the price calculations for facilities under PSA.

Since heat energy is a regulated activity, the main reason for the increase in the average tariff for thermal energy by Mosenergo PJSC is the annual revision of tariffs by the Moscow REC and the Committee on prices and tariffs of the Moscow Region for consumers, the values being adjusted for the indices of socio-economic development for 2015.

The increase in revenues from sales of the Company's thermal energy by 5.6% and sales volumes by 1.9% was achieved through the development and supply of heat energy by heat energy facilities, which were transferred on a phase-by-phase basis from MOEK to Mosenergo from May 2014 to May 2015. The heat energy volumes produced by those facilities totaled 8,488 thousand Gcal.

## Total sales and revenue from the sales of heat energy

Indicator	2014	2015	2015/2014
Revenue from the sales of heat energy, RUR million	63,914	67,465	+5.6%
Total sales, thousand Gcal	70,053	71,410	+1.9%
Average tariff, RUR/Gcal	912	945	+3.6%

## Client base for heat energy sales

Client (client category)	As of December 31, 2014		As of December 31, 2015	
	Share of useful output, %	Connected contractual heat load, Gcal/h	Share of useful output, %	Connected contractual heat load, Gcal/h
MOEK PJSC (wholesale reseller):	72%	22,791	76%	29,187
The above included the boilers transferred to Mosenergo PJSC	4%	2,694	12%	5,827

Client (client category)	As of December 31, 2014		As of December 31, 2015	
	Share of useful output, %	Connected contractual heat load, Gcal/h	Share of useful output, %	Connected contractual heat load, Gcal/h
Industrial enterprises (retail)	3%	2,946	3%	2,691
Public sector organizations (retail)	6%	3,178	4%	2,283
Other legal entities (retail)	13%	9,553	13%	7,922
General public, housing partnerships and associations, etc. (retail)	6%	1,770	4%	1,411
<b>Total</b>	<b>100%</b>	<b>40,238</b>	<b>100%</b>	<b>43,494</b>

### The increase in contractual load

**3,256** Gcal/h

The increase in contractual load was 3,256 Gcal/h, or 8%, due to an increase in the load from the boilers received from MOEK and to the transfer

of a number of RHPs and DHPs at the Mosenergo plant during the heating period.

The increase in MOEK PJSC's share in the consumption structure was due to the transfer of the load of boilers to the Company's TPPs, and gradual re-conclusion of agreements on behalf of MOEK due to the assignment of a status of a single heat supplying organization in Moscow.

## 5.3 FUEL SUPPLY

Natural gas continued to be the main fuel in the 2015 fuel balance. Gas accounted for 97.26% of the overall breakdown of the Company's fuel balance. Coal (2.69%) and fuel oil (0.04%) were both used by Mosenergo PJSC power plants as back-up fuels. Diesel fuel accounted for 0.01% in 2015.

The fuel balance breakdown for the 12 months of 2015 changed against the comparable period in 2014 as follows:

- Gas burning decreased by 0.88%;
- Coal combustion increased by 0.85%;
- Fuel oil burning was up by 0.02%;
- Diesel fuel burning grew by 0.01%.

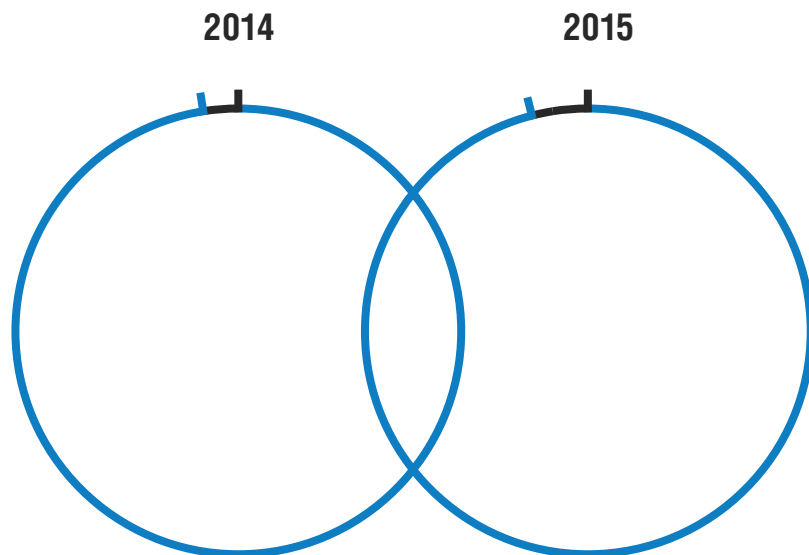
Reduction in the selection of natural gas as compared to the same period of last year was due both to a general decline in conditional fuel consumption and to an increase in coal consumption, which is justified by the latter's profitability.

A stable and reliable supply of fuel to all Mosenergo power plants was achieved in 2015 as a result of:

- Supply of gas in full compliance with current agreements;
- Creation of a sufficient stand-by of fuel reserves in accordance with orders and recommendations from the Ministry of Energy of the Russian Federation and the Moscow City Government.

## Fuel balance

	2014	2015
Gas	98.15%	97.26%
Coal	1.83%	2.69%
Fuel oil	0.02%	0.04%



## Fuel consumption by Mosenergo PJSC power plants

	Unit of measurement	2013	2014	2015	2015/2014
Gas	million cubic meters	20,555	20,407	19,516	-4.4%
Coal	thousand tonnes	565	543	755	+39.0%
Fuel oil	thousand tonnes	11	4	7	+75.0%

## 5.4 INVESTMENT AND MAINTENANCE ACTIVITIES

### 5.4.1 Investments

In 2015, the Company continued the implementation of a large-scale investment program formed by taking into account the Company's strategic goals and aimed at increasing the installed capacity and maintaining at a high-level safety, efficiency, and reliability of heat and electricity production.

In 2015, huge investments were used to complete construction of new steam-and-gas power units at TPP-12 and TPP-20:

- Unit No. 4 (SGU-220) TPP-12 Construction of SGU-220 MW/120 Gcal/h;
- Unit No. 6 (SGU-420) TPP-20 Construction of SGU-420 MW/220 Gcal/h.

These actions will significantly improve the Company's technical and economic indicators.

Besides, the Company's key investment areas continue to include improvement of the reliability and efficiency of power plants' performance, obligatory measures prescribed by controlling authorities to ensure fire safety and prevent accidents when operating equipment. An adequate amount of funds was and will be spent on the development of information and communication technologies, control and safety improvement systems.

## Investment program implementation in 2015, RUR

Generating company/project class	Investments (disbursement)		% execution	Financing		% execution	Commissioning of fixed assets		% execution
	Plan	Fact		Plan	Fact		Plan	Fact	
Strategic PSA, including*	5,549,008	5,668,245	102	7,451,460	6,920,024	93	34,325,032	18,386,742	54
Strategic (without PSA)	7,836,973	7,233,816	92	6,883,110	4,564,952	66	6,957,466	2,063,002	30
Efficiency	617,602	442,446	72	518,206	331,172	64	2,067,762	1,662,305	80
Mandatory	1,126,610	1,093,859	97	1,531,840	1,248,620	82	1,438,203	796,490	55
Reliability	2,274,823	1,891,372	83	2,543,000	2,247,764	88	1,637,514	1,077,770	66
Other	1,610,020	9,531,804	592	1,935,775	7,905,108	408	1,360,409	9,249,473	680
including DSW of future years	373,490	216,988	58	340,089	144,930	43	-	-	-
<b>Total for the Company, including:</b>	<b>19,015,036</b>	<b>25,861,542</b>	<b>136</b>	<b>20,863,391</b>	<b>23,217,642</b>	<b>111</b>	<b>47,786,386</b>	<b>33,235,782</b>	<b>70</b>
<b>PSA projects</b>	<b>5,549,008</b>	<b>5,668,245</b>	<b>102</b>	<b>7,451,460</b>	<b>6,920,024</b>	<b>93</b>	<b>34,325,032</b>	<b>18,386,742</b>	<b>54</b>
<b>Projects outside PSA</b>	<b>13,446,027</b>	<b>20,193,297</b>	<b>150</b>	<b>13,411,931</b>	<b>16,297,618</b>	<b>122</b>	<b>13,461,354</b>	<b>14,849,039</b>	<b>110</b>

Results of implementation of the most important projects outside PSA for each class, specifying the effect, time, and cost of implementation

### For the Efficiency class:

1. Projects aimed at decreasing the fuel efficiency rate for own needs totaling RUR 15 million implemented in 2015.
2. Projects aimed at increasing the efficiency of the production process totaling RUR 427 million implemented in 2015.

### For the Mandatory class:

1. Projects aimed at technical re-equipment of gas consumption and gas distribution schemes totaling RUR 491.39 million imple-

mented in 2015. Obtained effect: improved safety of operation of gas distribution and gas consumption systems.

2. Projects of fire safety at Mosenergo PJSC branches totaling RUR 18.14 million implemented in 2015.
3. Projects aimed at minimizing the environmental impact totaling RUR 28.19 million implemented in 2015.

### For the Reliability class:

1. TPP-25: replacement of STC SPPA T-3000 at power unit 7 with a Russian-made STC:RUR 65.70 million.

*Implementation deadline: November 2015*

Effect obtained: higher reliability of the plant's equipment operation.

2. TPP-21: replacement of bus bars at transformer T-68: RUR 27.48 million.

*Implementation deadline: December 2015*

Effect obtained: higher reliability of the plant's equipment operation.

3. Projects aimed at bringing systems of management of technological processes in line with regulations: RUR 148.87 million.

Effect obtained: minimization of technological failures of obsolete equipment, minimization of errors made by personnel and saving fuel as a result of reducing the transient regime time.

**For the Other class:**

1. Projects of operation of heat networks implemented in 2015: RUR 98 million.

Effect obtained: reconstruction of worn-out and inoperable sections of mains.

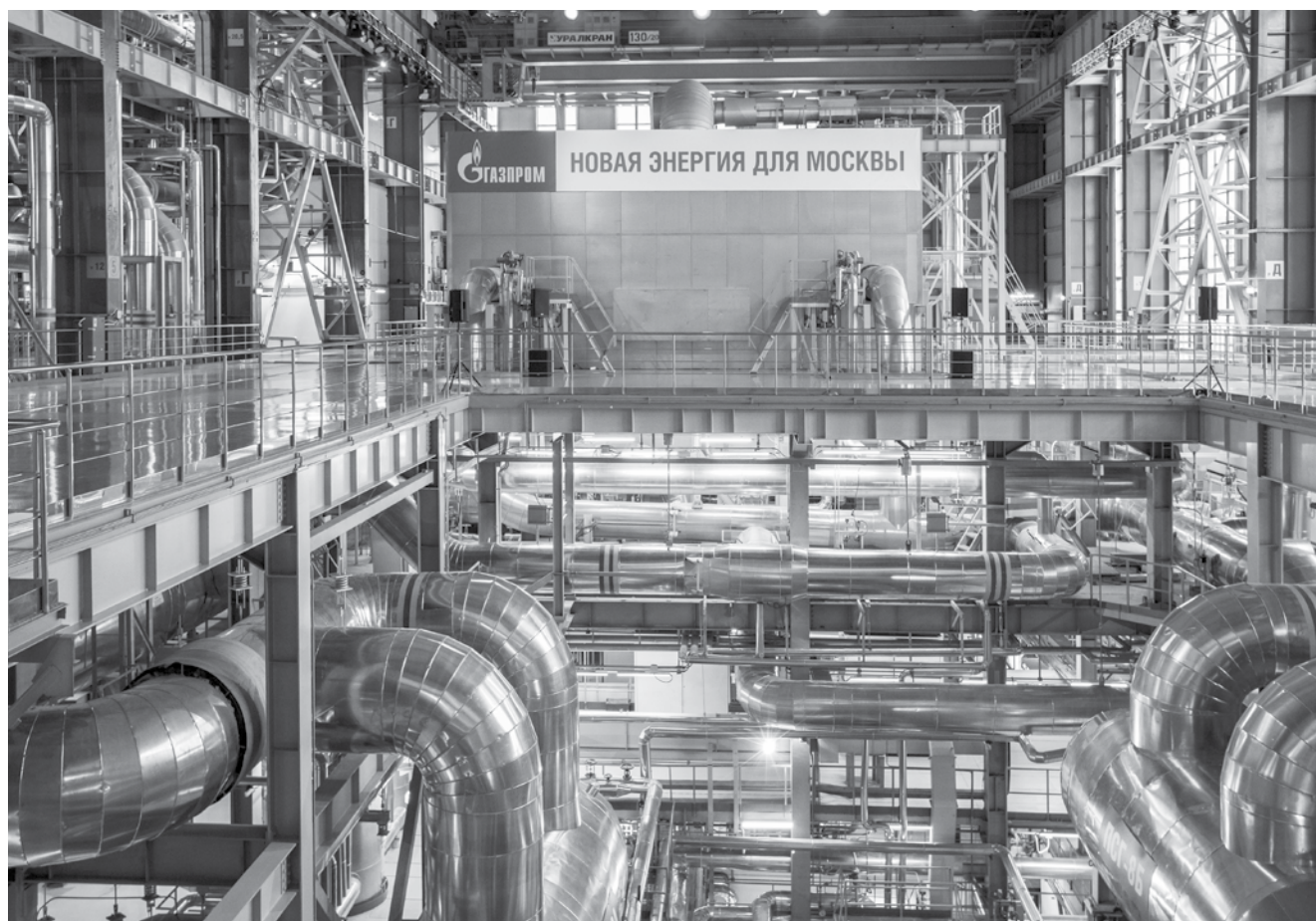
2. Projects aimed at creation of engineering security systems at Mosenergo PJSC branches implemented in 2015: RUR 210.96 million.

Effect obtained: ensuring security in the territory of the branches.

3. Projects of communication, storage, and transfer of information implemented in 2015: RUR 34.71 million.

Effect obtained: communication quality improvement.

4. Acquisition of Strogino GTPP property and MOEK boiler houses accounted for RUR 8,267.69 million, not planned for the period of the 2015 IP formation.



## 5.4.2 Repairs

In 2015, all maintenance and service programs on all thermal, mechanical and electrical equipment

were fully carried out in line with the approved repairs schedule, on time and within budget:

### Maintenance and repair of equipment, per unit

Equipment	Major overhaul	Medium-level repairs	Routine maintenance
Power generation units	4	3	12
Boilers	14	22	57
Turbines	12	6	66
Gas turbines	1	0	8
Steam and water pipelines	9	0	87
Boilers (SGU)	0	0	10
Gas turbines (SGU)	0	0	10
Turbine generators (SGU)	0	0	8
Generators	17	10	-
Transformers	9	-	176
Switchers 110-500 kW	3	3	-
110-500 kW	3	3	-

### Repairs of buildings and facilities

Facility under repair	Total owned by Mosenergo PJSC	Works	2014	2015
Cooling tower	56 pcs	Repairs	35	27
		Inspection	13	14
Smoke stacks	91 pcs	Repairs	15	23
		Inspection with Industrial Safety Expertise	28	14
Fuel oil storage tanks	80 pcs	Repairs	11	8
		Inspection with Industrial Safety Expertise	19	24
Buildings & Structures	1,242 pcs	Inspection and Examination, Industrial Safety Expertise	196	239

### Repair costs, RUR million

	2014	2015	2015/2014
Total BPA	5,480.2	5,103.0	-6.9%
including machinery and equipment	5,177.5	4,717.8	-8.9%
facilities	302.7	385.2	+27.3%

## Additional repair work on thermal mechanical equipment, per unit

Works	2014	2015
Industrial repair of turbine rotors	44	30
Replacement of turbine rotary blades/disks	12	10
Rotor replacement	-	1
Replacement of components in the flow-through section of the turbine cylinder	3	5
Replacement of the pie system of heaters and condensers	-	5
Bearings replacement in the lower supports of regenerative air heaters	7	13

Additional repair work on electrical equipment included:

- On 9 generators, rotors were repaired by removing banding rings and detecting defects: TG-8 at SDPP-3, TG-5 at TPP-12, TG-3 at TPP-20, TG-4, TG-5, TG-6, and TG-11 at TPP-22, TG-3 at TPP-23, TG-2 at TPP-25.
- Contact rings on 2 generators were replaced: TG-8 at TPP-20, TG-4 at TPP-22.
- Following on the recommendations of Elektrosila manufacturer, partly rewedging of generator stators was performed: TG-33 (TZFG-160-2MUZ), TG-43 (TZFAU-160-2MUZ) and full rewedging G-42 (TZFG-160-2MUZ) at TPP-27.
- OLTC was repaired on transformer TCN-66 at TPP-8.
- OLTC was replaced on transformer T-1 of TPP-20.
- Replacement of high-voltage bushings 110 kW on transformers T-2 and T-3 at TPP-20.

- Replacement of high-voltage bushings 500 kW on transformers T-95 and T-3 at TPP-26.
- Repairs on transformer TSN-D1T of TPP-20 were performed by lifting bells, pre-pressing coils, checking the insulation of active steel and coils.

The total number of days spent on repairing the Company's key equipment in 2015 amounted to 6,318 days (compared to 6,790 days in 2014).

The total number of days spent on repairing the Company's key equipment

**6,318** days





# ANALYSIS OF FINANCIAL RESULTS<sup>6</sup>



6 According to the RAS

Revenue

RUR BILLION

164.5

+3.6%

Prime cost

RUR BILLION

149.3

+2.0%

Gross profit

RUR BILLION

15.2

+22.6%

Net profit

RUR BILLION

6.4

X4.5

## 6.1 REVENUES

### *Revenues from sales for the 12 months of 2015 grew by RUR 5,688 million*

(4%) as compared to the 12 months of 2014. Revenues from electricity sales declined by RUR 2,585 million (4%) due to the 4% decrease in sales volume. Revenues from capacity sales for the 12 months of 2015 were higher than the previous year by RUR 4,421 million (17%) due to a 4% increase in sales volumes and a 13% increase in the average selling price. Revenues from sales of heat energy rose by RUR 3,551 million (6%) year on year as a result of a 2% increase of sales volumes (sales volumes grew as a result of the output and release of heat energy by boiler houses transferred on a phase-by-phase basis from May 2014 from MOEK for management to Mosenergo) and the 4% tariff growth.

## 6.2 PRIME COST

### *The prime cost of Mosenergo's commercial output totaled*

*RUR 149.3 billion*, including energy and capacity at RUR 74.8 billion, heat energy at RUR 72.1 billion, and other products at RUR 2.4 billion.

The prime cost of core products increased by RUR 2.8 billion (2%). The prime cost indicator, before fixed asset depreciation, increased by 0.3%.

The increase in material costs in 2015 in comparison with the preceding period was primarily caused by higher costs of raw materials and supplies (0.2%), labor costs (7%), which was partly compensated by lower costs of production costs and services (5.1%).

The main factors of higher labor costs include transfer of personnel of boiler houses and annual revision of labor costs in April 2015.

Lower production works and services were caused by lower total costs of repairs of power plants, including the use of internal resources, by 7.2%.

## 6.3 OTHER INCOME AND EXPENSES

The negative balance of other income and expenses in 2015 declined by RUR 3.2 billion as compared to 2014. Exchange difference expenses had the main impact. In 2015, the negative effect of exchange differences totaled RUR 2.4 billion.

## 6.4 NET PROFIT

*The net profit of Mosenergo totaled RUR 6,411 million*: 4.5 times higher than in 2014.

## 6.5 LIQUIDITY AND LOAN PORTFOLIO MANAGEMENT

No borrowings were used in 2015.

As of December 31, 2015, *the volume of the Company's credit portfolio amounted to RUR 48,685 million*.

The average interest rate on borrowings for the 12 months of 2015 amounted to 8.51% per annum in RUR; in EUR – 2.08%.

There are no arrears on debt or credit repayment.

## 6.6 BALANCE SHEET ANALYSIS

*On December 31, 2015, fixed assets had increased by RUR 4.6 billion compared to December 31, 2014 (from RUR 172.0 billion to RUR 176.6 billion).*

The current asset structure is dominated by receivables, which account for 74%, reserves 12%, cash 7% and cash and short-term investments 7%.

In 2015, there was an increase in Mosenergo PJSC's current assets of RUR 6.7 million compared with the beginning of the year, mainly due to an increase in accounts receivable.

The increase in the level of receivables from RUR 47 billion to RUR 50.7 billion is mainly due to the rise in trade receivables associated with heat energy.

The Company is constantly working to strengthen consumer payment discipline and the collection of overdue debt for supplied energy.

The equity of Mosenergo PJSC's shareholders increased by RUR 6 billion.

Payables increased by RUR 3.6 billion compared with 2014, primarily due to the increase in fuel and investment debt.

## 6.7 FINANCIAL POSITION INDICATORS

*Sales profitability rose from 7.7% in 2014 to 9.12% in 2015.*

The current liquidity ratio increased by 0.6 points to 4.3 compared to the end of 2014, due to an increase in current assets.

The receivables turnover indicator decreased in comparison with 2014. This is due to an increase in overdue receivables.



# CORPORATE GOVERNANCE

## 7.1 UNDERLYING PRINCIPLES

The Company's corporate governance is based on the legislative regulations of the Russian Federation, the Company's Charter, the Corporate Governance Code, approved by the Board of Directors of the Bank of Russia on 21 March 2014 and recommended for use by the joint-stock companies whose stock is allowed for organized sales, as well as on internationally recognized corporate governance principles.

The underlying principles of the Company's corporate governance are stated in Mosenergo's Corporate Governance Code approved by the Board of Directors on November 27, 2006.

The Company's corporate governance is based on the following:

- The Company's Board of Directors' accountability to shareholders and the accountability of the Company's executive bodies to the Company's management bodies, as well as a sense of trust in between all the participants of corporate governance;
- The safeguarding of stock ownership rights and the possibility of an unrestricted and fast disposition of stock owned by the shareholders, as well as shareholder access to effective protection in the event of any breach of rights;
- The transparency of activities, disclosure of accurate information on significant facts and information about Company activities; pro-

viding required access to information, as well as maintaining a reasonable balance between Company transparency and the pursuit of its commercial interests;

- The Company's social responsibility, including adherence to quality standards, environmental regulations and creating the most progressive working conditions;
- The adherence to ethical norms preventing staff abuse of official positions, which could damage both the Company and third parties, including the illegal use of confidential and inside information.

Mosenergo PJSC's Strategy to improve corporate governance is to develop the activities of the committees of the Company's Board of Directors, improve the quality of materials prepared for Board of Directors' meetings, including the preliminary discussion of topics to be considered at the Board of Directors' meetings by committees, and through interaction between Company departments and subdivisions with shareholder representatives.

The Company's most important corporate governance objectives continue to be the following:

- Maintaining the balance of all shareholders' interests, as well as those of other persons interest in the continued development of the Company;
- Maintaining the required level of transparency and access to Company information;
- Organizing the operations of the Board of Directors' Committees with the participation of major shareholder representatives, Company specialists and independent experts;

- Ensuring Mosenergo PJSC's participation in the management of its affiliate structures, the participation of Company representatives in assemblies, meetings of executive bodies and other corporate events of Company affiliates, non-profit and other organizations where the Company acts as a member.

The management bodies of the Company are the General Shareholder Meeting and the Board of Directors. The functions of the Company's

sole executive body deciding on all matters associated with management of the Company's current activities, other than those placed within the competence of the General Meeting and the Board of Directors of the Company, have been performed by managing company Gazprom Energoholding LLC since May 21, 2015 under an agreement with the Company. The supervision of the Company's financial and business activities is the responsibility of the Mosenergo Auditing Commission.

## 7.2 GENERAL SHAREHOLDER MEETING

The General Shareholder Meeting is the supreme governing body of Mosenergo that makes it possible for shareholders to exercise their right to take part in the management of the Company, and gives them access to information about Company activities, achievements and plans. The procedure for the preparation and holding of General Shareholder Meetings complies with the legislation of the Russian Federation, is defined in the Company's Charter and in the Provisions for Mosenergo PJSC's General Shareholder Meeting, which is believed to follow best corporate governance practice. The established procedure guarantees the equal treatment of all Company shareholders.

The Extraordinary General Shareholder Meeting was held on May 20, 2015; it decided to transfer powers of the Company's sole executive body to managing organization Gazprom Energoholding Limited Liability Company.

The Mosenergo General Shareholder Meeting relating to the results of the Company's operations in 2014 was held on June 10, 2015. This meeting approved Mosenergo PJSC's Annual Report for 2014 and its annual financial statements, including the profit and loss statement, as well as distribution of the Company's profits from 2014. At this General

Shareholder Meeting, it was decided to pay dividends on ordinary shares for 2014 in the amount of RUR 0.01 per ordinary inscribed Company share in the form of cash.

The Mosenergo PJSC's shareholders also elected the new Board of Directors and Auditing Commission and approved the Auditor; a resolution was adopted concerning remuneration for members of the Board of Directors.

The meeting approved a new version of the Mosenergo PJSC's Charter, approved the revised Provisions on the Mosenergo PJSC's General Shareholder Meeting, Provisions on the Mosenergo PJSC's Board of Directors, Provisions on the Mosenergo PJSC's General Director, Provisions on the Mosenergo PJSC's Auditing Commission, Provisions on the procedure for determining the amount of remunerations and compensations to members of the Mosenergo PJSC's Board of Directors, Provisions on payment of remunerations and compensations to members of the Mosenergo PJSC's Auditing Commission, and passed decisions to approve a number of interested-party transactions, which can be concluded by Mosenergo in the future in the course of Mosenergo PJSC's normal business operations.

## 7.3 BOARD OF DIRECTORS

Members of the Board of Directors of Mosenergo PJSC as of December 31, 2014:

- Dmitry Vadimovich Bakatin
- Andrey Yurievich Berezin
- Petr Pavlovich Biryukov
- Anatoly Anatolievich Gavrilenko
- Valery Aleksandrovich Golubev
- Aleksander Pavlovich Dushko
- Pavel Anatolievich Livinsky
- Ilnar Ilbatyrovich Mirsiyapov
- Elena Vladimirovna Mikhailova
- Vladimir Igorevich Pogrebenko
- Kirill Gennadievich Seleznev (Chairman)
- Denis Vladimirovich Fedorov
- Vitaly Georgievich Yakovlev

Mosenergo PJSC's Annual General Shareholder Meeting was held on June 10, 2015, at which the Company's new Board of Directors was elected.

Mosenergo PJSC's Board of Directors included:

- Andrey Yurievich Berezin
- Gleb Valerievich Bondarenko
- Anatoly Anatolievich Gavrilenko
- Valery Aleksandrovich Golubev
- Yury Efimovich Dolin
- Aleksander Pavlovich Dushko
- Irina Yurievna Korobkina
- Pavel Anatolievich Livinsky
- Elena Vladimirovna Mikhailova
- Vladimir Igorevich Pogrebenko
- Kirill Gennadievich Seleznev (Chairman)
- Denis Vladimirovich Fedorov
- Pavel Olegovich Shatsky

According to the results of voting at the General Shareholder Meeting, powers of the following members of the Board of Directors were terminated:

D. V. Bakatin, P. P. Biryukov, I. I. Mirsiyapov, V. G. Yakovlev, and G. V. Bondarenko, Yu. E. Dolin, I. Yu. Korobkina; P. O. Shatsky were elected to replace them.

The Mosenergo Board of Directors met 21 times in 2015. The most important topics examined by the Board of Directors in 2015 included the following:

- Approval of Mosenergo PJSC's Annual Report for 2014;
- Approval of Mosenergo PJSC's 2015 Business Plan;
- Approval of Mosenergo PJSC's 2015 Investment Program;
- Approval of Mosenergo PJSC's Annual Integrated Procurement Program for 2015 (phase 2);
- Early termination of the General Director's powers;
- Approval of an agreement for transferring powers of the Company's sole executive body to the managing organization;
- Convocation and preparation of the Company's Extraordinary General Shareholder Meeting;
- Proposals to the Company's Shareholder Meeting concerning the transfer of powers of the Company's sole executive body to the managing organization;
- Approval of the general structure of the Company's executive panel;
- Consideration of a report on transfer of MOEK PJSC's power units for management to Mosenergo;
- Convocation and preparation of the Company's Annual Shareholder Meeting on the 2014 results;
- Approval of members at the committees of the Company's Board of Directors;
- Approval of the 2015 Insurance Program;
- Approval of Mosenergo PJSC's Collective Agreement for 2016-2018;
- Participation of Mosenergo in other organizations and decision-making relating to the competence of the management bodies of Mosenergo PJSC's affiliates and subsidiaries;
- Approval of plans and reports on cash flow investment regarding Mosenergo PJSC's investment projects (CFIIP), under Mosenergo PJSC's investment projects for the construction of new power units at the Company's affiliates;
- Company's credit policy definition.

In 2015, the most important agenda items for which the Company's Board of Directors was responsible were examined preliminarily by the Board of Directors' Committees. The Company's current Committees are the Audit Committee, the Strategy and Investment Committee, the Human Resources and Remuneration Committee and the Reliability Committee.

During the reporting year, the Board of Directors' Committees presented their recommendations to the Company's Board of Directors on the following matters:

- Approval of the Mosenergo PJSC's Business Plan for 2015, reports on the business plan execution;
- Approval of the Mosenergo PJSC's corrected Investment Program for 2015 as regards implementation of technical re-equipment and reconstruction projects;
- Correction of the Mosenergo PJSC's Investment Program for 2015-2017;
- Approval of plans and reports on cash flow investment regarding investment projects (CFIIP), under the Investment Program for the construction power units TPP-12, TPP-16, and TPP-20;
- Approval of Mosenergo PJSC's Annual Integrated Procurement Program for 2015 (phase 2);
- Preliminary consideration of Mosenergo PJSC's accounting statements and annual report for 2014;
- Preparation for the Annual General shareholder Meeting, including recommendations to the shareholder meeting on approval of the 2014 accounting statements, and also recommendations about the auditor candidature for 2015;
- Other important Company matters.

## 7.3.1 Members of the Board of Directors<sup>7</sup>

### Kirill Gennadievich Seleznev

Chairman

Year of Birth: 1974

Education: Higher

Positions held for the last 5 years and at present:

2010 to date: Gazprom PJSC, Head of the Marketing Department, Gas and Liquid Hydrocarbons Processing, Member of the Executive Board;

2010 to date: Gazprom Mezhrefiongaz LLC, General Director (part-time).

*Interest in the issuer's authorized capital: none*

*Issuer's ordinary shares held: none*

### Andrey Yurievich Berezin

Member of the Board of Directors

Year of Birth: 1982

Education: Higher

Positions held for the last 5 years and at present:

2010 – 2013: Department of Property of Moscow, Acting Head of Department, Head of Department, Deputy Head of the Division of Corporate Relations and Financial Assets, Head of the Division of Corporate Relations and Financial Assets.

2013 – to date: Department of Property of Moscow, Head of the Division of Corporate Relations and Financial Assets.

*Interest in the issuer's authorized capital: none*

*Issuer's ordinary shares held: none*

### Gleb Valerievich Bondarenko

Member of the Board of Directors

Year of Birth: 1978

Education: Higher

Positions held for the last 5 years and at present:

2011-2012: Asset Development OJSC, General Director,

Transport Sector Enterprises Fund OJSC, General Director

2012-2013: Moscow Region Investment and Innovation

Minister

2013-2014: Moscow Region Development Innovation OJSC,

General Director

2014-2015 (June): Department of Property of Moscow,

Deputy Head.

*Interest in the issuer's authorized capital: none*

*Issuer's ordinary shares held: none*

### Anatoly Anatolievich Gavrilenko

Member of the Board of Directors

Year of Birth: 1972

Education: Higher

Positions held for the last 5 years and at present:

2009 to date: Leader CJSC (pension-fund asset Management Company), General Director, Member of the Board of Directors.

*Interest in the issuer's authorized capital: information unavailable*

*Issuer's ordinary shares held: information unavailable*

<sup>7</sup> Elected by the General Shareholder's Meeting on 10 June 2015



### Valery Aleksandrovich Golubev

Member of the Board of Directors  
Year of Birth: 1952  
Education: Higher  
Positions held for the last 5 years and at present:  
2010 to date: Gazprom PJSC, Deputy Chairman of the Executive Board.

*Interest in the issuer's authorized capital: none*  
*Issuer's ordinary shares held: none*

### Yury Efimovich Dolin

Member of the Board of Directors  
Year of Birth: 1949  
Education: Higher  
Positions held for the last 5 years and at present:  
2010 – 2011: TEK Mosenergo OJSC, First Deputy General Director for construction of generation facilities;  
2011 to date: Gazprom Energoholding LLC, Deputy General Director for capital construction;  
2012 to date: OGK-Investproekt LLC, General Director;  
Present time: GEKH Engineering LLC (INN 7729462119), General Director;  
Present time: GEKH Engineering LLC (INN 7729722060), General Director;  
Present time: Mezhregionengostroy LLC, General Director.

*Interest in the issuer's authorized capital: information unavailable*  
*Issuer's ordinary shares held: information unavailable*

### Aleksander Pavlovich Dushko

Member of the Board of Directors  
Year of Birth: 1964  
Education: Higher  
Positions held for the last 5 years and at present:  
2010 to date: Gazprom PJSC, Deputy Head of the Finance and Economics Department, Department Head.

*Interest in the issuer's authorized capital: none*  
*Issuer's ordinary shares held: none*

### Irina Yurievna Korobkina

Member of the Board of Directors  
Year of Birth: 1976  
Education: higher  
Positions held for the last 5 years and at present:  
2010 to date: Gazprom PJSC, Deputy Head of the Department, Head of the Department, Deputy Head of the Division

*Interest in the issuer's authorized capital: information unavailable*  
*Issuer's ordinary shares held: information unavailable*

### Pavel Anatolievich Livinsky

Member of the Board of Directors  
Year of Birth: 1980  
Education: Higher  
Positions held for the last 5 years and at present:  
2008 – 2011: Moscow Power Grid Company OJSC, Moscow Integrated Electric Grid Company OJSC, Deputy General Director of Development and Services, Deputy General Director of Customer Relations and Technological Connections.  
2011 – 2013: Integrated Power Company OJSC (OEK), General Director  
2013 – June 2013: Moscow Department of Fuel and Energy, Director.  
June 2013 – September 2013: Department of Fuel and Energy of Moscow, Acting Director.  
September 2013 to date: Moscow Department of Fuel and Energy, Director

*Interest in the issuer's authorized capital: information unavailable*  
*Issuer's ordinary shares held: information unavailable*

### Elena Vladimirovna Mikhailova

Member of the Board of Directors  
Year of Birth: 1977  
Education: Higher  
Positions held for the last 5 years and at present:  
2009–2011: Gazprom Mezhregiongaz LLC, Deputy General Director of Corporate and Property Relations.  
2011 to date: Gazprom Mezhregiongaz LLC, Deputy General Director of Corporate and Property Relations (part-time).  
2012 to date: Gazprom PJSC, Board Member, Head of the Department of Management and Corporate Relations

*Interest in the issuer's authorized capital: none*  
*Issuer's ordinary shares held: none*

### Vladimir Igorevich Pogrebenko

Member of the Board of Directors  
Year of Birth: 1978  
Education: Higher  
Positions held for the last 5 years and at present:  
2011 – 2012: Department of Property of Moscow, Head of the Division of Corporate Relations and Financial Assets.  
2012 – February 2013: Moscow City Property Department, Deputy Head.  
February 2013 – April 2014: Property Department of Moscow, Deputy Head.  
April 2014 to date: VDNKh OJSC, General Director.

*Interest in the issuer's authorized capital: none*  
*Issuer's ordinary shares held: none*

### Denis Vladimirovich Fedorov

Member of the Board of Directors

Year of Birth: 1978

Education: Higher

Positions held for the last 5 years and at present:

2010 to date: Gazprom PJSC, Head of the Department of Electric Energy Sector Development and Marketing.

2010 to date: Gazprom Energoholding LLC, General Director.

2010 to date: Tsentrenergoholding PJSC, General Director

*Share in the issuer's authorized capital, %: 0.001*

*Ordinary shares in the issuer's authorized capital, %: 0.001*

### Pavel Olegovich Shatsky

Member of the Board of Directors

Year of Birth: 1972

Education: Higher

Positions held for the last 5 years and at present:

2010 to date: Gazprom Energoholding LLC, First Deputy

General Director

*Interest in the issuer's authorized capital: information unavailable*

*Issuer's ordinary shares held: information unavailable*

By its decision dated June 19, 2015, Mosenergo PJSC's Board of Directors appointed the Secretary of the Board of Directors:

### Aleksey Mikhaylovich Gusev

Secretary of the Board of Directors

Year of Birth: 1980

Education: Higher

Positions held for the last 5 years and at present:

2011-2015 – Gazprom Energoholding LLC, Deputy Head, Head of the Department of Corporate Relations and Control – Corporate Secretary, Deputy Head of Corporate Relation Management

2015 to date – Head of the Corporate Work Division

*Interest in the issuer's authorized capital: none*

*Issuer's ordinary shares held: none*

## 7.3.2 Committees of the Board of Directors

### 7.3.2.1 Audit Committee

Members of the committee approved by the Board of Directors decision on July 06, 2015:

#### Chairman of the Committee:

- [Aleksander Pavlovich Dushko](#) – Deputy Head of the Department of Gazprom PJSC, Member of Mosenergo PJSC's Board of Directors.

#### Members of the Committee:

- [Elena Vladimirovna Mikhailova](#) – Executive Board Member, Head of the Gazprom PJSC Department of Property Management and Corporate Relations, Member of Mosenergo PJSC's Board of Directors.
- [Vladimir Igorevich Pogrebenko](#) – Member of Mosenergo PJSC's Board of Directors.

Members of the Committee before the decision of the Board of Directors to elect new members of the Committee: Committee Chairman – A. P. Dushko, Committee members – E. V. Mikhaylova, V. I. Pogrebenko.

### 7.3.2.2 Strategy and Investment Committee

Members of the committee approved by the Board of Directors decision on July 06, 2015:

#### Chairman of the Committee:

- [Valery Aleksandrovich Golubev](#) – Deputy Chairman of the Gazprom PJSC Executive Board, Member of the Mosenergo PJSC Board of Directors.

#### Deputy Chairman of the Committee:

- [Denis Vladimirovich Fedorov](#) – Head of the Gazprom PJSC Department of Electricity and Power Sector Development and Marketing in the Power Industry, Member of the Mosenergo PJSC's Board of Directors.

#### Members of the Committee:

- [Elena Viktorovna Andreeva](#), Deputy General Director for Sales at Mosenergo PJSC.
- [Andrey Yurievich Berezin](#) – Head of the Moscow Property Department, member of the Board of Directors;

- **Aleksander Aleksandrovich Butko** – Managing Director of Mosenergo PJSC
- **Yury Efimovich Dolin** – Gazprom Energoholding LLC Deputy General Director of Capital Construction, member of the Mosenergo PJSC Board of Directors;
- **Irina Gennadievna Dubova** – Deputy Head of the Department of Gazprom PJSC;
- **Anna Aleksandrovna Efimova** – Mosenergo PJSC Deputy General Director of Legal Issues;
- **Elena Pavlovna Egorova** – Deputy General Director for efficiency and control at Mosenergo PJSC;
- **Konstantin Valerievich Kravchenko** – Head of the Division of Gazprom PJSC;
- **Roman Viktorovich Panyushkin** – Head of Incoming Control Division at MOEK PJSC;
- **Vladimir Igorevich Pogrebenko** – member of the Board of Directors of Mosenergo PJSC;
- **Pavel Olegovich Shatsky** – First Deputy General Director at Gazprom OJSC Energoholding, member of the Board of Directors;
- **Aleksander Georgievich Erlikhman** – Deputy Head of the Fuel and Energy Department of Moscow.

Members of the committee before the decision of the Board of Directors to elect new members of the committee: Committee Chairman – V. A. Golubev, Committee members – E. V. Andreeva, A. Yu. Berezin, A. A. Bogatenkov, Yu. E. Dolin, I. G. Dubova, A. A. Efimova, I. Yu. Korobkina, K. V. Kravchenko, I. I. Mirsiyapov, R. V. Panyushkin, V. I. Pogrebenko, D. V. Fedorov, P. O. Shatsky, A. G. Erlikhman.

### 7.3.2.3 HR and Remuneration Committee

Members of the committee approved by the Board of Directors decision on July 06, 2015:

#### Chairman of the Committee:

- **Valery Aleksandrovich Golubev** – Deputy Chairman of the Gazprom PJSC Executive Board, Member of the Mosenergo PJSC Board of Directors.

#### Members of the Committee:

- **Irina Yurievna Korobkina** – Deputy Head of the Electric Energy Sector and Heat Generation Development Division of the Marketing, Gas and Liquid Hydrocarbon Processing Department of Gazprom PJSC, Member of the Mosenergo PJSC Board of Directors;
- **Denis Vladimirovich Fedorov** – Gazprom PJSC, Head of the Department of Electric Energy Sector Development and Marketing, Member of the Mosenergo PJSC Board of Directors.

Members of the committee before the decision of the Board of Directors to elect new members of the committee: Committee Chairman – V. A. Golubev, committee members: I. I. Mirsiyapov, D. V. Fedorov.

### 7.3.2.4 Reliability Committee

Members of the committee approved by the Board of Directors decision on July 06, 2015:

#### Chairman of the Committee:

- **Mikhail Vladimirovich Fedorov** – Director for Production, Gazprom Energoholding LLC.

#### Members of the Committee:

- **Sergey Nikolaevich Lenyov** – Chief Engineer, Mosenergo PJSC.
- **Pavel Anatolievich Livinsky** – Head of the Moscow Department of Fuel and Energy, Member of the Mosenergo Board of Directors.
- **Sergey Faritovich Mukhametov** – Deputy Head of Technical Management – Head of the Department of Maintenance Activities of Gazprom Energoholding LLC.
- **Aleksander Semenovich Osyka** – Mosenergo Deputy Chief Engineer for Production.
- **Sergey Valerievich Radchenko** – Head of Gazprom Energoholding LLC Department of Technical Inspection and Auditing.
- **Aleksander Vladimirovich Rogov** – Deputy Head of Electric Energy Sector and Heat Generation Development Division of the Marketing, Gas and Liquid Hydrocarbon Processing Department of Gazprom PJSC.

- [Mikhail Vladimirovich Sorokin](#) – Gazprom PJSC Deputy Head of Energy Engineering, the Division of Energy Sector Development and Marketing.

Members of the committee before the decision of the Board of Directors to elect new members of the committee: Committee Chairman – M. V. Fedorov; committee members: P. P. Biryukov, S. N. Lenev, P. A. Livinsky, S. F. Mukhametov, A. S. Osyka, S. V. Radchenko, A. V. Rogov, M. V. Sorokin.

## 7.4 EXECUTIVE BOARD

Functions of the Mosenergo PJSC's sole executive body – the General Director – before April 13, 2015 were fulfilled by V. G. Yakovlev. On April 14, 2015, A. S. Osyka was elected the acting general director of Mosenergo.

According to the decision of the extraordinary general shareholder meeting of Mosenergo PJSC dated May 20, 2015, the powers of the sole executive body were transferred for three years to the managing organization – Gazprom Energoholding Limited Liability Company (16 Dobrolyubova Avenue, bldg. 2, A, off. 11, Saint Petersburg, 197198; INN 7703323030, OGRN 1037739465004).

The rights and obligations of the managing organization to manage the Company's daily operations are defined by the Russian Federation laws, the Company's Charter, and an agreement concluded with the Company. The managing organization decides on issues associated with management of the Company's current operations, except those placed within the competence of the general shareholder meeting and the board of directors of the Company.

According to the revised Charter of Mosenergo approved by the annual general shareholder meeting on June 10, 2015 and registered on June 24, 2015 by Inter-District Inspectorate of the FTS of the RF No. 46 for Moscow, a collective executive body is not stipulated.

## 7.5 AUDIT COMMITTEE

In order to exercise control over the Company's financial and business activities, the General Shareholder Meeting elects five members of the Audit Committee.

The Company's Audit Committee operates according to the legislation of the Russian Federation, the Company's Charter and the Regulations of the Company's Audit Committee.

The Audit Committee performed a documentary inspection (audit) of the Mosenergo PJSC's financial and business activities in 2015. Based on the findings of this audit, the Audit Committee confirmed the reliability of data and information contained in the Company's reports and other financial documents for 2015.

New members of the Audit Committee were elected on June 10, 2015 by the Annual General Shareholder Meeting of Mosenergo:

### [Mikhail Valerievich Klenin](#)

Head of the Division of the Property Department of Moscow;

### [Evgeny Nikolaevich Zemlyanoy](#)

Deputy General Director for Economics and Finances of Gazprom Energoholding LLC;

### [Anatoly Anatolievich Kotlyar](#)

Deputy Head of the Internal Audit Office of the Department of Internal Audit of the Board of Administration of Gazprom PJSC;

### [Margarita Ivanovna Mironova](#)

First Deputy Head of the Board of Administration of Gazprom PJSC;

### [Marat Khasanovich Salekhov](#)

Deputy Head of the Department, Head of the Division of Gazprom PJSC.

## 7.6 REMUNERATION

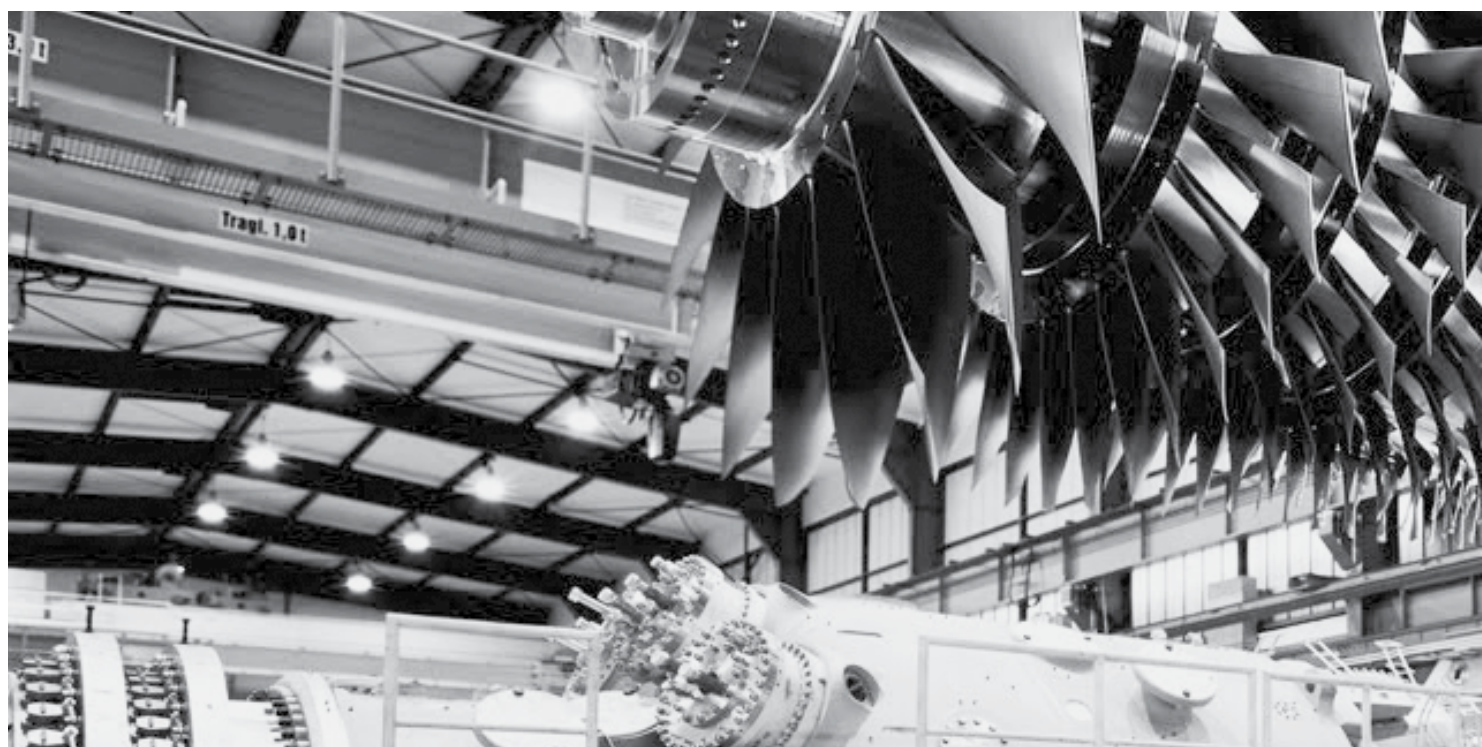
According to the Company's Charter and the decision of the General Shareholder Meeting, members of the Company's Board of Directors are entitled to remuneration and/or compensation of expenses incurred while performing their functions as members of the Company's Board of Directors.

The amount, type and procedure for payment of remuneration and compensation to the members of Mosenergo PJSC's Board of Directors are defined by the Regulations on determining the amount of remuneration and compensation to members of the Board of Directors of Mosenergo, approved by the General Shareholder Meeting on June 10, 2015. Members of the Board of Directors who are banned on receiving remuneration from commercial organizations under the Russian Federation laws will not be paid out.

According to these Regulations, the remuneration for members of the Board of Directors consists of basic and additional elements.

The basic remuneration element constitutes remuneration paid to members of the Company's Board of Directors for their participation in meetings of the Board of Directors. The amount of remuneration paid is equivalent to four minimal monthly rates of a first grade employee, set by the industry-wide tariff agreement of the power sector of the Russian Federation as of the date when a meeting of the Company's Board of Directors is held, taking into account indexation set under the above agreement.

The additional remuneration element is paid to members of the Company's Board of Directors according to the results of the financial year, in the event of the Company generating a net profit. A decision to pay the additional remuneration to members of the Board of Directors is made by the General Shareholder Meeting. The decision of the Company's General Shareholder Meeting to pay the additional remuneration to members of the Board of Directors determines its total amount. The total amount of the additional remuneration element based on the Company's performance shall not



exceed five per cent of the Company's net profit earned during the fiscal year when the current members of the Board of Directors were elected into office.

The additional remuneration element based on the Company's performance is not paid to members of the Board of Directors who attended fewer than half of all the meetings of the Board of Directors (from the date of their election until the termination of their powers).

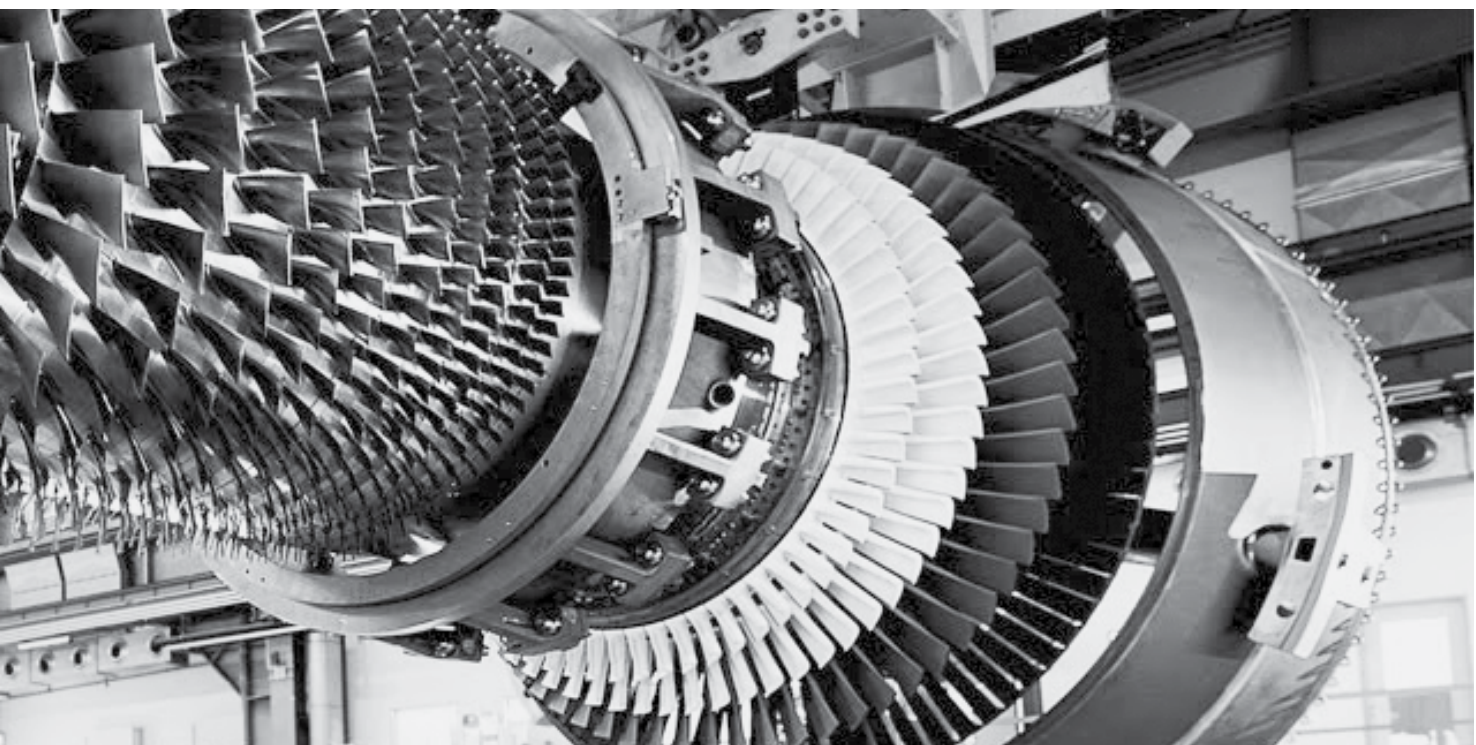
The payment of remuneration and compensation to members of the Company's Audit Committee is carried out according to Regulations on payment of remuneration and compensation to members of the Audit Committee of Mosenergo, approved at the General Shareholder Meeting on June 10, 2015.

Members of the Company's Audit Committee receive a one-time payment for their participation in the audit of the Company's financial and business activities. The amount paid equals twenty-five

minimum monthly wages of a first grade employee established by an industry-wide tariff agreement of the power sector of the Russian Federation for the period of inspection (audit), taking into account the indexation stipulated by the Agreement.

Members of the Company's Audit Committee are reimbursed for their travelling expenses when they participate in the Audit Committee meetings related to inspections, according to the Company's regulations on the reimbursement of business travel expenses in force at the time of such meetings or such inspections.

The amount of remuneration of the managing organization is determined by an agreement for the transfer of powers of the Company's sole executive body to the managing organization and amounted to RUR 42,775,000, VAT inclusive, in 2015.



# 8

## RISK MANAGEMENT

In Mosenergo PJSC risk management is a complex process which involves all of the Company's divisions. For a comprehensive risk prevention and minimization of their possible consequences Company monitors the market risks, production and technical risks, organizational and investment risks, legal and regulatory risks, risks of civil responsibility and corporate governance risks.







Mosenergo PJSC's risk management aims to prevent risks in its production and financial activities, and minimize the possible negative outcomes of such risks.

The Company has adopted the Regulations on Risk Management at Mosenergo. These Regulations contain a Risk Map, which includes major types

of risks that have an impact on Mosenergo PJSC's activities, as well as a risk management program.

Risk management is carried out within the Company by functional divisions according to the type of activities.

## 8.1 RISK DUE TO TARIFF REGULATION

These risks involve unreasonable state regulations for tariffs, related to the possibility of an artificial containment or directive to lower tariffs, or an approval of tariffs that are insufficient in relation to Company costs.

Company experts cooperate on an ongoing basis with the FTS of Russia, the Regional Energy Complex of Moscow and the Price and Tariff Committee of the Moscow Region. The purpose of this cooperation is to ensure the approval of a reasonable level of tariffs.

## 8.2 MARKET RISK

Significant risks connected to operations on the wholesale electricity market include:

- Unstable market prices and seasonal fluctuations in demand for electricity and heat energy.
- Controlling influence of the SO EES OJSC over Mosenergo PJSC's operating schedules, which could lead to the transfer of equipment to cold reserve or the creation of surplus capacity and, consequently, a decrease in electric energy prices.
- Risk of the introduction of a special procedure to calculate electricity prices on the wholesale market, including the transition to state price regulation. In order to prevent significant increases in electricity prices for the end consumer, relevant infrastructure organizations continuously monitor prices on the wholesale market. If the acceptable price growth rate is exceeded, the wholesale market can be transferred to a special pricing procedure, including the enforcement of government price regulations, which might result in a considerable downturn in the Company's revenues.

- Risk of changes in the rules for the wholesale market that significantly modify the rules for capacity sales. Significant changes can lead to lower prices for capacities that are sold on the results of competitive power selection.
- Risk of growing competition due to reduction of network restrictions.

In order to reduce these risks, Mosenergo is involved in the development of the regulatory base for the wholesale electricity market, modernizes the existing and introduces new equipment, removes obsolete and inefficient equipment, monitors the current situation at the regional level and the UES level, and analyzes the actions of and constantly cooperates with SO EES OJSC.

### 8.2.1 Risk Related to the Heating Market

Seasonal fluctuations in demand for heat energy and the correlation between demand and climatic conditions.

In order to mitigate these risks, Mosenergo takes the following actions:

- Attributes to conclusion of long-term agreements for supply of heat from collectors;
- Optimizes the load of generating equipment of power plants by redistributing heat loads between sources;
- Increasing the efficiency of its sources by transferring boilers loads received from MOEK.

## 8.2.2 Inflation Risk

Inflation risk may lead to increases in Mosenergo PJSC's costs and decreases in profits. Inflation growth might also result in losses in real terms of the Company's accounts receivable in the event of significant deferred or delayed payments.

The effects of inflation on the Company's financial stability are taken into consideration during the development of the Company's financial plans. In order to mitigate inflation risks, Mosenergo signs long-term fixed annual price contracts for the supply and transportation of gas to its power plants.

## 8.2.3 Risk of Losses due to Unforeseen Fluctuations in Fuel Prices

The price of purchased fuel may undergo significant fluctuations. It is likely that the cost for fuel forecast in the Business Plan could be exceeded, calling for an allocation of additional funds for fuel supply.

In order to minimize such risks, the Company's power plants create reserve supplies of fuel (coal and fuel oil) to cover urgent demand and eliminate the need for one-off purchases of large fuel quantities. The Company also works together with Gazprom to sign mutually beneficial contracts.

## 8.2.4 Risk of Losses due to Unforeseen Fluctuations in Currency and Interest Rates

Mosenergo responds to these risks by planning its budget carefully in order to minimize demand for loans, assessing and monitoring risks associated with currency exchange and interest rates, and working to insure against interest-related risks in order to mitigate potential losses due to the rise in interest rates.

## 8.2.5 Liquidity Risk

Liquidity risk is managed via the careful planning of finance streams, taking into account cash inflow schedules and the Company's required payments.

## 8.2.6 Credit Risk

When working with clients, Mosenergo adopts a tailored approach that takes into account the specifics of each client's financial and business activities.

For the purpose of credit risk monitoring, business partners are grouped according to their credit profiles, industry affiliation and loan structure by date and contractual terms of loan repayment.

In order to manage credit risks, the Company minimizes the number of agreements concluded on prepayment terms, if prepayments are necessary, it uses banking guarantees for the repayment of advance payments.

## 8.2.7 Tax Risks

Company management considers that the Company fully abides by taxation laws, which regulate its activities. However, potential risks may arise owing to differences of opinion with supervision authorities in areas that are open to interpretation.

The taxation law of the Russian Federation is subject to frequent changes and sometimes contains ambiguities and uncertainties, and judicial practices and clarifications of controlling authorities are often contradictory. As a result, several tax risks arise, including:

- Amendments to legislation on taxes and duties relating to tax increases;
- Introduction of new taxes;
- Incorrect calculations or payment of taxes due to differences in interpretation of ambiguous laws and regulations;
- Contradictory judicial practices concerning disputed tax assessment and payment.

Moreover, during an economic crisis and decreasing revenues of the state budget, risk of disputes with controlling authorities over tax benefits used by the Company is growing. Tax agencies tend to reject tax benefits that previously were never disputed by controlling authorities. At the same time, decisions of controlling authorities tend to be more and more disputed.

In order to minimize tax risks, the Company continuously monitors changes to tax legislation and legal and administrative practices in order to ensure consistent approaches to tax calculation within the current interpretation of the law. It also evaluates planned transactions from the point of view of tax risk mitigation, and carries out training and qualification upgrade courses for staff responsible for the calculation and payment of taxes.

### **8.2.8 Risk of Asset Loss due to Property Damage**

These risks include the risks of Company facilities being rendered inoperable or property being damaged as a result of terrorist activity, misappropriations and theft, or regional natural disasters.

In order to mitigate these risks, the Company organizes regular inspections of anti-terrorist measures to protect the staff and production facilities, implements protection against various possible

after-effects of accidents, natural disasters and catastrophes, conducts emergency and fire safety drills for its personnel, and insures its property.

## **8.3 RISK OF CIVIL LIABILITY**

This type of risk includes the risk of liability for polluting the regional environment, damaging property owned by third parties, liability for the quality of goods supplied to the domestic market and the wholesale electricity market, as well as risks of the management's liability for damages caused to the life and health of Company employees.

In order to mitigate these risks the Company strives to:

- Decrease emissions of pollutants into the environment;
- Continuously maintain equipment availability and capacity reserves;
- Develop an automated system for the commercial accounting of power;
- Conduct regular certification of work places, verify the availability of individual and collective protection means at workplaces and within work teams;
- Undertake integrated measures to guarantee industrial safety at hazardous production facilities;
- Insure civil liability for harm inflicted to the health, life or property of third parties.

## **8.4 CORPORATE GOVERNANCE RISK**

Current risks related to the Company's corporate governance are as follows:

- Decisions made by the General Shareholder Meeting and/or the Board of Directors being appealed against in court;
- The Company's executive and management bodies failing to approve Company transactions as provided for by current legislation and, consequently, of such transactions being declared invalid following lawsuits of interested parties;

- The Company's information disclosure procedures, according to legislative requirements of the Russian Federation.

In order to minimize these risks, the Company ensures that there is a strict delineation of responsibilities of the Company's managing bodies (in compliance with the Company's Charter), that proper work is carried out by the Committees of the Board of Directors, that the management of the Company's organization is improved and amendments to documents regulating corporate governance are introduced. The Company's subdivisions regularly monitor compliance with laws and constitutional documents in the process of business activities of Mosenergo and execution of decisions made by the Company's executive bodies.

## 8.5 TECHNICAL AND PRODUCTION RISK

The Company mitigates technical and production risks by creating reserves of fuel, spare parts and materials, as well as by implementing activities aimed at increasing the reliability of the grid system.

The Company's power plants may face equipment failure due to human error both in normal and emergency operations.

Advanced staff training is provided at Company specialized educational centers and directly at its TPPs.

Risks related to bringing new equipment into operation are mitigated by purchasing equipment which is made according to technical specifications from suppliers with a solid reputation in the market for such equipment, and who guarantee the testing of established parameters during operational trial periods.

Mitigation of the risks related to the shortage of qualified personnel required to operate the equipment is achieved by retaining the employees of Company subsidiaries through career planning, monetary incentives and social guarantees.

Mosenergo PJSC analyzes possible risk scenarios while implementing its production program. Insurance constitutes the key organizational instrument

for risk mitigation and compensation of damage. The Company insures property, hazardous production facilities, transport vehicles, civil liabilities, occupational injuries and diseases, and provides general medical insurance to its employees.

## 8.6 ORGANIZATIONAL RISK

Organizational risks include the risk of losses resulting from inadequate management procedures in the Company and the incorrect selection of market strategy.

In order to minimize these risks, the Company facilitates the improvement of its management structure. This involves activities related to the assessment, analysis and improvement of business processes.

In order to improve the quality of the Company's strategic decisions, the Company provides training to management and specialists in relevant institutions.

## 8.7 INVESTMENT RISK

While implementing its Investment Program, Mosenergo is always more or less exposed to certain investment risks, i.e. risks associated with the deterioration of key project parameters due to changes in external factors.

The Company optimizes its investment management for new construction projects by introducing project management systems based on the latest methods and investment control practices.

## 8.8 LEGAL RISK

These risks include losses caused by not keeping up to date with existing legislation or with legislative amendments introduced during transactions and improperly produced documentation.

Legal risks are controlled through the ongoing formalization of document production procedures. The minimization of legal risks is underpinned by the use of standard document forms and the continuous monitoring of changes in relevant legislation.

Documents supporting Company business processes are subject to verification, which facilitates the minimization of legal risks and risks associated with improperly produced documentation.



# SUSTAINABLE DEVELOPMENT

Mosenergo PJSC sees the main areas of it's sustainable development in social programs for employees (including training and motivation programs) and application of best practices and standards in the field of occupational safety and environmental protection.

Staff trained

PERSONS

5,253

Expenses for staff social welfare

MILLION RUR

205.0

Health and safety expenses

MILLION RUR

611.4

+24.1%

Environmental protection expenses

MILLION RUR

281.0

+23.2%

Wastewater discharge

BILLION M<sup>3</sup>

322.1

-17.8%

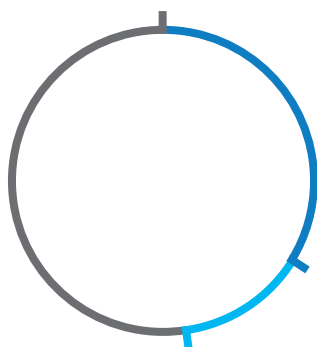
## 9.1 HEAD COUNT AND STAFF STRUCTURE

Number of employees

**8,076** persons

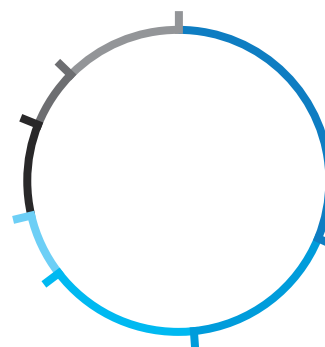
As of December 31, 2015, the number of employees on Mosenergo PJSC's payroll totaled 8,076. An increase in the payroll headcount in 2015 was due to staff transferred from MOEK.

**Mosenergo PJSC employee breakdown as of December 31, 2015**



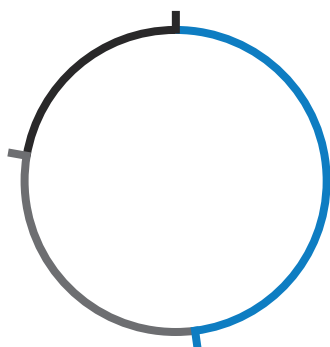
Management	33.77%
Specialist Staff	13.63%
Office Staff	0.26%
Operational Staff	52.34%

**Employee work experience in Mosenergo PJSC as of December 31, 2015**



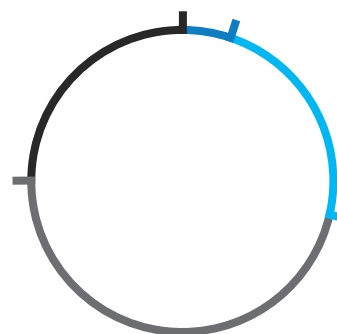
Under 5 years	31.40%	21-25 years	10.14%
6-10 years	16.82%	26-30 years	5.92%
11-15 years	13.94%	over 31 years	12.09%
16-20 years	9.70%		

**Educational level of Mosenergo PJSC staff as of December 31, 2015**



Secondary and complete comprehensive educational level	47.72%
Primary and secondary professional educational level	30.34%
Higher professional educational level	21.94%

**Mosenergo PJSC employee profile by age as of December 31, 2015**



Under 25 years old	5.50%
From 25 to 35 years old	23.76%
From 35 to 55 years old	45.81%
Over 55 years old	24.93%

### Staff turnover

In 2015, staff turnover remained at 5.20%. During this period:

- 1,095 persons were hired, including 344 employees transferred from MOEK;

- 843 employees left: 420 of their own volition; 117 following mutual party agreement; 84 due to staff reduction measures or reduction in the number of Company employees; 222 for other reasons.

## 9.2 CORPORATE CULTURE

The policy of human resources management at Mosenergo aims at creating an efficient mechanism of personnel management, including by developing and strengthening the corporate culture pursuing clear, open, timely informing of workers on the company's activities with the feedback.

In 2015, Mosenergo surveyed the personnel involvement, during which personnel expressed an opinion about work at Mosenergo, said how satisfied they are at the Company, what they would change and what development prospects they see in the future. The study encompassed 4,488 people, more than 50% of Mosenergo staff. An approved plan of improvement of the survey indicators is being implemented.

Regular provision of information about the most important events of Mosenergo is supported through the main communication channels, such as the corporate newspaper "Vesti Mosenergo", the intranet portal, mass mailing and corporate information booths. The round-the clock hotline and a special postal address [vopros@mosenergo.ru](mailto:vopros@mosenergo.ru) function for workers. The cascading information system is used for communicating important decisions, targets and tasks of the Company.

In 2015, Mosenergo branches continued the quarterly contest held under the category name of "The Best

Employee". The best employee refers to the company employee who has shown the most significant and outstanding achievements impacting the company's results. The list of the winners and the essays about the most outstanding winners are published in the corporate newspaper.

In May 2015, the Company held an event dedicated to the 70th anniversary of the Great Victory for 130 people: veterans and the home front workers – the Company's former personnel.

In 2015, the Company organized its traditional Sports Festivals between the branches for 8 sports: volleyball, track and field, indoor football, table tennis, swimming, shooting, cross-country races, football. Over 400 staff of the Company participated in them.

At the end of 2015, the Company held the traditional awarding of the best stations. The winners in the categories were M. Ya. Ufaev TPP-11 as "The Safest Station", TPP-27 as "The Most Conserving Station", and TPP-22 as "The Most Reliable Station". In all Mosenergo branches, at the solemn meeting devoted to the Day of Energy, awards from the Ministry of Energy of the Russian Federation were given to 34 employees and awards from Gazprom and Gazprom Energoholding LLC were given to 126 employees.

## 9.3 STAFF TRAINING AND DEVELOPMENT

Mosenergo focuses heavily on the development of its staff, in accordance with business objectives and mandatory legislative requirements of the Russian Federation.

The comprehensive personnel development system has two key areas. First and foremost, it ensures correspondence of the personnel's qualification to resolution of current tasks of the company. The other

key area is personnel training for implementing the company's strategic plans, implying the development of skills and competences to be necessary in the future.

In 2015, in accordance with the established periodicity of training and current and future plans for training and professional development, 2,708 operational staff, 1,565 managers and 980 specialist staff



Training and staff development programs were finished by

**2,708** workers

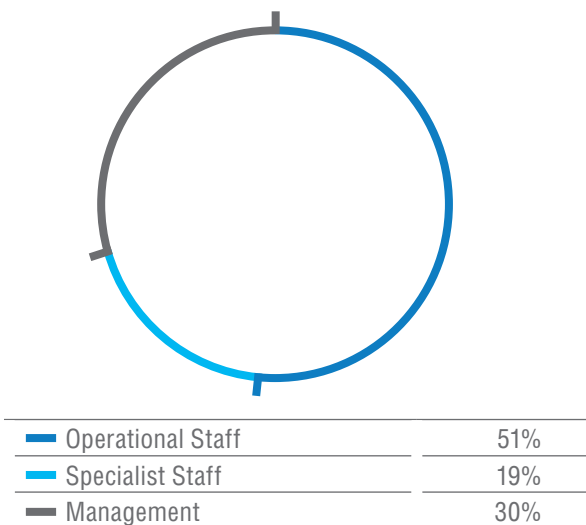
**1,565** managers

**980** specialists

benefited from training and staff development on a day-release basis.

The central certification committee of Mosenergo in charge of industrial safety requirements certified 1,225 man-permissions; the central certification committee for examining knowledge of the TOR, WS, and OS certified 119 people, 23 of which successfully passed an unscheduled examination of knowledge.

### 2015 Mosenergo PJSC staff training



The corporate safety school organizes trainings on:

- Workplace Safety (5 modules). 300 trainings and 700 sessions were held; 947 employees were trained according to a 5-module course.
- Formalization of organizational and technical measures for safe works in electrical units and thermal mechanic equipment: 40 seminars and 40 trainings were held and 604 people were trained according to a 2-module course.

In order to reduce the number of accidents and equipment failure that are caused by wrong actions of the operating staff, increase the level of training of the operating staff of TPPs, prepare for accident prevention, and ensure the reliability of power plants and the power grid, two teams from Mosenergo (the TPP-11 and TPP-22 team) took part in the competition between the operating staff of blocks TPP, which was organized by Gazprom Energoholding LLC in June 2015. The TPP-11 team took third place. The best one for the profession was announced D. V. Shmakov, the head of the C&I operating equipment usage at Mosenergo.

The Mosenergo PJSC Training Center continued its work in 2015, where, according to the established regularity of training, current and future development plans, workers, managers, and specialists of the Company are trained in the following areas:

- Operation and repair of thermal power equipment
- Operation and repair of gas equipment
- Operation and electrical equipment and RPAE
- Safe organization of works and LTM
- Simulator Training Center
- Operating personnel competitions
- SSO and educational projects

Mosenergo interacts with MPEI National Research University Federal State Budgetary Educational Institution of Higher Vocational Training in the field of first higher education and professional retraining for workers who do not have specialized higher education, and in the field of implementation of innovative

projects. In 2015, 114 employees followed training courses at MPEI.

In order to study the best practices for operating power plants abroad, 23 employees were trained at power plants in China during September 06-12, 2015.

For the staff of newly introduced facilities, training programs and initial training internship are organized at the plants with operating equipment.

In 2015, Mosenergo held a contest for young professionals and innovators. The purpose of the contest for young professionals is to stimulate development of promising and innovative solutions aimed at improving the production efficiency. During the qualifying round of the contest, 57 works were received, of which 25 reached the semi-finals.

According to the results of the Mosenergo contest, 6 works reached the finals of the 4th contest for young professionals and innovators of Gazprom Energoholding LLC (18 works were considered in total). Electronics Engineer of Mosenergo TPP-8 Dmitry Machalin became a bronze winner in the section Management and Automation of the contest for young professionals and innovators of Gazprom Energoholding LLC. Besides, the contest committee emphasized projects of four other employees of the company and called them promising.

Mosenergo has a system of annual competency assessment. According to the results of this assessment, employees received feedback and the Individual Development Plan (IDP) was made. The assessment helped identify the most talented employees through tests, interviews, and other assessment tools. The IDP was made for those employees. Thus, over 150 people were trained under the programs that are aimed at the development of corporate competency.

There is also a module program of developing competences of future and newly appointed line managers. 117 people were trained (including 74 people that fully completed the program with the others participating in certain modules).

The HR reserve has been formed; it includes highly potential personnel (HiPo) to be appointed as managers (21 persons). The HiPo Program participants underwent a multilevel selection procedure (ability tests, assessment and development center), and a module training program.

In 2015, 337 young specialists of Mosenergo completed the target adaptation according to the adaptation course for new personnel.

## 9.4 MOTIVATION AND SOCIAL PROGRAMS

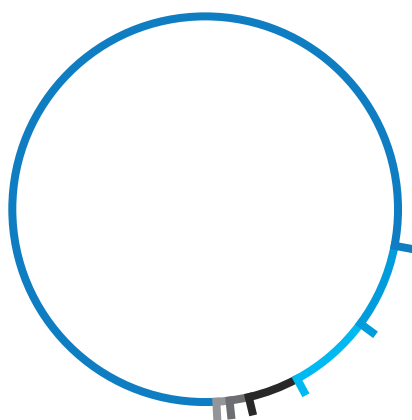
The incentive system used by Mosenergo based on grades and key performance indicators provides conditions for attracting and retaining qualified personnel by offering competitive financial remuneration.

The annual salary review was held in respect of 1,165 employees, which represents 15 % of the payroll headcount. In 2015, the average wage increased by 1.26% as compared to the previous year.

The social welfare of Company represents one of the tools for sustainable development and contributes to strengthening the reputation of Mosenergo as a reliable and responsible employer and partner. Social payments are made under a collective agreement and local regulations applicable at the Company.

In 2015, expenditure related to the social welfare of Company employees amounted to RUR 205 million.

## Mosenergo PJSC social support structure



Voluntary staff medical insurance	78.90%
Work and activities with veterans and workers of the home front of the Great Patriotic War	7.50%
Financial aid to employees	6.70%
Accident insurance	4.20%
Compensation for the costs of vouchers for employees' children	2.00%
Private pension provision	0.70%

Voluntary staff medical insurance (VSMI) is a component of the Company's social package and part of its corporate culture. Russia's leading insurance organizations are engaged on a competitive basis to ensure high quality of medical services to workers under the VSMI program. Medical aid under the VSMI provides wide opportunities to choose medical institutions. After completing their probationary period, every employee is entitled to benefit from medical services provided under the Company's voluntary medical insurance program.

Accident insurance. In order to increase the level of protection of interests associated with the health, life, and work capacity, every year the Company spends funds on accident and disease insurance, which permits to pay to workers additional financial

compensation in case of injuries or disability due to diseases, and also pay insurance indemnification to the family of a worker killed in an accident. All Company employees are insured against accident whilst at work. Payments made under the accident insurance contract is intended to provide support and adjustment after an accident.

Work and activities with veterans and workers of the home front of the Great Patriotic War (former Mosenergo employees). As part of the Company's social policy, every year the Company provides charity aid to the veterans and workers of the home front of the Great Patriotic War. As of December 31, 2015, aid amounting was provided to 93 veterans of the Great Patriotic War and to 466 members of the home labor front during the war years.

Compensation of the costs of vouchers for Mosenergo employees' children. In 2015, 134 employees of Mosenergo PJSC received vouchers for their children to children camps for rest, treatment, or education reimbursed.

Private pension provision. The Company operates a private pension program for its employees; the scheme was developed with the Gazfond Non-State Pension Fund. 62 employees participated in this scheme in 2015.

### Non-financial motivation of workers

The Company pays special attention to non-financial motivation of personnel aimed at increasing the personal outcome and achieving high production results. An efficient tool of moral stimulation of the Company's personnel includes awarding the most prominent staff with state, institutional, and industry-specific awards.

Cultural, sports and health events were financed as well.

## 9.5 OCCUPATIONAL HEALTH AND SAFETY

The total expenditure for various measures to improve working conditions, health and safety and prevent occupational illness (across the Company) amounted to RUR 611,388,000 in 2015, representing 0.42% of total production costs.

Expenditure for various measures to improve working conditions, health and safety

**611.4** million RUR

### Health and safety expenditure 2015, RUR thousand

Cost description	2014	2015
Voluntary medical insurance, insurance premium	122,868	154,643
Special evaluation of workplaces, industrial control, milk provision	5,691	5,180
Ensuring work of health centers, first-aid kits, medical checks, seasonal vaccination	62,851	63,746
Provision of protective equipment (PPE, collective protective equipment, etc.), washing and repair of clothing, fire safety	109,317	142,604
Cleaning of premises and territories	191,889	245,215
<b>TOTAL:</b>	<b>492,616</b>	<b>611,388</b>

#### Availability of health and industrial safety services and expert staff in administration offices and at (affiliated) Company power plants.

The staff of the Department of Occupational Health and Safety and Production Auditing numbers 28 persons. One of the 15 occupational health and safety managers oversees each power plant (branch facility). In addition, 6 independent inspectors have now been brought in to detect any potential occupational health and safety breaches at any of the facilities that have been earmarked for major construction and building work, as well as to identify any employee demonstrating signs of alcohol intoxication, under civil-law contracts.

#### Status of compulsory preliminary, periodic and extraordinary medical checks (examinations)

Compulsory preliminary, periodic and extraordinary medical checks (examinations) in the Company are carried out in accordance with Article 213 of the Labor Code of the Russian Federation, and Order No. 302n of the Russian Ministry of Health Care and Social Development dated April 12, 2011 "On approval of lists of adverse and(or) hazardous production factors and works for which preliminary, periodic and extraordinary medical checks (examinations) are mandatory, and the Procedure for the conduct of preliminary, periodic and extraordinary medical checks (examination) of

employees engaged in hard labor and work under adverse and(or) hazardous conditions”.

Mandatory preliminary health checks are performed when new employees join the Company. Periodic medical checks are carried out based on a named list of employees who are subject to periodic checks. These named lists are submitted to the territorial authorities of the Federal Service for Consumer Rights and Human Welfare Protection (Rospotrebnadzor). The Company has signed a medical checks contract with SOGAZ-Medservice LLC.

As part of seasonal prevention and immunization against the influenza virus in 2015, the Company held a free vaccination session for the personnel of Mosenergo, which was attended by approximately 700 Company employees.

### **Special assessment of working conditions**

In accordance with Federal Law No. 426-FZ dated December 28, 2013 “On special assessment of working conditions”, Mosenergo held a special assessment of working conditions at 1,379 workplaces in 2015.

### **Provision of personal protective equipment, protective clothing and footwear, detergents and (or) decontaminants, therapeutic and preventive nutrition, milk or other equivalent products**

Mosenergo staff are provided with personal protective equipment, protective clothing and footwear, in compliance with the Standard norms of provision of protective clothing, protective footwear and other personal protective equipment (hereinafter PPE) (Order No. 340n of the Russian Ministry of Health Care and Social Development dated April 25, 2011) and the Appendix to the Mosenergo Collective Agreement. All PPE has a certificate of conformity, and is purchased from leading Russian PPE manufacturers. A centralized laundry for special clothing has been organized.

The provision of Company staff with detergents and decontaminants is carried out in accordance with Russian Federation Ministry for Health and Social Development Order No. 1122n dated December 17, 2010 “On approval of standard regulations for the free issue of detergents and decontaminants to staff, the occupational health and safety standard”, the labor safety norm “Providing staff with detergents and decontaminants”, and the Appendix to the PJSC Mosenergo Collective Agreement.

Company employees are provided with milk in accordance with Article 222 of the Russian Federation Labor Code and Russian Federation Ministry for Health and Social Development Order No. 45n dated February 16, 2009 “On approval of terms and conditions for the free issue to staff working in hazardous conditions, of milk or other equivalent food items, or compensatory payments that are equal to the equivalent of the cost of milk or other food items of equal value, and a list of harmful workplace factors where the use of milk or other equivalent food items is recommended as a preventative measure”.

In 2015, the supply and delivery of milk to Company branch facilities was centralized under a services agreement with APK Shatursky LLC.

### **Sanitary and healthcare services for employees. Availability and equipping of sanitary facilities, rest rooms, provision of medical aid, and staff recreation.**

In accordance with Article 223 of the Labor Code of the Russian Federation, each branch facility has fully equipped sanitary rooms (cloakrooms, changing rooms, shower cubicles, washrooms, lavatories, rooms for the storage and handout of protective clothing), rest rooms, medical aid facilities, and staff recreation rooms. All these facilities are cleaned and aired. Relevant occupancy space requirements are observed. The workplace facilities are fully equipped with first aid kits, water coolers and carbonated soda water dispensing

units have been installed in hot workplace environments.

**Workplace briefings (introductory, initial, secondary and unscheduled).**

The Company organizes workplace briefings (introductory, initial, secondary and unscheduled) in accordance with the requirements of the current legislation of the Russian Federation. Instructions and briefing programs have been compiled, approved and updated on a regular basis; standard logbooks are kept for each briefing.

**Industrial accident analysis**

In 2015, one accident with an employee of Mosenergo took place.

Indicator	2015
Number of fatal accidents or group accidents, if there is a seriously injured person	0
Number of workplace accidents	1
Kchns = number of accidents x 1,000,000 hours. average number of staff Hours of work as per time sheet	0.06

**Investigation procedure for workplace accidents (procedure and timeframe)**

Investigation of workplace accidents at Mosenergo PJSC is conducted in accordance with the stipulations of Articles 227–231 of the Russian Federation Labor Code and Decree issued by the Russian Ministry of Labor No.73 dated October 24, 2002 “On approval of document forms required for the investigation and record of industrial accidents, and approval of Regulations on specific features of industrial accident investigation in individual industries and organizations”.

**Occupational health and safety supervision**

A Health and Safety Day and a Safety Hour are held regularly; 180 Health and Safety Days and 720 Safety Hours were held by all Company branches. Managers and General Directorate specialist staff were involved in the work of TPP committees.

In 2015, over 50 health and safety audits were conducted at the Company’s branch facilities.

In the framework of cooperation, a cross audit of the occupational health and safety system was carried out at Petrozavodskaya TPP (TGK-1).

Measures implemented to oversee compliance with health and safety requirements amongst contractors working at Mosenergo PJSC’s facilities discovered and eliminated more than 8,000 violations; according to the Legal Department, fines for violations amounted to over RUR 10 million. Capital construction sites are specially inspected.

As part of the Company’s system to identify, assess and eliminate any risks relating to occupational health and safety and fire safety, more than 45,000 risks of infrastructure, of which more than 42 thousand were eliminated, were revealed according to the results of 2015. In 2015, more than 12,000 risks were discovered, of which approximately 7,000 were eliminated.

As part of the project on the development of a safety culture directed at achieving the strategic objective of “0 Injuries,” the Company developed and put into action a Proprietary Standard for Behavioral

Security Audits (BSA). The methodology of the BSA was taught to 780 workers of Mosenergo and the Company's contractors, including the heads of boiler units, the staff of the General Directorate and the representatives of the management team of TER-Moscow LLC. The trained personnel conducted more than 20,000 behavioral audits, which resulted in the identification and elimination of more than 33,000 dangerous actions of employees of branch facilities and contractors.

Informational posters about "The Golden Rules of Safe Behavior" and the methodology of behavioral safety audits were printed out and posted in all the branch facilities of the Company

The Company has been operating a Committee on Occupational Health and Safety and a Commission on Occupational Health and Safety of branch facilities on an ongoing basis.

## 9.6 ENVIRONMENTAL PROTECTION

Mosenergo maintains active and productive co-operation with Russian organizations and scientific and academic institutions with a successful track record in environmental protection and ecological safety.

The Company resolves environmental protection issues in close cooperation with relevant state authorities, which monitor the environmental activity and performance of companies in the Moscow Region.

Mosenergo PJSC's expenditure for environmental protection measures and initiatives in 2015: RUR 281.044 million.



### Mosenergo PJSC's environmental protection expenditure, RUR thousand<sup>8</sup>

	2011	2012	2013	2014	2015
Non-capital environmental protection measures (prime cost)	61,992	44,002	46,978	46,808	71,350
Waste recycling (prime cost)	50,723	56,242	57,164	57,421	31,194
Investment activities, including environmental survey	73,611	87,278	57,527	123,922	178,500
<b>Total</b>	<b>186,326</b>	<b>187,522</b>	<b>161,669</b>	<b>228,151</b>	<b>281,044</b>

<sup>8</sup> Management accounting data

Emissions by Mosenergo for the 12 months of 2015 generally increased as compared to the same period of 2014 - by 10.6% or by 4.7 thousand tons and amounted to 49.2 thousand tons. The dynamics of emissions by main ingredients (included attached boilers):

- nitrogen oxide emissions rose by 4.7% or by 1.8 thousand tons and amounted to 40.0 thousand tons;
- sulfur dioxide emissions rose by 45.6% or by 2.1 thousand tons and amounted to 6.7 thousand tons;
- emissions of solids rose by 1.7 times or by 0.5 thousand tons and amounted to 1.2 thousand tons;

including:

- fuel-oil ash emissions rose by 3.8 times or by 0.001 thousand tons and amounted to 0.0017 thousand tons;
- coal ash emissions rose by 1.7 times or 0,507 thousand tons and amounted to 1.1 thousand tons.

Total fuel consumption over the reporting period for Mosenergo as a whole, against the same period in 2014 decreased by 708.7 thousand tfe or 2.9%.

Changes in fuel consumption by types:

- consumption of natural gas, which decreased by 903.4 thousand tfe or by 3.8%;

- consumption of liquid fuels, which decreased by 6 thousand tfe or by 2.1 times;
- coal consumption, which increased by 189 thousand tfe or 42%

The share of coal in the overall fuel mix of Mosenergo increased and amounted to 2.85% versus 1.86% for the same period of last year. The share of liquid fuels grew to 0.05% against 0.02% for the same period of last year.

Emissions of pollutants from Mosenergo TPP increased due to higher coal consumption. Higher emissions of NO<sub>x</sub>, SO<sub>2</sub>, coal ash were caused by higher coal and liquid fuel consumption. Higher emissions of fuel oil ash were caused by higher fuel oil consumption.

Power generating boilers at the power plants are fitted with an automated environmental monitoring system, which allows the concentration of gas pollutants to be monitored in real time and, if necessary, enables plant performance activities to be modified in order to reduce emissions. As a result of subsequent work carried out on the boilers, boiler emissions did not exceed any permitted pollutant emission standards.

The Central Laboratory for Environmental Protection (CLEP) at the Mosenergo Department for Ecology (certification accreditation No. ROOS RU.001.511836, valid to June 11, 2018) took



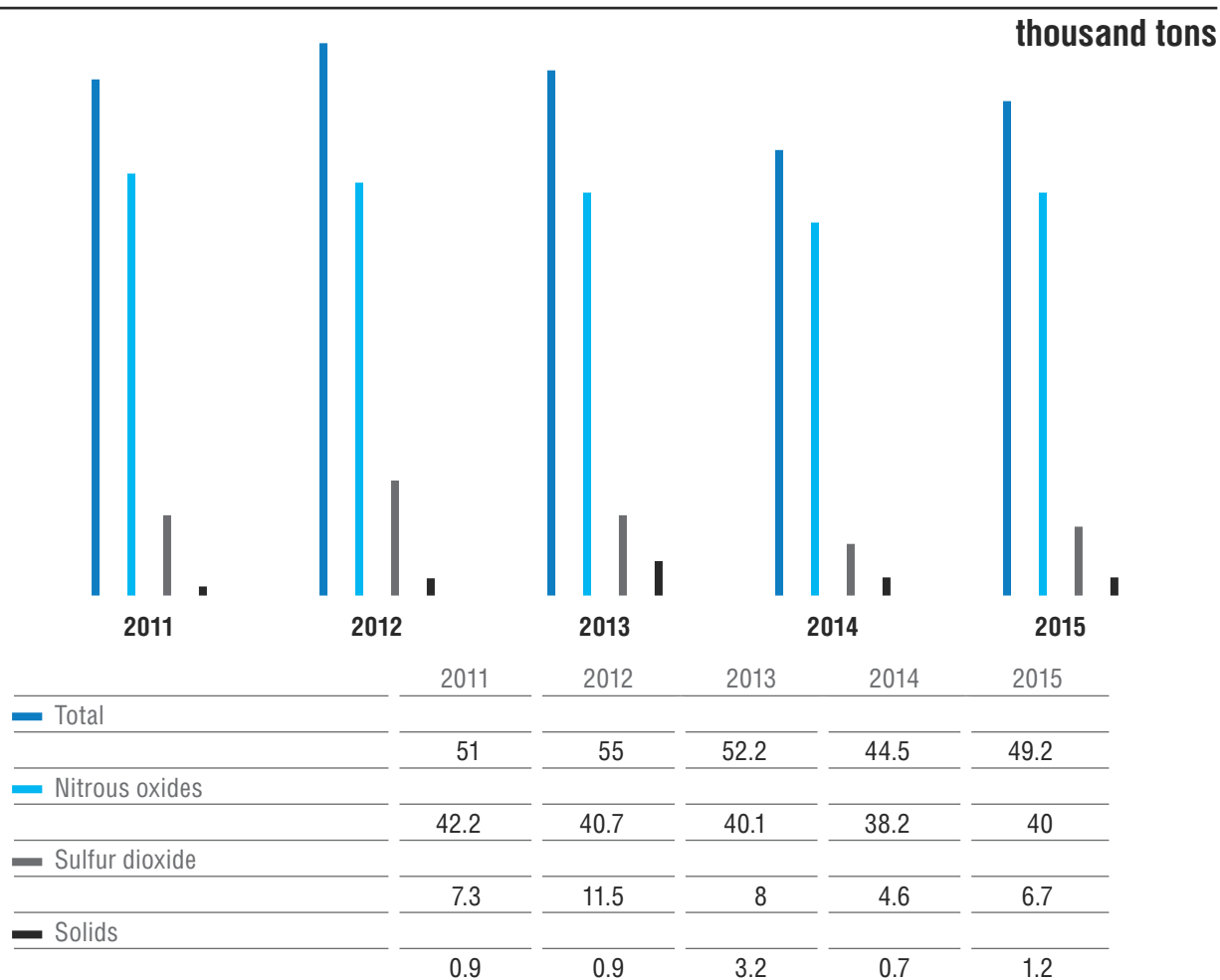


451 measurements at the power plant boilers to determine the flue gas concentrations of nitric oxide, nitrogen dioxide and carbon dioxide and to monitor the temperature of flue gases.

out the year. In 2015, 11,736 atmospheric air samples were taken in the immediate area near the TPP and analyzed for nitrogen oxide, carbon monoxide, sulfur dioxide and dust.

The condition of the atmospheric air in residential areas near the TPP was also monitored through-

## Mosenergo PJSC pollutant emissions



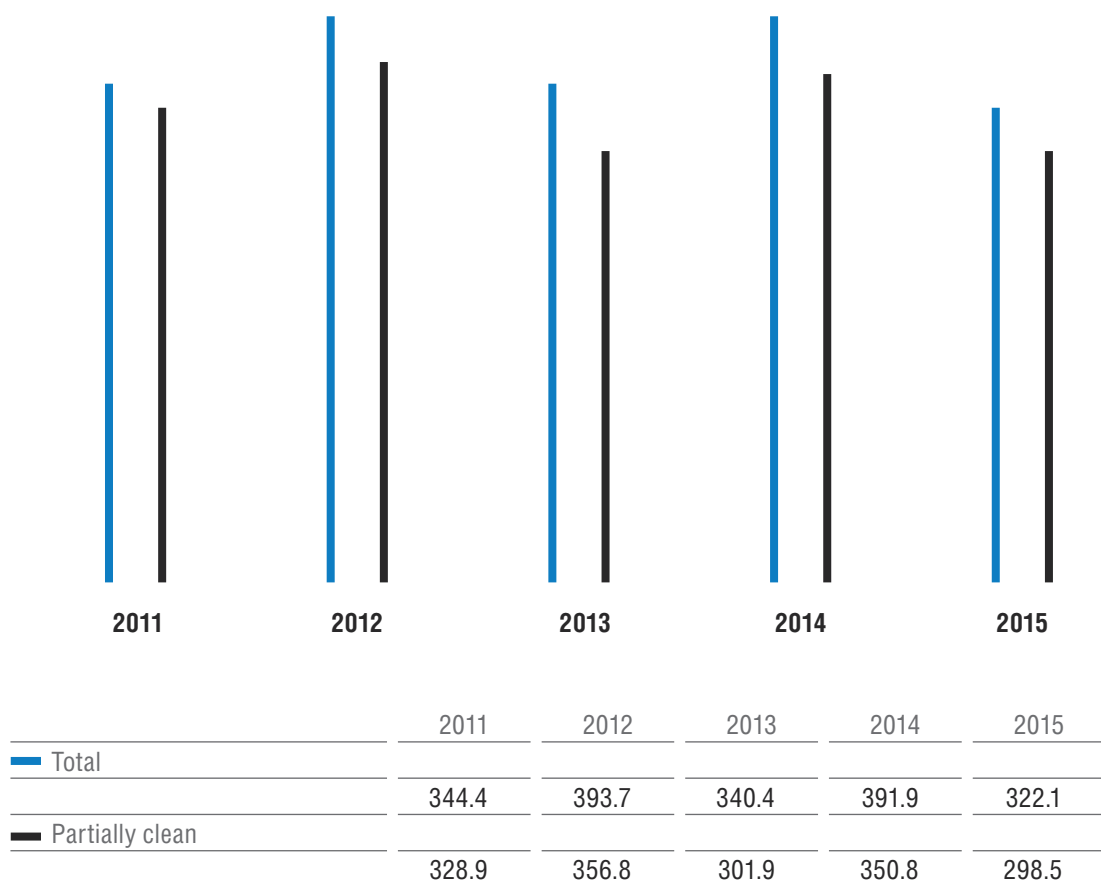
- Actual emissions of greenhouse gases in 2015 amounted to 39.129 million tons. Reduced greenhouse gas emissions, as compared to 2014, amounted to 0.473 million tons, which is associated with a reduction in the amount of fuel burned.
- The total volume of wastewater discharged into surface water bodies amounted to 322.1 million m<sup>3</sup>, of which partially clean

water constituted 298.5 million m<sup>3</sup> and partially treated water constituted 23.6 million m<sup>3</sup>. Decreased discharges against the level of 2014: 69.8 million m<sup>3</sup>;

- The total amount of waste rose by 20.4 thousand tons and constituted 173.4 thousand tons. Growing waste generation is caused by higher bottom ash waste due to growing use of coal burned.

## Wastewater discharge at Mosenergo PJSC

million m<sup>3</sup>



- In 2015, Mosenergo conducted a compliance audit of the Mosenergo Environmental Management System against ISO 14001:2004.
- The audit was conducted by the Russian Register Certification Association and took place in the structural subdivisions and departments of the General Directorate as well as at Mosenergo PJSC's branch facilities TPP-11, TPP-25 and TPP-27.
- During the audit, auditors concluded that the environmental management system is maintained and developed according to the permanent improvement principle, is successful and meets the audit criteria. Non-compliances were not revealed during the control audit.
- The Mosenergo environmental management system was recognized to meet the requirements of the ISO 14001:2004 standard.

# ADDITIONAL INFORMATION AND ANNEXES

## 10.1 INFORMATION POLICY

*In 2015 Mosenergo organized 30 press tours, taking journalists around Company power plants. The Company published 29 press releases, more than 650 printed publications were issued, and 34 TV broadcasts were shown on federal and regional channels.*

Mosenergo has an open information policy. The Company's operations are regulated by corporate governance principles, which are expected in reputable business companies, as well as by principles of social responsibility and a reliable partnership with government authorities.

Mosenergo PJSC's Information Policy aims at ensuring prompt and comprehensive presentation of accurate information about the Company's activities, and providing open access to such information to all interested parties, such as shareholders, investors, government officials, the mass media, etc.

Within its information policy framework, in 2015 Mosenergo organized 30 press tours, taking journalists around Company power plants. The Company published 29 press releases, more than 650 printed publications were issued, and 34 TV broadcasts were

shown on federal and regional channels. In addition, Mosenergo participated in major industry exhibitions and conferences.

Mosenergo PJSC's official website (<http://www.mosenergo.ru>) is the Company's key information resource. This website provides full information about Company activities and allows Mosenergo to respond in a timely manner to inquiries submitted by shareholders, investors, government officials and the media. The site displays quarterly and annual reports for shareholders, quarterly issuer reports, and financial statements compliant with RAS and IFRS standards and information that may have a significant impact on the value of securities. Mosenergo is also present on social media networks: since July 2011, Mosenergo has maintained a corporate page on Facebook: <http://www.facebook.com/pages/OAO-Mosenergo/122390031176582>

## 10.2 HISTORY OF MOSENERGO

Mosenergo PJSC's history is closely interrelated with the development of Russia's economy, society and culture.

- The Joint Stock Company of Electric Lighting was founded in 1886 by Carl Siemens, a Saint Petersburg merchant of the First Guild who was the Head of the Siemens & Halske Representative Office. The Company was founded in Saint Petersburg; however, at its very first Board of Directors' meeting, a proposal was made to prepare grounds for Company operations in Moscow.
- On July 31 1887, the executive board of the 1886 Company approved a contract for electric lighting in the Postnikova Passage on Tverskaya Street in Moscow. This date is acknowledged as the founding date of the electrical power grid in the Moscow Region.
- At the end of 1888, the Company successfully completed the construction of the first centralized power plant, with electric power supplied by the Georgievskaya power plant. On November 28 1897, the Company hosted a festive celebration for the opening of the Moscow Municipal Power Plant (MMPS-1) Raushskaya (now SPP-1), and on February 15, 1907 – MMPS-2 Tramvaynaya.
- The next important stage of development for Moscow's electrical power grid was the decision to construct a large power plant fired with local fuel in the vicinity of Moscow. This decision was implemented by Robert Klasson, Managing Director of the Moscow Office of the 1886 Company. The construction of the plant, which envisioned the use a new type of fuel, was a major project involving the development of new technologies and the creation of the entire peat extraction industry.
- In 1912, the Company started building the world's first peat-fired district power plant in the Bogorodsky District. In April 1913, a new company, the Moscow Joint Stock Company Elektropredacha, was founded in order to utilize the capacity generated by the new station. The plant itself began operations in 1914 and, in 1915, started to operate in parallel with the Raushskaya Power Plant.
- The joint stock companies Electric Lighting 1886 Company and Elektropredacha operated successfully until October 1917. After the October Revolution, the stations were nationalized and ceased operations under their previous ownership in December 1917.
- The management of state power stations was delegated to the Power Department of the Supreme Council of Public Property. At the same time, in December 1917, Ivan Radchenko and Aleksandr Vinter proposed to develop the Moscow power industry further. These proposals became the basis for the first State Plan for the Electrification of the whole country, GOELRO.
- In December 1920, the GOELRO Plan was ratified by the eighth All-Russia Soviet Congress. According to the plan, the capacity volume of the Moscow power system was expected to increase by a factor of almost four within 10 to 15 years. The installed capacity was to increase from 93 thousand to 340 thousand kW.
- Pursuant to the GOELRO Plan, several stations were built in the Moscow Region, namely Kashirskaya SDPP (now SDPP-4), Shaturskaya SDPP (now SDPP-5), Krasnopresnenskaya TPP (now a subsidiary of TPP-12), TPP-6 and TPP-8. One of the key events in this period was the completion of Russia's first 110 kV voltage power line between Kashira and Moscow, as well as a two-circuit ring of power lines and transformers around Moscow with a voltage of 115 kV.
- In the 1930s, the workers of the Moscow power supply system, known until 1932 as MOGES (Unified Management of Power Plants of the Moscow Region), started providing centralized district heating to the Soviet capital. In March 1931, the first district heating pipelines were launched from

MMPS-1 and a specialized enterprise for the maintenance and development of the Moscow District heating network was founded.

- The start of World War II put the development of the power system on hold. Part of the equipment was destroyed, another part was evacuated and the total capacity of Mosenergo dropped twofold. Nevertheless, Moscow power engineers managed to maintain a continuous supply of power to the city's defense facilities; they constructed high-voltage obstacles to defend against enemy troops and assembled power-generating trains for the liberated regions of the country. The restoration of the power industry started immediately after the successful counter-offensive campaign of the Soviet Army in the winter of 1941–1942. As early as 1945, Mosenergo had already managed to achieve a pre-war level of installed capacity.
- In 1946, Mosenergo began to utilize a new type of fuel: SPP-1 started burning natural gas. In the same year, the Moscow power system was connected to the Ivanovo, Yaroslavl and Gorky power systems. In 1956, the first section of the Unified Power System in the European part of Russia was created with the introduction of high-voltage power lines from Kuibyshev to Moscow.
- Within the Unified Power System framework in 1960, the country brought into operation the first units of TPP-22, and for the first time in the USSR a 1,000 mm-diameter heat pipeline was installed at TPP-11. On October 22, 1963, Mosenergo launched TPP-21, shortly followed by TPP-23, TPP-25 and TPP-26.
- In the 1970s, Mosenergo successfully implemented 250-MW thermal power generating units with supercritical steam parameters. This kind of unit was first constructed at TPP-22 and became the base for other heat and power plants: TPP-21, 23, 25 and 26.
- The development of the district heating system remained a pending issue for Mosenergo, especially during the mass construction of residential apartments in the city when district heating pipelines with the length of 20–30 kilometers and pipeline diameters of 1,200–1,400 mm started to be built from the new, powerful TPPs. At the same time, intensive grid development was in progress with extensive construction of 750 kV power transmission lines. The total length of the high voltage power transmission lines increased dramatically. Two high-voltage 220 kV rings were completed around Moscow, soon followed by 50 kV rings.
- On December 30, 1987, Mosenergo brought the first hydroelectric generating set of the Zagorsk Pumped Storage Hydro Plant into operation – a unique power unit regulating peak loads in the grid system. In 1990, the Moscow Grid absorbed Ryazan TPP-24 and in 1992, it acquired TPP-28 in Moscow.
- In 1993, the production association Mosenergo was transformed into an open joint stock company.
- In 2005, Mosenergo grew and started the implementation of the Program for Development and Technical Upgrading, including the planning, construction and commissioning of new generating facilities on the sites of operational power plants in energy-deficient regions and heat and electricity demand nodes with developed infrastructure.
- On November 22, 2007, less than two years after the start of construction, TPP-27 launched a combined cycle steam-and-gas power unit with an electric power rating of 450 MW and heat output of 300 Gcal. In June 2008, a unit of the same type was put into operation at TPP-21, and in December of the same year, the Company installed yet another 450-MW steam-and-gas power unit at TPP-27.
- On 30 June 2011, a new 420-MW combined-cycle power unit was put into operation at TPP-26. This unit has the highest efficiency rate among Russian power plants – up to 59%. The general construction contractors were the Alstom Consortium (France) and EMAlliance OJSC.
- In April 2014, a SGU-65 unit with an AE64.3A Ansaldo Energia gas turbine (Italy) was commissioned at TPP-9. In December 2014,

a SGU-420 steam-and-gas unit was commissioned at TPP-16 (the manufacturer and the supplier of the basic equipment: Siemens (Germany)).

- A new steam and gas power unit (SGU-220) was commissioned at TPP-12 of Mosenergo OJSC on May 01, 2015. The core equipment of the new power unit was made in Russia. The nominal power of the unit: 220 MW, the certified power at cogeneration: 211.6 MW, heat power: no less than 140 Gcal/h. After the SGU-220 was commissioned, the installed power of TPP-12 rose by more than 50%.
- On May 20, 2015, the extraordinary general shareholder meeting of Mosenergo OJSC decided to transfer powers of the company's sole executive body to the managing organi-

zation: Gazprom Energoholding LLC. This decision was made to improve the management efficiency, avoid duplication of functions, and cut administrative expenses and other costs.

- On December 22, 2015, two modern steam and gas power unit were commissioned at TPP-20 of Mosenergo in Moscow and the Serov SDPP of OGK-2 PJSC in the Sverdlovsk Region. The order to put power units into operation via a videoconference was given by Russian Federation President Vladimir Putin. The installed power of TPP-20 before the SGU-420 commissioning was 730 MW, heat power – 2,400 Gcal/h; after the unit was commissioned, it grew to 1,148 MW and 2,620 Gcal/h, respectively.

## 10.3 REPORT ON COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The underlying principles of Mosenergo are based on the legislative regulations of the Russian Federation, the Company Charter, and the Corporate Governance Code, which was approved by the Board of Directors of the Bank of Russia on March 21, 2014 and recommended for joint-stock companies, whose stock is allowed for organized sales.

In order to assess compliance with the corporate governance principles set forth by the Corporate Governance Code, Mosenergo uses the report form developed and recommended for use by the Bank of Russia in information letter No. IN-06-52/8 dated February 17, 2016 on disclosure in the public joint-stock company's report of a report on compliance

with the principles and recommendations of the Corporate Governance Code.

In case of deviation from the criteria of evaluation of compliance with the corporate governance principles, the report provides a brief description of mechanisms and instruments of corporate governance used by the Company instead of those recommended by the Corporate Governance Code, and also planned activities and measures aimed at improving the corporate governance model and practice. Such information is unavailable, if the Company does not currently plan to take appropriate action and/or does not determine the time of taking such actions and measures.

No.	Corporate governance principle	Criteria for evaluation of compliance with the corporate governance principle or recommendation	Status of compliance with the corporate governance principle	Explanation of non-compliance with criteria of evaluation of compliance with the corporate governance principle
<b>I. Shareholders' rights and equality of shareholders in the exercise of their rights</b>				
1.1.	The Company must ensure fair and equitable treatment of all shareholders in the course of implementation of their right to participate in the management of the Company.			
1.1.1.	The Company creates for its shareholders best conditions for participation in the general meeting, terms of taking a well-grounded attitude toward agenda items considered at the general meeting, coordination of their actions, and a possibility of expressing their opinion on considered items.	<p>1. The Company has a publicly available internal document approved by the general shareholder meeting regulating procedures for holding general meetings.</p> <p>2. The Company provides an accessible method of communication with the company such as a hotline, e-mail, or an online forum permitting the shareholders to express their opinion and send questions about the agenda in the process of preparing for the general meeting. These actions were made by the company on the eve of every general meeting held in the reporting period.</p>	Complied with	
1.1.2.	The procedure for notifying of holding the general meeting and providing materials for the general meeting permits the shareholders to properly prepare for their participation in it.	<p>1. A notice of holding the general shareholder meeting is posted (published) on the website at least 30 days prior to the date of holding the general meeting.</p> <p>2. The notice of holding the meeting includes the venue of the meeting and documents required for being allowed into the premises.</p> <p>3. The shareholders have access to information about who proposes agenda items and who nominates candidatures to the board of directors and the audit committee of the company.</p>	Complied with	
1.1.3.	In the course of preparing for and holding the general shareholder meeting, the shareholders could, without restriction and in a timely manner, have access to information about the meeting and materials to it, ask questions to the executive bodies and members of the company's board of directors, communicate with each other.	<p>1. In the reporting period, the shareholders could ask questions to members of the executive bodies and members of the board of directors of the company before and during the general shareholder meeting.</p> <p>2. The attitude of the board of directors (including special opinions included in the minutes) to every item of the agenda of the general meetings held in the reporting period was added to the materials of the general shareholder meeting.</p> <p>3. The company has provided to shareholders, entitled to it, access to a list of persons allowed participating in the general meeting, starting from when the company received it, in all cases of holding general meetings in the reporting period.</p>	Partly complied with	In cases set forth by the laws and/or the Charter of the Company, the Board of Directors' attitude (including special opinions included in the minutes) to items of the agenda of general meetings held in the reporting period was added to the materials relevant to the general shareholder meeting.
1.1.4.	The shareholder's right to require the calling of a general meeting, nominate candidates to the management bodies, and make proposals to be put on the agenda of the general meeting was not associated with unreasonable difficulties.	<p>1. In the reporting period, the shareholders could, within at least 60 days after the end of the relevant calendar year, make proposals to be put on the agenda of the annual general meeting.</p> <p>2. In the reporting period, the company did not refuse to put proposals on the agenda or accept candidatures to the company's bodies due to printing errors and other minor defects in a shareholder's proposal.</p>	Complied with	
1.1.5.	Every shareholder could exercise without restriction a voting right in a simplest and convenient manner.	1. The company's internal document (internal policy) includes provisions under which every participant in the general meeting can, before the relevant meeting is over, demand a copy of a bulletin he/she filled in, countersigned by the counting commission.	Complied with	

No.	Corporate governance principle	Criteria for evaluation of compliance with the corporate governance principle or recommendation	Status of compliance with the corporate governance principle	Explanation of non-compliance with criteria of evaluation of compliance with the corporate governance principle
1.1.6.	The procedure for holding a general meeting established by the company ensures an equal opportunity to all persons attending the meeting to express their opinion and ask appropriate questions.	<p>1. When general shareholder meetings were held in the reporting period in the form of a meeting (joint presence of shareholders), an adequate time period was provided to report on the agenda items and time for discussing these issues.</p> <p>2. Candidates for the company's governing and controlling bodies were available for answering questions of shareholders at the meeting their candidatures were voted on at.</p> <p>3. The board of directors making decisions associated with the preparation and holding of the general shareholder meetings considered using telecommunication means to enable the shareholders to remotely participate in the general meetings in the reporting period.</p>	Partly complied with	<p>The board of directors making decisions associated with the preparation and holding of the general shareholder meetings did not consider using telecommunication means to enable the shareholders to remotely participate in the general meetings in the reporting period.</p> <p>Under article 8.8 clause 2 of Federal Law No. 39-FZ dated 22.04.1996 "On the securities market", the Company plans to ensure participation in the future general shareholder meetings by sending an electronic document bearing an electronic signature.</p> <p>In addition, inclusion of provisions on the use of telecommunication means in the Company's internal documents is considered to broadcast the general shareholder meeting, including by using video conferencing.</p>
1.2	<b>Shareholders are provided with an equal and fair opportunity to participate in the profits of the Company by receiving dividends</b>			
1.2.1.	The Company has approved, developed, and introduced a transparent and clear mechanism of determining the amount of dividends and their payment.	<p>1. The company has developed and disclosed the dividend policy approved by the board of directors.</p> <p>2. If the company's dividend policy uses indicators of the company's statements for determining the amount of dividends, the relevant provisions of the dividend policy take into account the consolidated indicators of financial statements.</p>	Complied with	
1.2.2.	The company does not decide to pay dividends, if this decision is economically unreasonable and can lead to false ideas of the company's performance, even though it is formally conformant to the restrictions set by law.	1. The Company's dividend policy includes clear indications of financial/economic circumstances, under which the company should not pay out dividends.	Complied with	
1.2.3.	The company prevents any deterioration of the existing shareholders' dividend rights.	1. In the reporting period, the company made no actions leading to the deterioration of the existing shareholders' dividend rights.	Complied with	
1.2.4.	The company strives to rule out the use by the shareholders of other methods of receiving profits (income) at the company's expense, apart from dividends and liquidation value.	1. In order to rule out the use by the shareholders of other methods of receiving profits (income) at the company's expense, apart from dividends and liquidation value, the company's internal documents include control mechanisms, which ensure timely detection of and a procedure for approving transactions with parties affiliated (related to) with major shareholders (authorized to use votes stipulated by voting shares) in cases where the law does not formally recognize such transactions as related-party transactions.	Partly complied with	The company's internal documents do not set forth any formal criteria of recognizing transactions as related-party ones, other than those stipulated by the effective laws.
1.3.	<b>The corporate governance system and practices ensure equal terms for all shareholders holding shares of the same category (type), including minor (small) shareholders and foreign shareholders and their equal treatment by the company.</b>			
1.3.1	The company has created conditions for fair treatment of every shareholder by the governing bodies and controlling officers of the company, including conditions preventing any abuse by major shareholders with respect to minor ones.	1. During the reporting period, procedures for managing potential conflicts of interests of the existing shareholders were efficient, and the board of directors paid appropriate attention to conflicts between shareholders, if any.	Complied with	



No.	Corporate governance principle	Criteria for evaluation of compliance with the corporate governance principle or recommendation	Status of compliance with the corporate governance principle	Explanation of non-compliance with criteria of evaluation of compliance with the corporate governance principle
1.3.2.	The company does not take any actions that lead or may lead to artificial corporate control redistribution.	1. Quasi treasury shares are inexistent or did not participate in voting during the reporting period.	Complied with	
1.4.	<b>The shareholders have reliable and efficient methods of recording rights to shares and can transfer their shares without restrictions or encumbrance.</b>			
1.4.1	Shareholders have reliable and efficient methods or recording rights to shares and can transfer their shares without restrictions or encumbrance.	1. The quality and reliability of activities performed by the company's registrar to register holders of securities meet the needs of the company and its shareholders.	Complied with	
2.1	<b>The Board of Directors performs the strategic management of the Company, defines the basic principles and approaches to the organization of risk management systems and internal control of the Company, supervises the activities of executive bodies of the Company, as well as performs other key functions.</b>			
2.1.1.	The board of directors is in charge of making decisions associated with the appointment and dismissal of members of the executive bodies, including due to improper fulfillment of their duties. The board of directors also makes sure that the executive bodies of the company comply with the approved development strategy and key lines of business of the company.	1. The board of directors has powers stipulated by the charter to appoint and dismiss members of the executive bodies and determine the terms of agreements.  2. The board of directors has considered a report (reports) of the sole executive body and members of the collective executive body on the company's strategy implementation.	Complied with	
2.1.2.	The board of directors sets the main orientation of the company's long-term activities, evaluates and approves the key performance indicators and the main business goals of the company, evaluates and approves the strategy and business plans for the company's key lines of business.	1. During the reporting period, at its meetings the board of directors considered issues associated with the course of the strategy progress and updating, approval of the company's financial and business plan (budget), and considered criteria and indicators (including intermediary ones) of implementation of the company's strategy and business plans.	Complied with	
2.1.3	The board of directors determines the principles of and approaches to the organization of the risk management and internal control system at the company.	1. The board of directors has determined the principles of and approaches to the organization of the risk management and internal control system at the company.  2. The board of directors has assessed the company's risk management and internal control system during the reporting period.	Partly complied with	The company's board of directors has approved the Mosenergo OJSC's Internal Control Policy.  In the reporting period, the board of directors did not consider evaluation of the company's risk management and internal control system.
2.1.4.	The board of directors determines the company's policy of remuneration and (or) refund of expenses (compensation) to members of the board of directors, executive bodies and other key managers of the company.	1. The company has developed and introduced the policy (policies) of remuneration and refund of expenses (compensation) to members of the board of directors, executive bodies of the company and other key managers of the company approved by the board of directors.  2. During the reporting period, at its meetings the board of directors considered issues associated with the said policy (policies).	Partly complied with	The board of directors does not determine the company's policy of remuneration and (or) refund of expenses (compensation) to members of the board of directors.  Under article 15 clause 15.1 item 21 of the Company's Charter, decisions to pay remunerations and (or) compensations to members of the board of directors are made by the general shareholder meeting.  On June 10, 2015, the general shareholder meeting (minutes No. 2 dated June 15, 2015) approved the Policy on the procedure for determining the amount of remunerations and compensations to members of the board of directors of Mosenergo Public Joint-Stock Company of power and electrification.

No.	Corporate governance principle	Criteria for evaluation of compliance with the corporate governance principle or recommendation	Status of compliance with the corporate governance principle	Explanation of non-compliance with criteria of evaluation of compliance with the corporate governance principle
2.1.5.	The board of directors plays a key role in preventing, detecting, and settling any internal conflicts between the company's bodies, shareholders, and personnel.	<ol style="list-style-type: none"> <li>The board of directors plays a key role in preventing, detecting, and settling any internal conflicts.</li> <li>The company has set up a system of identification of transactions associated with conflicts of interest, and a system of measures aimed at settling such conflicts.</li> </ol>	Complied with	
2.1.6.	The board of directors plays a key role in ensuring the company's transparency, timelines, and full information disclosure by the company, unhindered access of shareholders to the company's documents.	<ol style="list-style-type: none"> <li>The board of directors has approved the information policy regulation.</li> <li>The company has designated persons responsible for the information policy implementation.</li> </ol>	Complied with	
2.1.7.	The board of directors controls corporate governance practices at the company and plays a key role in important corporate events of the company.	1. In the reporting period, the board of directors considered corporate governance practices at the company.	Partly complied with	<p>In the reporting period, the board of directors did not consider corporate governance practices at the company.</p> <p>According to the current practices, during the year the company's management analyzed the company's corporate governance practices. This work resulted in the annual updating of the company's internal documents pursuant to the effective laws and best corporate practices as part of the annual general shareholder meeting. Under the Company's Charter, the board of directors preliminarily considers the management's proposals to update the company's internal documents and, based on the consideration results, recommends decisions to the general shareholder meeting.</p>
2.2.	<b>The Board of Directors reports to the Company's shareholders.</b>			
2.2.1.	Information about the work of the board of directors is disclosed and provided to the shareholders.	<ol style="list-style-type: none"> <li>The company's annual report for the reporting period includes information about the directors' attendance of the meetings held by the board of directors and committees.</li> <li>The annual report includes information about the key results of evaluation of the board of directors' performance in the reporting period.</li> </ol>	Not complied with	<ol style="list-style-type: none"> <li>The company's annual report for the reporting period does not include information about the directors' attendance of the meetings of the board of directors and committees. This information is planned to be included in the company's 2016 annual report.</li> <li>Performance of the company's board of directors was not evaluated in the reporting period.</li> </ol>
2.2.2.	The chairman of the board of directors is available for the company's shareholders.	1. The company has a transparent procedure permitting the shareholders to forward to the chairman of the board of directors their questions and attitudes to them.	Complied with	
2.3.	<b>The board of directors is an efficient and professional governing body of the company able to make objective independent judgments and decisions corresponding to the interests of the company and its shareholders.</b>			
2.3.1.	Only persons with an impeccable business and personal reputation, possessing knowledge, skills, and experience necessary to make decisions placed within the competence of the board of directors and required for the efficient fulfillment of its functions are elected as members of the board of directors.	<ol style="list-style-type: none"> <li>The procedure for evaluating the efficiency of the board of directors' performance adopted by the company includes, in particular, evaluation of the professional qualification of the board of directors' members.</li> <li>In the reporting period, the board of directors (or its nomination committee) evaluated candidates for the board of directors in terms of their necessary experience, knowledge, business reputation, lack of a conflict of interests, etc.</li> </ol>	Partly complied with	<p>In the reporting period, the board of directors did not consider the evaluation of candidates for the company's board of directors.</p> <p>According to the Regulation on the HR and Remuneration Committee of the Board of Directors of Mosenergo, the competence of this committee includes determination of criteria for selecting candidates for members of the board of directors and preliminary evaluation of such candidates.</p>

No.	Corporate governance principle	Criteria for evaluation of compliance with the corporate governance principle or recommendation	Status of compliance with the corporate governance principle	Explanation of non-compliance with criteria of evaluation of compliance with the corporate governance principle
2.3.2.	Members of the company's board of directors are elected via a transparent procedure permitting the shareholders to receive information about candidates adequate for having an idea of their personal and professional qualities.	1. In all cases where general shareholder meetings were held in the reporting period and at which the agenda included election of the board of directors, the company provided the shareholders with biography information of all the candidates for members of the board of directors, results of evaluation of such candidates conducted by the board of directors (or its nomination committee), and also information about the candidate's compliance with the criteria of independence, according to recommendations 102-107 of the Code and the candidates' written consent to be elected to the board of directors.	Partly complied with	<p>In all cases where general shareholder meetings were held in the reporting period and at which the agenda included election of the board of directors, the company provided the shareholders with brief biography information of all the candidates for members of the board of directors.</p> <p>According to the company's internal documents, during the general shareholder meeting the shareholders may receive information from candidates for the company's board of directors present at the meeting.</p>
2.3.3.	Members of the board of directors are balanced, including in terms of their qualification, experience, knowledge, and business qualities, and are trusted by the shareholders.	1. As part of the procedure for evaluation of the board of directors' performance conducted in the reporting period, the board of directors analyzed its needs pertaining to professional qualification, experience, and business skills.	Partly complied with	<p>In the reporting period, the board of directors did not consider an issue of its needs pertaining to professional qualification, experience, and business skills.</p> <p>According to the Regulation on the HR and Remuneration Committee of the Board of Directors of Mosenergo, the competence of this committee includes determination of criteria for selecting candidates for members of the board of directors and preliminary evaluation of such candidates.</p> <p>It should be noted that the stable membership of the company's board of directors, representation of the company's major shareholders at the board of directors, and long working experience by members of the company's board of directors at major national companies point out to the high professional qualification, experience and business skills of members of the company's board of directors.</p>
2.3.4.	The number of members of the company's board of directors makes it possible to organize the board of directors' work in a most efficient way, including a possibility to form committees of the board of directors, and enables considerable minor shareholders of the company to elect their candidate to the board of directors.	1. As part of the procedure for evaluation of the board of directors conducted in the reporting period, the board of directors considered correspondence of the number of members of the board of directors to the company's needs and shareholders' interests.	Partly complied with	<p>In the reporting period, the company's board of directors did not consider correspondence of the number of members of the board of directors to the company's needs and shareholders' interests.</p> <p>Pursuant to article 66 clause 3 item 2 of the FL "On joint-stock companies, in case of a joint-stock company with the number of shareholders holding voting shares in the company of over ten thousand shares, the number of members of the board of directors (supervisory board) of the company may not be less than nine. Pursuant to article 19 clause 19.5 of the Mosenergo PJSC's Charter, the company's board of directors consists of 19 members, which means that the number of members of the board of directors corresponds to the company's needs and shareholders' interests.</p>

No.	Corporate governance principle	Criteria for evaluation of compliance with the corporate governance principle or recommendation	Status of compliance with the corporate governance principle	Explanation of non-compliance with criteria of evaluation of compliance with the corporate governance principle
2.4.	<b>The board of directors includes an adequate number of independent directors.</b>			
2.4.1.	An independent director is a person possessing adequate professionalism, experience, and independence to form their own attitude, able to make objective and honest judgments not influenced by the company's executive bodies, certain groups of shareholders or other interested parties. It should be taken into account that normally a candidate cannot be considered independent (elected member of the board of directors), if they are affiliated to the company, its substantial shareholder, substantial counterparty or competitor of the company or the state.	1. In the reporting period, all the independent members of the board of directors met the independence criteria mentioned in recommendations 102-107 of the Code or were acknowledged independent by a decision of the board of directors.	Not complied with	According to the independence criteria mentioned in recommendations 102-107 of the Code, no member of the company's board of directors met the independence criteria in the reporting period.
2.4.2.	Correspondence of candidates for members of the board of directors to the independence criteria is evaluated and correspondence of independent members of the board of directors to the independence criteria is regularly analyzed. During such evaluation, the content should take precedence over the form.	1. In the reporting period, the board of directors (or the nomination committee of the board of directors) expressed an opinion about independence of each candidate for the board of directors and provided the relevant conclusion to the shareholders.  2. In the reporting period, the board of directors (or the nomination committee of the board of directors) considered at least once independence of the current members of the board of directors indicated by the company in the annual report as independent directors.  3. The company has developed procedures for determining the necessary actions of a member of the board of directors if he/she is no longer independent, including obligations of timely notification of the board of directors thereof.	Not complied with	In 2016, the HR and Remuneration Committee of the Board of Directors plans to consider preparing recommendations to the company's shareholders on the definition of independence of candidates for the board of directors.
2.4.3.	Independent directors account for at least one third of the number of members of the board of directors.	1. Independent directors account for at least one third of the number of members of the board of directors.	Not complied with	Independent directors account for less one third of the number of members of the board of directors.  Pursuant to the effective laws and the Company's Charter, the Company's shareholders may nominate candidates to the company's board of directors.
2.4.4.	Independent directors play a key role in preventing internal conflicts at the company and performance by the company of its considerable corporate actions.	1. Independent directors (having no conflict of interest) preliminarily evaluate considerable corporate actions associated with a potential conflict of interests, and the results of such evaluation are provided to the board of directors.	Not complied with	See 2.4.3.
2.5.	<b>The chairman of the board of directors contributes to the most efficient fulfillment of functions of the board of directors.</b>			
2.5.1.	The chairman of the board of directors is an elected independent director or a senior independent director elected from among independent directors, who coordinates the work of independent directors and interacts with the chairman of the board of directors.	1. The chairman of the board of directors is an independent director or a senior independent director is chosen from among independent directors.  2. The role, rights, and duties of the chairman of the board of directors (and, if applicable, the senior independent director) are duly defined by the company's internal documents.	Partly complied with	The chairman of the board of directors is not an independent director.  See 2.4.3.

No.	Corporate governance principle	Criteria for evaluation of compliance with the corporate governance principle or recommendation	Status of compliance with the corporate governance principle	Explanation of non-compliance with criteria of evaluation of compliance with the corporate governance principle
2.5.2.	The chairman of the board of directors ensures a constructive atmosphere of meetings, a free discussion of issues placed on the agenda of the meeting, control over execution of decisions made by the board of directors.	1. Efficiency of performance of the board of directors' chairman was evaluated as part of the procedure for evaluation of performance efficiency of the board of directors in the reporting period.	Partly complied with	Pursuant to article 21 clause 21.2 of the Company's Charter, the chairman of the company's board of directors organizes its work, convenes meetings of the company's board of directors, approves the agenda of the meetings and chairs at the meetings of the board of directors, organizes the minutes of the meetings, and chairs at the general shareholder meeting.  In the reporting period, the procedure for evaluation of the efficiency of the company's board of directors was not conducted.
2.5.3.	The chairman of the board of directors takes necessary measures to provide, in a timely manner, members of the board of directors with information necessary for deciding on agenda items.	1. An obligation of the chairman of the board of directors to provide, in a timely manner, members of the board of directors with materials relevant to items of the agenda of the meeting of the board of directors is stipulated by the company's internal documents.	Complied with	
2.6.	<b>Members of the board of directors act in an honest and reasonable way for the interests of the company and its shareholders based on adequate information, with due care and prudence.</b>			
2.6.1.	Members of the board of directors make decisions by taking into account all available information, with no conflict of interest, by equally treating the company's shareholders within ordinary business risk.	1. The company's internal documents set forth that a member of the board of directors must notify the board of directors of his/her conflict of interest, if any, with respect to any item of the agenda of the meeting of the board of directors or the committee of the board of directors before this agenda item is discussed.  2. The company's internal documents provide that a member of the board of directors must not vote on any item involving a conflict of interest.  3. The company has a procedure permitting the board of directors to receive professional consultations on items within its competence at the company's expense.	Partly complied with	The company's internal documents set forth that a member of the board of directors must notify the board of directors of his/her conflict of interest, if any, with respect to any item of the agenda of the meeting of the board of directors or the committee of the board of directors before this agenda item is discussed.  However, the company's internal documents set an obligation of a member of the board of directors to provide information permitting the company's management to detect a conflict of interest of a specific member of the board of directors when deciding on a specific item. As a result of this detection, the company's management forming materials relevant to the items of the agenda of the meeting of the board of directors points out to the conflict of interest of a specific member of the board of directors.
2.6.2.	The rights and duties of members of the board of directors are clearly stated in the company's internal documents.	1. The company has adopted and published an internal document clearly defining the rights and obligations of members of the board of directors.	Complied with	

No.	Corporate governance principle	Criteria for evaluation of compliance with the corporate governance principle or recommendation	Status of compliance with the corporate governance principle	Explanation of non-compliance with criteria of evaluation of compliance with the corporate governance principle
2.6.3.	Members of the board of directors have enough time to perform their duties.	<p>1. The individual attendance of the meetings of the board and committees and the time for preparing for participation in the meetings were taken into account as part of the procedure for evaluation of the board of directors in the reporting period.</p> <p>2. According to the company's internal documents, members of the board of directors must notify the board of directors of their intention to be members of the governing bodies of other organizations (apart from controlled and related organizations of the company) and also of such appointment.</p>	Partly complied with	<p>In the reporting period, the procedure for evaluation of the efficiency of the company's board of directors was not conducted.</p> <p>A notice of convening the meetings of the company's board of directors as well as all necessary documents were sent at least 10 business days before they were held, and in case of voting by correspondence – at least 10 business days before voting ballots were provided to the company's board of directors.</p> <p>According to the company's internal documents, members of the board of directors are not required to notify the board of directors of their intention to join the governing bodies of other organizations (apart from related and affiliated organizations of the company), but must notify of such appointment.</p>
2.6.4.	All the members of the board of directors have equal access to the company's documents and information. Newly elected members of the board of directors are provided with adequate information about the company and the work of the board of directors as soon as possible.	<p>1. According to the company's internal documents, members of the board of directors have access to documents and can make inquiries pertaining to the company and its related organizations, and the company's executive bodies must provide relevant information and documents.</p> <p>2. The company has a formalized program of get-acquainted sessions for newly elected members of the board of directors.</p>	Partly complied with	<p>The company has no formalized program of get-acquainted sessions for newly elected members of the board of directors, but newly elected members of the board of directors, just as other members of the board of directors, may request all necessary information about the company's activities.</p> <p>In 2016, the Regulation on the Company's Board of Directors is planned to be amended to stipulate the development of an introductory get-acquainted program for newly elected members of the company's board of directors.</p>
2.7.	<b>Meetings of the board of directors, preparation for them, and participation of members of the board of directors ensure the board of directors' efficient activities.</b>			
2.7.1.	Meetings of the board of directors are held as necessary, taking into account the scale of activities and objectives the company has to achieve at a point in time.	1. The board of directors held at least six meetings in the reporting year.	Complied with	
2.7.2.	The company's internal documents set a procedure for preparing and holding meetings of the board of directors permitting members of the board of directors to appropriately prepare for them.	1. The company has approved an internal document determining the procedure for preparing and holding meetings of the board of directors, which provides that a notice of a meeting should normally be given at least 5 days prior to it.	Complied with	
2.7.3.	The form of holding a meeting of the board of directors is determined by taking into account the importance of the agenda items. The most important items are decided at meetings held by personal attendance.	1. The company's charter or internal documents provide that the most important issues (according to the list provided in recommendation 168 of the Code) are to be considered at meetings of the board of directors held by personal attendance.	Not complied with	According to the company's internal documents, the form of holding a meeting of the board of directors is determined by the chairman of the board of directors.

No.	Corporate governance principle	Criteria for evaluation of compliance with the corporate governance principle or recommendation	Status of compliance with the corporate governance principle	Explanation of non-compliance with criteria of evaluation of compliance with the corporate governance principle
2.7.4.	Decisions on the most important issues of the company's operations are made at a meeting of the board of directors by a qualified majority or majority of votes of all elected members of the board of directors.	1. The company's charter provides that decisions on most important issues stated in recommendation 170 of the Code must be made at a meeting of the board of directors by a qualified majority, at least by three quarters of votes, or majority of votes of all elected members of the board of directors.	Complied with	
2.8.	<b>The Board of Directors sets up committees for the preliminary consideration of the most important issues of operation of the Company.</b>			
2.8.1.	The audit committee consisting of independent directors has been set up to preliminarily consider issues associated with control over the company's financial and business activities.	<p>1. The board of directors has set up the audit committee consisting of solely independent directors.</p> <p>2. The company's internal documents set the audit committee's objectives, including those stated in recommendation 172 of the Code.</p> <p>3. At least one member of the audit committee that is an independent director must possess experience and knowledge in the area of preparation, analysis, evaluation, and audit of accounting (financial) statements.</p> <p>4. The audit committee's meetings were held at least every quarter during the reporting period.</p>	Partly complied with	<p>The company's board of directors set up the audit committee, which included no independent directors as of December 31, 2015.</p> <p>The committee's functions stated in the company's internal documents do not fully conform to the recommendations of the Corporate Governance Code.</p> <p>According to the Regulation on the Audit Committee of the Company's Board of Directors, the committee's objective is to develop and present recommendations (conclusions) to the company's board of directors bearing on the company's audit and internal control. The Committee's competence includes the following issues:</p> <ul style="list-style-type: none"> <li>- evaluating candidates for the company's auditors;</li> <li>- evaluating the company's auditor's report;</li> <li>- evaluating the efficiency of the company's internal control procedures and preparing proposal to improve them.</li> </ul> <p>Members of the audit committee of the company's board of directors possess experience and knowledge in the area of preparation, analysis, evaluation, and audit of accounting (financial) statements.</p> <p>One meeting was held in the reporting period by the audit committee of the company's board of directors.</p>
2.8.2.	The remuneration committee including independent directors and headed by an independent director other than the chairman of the board of directors has been set up to preliminarily consider issues associated with the formation of efficient and transparent remuneration practices.	<p>1. The board of directors has set up the remuneration committee consisting of solely independent directors.</p> <p>2. The chairman of the remuneration committee is an independent director other than the chairman of the board of directors.</p> <p>3. The company's internal documents set the remuneration committee's objectives, including those stated in recommendation 180 of the Code.</p>	Partly complied with	<p>The company's board of directors set up the HR and remuneration committee, which included no independent directors as of December 31, 2015.</p> <p>The committee's functions stated in the company's internal documents do not fully conform to the recommendations of the Corporate Governance Code.</p>
2.8.3.	The nomination committee (appointments, human resources), most members of which are independent directors, has been set up to preliminarily consider issues associated with personnel planning (continuity planning), professional aspect and efficiency of the work of the board of directors.	<p>1. The board of directors has set up the nomination committee (its objectives stated in recommendation 186 of the Code are achieved within the other committee), most members of which are independent directors.</p> <p>2. The company's internal documents include the nomination committee's objectives (or those of the relevant committee with a combined functionality), including, in particular, objectives stated in recommendation 186 of the Code.</p>	Partly complied with	See clause 2.8.2.

No.	Corporate governance principle	Criteria for evaluation of compliance with the corporate governance principle or recommendation	Status of compliance with the corporate governance principle	Explanation of non-compliance with criteria of evaluation of compliance with the corporate governance principle
2.8.4.	Given the scale of operations and risk level, the company's board of directors made sure that members of its committees fully correspond to the goals of the company's activities. Additional committees were either formed or recognized to be necessary (strategy committee, corporate governance committee, ethics committee, risk management committee, budget committee, health, safety, and environmental protection committee, etc.).	1. In the reporting period, the company's board of directors considered correspondence of members of its committees to the objectives of the board of directors and goals of the company's activities. Additional committees were either formed or recognized to be necessary.	Partly complied with	In the reporting period, the board of directors considered correspondence of members of its committees to the objectives of the board of directors and goals of the company's activities. As a result of consideration, the strategy and investment committee, the reliability committee, the HR and remuneration committee, and the audit committee were set up.
2.8.5.	Members of the committees were determined so as to make it possible to fully discuss preliminarily considered issues by taking into account different opinions.	1. Committees of the board of directors are headed by independent directors. 2. The company's internal documents include provisions under which persons that are not members of the audit committee, the nomination committee, and the remuneration committee, may attend the committees' meetings only if invited to by the chairman of the relevant committee.	Partly complied with	As of December 31, 2015, the committees of the board of directors were not headed by independent directors. See clause 2.4.3.
2.8.6.	Chairmen of the committees regularly inform the board of directors and its chairman about the work of their committees.	1. In the reporting period, the chairmen of the committees regularly reported on the work of the committees to the board of directors.	Partly complied with	Information about the results of consideration of the agenda items (if necessary) at the meeting of the board of directors are sent along with materials relevant to the agenda items to members of the company's board of directors.
2.9.	<b>The Board of Directors provides for an assessment of the quality of work of the Board of Directors as well as committees and members of the Board of Directors.</b>			
2.9.1.	Assessment of the quality of work of the board of directors aims at determining the degree of efficiency of the work of the board of directors, committees and members of the board of directors, conformity of their work to the company's development goals, activating the work of the board of directors and detecting areas where their performance can be improved.	1. Self-assessment or external assessment of the work of the board of directors performed in the reporting period included evaluation of the work of committees, certain members of the board of directors, and the board of directors in general. 2. The results of self-assessment or external assessment of the board of directors performed in the reporting period were considered at the board of directors' meeting held by personal attendance.	Not complied with	In the reporting period, self-assessment or external assessment of the work of the board of directors, including the work of its committees, was not conducted.
2.9.2.	The work of the board of directors, committees, and members of the board of directors is evaluated on a regular basis at least once a year. An external organization (consultant) is engaged to conduct the independent evaluation of the quality of work of the board of directors at least every three years.	1. An external organization (consultant) was engaged by the company to conduct the independent evaluation of the quality of work of the board of directors over the last three reporting periods at least on one occasion.	Complied with	



No.	Corporate governance principle	Criteria for evaluation of compliance with the corporate governance principle or recommendation	Status of compliance with the corporate governance principle	Explanation of non-compliance with criteria of evaluation of compliance with the corporate governance principle
3.1	<a href="#">Effective interaction with current shareholders, coordination of Company activities in the field of protection of the rights and the interests of its shareholders, and support of the effective work of the Board of Directors is provided by the Corporate Secretary.</a>			
3.1.1.	The corporate secretary possesses knowledge, experience, and qualification sufficient for fulfilling his/her duties, an impeccable reputation, and is trusted by the shareholders.	<ol style="list-style-type: none"> <li>1. The company has adopted and disclosed an internal document: the corporate secretary regulation.</li> <li>2. The biography of the corporate secretary is available on the company's website and annual report with the same level of details as for members of the board of directors and the executive management of the company.</li> </ol>	Partly complied with	<p>The Company has approved the Regulation on the Company's Corporate Secretary.</p> <p>In 2016, the Regulation on the Secretary of the Board of Directors is planned to be approved in a revised version and disclosed on the Company's website.</p> <p>The biography of the Secretary of the Company's Board of Directors is available on the company's website and annual report with the same level of details as for members of the board of directors.</p>
3.1.2.	The corporate secretary is sufficiently independent from the company's executive bodies and has the necessary powers and resources to accomplish his/her tasks.	<ol style="list-style-type: none"> <li>1. The board of directors approves the appointment and dismissal, additional remuneration of the corporate secretary.</li> </ol>	Complied with	
4.1.	<a href="#">The level of remuneration to be paid by the Company is sufficient to attract, motivate and retain persons with the necessary competence and qualifications for the Company. Remuneration is paid to the members of the Board of Directors, executive bodies and other key managers in accordance with the Remuneration Policy adopted by the Company.</a>			
4.1.1.	The level of remuneration paid by the company to members of the board of directors, executive bodies and other key managers adequately motivates their efficient work, permitting the company to attract and retain competent and qualified specialists. At the same time, the company avoids a higher than necessary level of remuneration, an unreasonably large gap between the levels of remuneration of these persons and personnel of the company.	<ol style="list-style-type: none"> <li>1. The company has adopted an internal document (internal documents): policy (policies) on remuneration of members of the board of directors, executive bodies, and other key managers, which clearly determine approaches to remuneration of those persons.</li> </ol>	Complied with	
4.1.2.	The company's remuneration policy has been developed by the remuneration committee and approved by the company's board of directors. The board of directors with support of the remuneration committee controls the company's remuneration policy implementation and, if necessary, revises and amends it.	<ol style="list-style-type: none"> <li>1. In the reporting period, the remuneration committee considered the remuneration policy (policies) and its (their) implementation practices and, where applicable, provided relevant recommendations to the board of directors.</li> </ol>	Not complied with	<p>In the reporting period, the HR and remuneration committee of the board of directors did not consider the remuneration policy and its implementation practices.</p> <p>The board of directors determined the terms of an agreement for transferring powers of the company's sole executive body.</p>
4.1.3.	The company's remuneration policy includes transparent mechanisms of determining the amount of remuneration to members of the board of directors, executive bodies and other key managers of the company, and regulates all types of payments, benefits, and privileges granted to such persons.	<ol style="list-style-type: none"> <li>1. The company's remuneration policy (policies) includes (include) transparent mechanisms of determining the amount of remuneration to members of the board of directors, executive bodies and other key managers of the company, and regulates (regulate) all types of payments, benefits, and privileges granted to such persons.</li> </ol>	Complied with	

No.	Corporate governance principle	Criteria for evaluation of compliance with the corporate governance principle or recommendation	Status of compliance with the corporate governance principle	Explanation of non-compliance with criteria of evaluation of compliance with the corporate governance principle
4.1.4.	The company determines the policy of refunding expenses (compensations) specifying a list of expenses to be refunded, and the level of services members of the board of directors, executive bodies, and other key managers are entitled to. This policy can be a component of the company's remuneration policy.	1. The company's remuneration policy (policies) or other internal documents provide the rules for refunding expenses to members of the board of directors, executive bodies, and other key managers of the company.	Complied with	
4.2.	<b>The system of remuneration of the members of the Board of Directors ensures the convergence of financial interests of directors with the long-term financial interests of the shareholders.</b>			
4.2.1.	<p>The company pays fixed annual remuneration to members of the board of directors. The company does not pay remuneration for participation in certain meetings of the board or committees of the board of directors.</p> <p>The company does not use forms of short-term motivation and additional financial stimulation with respect to members of the board of directors.</p>	1. Fixed annual remuneration was the only monetary form of remuneration to members of the board of directors during the reporting period.	Not complied with	<p>According to the Regulation on determination of the amount of remuneration and compensations to members of the company's board of directors, remuneration to members of the board of directors consists of basic and additional remuneration. The basic remuneration element constitutes the remuneration paid to members of the Company's Board of Directors for their participation in the meetings of the Board of Directors. The additional remuneration element is paid to members of the Company's Board of Directors according to the results of the financial year, in the event of the Company generating a net profit.</p> <p>A decision to pay the additional element of the remuneration to the members of the Board of Directors is made by the General Meeting of Shareholders of the Company. The decision of the General Meeting of Shareholders of the Company on the payment of the additional element of remuneration to the members of the Board of Directors determines the total amount of such remuneration.</p>
4.2.2.	Long-term ownership of the company's shares contributes to the most extent to the convergence of the financial interests of members of the board of directors with the long-term interests of the shareholders. The company does not link the right to sell shares to the achievement of certain performance indicators and members of the board of directors do not participate in option programs.	1. If the internal document(s) – remuneration policy (policies) of the company stipulates the granting of the company's shares to members of the board of directors, clear rules of shares possession by members of the board of directors aimed at stimulating long-term possession of such shares must be provided and disclosed.	Not complied with	The company has no document(s) – policy (policies) stipulating remuneration to members of the company's board of directors in the form of the company's shares.
4.2.3.	The company pays no additional payments or compensations in case of early termination of powers of members of the board of directors as the company is taken over or due to other circumstances.	1. The company pays no additional payments or compensations in case of early termination of powers of members of the board of directors as the company is taken over or due to other circumstances.	Complied with	

No.	Corporate governance principle	Criteria for evaluation of compliance with the corporate governance principle or recommendation	Status of compliance with the corporate governance principle	Explanation of non-compliance with criteria of evaluation of compliance with the corporate governance principle
4.3.	The system of remuneration of the executive bodies and other key managers of the Company provides for dependence of remuneration on the performance of the Company and their personal contribution to the result obtained.			
4.3.1.	Remuneration of members of the executive bodies and other key managers of the company is determined so as to ensure a reasonable and well-grounded ratio of the fixed remuneration to the variable one, which depends on the results of the company's performance and an employee's personal (individual) contribution to the outcome.	<p>1. In the reporting period, the annual efficiency indicators approved by the board of directors were used to determine the amount of the variable remuneration of members of the executive bodies and other key managers of the Company.</p> <p>2. During the last conducted evaluation of the system of remuneration of executive bodies and other key managers of the company, the board of directors (remuneration committee) made sure that the company applies an efficient ratio of the fixed remuneration to the variable one.</p> <p>3. The company has a procedure ensuring the refund of bonuses to the company, unlawfully received by members of the executive bodies and other key managers of the company.</p>	Complied with	
4.3.2.	The company implemented a program of long-term motivation of members of the executive bodies and other key managers of the company using the company's shares (options or other derivative financial instruments, the underlying asset of which are the company's shares).	<p>1. The company introduced a program of long-term motivation for members of the executive bodies and other key managers of the company using the company's shares (financial instruments based on the company's shares).</p> <p>2. The program of long-term motivation for members of the executive bodies and other key managers of the company provides that a right to sell shares and other financial instruments used in this program can be exercised no earlier than three years upon their provision. A right to sell them depends on the achievement of certain indicators of the company's activities.</p>	Not complied with	The company has not adopted so far a program of long-term motivation for members of the executive bodies and other key managers of the company using the company's shares (financial instruments based on the company's shares).
4.3.3.	The amount of compensations (change-in-control benefits) paid by the company in case of early termination of powers to members of the executive bodies or key managers at the company's initiative, providing that they committed no fraud, does not exceed the double amount of the fixed annual remuneration element.	1. The amount of compensations (change-in-control benefits) paid by the company in case of early termination of powers to members of the executive bodies or key managers at the company's initiative, providing that they committed no fraud, did not exceed the double amount of the fixed annual remuneration element in the reporting period.	Complied with	
5.1.	The Company has an efficiently functioning system of risk management and internal control aimed at ensuring reasonable confidence that the company's goals will be achieved.			
5.1.1.	The board of directors has determined the principles of and approaches to the organization of the company's risk management and internal control system.	1. Functions of different governing bodies and subdivisions of the company in the risk management and internal control system are clearly determined in the company's internal documents/relevant policy approved by the board of directors.	Partly complied with	1. The Company has no clearly determined functions of different governing bodies and subdivisions in the risk management system. However, the company has the following internal documents approved by the company's board of directors: Company's risk management policy; Regulation on the Audit Committee of the Company's Board of Directors; Regulation on the Reliability Committee of the Company's Board of Directors; Regulation on the Strategy and Investment Committee of the Company's Board of Directors; Company's Internal Control Regulation; Company's Internal Audit Service Regulation.

No.	Corporate governance principle	Criteria for evaluation of compliance with the corporate governance principle or recommendation	Status of compliance with the corporate governance principle	Explanation of non-compliance with criteria of evaluation of compliance with the corporate governance principle
5.1.2.	The company's executive bodies arrange for the creation and maintenance of an efficient risk management and internal control system at the company.	1. The company's executive bodies ensure the distribution of functions and powers with respect to risk management and internal control between managers (heads) of subdivisions and units reporting to them.	Partly complied with	A specific internal document does not regulate the distribution of functions and powers with respect to management of risk between managers (heads) of subdivisions and departments reporting to the company's executive bodies. The company has the Mosenergo OJSC Risk Management Regulation approved by the board of directors.
5.1.3.	The company's risk management and internal control system ensures objective, fair, and clear ideas of the current condition and prospects of the company, integrity and transparency of the company's statements, reasonableness and acceptability of risks assumed by the company.	1. The company has an anticorruption policy. 2. The company provides an easy method of informing the board of directors or the audit committee of the board of directors about any violations of laws, internal procedures, and code of ethics of the company.	Partly complied with	<p>The company's anticorruption policy is not regulated by a specific internal document.</p> <p>Partly the anticorruption policy at the company is regulated by the following documents:</p> <p>Mosenergo OJSC corporate protection management regulation dated January 26, 2012; Business ethics code; Regulation on procurement of goods, works, and services; Regulation on audits of inventories suppliers.</p> <p>The company has the hotline for counteracting fraud, corruption, and thefts at the Gazprom Group.</p> <p>In addition, measures to prevent corruption are taken as part of the risk management and internal control system: Direct phone +7(495)-957-30-03. The telephone works on a 24/24 basis. Records are made by an automatic responding machine. Answers to important public issues are published in the Mosenergo Newspaper, on the company's corporate website, and announcement boards. Private questions may be answered on an individual basis.</p> <p>E-mail: <a href="mailto:press-centre@mosenergo.ru">press-centre@mosenergo.ru</a>; <a href="mailto:mosenergo@mosenergo.ru">mosenergo@mosenergo.ru</a>; E-mail: <a href="mailto:vopros@mosenergo.ru">vopros@mosenergo.ru</a> Questions may be asked without the corporate mail; Mosenergo PJSC mail address; Direct inquiries using the phones and e-mails (the company's deputy general director for the media and authorities, the public relations division head, and the press secretary). Press center – Contacts on the official website; “Questions about the company work” web form on the official website of Mosenergo; Mosenergo Facebook blog.</p> <p>The general directorate and branches have boxes for letters “For questions. Feedback”.</p>

No.	Corporate governance principle	Criteria for evaluation of compliance with the corporate governance principle or recommendation	Status of compliance with the corporate governance principle	Explanation of non-compliance with criteria of evaluation of compliance with the corporate governance principle
5.1.4.	The company's board of directors takes necessary measures to make sure that the company's risk management and internal control system complies with the principles of and approaches to its organization as determined by the board of directors and efficiently functions.	1. During the reporting period, the board of directors or the audit committee of the board of directors evaluated the efficiency of the company's risk management and internal control system. Information about the main results of such evaluation is included in the company's annual reports.	Partly complied with	In the reporting period, the company's board of directors or the audit committee of the board of directors did not consider evaluating the efficiency of the company's risks management and internal control system.  Information about the main results of such evaluation is not included in the company's annual report.  According to the Mosenergo OJSC Risk Management Regulation dated November 18, 2004 and approved by the Board of Directors, the General Director annually presents to the Company's Board of Directors a report on the results of risk management activities.
5.2.	<b>The Company organizes an internal audit to systematically evaluate the reliability and efficiency of the risk management and internal control system and corporate governance practices.</b>			
5.2.1.	A separate structural subdivision is set up or an independent external organization is engaged to conduct an external audit at the company.  The functional and administrative answerability of the internal audit subdivision is separated. Functionally, the internal audit subdivision reports to the board of directors.	1. In order to conduct an internal audit, the company has created a separate structural subdivision of internal audit functionally reporting to the board of directors or the audit company, or an independent external organization is engaged according to the same answerability principle.	Partly complied with	The company has created the internal audit service (IAS) to conduct an internal audit.  According to the applicable regulation, the IAS reports directly to the Company's Managing Director.  For the purposes of efficient control of internal auditing, the IAS Regulation is planned to be amended in 2016.
5.2.2.	The internal audit unit evaluates the efficiency of the internal control system, the efficiency of the risk management system and the corporate governance system. The company applies generally acceptable standards of internal audit.	1. In the reporting period, the efficiency of the internal control and risk management system was evaluated as part of conducting an internal audit.  2. The company uses generally acceptable approaches to internal control and risk management.	Partly complied with	In the reporting period, the efficiency of the risk management system was not evaluated as part of conducting an internal audit.
6.1.	<b>The Company and its operations are transparent for the shareholders, investors, and other interested parties.</b>			
6.1.1.	The Company has developed and implemented an information policy ensuring the efficient information interaction of the company, shareholders, investors, and other interested parties.	1. The company's board of directors has approved its information policy developed by taking into account the recommendations of the Code.  2. The board of directors (or one of its committees) considered issues associated with the company's compliance with its information policy at least once in the reporting period.	Partly complied with	The Company has approved its Information Policy Regulation, which does not fully conform to the recommendations of the Code.  The board of directors (or one of its committees) did not consider issues associated with the Company's compliance with its information policy in the reporting period.

No.	Corporate governance principle	Criteria for evaluation of compliance with the corporate governance principle or recommendation	Status of compliance with the corporate governance principle	Explanation of non-compliance with criteria of evaluation of compliance with the corporate governance principle
6.1.2.	The company discloses information about the corporate governance system and practices, including detailed information about compliance with the principles and recommendations of the Code.	<p>1. The company discloses information about the corporate governance system at the company and the general corporate governance principles used by the company in particular on the company's website.</p> <p>2. The company discloses information about members of the executive bodies and the board of directors, independence of members of the board and their membership in the committees of the board of directors (as defined by the Code).</p> <p>3. If there is a person controlling the company, the latter publishes a memorandum of the controlling person with respect to this person's plans of the company's corporate governance.</p>	Complied with	
6.2.	<b>The Company discloses, in a timely manner, full, relevant, and accurate information about the company so that the company's shareholders and investors could make well-grounded decisions.</b>			
6.2.1.	The company discloses information according to the principles of regularity, consistency, and promptness as well as acceptability, accuracy, fullness, and comparability of disclosed data.	<p>1. The company's information policy determines the approaches and criteria of determining information that may have a considerable impact on the company's evaluation and the value of its securities and procedures ensuring timely information disclosure.</p> <p>2. If the company's securities are traded in the foreign organized markets, material information is disclosed in the Russian Federation and in such markets in a synchronic and equivalent way during the reporting period.</p> <p>3. If foreign shareholders hold a considerable number of the company's shares, during the reporting period information was disclosed both in Russian and in one of the most popular foreign languages.</p>	Complied with	---
6.2.2.	The company avoids a formal approach to information disclosure and discloses material information about its activities even if this information disclosure is not required by the laws.	<p>1. In the reporting period, the company disclosed annual and semiannual financial statements prepared under the IFRS. The company's annual report for the reporting period includes annual financial statements prepared under the IFRS along with an auditor's opinion.</p> <p>2. The company discloses full information about its capital structure according to recommendation 290 of the Code in the annual report and on the company's website.</p>	Complied with	
6.2.3.	Being one of the most important instruments of information interaction with the shareholders and other interested parties, the annual report includes information permitting to evaluate the company's annual performance results.	<p>1. The company's annual report includes information about the key aspects of the company's operating activities and its financial results.</p> <p>2. The company's annual report includes information about the environmental and social aspects of the company's activities.</p>	Complied with	---

No.	Corporate governance principle	Criteria for evaluation of compliance with the corporate governance principle or recommendation	Status of compliance with the corporate governance principle	Explanation of non-compliance with criteria of evaluation of compliance with the corporate governance principle
6.3.	The Company supplies information and documents upon requests of shareholders according to the equal and unhindered access principles.			
6.3.1.	The company provides information and documents upon requests of shareholders according to the equal and unhindered access principles.	1. The company's information policy stipulates an unhindered procedure of providing access to information for shareholders, including information about legal entities controlled by the company upon shareholders' request.	Complied with	---
6.3.2.	When providing information to shareholders, the company ensures a reasonable balance between the interests of specific shareholders and the interests of the company interested in maintaining confidentiality of important commercial information that may have a considerable impact on its competitiveness.	1. In the reporting period, the company did not reject the shareholders' requests for information or such rejections were well grounded.  2. In cases determined by the company's information policy, the shareholders warn about the confidential nature of information and undertake to keep it confidential.	Complied with	---
7.1.	Actions that considerably impact or may impact the share capital structure and the financial condition of the company and, therefore, on the position of shareholders (material corporate actions) are carried out on fair terms in compliance with the rights and interests of shareholders and other interested parties.			
7.1.1.	Material corporate actions include the company's reorganization, acquisition of 30 and more percent of the company's voting shares (takeover), important transactions carried out by the company, the company's authorized capital increase or decrease, listing and delisting of the company's shares, other actions that may seriously change the rights of shareholders or violate their interests. The company's charter determines a list (criteria) of transactions or other actions that are material corporate actions and such actions are placed within the competence of the company's board of directors.	1. The company's charter determines a list of transactions or other actions that are material corporate actions and criteria for their definition. Decisions on material corporate actions are placed within the competence of the board of directors. In cases where these corporate actions are placed by laws within the competence of the general shareholder meeting, the board of directors provides the relevant recommendations to shareholders.  2. The company's charter defines material corporate actions as at least the company's reorganization, acquisition of 30 and more percent of the company's voting shares (takeover), important transactions carried out by the company, the company's authorized capital increase or decrease, listing and delisting of the company's shares.	Complied with	---
7.1.2.	The board of directors plays a key role in the decision-making process or development of recommendations about material corporate actions; the board of directors relies on the attitude of the company's independent directors.	1. The company has a procedure according to which independent directors declare their attitude to material corporate actions before they are approved.	Partly complied with	The company has not a procedure according to which independent directors declare their attitude to material corporate actions before they are approved. Any member of the company's board of directors may demand that its special opinion on agenda items and decisions to be made be included in the minutes of the meeting of the company's board of directors.

No.	Corporate governance principle	Criteria for evaluation of compliance with the corporate governance principle or recommendation	Status of compliance with the corporate governance principle	Explanation of non-compliance with criteria of evaluation of compliance with the corporate governance principle
7.1.3.	In the event of material corporate actions affecting the rights and lawful interests of the shareholders, equal terms for all of the company's shareholders are provided, and if legal mechanisms aimed at protection of the shareholders' rights are insufficient, additional measures protecting the rights and lawful interests of the company's shareholders. In this case, the company complies with both formal legislative requirements and corporate governance principles stated in the Code.	<ol style="list-style-type: none"> <li>1. Taking into account the specifics of its activities, the company's charter sets the minimum criteria for referring to the company's transactions as material corporate actions, which are lower than required by law.</li> <li>2. In the reporting period, all the material corporate actions went through a procedure of their approval.</li> </ol>	Complied with	
7.2.	<a href="#">The Company ensures a procedure for performance of material corporate actions permitting the shareholders to receive full information about such actions in a timely manner, influence such actions, and guaranteeing compliance with and an adequate level of protection of their rights during such actions.</a>			
7.2.1.	Information about performance of material corporate actions is disclosed by explaining the reasons, terms, and consequences of such actions.	1. In the reporting period, the company disclosed, in a timely and detailed manner, information about its material corporate actions, including the reasons and terms of such actions.	Complied with	
7.2.2.	The rules and procedures associated with the company's material corporate actions are stated in the company's internal documents.	<ol style="list-style-type: none"> <li>1. The Company's internal documents provide for a procedure of engaging an independent appraiser to derive the value of property transferred or acquired under a major transaction or a related-party transaction.</li> <li>2. The company's internal documents provide for a procedure of engaging an independent appraiser for evaluating the acquisition and purchase of the company's shares.</li> <li>3. The company's internal documents provide for a wider list of reasons for which members of the company's board of directors and other parties stipulated by law are considered interested in the company's transactions.</li> </ol>	Partly complied with	The company's internal documents do not provide for a wider list of reasons for which members of the company's board of directors and other parties stipulated by law are considered interested in the company's transactions.



## 10.4 INFORMATION ABOUT RELATED-PARTY TRANSACTIONS

### List of transactions involving related parties completed by the Company in 2015 approved by the management bodies of Mosenergo PJSC

No.	Transaction	Parties involved
1	Agreement dated 30.01.2015 for voluntary medical insurance of the Company's staff	Mosenergo PJSC – insured party; SOGAZ JSC – insurer
2	Agreement dated 13.03.2015 for providing a passenger car into temporary ownership and use	Mosenergo PJSC – lessee; Spetsavtotrans LLC – lessor
3	Replacement of a party in an agreement dated 18.03.2015 for services of improvement of the company's information management system for the generating company (IMS GC) upon request of changes for the needs of Mosenergo OJSC	Mosenergo PJSC – customer; ANT-Service LLC – contractor
4	Supplementary agreement dated 25.03.2015 for determination of types, terms, scopes of works for 2015 to the agreement for repair and technical maintenance of lifting mechanisms at TPP-26	Mosenergo PJSC – customer; TSRMZ LLC – contractor
5	Supplementary agreement dated 25.03.2015 for determination of types, terms, scopes of works for 2015 to the agreement for repair and technical maintenance of lifting mechanisms at TPP-25	Mosenergo PJSC – customer; TSRMZ LLC – contractor
6	Supplementary agreement dated 27.03.2015 for determination of types, terms, scopes of works for 2015 to the agreement for repair and technical maintenance of lifting mechanisms at TPP-23	Mosenergo PJSC – customer; TSRMZ LLC – contractor
7	Agreement dated 30.03.2015 for adjustment and testing of the FAPARS SGU-450 at TPP-21 and TPP-27	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
8	Supplementary agreement to the agreement for transfer of heat energy and resource through MOEK heat supply system in Q1 2015	Mosenergo PJSC – customer; MOEK PJSC – contractor
9	Master agreement dated 10.08.2011 for depositing free funds 16 transactions (13.01.2015-25.03.2015)	GPB (OJSC) – Bank; Mosenergo PJSC – client
10	Master agreement dated 10.08.2011 for depositing free funds as the minimum balance on bank accounts (1 transaction on 02.03.2015)	GPB (OJSC) – Bank; Mosenergo PJSC – client
11	Agreement dated 18.10.2010 for depositing free funds 33 transactions (16.01.2015-31.03.2015)	Bank VTB OJSC – Bank; Mosenergo PJSC – client
12	Agreement dated 13.07.2010 for depositing free funds as the minimum balance on bank accounts, 2 transactions (15.01.2015; 22.01.2015)	Rossiya JSB – Bank; Mosenergo PJSC – Client
13	Supplementary agreement dated 06.04.2015 for establishing a procedure of payment for works carried out by the Contractor under supplementary agreement No. 5 dated 20.05.2015 to the Agreement starting from 01.05.2015	Mosenergo PJSC – customer; TSRMZ LLC – contractor
14	Agreement dated 09.04.2015 for technical re-equipment of gas consumption schemes PWHB-3 according to the safety rules	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
15	Agreement dated 10.04.2015 for works relating to the Project "Modernization of the system of management and control by introducing the ACS TP of TG No. 8" at TPP-20	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
16	Agreement dated 13.04.2015 for long-term service/technical maintenance of the core equipment of units SGU-450 at TPP-21	Mosenergo PJSC – customer; TER-Service LLC – contractor
17	Agreement dated 17.04.2015 for technical re-equipment of gas consumption schemes PWHB -1 according to the safety rules at TPP-25	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
18	Agreement dated 17.04.2015 for design and survey works for the Project "Replacement of HS SPPA T-3000 at power unit No. 4 of Russian-made HS" at TPP-25	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
19	Agreement dated 17.04.2015 for technical re-equipment of gas consumption schemes PWHB -2 according to the safety rules at TPP-25	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
20	Agreement dated 17.04.2015 for technical re-equipment of gas consumption schemes PWHB -5 according to the requirements of PB 12-529-03 at TPP-21	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
21	Agreement dated 22.04.2015 for technical re-equipment of gas pipeline PVK-5V at TPP-11	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
22	Agreement dated 27.04.2015 for technical re-equipment of gas supply PWHB type PTVM-180 No. 3 at TPP-22	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
23	Supplementary agreement dated 27.04.2015 to the agreement for services of organization of holding an extraordinary general shareholder meeting in 2015	Mosenergo PJSC – customer; SR-DRAGa CJSC – contractor
24	Agreement dated 27.04.2015 for modernization of the system of automatic control and technological protections based on microprocessor equipment EK No. 1 at TPP-22	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor

<b>Transaction cost</b>	<b>Related Parties</b>	<b>Resolution of Company governing bodies on approval of the transaction</b>
RUR 161,605,867 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the Board of Directors on 24.12.2014 (minutes No. 10 dated 29.12.14, c. 4.2)
RUR 722,302,483 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the Board of Directors on 28.05.2015 (minutes No. 19 dated 01.06.15, c. 4.3)
RUR 41,300,000 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the Board of Directors on 28.05.2015 (minutes No. 19 dated 01.06.15, c. 4.4)
RUR 10,476,545 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.16)
RUR 7,572,797 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.16)
RUR 6,732,399 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.16)
RUR 21,122,000 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.17)
RUR 3,730,751,807 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev, P. P. Biriukov, D. V. Fedorov, V. G. Yakovlev	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.18)
RUR 29,408,300,000	Shareholder Gazprom Energoholding LLC, member of the Board of Directors K. G. Seleznev (Chairman)	The transactions were approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.4.)
RUR 1,999,000,000	Shareholder Gazprom Energoholding LLC, member of the Board of Directors K. G. Seleznev (Chairman)	The transactions were approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.4)
RUR 48,759,000,000	Shareholder Gazprom Energoholding LLC	The transactions were approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.10)
RUR 1,963,700,000	Shareholder Gazprom Energoholding LLC, member of the Board of Directors K. G. Seleznev (Chairman)	The transactions were approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.7)
-	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.16)
RUR 41,590,280 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.17)
RUR 50,067,164 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.17)
RUR 1,734,819,065 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the Board of Directors on 21.07.2014 (minutes No. 3 dated 24.07.2015, item 4.3)
RUR 42,692,895 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.17)
RUR 75,454,333 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.17)
RUR 41,579,474 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.17)
RUR 40,623,908 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.17)
RUR 28,841,660 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.17)
RUR 42,878,082 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.17)
RUR 17,130,708 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the Board of Directors on 24.04.2015 (minutes No. 16 dated 24.04.2015, item 8)
RUR 42,464,595 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.17)

No.	Transaction	Parties involved
25	Agreement dated 27.04.2015 for technical re-equipment of PWHB gas supply systems type PTVM-180 No. 4 at TPP-22	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
26	Agreement dated 30.04.2015 for lease of the Nagatino RHP	Mosenergo PJSC – lessee; MOEK PJSC – lessor
27	Agreement dated 30.04.2015 for lease of the Pereyaslavskaya RHP	Mosenergo PJSC – lessee; MOEK PJSC – lessor
28	Agreement dated 30.04.2015 for lease of the Zhulebino RHP	Mosenergo PJSC – lessee; MOEK PJSC – lessor
29	Agreement dated 30.04.2015 for lease of the Perovo RHP	Mosenergo PJSC – lessee; MOEK PJSC – lessor
30	Agreement dated 30.04.2015 for works relating to the Project “Replacement of HS SPPA T-3000 at power unit No. 7 of Russian-made HS” at TPP-25	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
31	Agreement dated 30.04.2015 for works relating to the Project “Replacement of HS SPPA T-3000 at power unit No. 5 of Russian-made HS” at TPP-25	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
32	Agreement dated 30.04.2015 for lease of the Nekrasovka RHP	Mosenergo PJSC – lessee; MOEK PJSC – lessor
33	Agreement dated 30.04.2015 for lease of the DHP-54 RHP	Mosenergo PJSC – lessee; MOEK PJSC – lessor
34	Agreement dated 30.04.2015 for lease of the Chertanovo RHP	Mosenergo PJSC – lessee; MOEK PJSC – lessor
35	Agreement dated 30.04.2015 for lease of the Teply Stan RHP	Mosenergo PJSC – lessee; MOEK PJSC – lessor
36	Agreement dated 30.04.2015 for lease of the Kolomenskoe RHP	Mosenergo PJSC – lessee; MOEK PJSC – lessor
37	Agreement dated 30.04.2015 for lease of the Lenino-Dachnoe RHP	Mosenergo PJSC – lessee; MOEK PJSC – lessor
38	Agreement dated 30.04.2015 for lease of the Krylatskoe RHP	Mosenergo PJSC – lessee; MOEK PJSC – lessor
39	Supplementary agreement dated 30.04.2015 to the power supply agreement for increasing purchase of electricity for consumers as a result of receiving boiler houses from MOEK	Mosenergo PJSC – consumer; Mosgorenergo OJSC – energy sales organization
40	Agreement dated 30.04.2015 for modernization of technological protections based on microprocessor equipment EK No. 1 at TPP-23	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
41	Agreement dated 13.05.2015 for technical re-equipment of the PWHB internal gas supply system No. 5-14, 16 at TPP-21	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
42	Agreement dated 13.05.2015 for technical re-equipment of the PWHB internal gas supply system No. 5-14, 16 at TPP-21	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
43	Agreement dated 13.05.2015 for technical re-equipment of the PWHB internal gas supply system No. 5-14, 16 at TPP-21	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
44	Agreement dated 13.05.2015 for property lease and further purchase	Mosenergo PJSC – lessor; MOEK PJSC – lessee
45	Agreement dated 13.05.2015 for property lease and further purchase	Mosenergo PJSC – lessor; MOEK PJSC – lessee
46	Agreement dated 13.05.2015 for property lease and further purchase	Mosenergo PJSC – lessor; MOEK PJSC – lessee
47	Supplementary agreement dated 14.05.2015 to the agreement for services of organizing the holding of the annual general shareholder meeting in 2015	Mosenergo PJSC – customer; SR-DRAGa CJSC – contractor

<b>Transaction cost</b>	<b>Related Parties</b>	<b>Resolution of Company governing bodies on approval of the transaction</b>
RUR 40,160,928 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.17)
RUR 2,641,882 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev (Chairman), P. P. Biriukov, D. V. Fedorov, V. G. Yakovlev	The transaction was approved by the Board of Directors on 24.04.2015 (minutes No. 16 dated 20.04.2015, item 14)
RUR 3,266,675 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev (Chairman), P. P. Biriukov, D. V. Fedorov, V. G. Yakovlev	The transaction was approved by the Board of Directors on 24.04.2015 (minutes No. 16 dated 20.04.2015, item 14)
RUR 3,696,573	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev (Chairman), P. P. Biriukov, D. V. Fedorov, V. G. Yakovlev	The transaction was approved by the Board of Directors on 24.04.2015 (minutes No. 16 dated 20.04.2015, item 14)
RUR 3,356,924 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev (Chairman), P. P. Biriukov, D. V. Fedorov, V. G. Yakovlev	The transaction was approved by the Board of Directors on 24.04.2015 (minutes No. 16 dated 20.04.2015, item 14)
RUR 77,524,946 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.17)
RUR 72,495,370 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.17)
RUR 48,131 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev (Chairman), P. P. Biriukov, D. V. Fedorov, V. G. Yakovlev	The transaction was approved by the Board of Directors on 24.04.2015 (minutes No. 16 dated 20.04.2015, item 14)
RUR 913,016 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev (Chairman), P. P. Biriukov, D. V. Fedorov, V. G. Yakovlev	The transaction was approved by the Board of Directors on 24.04.2015 (minutes No. 16 dated 20.04.2015, item 14)
RUR 12,916,467 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev (Chairman), P. P. Biriukov, D. V. Fedorov, V. G. Yakovlev	The transaction was approved by the Board of Directors on 24.04.2015 (minutes No. 16 dated 20.04.2015, item 14)
RUR 2,669,627 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev (Chairman), P. P. Biriukov, D. V. Fedorov, V. G. Yakovlev	The transaction was approved by the Board of Directors on 24.04.2015 (minutes No. 16 dated 20.04.2015, item 14)
RUR 2,118,738 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev (Chairman), P. P. Biriukov, D. V. Fedorov, V. G. Yakovlev	The transaction was approved by the Board of Directors on 24.04.2015 (minutes No. 16 dated 20.04.2015, item 14)
RUR 1,957,772 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev (Chairman), P. P. Biriukov, D. V. Fedorov, V. G. Yakovlev	The transaction was approved by the Board of Directors on 24.04.2015 (minutes No. 16 dated 20.04.2015, item 14)
RUR 3,931,646 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev (Chairman), P. P. Biriukov, D. V. Fedorov, V. G. Yakovlev	The transaction was approved by the Board of Directors on 24.04.2015 (minutes No. 16 dated 20.04.2015, item 14)
RUR 246,239,914 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the Board of Directors on 28.05.15 (minutes No. 19 dated 01.06.15) item 4.2.
RUR 36,465,279 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.17)
RUR 41,590,888 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.17)
RUR 38,864,870 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.17)
RUR 38,771,508 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.17)
RUR 399,627,272 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev (Chairman), P. P. Biriukov, D. V. Fedorov, V. G. Yakovlev	The transaction was approved by the Board of Directors on 15.04.2015 (minutes No. 15 dated 20.04.2015, item 6.6)
RUR 147,920,245 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev (Chairman), P. P. Biriukov, D. V. Fedorov, V. G. Yakovlev	The transaction was approved by the Board of Directors on 15.04.2015 (minutes No. 15 dated 20.04.2015, item 6.4)
RUR 311,547,978 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev (Chairman), P. P. Biriukov, D. V. Fedorov, V. G. Yakovlev	The transaction was approved by the Board of Directors on 15.04.2015 (minutes No. 15 dated 20.04.2015, item 6.5)
RUR 21,236,483 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the Board of Directors on 24.04.2015 (minutes No. 16 dated 24.04.2015, item 8)

No.	Transaction	Parties involved
48	Supplementary agreement dated 18.05.2015 to the loan agreement for increasing a loan amount from 10.02.2015; the loan amount given by the Lender to the Borrower should not exceed 1 424 633 129.87 (formerly: 1 250 000 000)	Mosenergo PJSC – lender; OGK-Investproekt LLC -borrower
49	Supplementary agreement dated 20.05.2015 for determining types, terms, and scope of works, and requirements for them for 2015	Mosenergo PJSC – customer; TSRMZ LLC – contractor
50	Agreement dated 21.05.2015 for transferring powers of the sole executive body of Mosenergo OJSC to the managing organization	Mosenergo PJSC – customer; Gazprom Energoholding LLC – contractor
51	Loan agreement dated 21.05.2015	Mosenergo PJSC – lender; OGK-Investproekt LLC -borrower
52	Agreement dated 29.05.2015 for modernization of the system of automatic control and technological protections based on microprocessor equipment EK No. 1 at TPP-22	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
53	Agreement dated 08.06.2015 for long-term service/technical maintenance of the core equipment of units SGU-450 at TPP-27	Mosenergo PJSC – customer; TER-Service LLC – contractor
54	Supplementary agreement dated 09.06.2015 for establishing the procedure of payment for works carried out by the Contractor under supplementary agreement No. 5 dated 20.05.2015 to the Agreement starting from 01.05.2015	Mosenergo PJSC – customer; TSRMZ LLC – contractor
55	Supplementary agreement dated 11.06.2015 for pricing of the cost of repairs and TM of boiler units in 2015	Mosenergo PJSC – customer; TER-Moscow LLC – contractor
56	Agreement dated 16.06.2015 for services of organization of dividend payment based on the performance results of Mosenergo PJSC in 2014	Mosenergo PJSC – customer; SR-DRAGa CJSC – contractor
57	Supplementary agreement dated 17.06.2015 for pricing of the cost of repairs and TM of boiler units in 2015	Mosenergo PJSC – customer; TER-Moscow LLC – contractor
58	Supplementary agreement dated 18.06.2015 for pricing of the cost of repairs and TM of boiler units in 2015	Mosenergo PJSC – customer; TER-Moscow LLC – contractor
59	Supplementary agreement dated 22.06.2015 for pricing of the cost of repairs and TM of boiler units in 2015	Mosenergo PJSC – customer; TER-Moscow LLC – contractor
60	Supplementary agreement dated 24.06.2015 for pricing of the cost of repairs and TM of boiler units in 2015	Mosenergo PJSC – customer; TER-Moscow LLC – contractor
61	Supplementary agreement dated 24.06.2015 for pricing of the cost of repairs and TM of boiler units in 2015	Mosenergo PJSC – customer; TER-Moscow LLC – contractor
62	Supplementary agreement dated 25.06.2015 for pricing of the cost of repairs and TM of boiler units in 2015	Mosenergo PJSC – customer; TER-Moscow LLC – contractor
63	Supplementary agreement dated 25.06.2015 for pricing of the cost of repairs and TM of boiler units in 2015	Mosenergo PJSC – customer; TER-Moscow LLC – contractor
64	Supplementary agreement dated 29.06.2015 for amending clauses of the agreement for performing the customer-developer's functions	Mosenergo OJSC – investor; MRES LLC – developer
65	Supplementary agreement to the agreement for transfer of heat energy and resource through MOEK heat supply system in Q2 2015	Mosenergo PJSC – customer; MOEK PJSC – contractor
66	Master agreement dated 10.08.2011 for depositing free funds 3 transactions (15.04.2015-30.06.2015)	GPB (OJSC) – Bank; Mosenergo PJSC – customer
67	Agreement dated 18.10.2010 for depositing free funds 38 transactions (01.04.2015-05.06.2015)	Bank VTB OJSC – Bank; Mosenergo PJSC – customer
68	Agreement dated 13.07.2010 for depositing free funds as the minimum balance on bank accounts (27 transactions 30.04.2015-30.06.2015)	Rossiya JSC – Bank, Mosenergo PJSC – customer
69	Agreement dated 13.07.2010 for depositing free funds 3 transactions (29.05.2015-30.06.2015)	Rossiya JSC – Bank, Mosenergo PJSC – customer
70	Agreement dated 07.07.2015 for services of repairs and technical maintenance of heat mechanic equipment of boiler houses	Mosenergo PJSC – customer; TER-Moscow LLC – contractor
71	Free power purchase and sale agreement dated 28.08.2015	Mosenergo PJSC – seller; Mosgorenergo OJSC – buyer
72	Master agreement dated 10.08.2011 for depositing free funds 36 transactions (10.07.2015-30.09.2015)	GPB (OJSC) – Bank; Mosenergo PJSC – customer
73	Agreement dated 18.10.2010 for depositing free funds 35 transactions (06.07.2015-25.09.2015)	Bank VTB OJSC – Bank; Mosenergo PJSC – customer
74	Agreement dated 13.07.2010 for depositing free funds as the minimum balance on bank accounts 3 transactions (31.07.2015-31.08.2015)	Rossiya JSB – Bank; Mosenergo PJSC – customer

Transaction cost	Related Parties	Resolution of Company governing bodies on approval of the transaction
RUR 174,633,130 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors A. A. Efimova, D. M. Katiev	The transaction was approved by the Board of Directors on 15.04.15 (minutes No. 15 dated 20.04.15) item 5.1.
RUR 159,825,154 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.16)
RUR 424,800,000 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors D. V. Fedorov	The transaction was approved by the Board of Directors on 20.05.2015 (minutes No. 18 dated 21.05.2015, item 2)
RUR 2,950,000,000	Shareholder Gazprom Energoholding LLC, members of the Board of Directors A. A. Efimova, D. M. Katiev	The transaction was approved by the Board of Directors on 15.04.2015 (minutes No. 15 dated 20.04.2015, item 6.2)
RUR 42,088,570 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.17)
RUR 3,950,640,000 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the Board of Directors on 21.07.2014 (minutes No. 3 dated 24.07.2015, item 4.2)
-	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.16)
RUR 40,040,891 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors A. S. Osyka	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, пункт 12.16)
RUR 37,760,000 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the Board of Directors on 28.05.2015 (minutes No. 19 dated 01.06.2014, item 4.5)
RUR 42,685,223 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors A. S. Osyka	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, clause 12.16)
RUR 44,715,569 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors A. S. Osyka	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, clause 12.16)
RUR 42,319,993 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors A. S. Osyka	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, clause 12.16)
RUR 36,133,445 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors A. S. Osyka	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, clause 12.16)
RUR 98,663,092 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors A. S. Osyka	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, clause 12.16)
RUR 42,726,484 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors A. S. Osyka	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, clause 12.16)
RUR 233,850,052 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors A. S. Osyka	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, clause 12.16)
RUR 97,721,882 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the Board of Directors on 15.04.15 (minutes No. 15 dated 20.04.15 item 6.3.)
RUR 1,029,036,447 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev, P. P. Biriukov, D. V. Fedorov	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015)
RUR 3,316,426,000	Shareholder Gazprom Energoholding LLC, member of the Board of Directors K. G. Seleznev (Chairman)	The transactions were approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.4) AGHM 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.4.)
RUR 57,886,664,050	Shareholder Gazprom Energoholding LLC	The transactions were approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.10)
RUR 31,340,200,000	Shareholder Gazprom Energoholding LLC, member of the Board of Directors K. G. Seleznev (Chairman)	The transactions were approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.7), AGHM 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.7)
RUR 7,252,000,000	Shareholder Gazprom Energoholding LLC, member of the Board of Directors K. G. Seleznev (Chairman)	The transactions were approved by the AGHM on 04.06.2014 (minutes No. 1 dated 09.06.2014, item 11.7), AGHM 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.7)
RUR 87,279,880 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors A. S. Osyka	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, clause 12.16)
RUR 145,516,752 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the BoD on 21.08.2015 (minutes No. 4 dated 28.08.2015, item 1.3.)
RUR 25,810,900,000	Shareholder Gazprom Energoholding LLC, member of the Board of Directors K. G. Seleznev (Chairman)	The transactions were approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.4)
RUR 34,316,300,000	Shareholder Gazprom Energoholding LLC	The transactions were approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.10)
RUR 5,953,000,000	Shareholder Gazprom Energoholding LLC, member of the Board of Directors K. G. Seleznev (Chairman)	The transactions were approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.7)

No.	Transaction	Parties involved
75	Supplementary agreement to the agreement for transfer of heat energy and resource through MOEK heat supply system in Q3 2015	Mosenergo PJSC – customer, MOEK PJSC – contractor
76	Supplementary agreement dated 01.10.2015 to the power supply agreement for increasing consumption in the electricity retail market	Mosgorenergo PJSC – energy sales organization; Mosenergo PJSC – consumer
77	Agreement dated 01.10.2015 for services of reconstruction of the roof and aeration lights of the main facility of the boiler section at TPP-23	Mosenergo PJSC – customer; TER-Moscow LLC – contractor
78	Agreement for debt liability novation dated 06.10.2015. The outstanding amount for equipment acquisition was transformed into loan of 2,330,677,400 rubles plus interests of 12% per annum to be repaid by 01.10.2025	Mosenergo PJSC – creditor; O GK-Investproekt LLC – borrower
79	Agreement dated 07.10.2015 for maintenance and repair “Maintenance and repair of ACS TP HS TEKON RHP and DHP of Mosenergo PJSC branches”	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
80	Agreement dated 08.10.2015 for services of replacing communication transformer No. 2 63MBA with a RPAS set, including a cooling system at TPP-12	Mosenergo PJSC – customer; TER-Moscow LLC – contractor
81	Agreement dated 08.10.2015 for services of replacing communication transformer No. 2 63MVA with a RPAS set, including a cooling system at TPP-12	Mosenergo PJSC – customer; TER-Moscow LLC – contractor
82	Agreement dated 08.10.2015 for replacement of parties with the title “Technical re-equipment of 3 boilers PTVM-50 (Rostokino RHP)	Mosenergo PJSC – 2 party; TEKON-Engineering JSC – contractor; MOEK PJSC – 1 party
83	Supplementary agreement dated 08.10.2015 for additional transfer of the following functions: treasury operations, organization of insurance and performance of actions stipulated by Appendix No. 2 to this Agreement for these purposes	Gazprom Energoholding LLC – managing organization; Mosenergo PJSC – company
84	Agreement dated 12.10.2015 for services of developing “Program of prospective development of energy sources and heat supply networks in the PTNAD of Moscow until 2030	Mosenergo PJSC – customer; RosEP LLC – contractor
85	Agreement dated 16.10.2015 for services (CIW, ASW, supply of equipment) with the title “Technical re-equipment of gas consumption schemes EK-4” at TPP-22	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
86	Agreement dated 16.10.2015 for services (CIW, ASW, supply of equipment) with the title “Technical re-equipment of gas facilities PWHB 1 “V” at TPP-12	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
87	Agreement dated 23.10.2015 for services of reconstruction of fuel oil container No. 4 with roof replacement at TPP-25	Mosenergo PJSC – customer; TER-Moscow LLC – contractor
88	Agreement dated 26.10.2015 for replacement of the CBL MSP for boiler 06	Mosenergo PJSC – customer; TER-Moscow LLC – contractor
89	Agreement dated 26.10.2015 for services (CIW, ASW, supply of equipment) with the title “Technical re-equipment of gs. Schemes PWHB-4 according to the rules” at TPP-25	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
90	Supplementary agreement dated 27.10.2015 for an increase in the cost of construction and installation works, start-up works, auxiliary equipment supply	Mosenergo PJSC – customer; TER-Moscow LLC – contractor
91	Property purchase and sale agreement dated 27.10.2015 for acquiring the Strogino GTPP complex	Mosenergo PJSC – buyer; Gazprom Energoholding LLC – seller
92	Supplementary agreement dated 29.10.2015 for an increase in the cost of construction and installation works, start-up works, auxiliary equipment supply	Mosenergo PJSC – customer; TER-Moscow LLC – contractor
93	Agreement dated 03.11. 2015 for services (CIW, ASW, supply of equipment) with the title “Replacement of gas burners GDS-100 at PWHB-1” at TPP-26	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
94	Agreement dated 03.11. 2015 for services (CIW, ASW, supply of equipment) with the title “Replacement of gas burners GDS-100 at PWHB-4” at TPP-26	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
95	Agreement dated 06.11.2015 for services of replacement of convection heating services PWHB No. 5 (Equipment) at TPP-8	Mosenergo PJSC – buyer; TSRMZ LLC – supplier
96	Agreement dated 09.11. 2015 for services (CIW, ASW, supply of equipment) with the title “Replacement of gas burners GDS-100 at PWHB-2” at TPP-26, Mosenergo PJSC branch	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
97	Agreement dated 13.11.2015 for services of replacement of communication transformer No. 63MVA with a RPAS set, including a cooling system at TPP-12	Mosenergo PJSC – customer; TER-Moscow LLC – contractor
98	Agreement dated 19.11. for services (CIW, ASW, supply of equipment) with the title “Modernization of the control and management system by introducing ACS TP TG-3 at TPP-22”	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
99	Agreement dated 24.11.2015 for long-term service/technical maintenance of the core equipment of units SGU-220 at TPP-12	Mosenergo PJSC – customer; TER-Moscow LLC – contractor
100	Agreement dated 08.12.2015 for extension of GDU-10 kW and construction of building CDU-20 kW and SDS-110 kW at TPP-16	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor

<b>Transaction cost</b>	<b>Related Parties</b>	<b>Resolution of Company governing bodies on approval of the transaction</b>
RUR 330,749,819	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev, P. P. Biriukov, D. V. Fedorov	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015)
RUR 34,069,683 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the Board of Directors on 28.09.2015 (minutes No. 6 dated 30.09.2015, item 1.3.)
RUR 60,438,767 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors A. S. Osyka	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.16).
RUR 2,330,677,400	Shareholder Gazprom Energoholding LLC, Mosenergo PJSC Board of Directors member Yu. E. Dolin	The transaction was approved by the Board of Directors on 28.09.2015 (minutes No. 6 dated 30.09.2015, item 1.6.)
RUR 40,875,200 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.17)
RUR 41,259,974 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors A. S. Osyka	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.16).
RUR 41,259,974 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors A. S. Osyka	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.16).
RUR 84,087,532 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.17)
RUR 78,327,220 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors D. V. Fedorov	The transaction was approved by the Board of Directors on 11.09.2015 (minutes No. 5 dated 14.09.2015, item 2.1.)
RUR 96,330,000 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the Board of Directors on 28.09.2015 (minutes No. 6 dated 30.09.2015, item 1.4.)
RUR 35,013,182 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.17)
RUR 39,752,120 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015)
RUR 43,996,029 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors A. S. Osyka	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.16).
RUR 45,187,840 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors A. S. Osyka	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.16).
RUR 43,618,674 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.17)
RUR 20,273,212 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors A. S. Osyka	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.16).
RUR 5,059,613,438 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors D. V. Fedorov	The transaction was approved by the Board of Directors on 28.09.2015 (minutes No. 6 dated 30.09.2015, item 1.7.)
RUR 41,625,480 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors A. S. Osyka	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.16).
RUR 22,462,228 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.17)
RUR 22,605,213 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.17)
RUR 23,364,000 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the Board of Directors on 23.12.2015 (minutes No. 10 dated 28.12.2015, item 4.1.)
RUR 22,496,883 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.17)
RUR 43,569,081 including VAT	Shareholder Gazprom Energoholding LLC, member of the Board of Directors A. S. Osyka	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.16).
RUR 60,894,922 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.17)
RUR 834,893,212 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the Board of Directors on 21.07.2014 (minutes No. 3 dated 24.07.2014, item 4.3.1.)
RUR 57,517,463 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.17)



No.	Transaction	Parties involved
101	Agreement dated 09.12.2015 for replacement of the parties “Technical re-equipment of 3 boilers PTVM-50 and 2 boilers PTVM-120 with closed gas circulation and UACS equipment”	Mosenergo PJSC – 2 party; TEKON-Engineering JSC – contractor; MOEK PJSC – 1 party
102	Agreement dated 11.12.2015 for purchase and sale of an interest in the authorized capital of OGK-Investproekt LLC held by Mosenergo OJSC: 45.5046%	Mosenergo PJSC – seller; OGK-2 PJSC – buyer
103	Agreement dated 14.12.2015 for purchase and sale of the Pereyaslavskaya RHP	Mosenergo PJSC – buyer; MOEK PJSC – seller
104	Agreement dated 14.12.2015 for purchase and sale of the Kolomenskoe RHP	Mosenergo PJSC – buyer; MOEK PJSC – seller
105	Agreement dated 14.12.2015 for purchase and sale of the Nagatino RHP	Mosenergo PJSC – buyer; MOEK PJSC – seller
106	Agreement dated 23.12.2015 for services of MODES installation and OEC replacement at SK-2007	Mosenergo PJSC – customer; ANT-Service LLC – contractor
107	Agreement dated 25.12.2015 for services (CIW, ASW, supply of equipment) with the title “Technical re-equipment of gas supply systems PWHB-6” at TPP-8	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
108	Server lease agreement dated 28.12.2015	Mosenergo PJSC – buyer; Gazprom PJSC – supplier
109	Agreement dated 29.12.2015 for replacement of equipment in Cells No. 59 and 62 of the CDU-10 kW (CIW, ASW)	Mosenergo PJSC – customer; TEKON-Engineering JSC – contractor
110	Agreement dated 29.12.2015 for services of leasing motor vehicles with a crew for Mosenergo PJSC	Mosenergo PJSC – customer; Spetsavtotrans LLC – contractor
111	Agreement dated 30.12.2015 for services of fire brigades at TPP-21, 22, 23, 25, 27	Mosenergo PJSC – customer; Tsent-112 LLC – contractor
112	Agreement dated 30.12.2015 for supply of equipment at the Kolomenskoe RHP	Mosenergo PJSC – buyer; MOEK PJSC – seller
113	Agreement dated 30.12.2015 for purchase and sale of design and survey works at the Kolomenskoe RHP	Mosenergo PJSC – buyer; MOEK PJSC – seller
114	Master agreement dated 10.08.2011 for depositing free funds 44 transactions (01.10.2015-29.12.2015)	GPB (OJSC) – Bank; Mosenergo PJSC – client
115	Agreement dated 18.10.2010 for depositing free funds 48 transactions (05.10.2015-30.12.2015)	Bank VTB OJSC – bank, Mosenergo PJSC – client
116	Agreement dated 13.07.2010 for depositing free funds 3 transactions (01.10.2015-20.11.2015)	JSB Rossiya – bank; Mosenergo PJSC – client
117	Supplementary agreement to the agreement dated 05.06.2012 for increasing the agreement price	Mosenergo PJSC – customer; PRO GRES LLC – contractor
118	Supplementary agreement to the agreement for transfer of heat energy and resource through MOEK heat supply system in Q4 2015	Mosenergo PJSC – customer; MOEK PJSC – contractor

The Company engaged in no transactions defined as major ones by the Federal Law “On joint-stock companies” or other transactions subject

to the approval of major transactions under the Company’s Charter.

<b>Transaction cost</b>	<b>Related Parties</b>	<b>Resolution of Company governing bodies on approval of the transaction</b>
RUR 82,290,643 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.17)
RUR 2,815,611,140	Shareholder Gazprom Energoholding LLC, members of the Board of Directors Yu. E. Dolin, I. Yu. Korobkina, D. V. Fedorov, P. O. Shatsky	The transaction was approved by the Board of Directors on 28.10.2015 (minutes No. 8 dated 02.11.2015, item 5.1.)
RUR 203,833,729 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors D. V. Fedorov, I. Yu. Korobkina, P. O. Shatsky	The transaction was approved by the Board of Directors on 14.12.2015 (minutes No. 9 dated 15.12.2015, item 3.1.2.1)
RUR 158,555,792 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors D. V. Fedorov, I. Yu. Korobkina, P. O. Shatsky	The transaction was approved by the Board of Directors on 14.12.2015 (minutes No. 9 dated 15.12.2015, item 3.1.2.21)
RUR 224,600,146 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors D. V. Fedorov, I. Yu. Korobkina, P. O. Shatsky	The transaction was approved by the Board of Directors on 14.12.2015 (minutes No. 9 dated 15.12.2015, item 3.1.2.11)
RUR 37,410,000 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the Board of Directors on 28.10.2015 (minutes No. 8 dated 02.11.2015, item 7.2.).
RUR 43,147,623 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.17)
RUR 134,283,802 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev (Chairman), V. A. Golubev, E. V. Mikhaylova	The transaction was approved by the Board of Directors on 30.12.2015 (minutes No. 11 dated 30.12.2015, item 2.5.)
RUR 39,223,434 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.17)
RUR 218,140,268 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the Board of Directors on 14.12.2015 (minutes No. 9, item 3.2.)
RUR 171,837,098 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the Board of Directors on 23.12.2015 (minutes No. 10 dated 28.12.2015, item 4.2.)
RUR 87,368,117 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors D. V. Fedorov, I. Yu. Korobkina, P. O. Shatsky	The transaction was approved by the Board of Directors on 30.12.2015 (minutes No. 11 dated 30.12.2015, item 2.10.)
RUR 46,040,712 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors D. V. Fedorov, I. Yu. Korobkina, P. O. Shatsky	The transaction was approved by the Board of Directors on 30.12.2015 (minutes No. 11 dated 30.12.2015, item 2.6.)
RUR 28,268,892,133	Shareholder Gazprom Energoholding LLC, member of the Board of Directors K. G. Seleznev (Chairman)	The transactions were approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.4.)
RUR 26,860,500,000	Shareholder Gazprom Energoholding LLC	The transactions were approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.09.2015, item 12.10)
RUR 4,221,000,000	Shareholder Gazprom Energoholding LLC, member of the Board of Directors K. G. Seleznev (Chairman)	The transactions were approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.7)
RUR 953,631,473 including VAT	Shareholder Gazprom Energoholding LLC	The transaction was approved by the Board of Directors on 28.09.2015 (minutes No. 6 dated 30.09.2015, item 1.9.)
RUR 2,608,741,297 including VAT	Shareholder Gazprom Energoholding LLC, members of the Board of Directors K. G. Seleznev, P. P. Biriukov, D. V. Fedorov	The transaction was approved by the AGHM on 10.06.2015 (minutes No. 2 dated 15.06.2015, item 12.18)

## 10.5 FINANCIAL STATEMENTS ACCORDING TO THE IFRS

### Consolidated Statement of Financial Position (in millions of Russian Rubles)

31 December 2015    31 December 2014

<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	229,348	263,287
Investment property	1,323	805
Investments in associates	3,978	-
Advances for acquisition of property, plant and equipment	1,933	2,546
Long-term financial assets	3,180	3,385
Trade and other receivables	14,284	6,588
Other non-current assets	10,707	9,540
<b>Total non-current assets</b>	<b>264,753</b>	<b>286,151</b>
<b>Current assets</b>		
Cash and cash equivalents	5,666	9,677
Short-term financial assets	894	3,220
Trade and other receivables	49,442	38,938
Inventories	8,361	7,636
Income tax receivable	668	1
Other current assets	394	240
	65,425	59,712
Assets classified as held for sale	229	2,335
<b>Total current assets</b>	<b>65,654</b>	<b>62,047</b>
<b>Total assets</b>	<b>330,407</b>	<b>348,198</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	166,124	166,124
Treasury stock	(871)	(871)

	31 December 2015	31 December 2014
Share premium	49,213	49,213
Reserves	116,578	121,204
Accumulated loss	(99,175)	(94,503)
Total equity attributable to equity holders of the Group	231,869	241,167
Non-controlling interest	-	528
<b>Total equity</b>	<b>231,869</b>	<b>241,695</b>
<b>Non-current liabilities</b>		
Non-current borrowings	45,857	47,315
Deferred tax liabilities	27,780	31,355
Employee benefits	376	274
Trade and other payables	4,801	4,719
<b>Total non-current liabilities</b>	<b>78,814</b>	<b>83,663</b>
<b>Current liabilities</b>		
Current borrowings and current portion of non-current borrowings	3,113	1,824
Trade and other payables	12,948	17,762
Income tax payable	790	817
Other taxes payable	1,070	1,108
Provisions	1,803	187
	19,724	21,698
Liabilities classified as held for sale	-	1,142
<b>Total current liabilities</b>	<b>19,724</b>	<b>22,840</b>
<b>Total liabilities</b>	<b>98,538</b>	<b>106,503</b>
<b>Total equity and liabilities</b>	<b>330,407</b>	<b>348,198</b>

Managing Director

A.A. Butko

Chief Accountant

E.Y. Novenkova

March 4, 2016

## Consolidated Statement of Comprehensive Income (in millions of Russian Rubles)

Continuing operations	Year ended 31 December 2015	Year ended 31 December 2014
Revenue	171,163	161,432
Other operating income	2,131	2,753
Cost of materials	(107,515)	(106,178)
Depreciation of property, plant and equipment	(18,585)	(15,469)
Heat transmissions	(6,545)	(7,330)
Personnel expenses	(12,035)	(9,935)
Other external supplies	(5,168)	(3,568)
Maintenance and repairs expenses	(5,017)	(5,416)
Taxes other than income tax	(1,790)	(1,736)
Impairment loss on property, plant and equipment	(10,282)	(7,019)
Other operating expenses	(6,811)	(5,963)
<b>Results from operating activities</b>	<b>(454)</b>	<b>1,571</b>
Financial income	8,940	2,486
Financial expenses	(10,883)	(7,361)
<b>Loss before income tax from continuing operations</b>	<b>(2,397)</b>	<b>(3,304)</b>
Income tax benefit	619	564
<b>Loss for the year from continuing operations</b>	<b>(1,778)</b>	<b>(2,740)</b>
<b>Discontinued operations</b>		
Loss after tax for the year from discontinued operations	-	(327)
<b>Loss for the year</b>	<b>(1,778)</b>	<b>(3,067)</b>

Continuing operations	Year ended 31 December 2015	Year ended 31 December 2014
<b>Other comprehensive (loss)/income</b>		
Items that will not be reclassified to profit or loss:		
Impairment of property, plant and equipment	(4,479)	(9,631)
Remeasurement of post employee benefit obligations	(64)	56
Effect of acquisition under common control	(3,745)	(3,087)
<b>Other comprehensive loss for the year, net of tax</b>	<b>(8,288)</b>	<b>(12,662)</b>
<b>Total comprehensive loss for the year</b>	<b>(10,066)</b>	<b>(15,729)</b>
<b>(Loss)/profit attributable to:</b>		
Equity holders of the Group	(1,796)	(2,972)
Non-controlling interest	18	(95)
<b>Total comprehensive (loss)/income is attributable to:</b>		
Equity holders of the Group	(10,084)	(15,634)
Non-controlling interest	18	(95)
Basic and diluted loss per share (in Russian Rubles)	(0.04)	(0.08)

Managing Director

A.A. Butko

Chief Accountant

E.Y. Novenkova

March 4, 2016

## Consolidated Statement of Cash Flows (in millions of Russian Rubles)

	Year ended 31 December 2015	Year ended 31 December 2014
<i>Cash flows from operating activities</i>		
<b>Loss before income tax including discontinuing operations</b>	<b>(2,397)</b>	<b>(3,688)</b>
Adjustments for:		
Depreciations of property, plant and equipment	18,585	15,508
Financial income	(8,926)	(2,486)
Financial expenses	10,883	7,206
Impairment of trade and other receivables	1,740	2,038
Loss on disposal of subsidiary	360	304
Gain from disposal of subsidiary	(1,460)	(1,203)
Dividend income	-	(91)
Impairment of property, plant and equipment	10,282	7,019
Charge of litigations provisions	1,640	199
Gain from disposal of assets classified as held for sale	(60)	(218)
Impairment of assets classified as held for sale	-	137
Other	(21)	-
<b>Operating cash flows before changes in working capital and provisions</b>	<b>30,626</b>	<b>24,725</b>
Change in trade and other receivables	(8,269)	(10,186)
Change in inventories	(810)	(849)
Change in other current and non-current assets	(24)	(16)
Change in taxes payables, other than income tax	138	618
Change in trade and other payables	2,005	2,220
Change in employee benefit	77	(98)
Change in provisions	(24)	(62)
<b>Cash flows from operation before income tax and interest paid</b>	<b>23,719</b>	<b>16,352</b>
Income tax paid	(1,657)	(2,609)
Interest paid	(151)	(99)

	Year ended 31 December 2015	Year ended 31 December 2014
<b>Cash flows from operating activities</b>	<b>21,911</b>	<b>13,644</b>
<b>Cash flows used in investing activities</b>		
Proceeds from sale of assets classified as held for sale	77	870
Proceeds from disposal of investments	3,637	1,002
Interest received	200	363
Acquisition of property, plant and equipment	-	(497)
Proceeds from disposal of subsidiaries net of cash disposals	(170)	1,024
Dividends received	33	48
Acquisition of property, plant and equipment	(23,145)	(17,660)
Interest paid and capitalized	(3,285)	(3,071)
Grid connections	(1,368)	(4,500)
Acquisition of investment	(994)	-
<b>Cash flows used in investing activities</b>	<b>(25,015)</b>	<b>(22,421)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	2,137	36,575
Return on commission	-	367
Repayment of borrowings	(2,662)	(19,605)
Dividends paid	(396)	(1,599)
<b>Cash flows (used in)/from financing activities</b>	<b>(921)</b>	<b>15,738</b>
<b>Net increase in cash and cash equivalents</b>	<b>(4,025)</b>	<b>6,961</b>
Cash and cash equivalents at the beginning of the year	9,677	2,871
Exchange gain from cash and cash equivalents	14	(155)
<b>Cash and cash equivalents at the end of the year</b>	<b>5,666</b>	<b>9,677</b>

Managing Director

A.A. Butko

Chief Accountant

E.Y. Novenkova

March 4, 2016



## Consolidated Statement of Changes in Equity (in millions of Russian Rubles)

	Attributable to equity holders of the Group		
	Share capital	Treasury stock	Share premium
Balance at 1 January 2014	166,124	(871)	49,213
Loss for the year	-	-	-
<b>Other comprehensive (loss)/profit for the year:</b>			
Effect of acquisition under common control	-	-	-
Remeasurement of post-employee benefit obligation	-	-	-
Impairment of property, plant and equipment	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
Disposal of non-controlling interest in subsidiaries	-	-	-
Dividends to shareholders	-	-	-
<b>Balance at 31 December 2014</b>	<b>166,124</b>	<b>(871)</b>	<b>49,213</b>
<b>Balance at 1 January 2015</b>	<b>166,124</b>	<b>(871)</b>	<b>49,213</b>
(Loss)/profit for the year	-	-	-
<b>Other comprehensive loss for the year:</b>			
Effect of acquisition under common control	-	-	-
Remeasurement of post employee benefit obligation	-	-	-
Impairment of property, plant and equipment	-	-	-
<b>Total comprehensive (loss)/profit for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
Disposal of controlling interest in subsidiaries	-	-	-
Dividends to shareholders	-	-	-
<b>Balance at 31 December 2015</b>	<b>166,124</b>	<b>(871)</b>	<b>49,213</b>

Reserves	Accumulated loss	Total	Non-controlling interest	Total Equity
130,779	(86,860)	258,385	737	259,122
-	(2,972)	(2,972)	(95)	(3,067)
-	(3,087)	(3,087)	-	(3,087)
56	-	56	-	56
(9,631)	-	(9,631)	-	(9,631)
<b>(9,575)</b>	<b>(6,059)</b>	<b>(15,634)</b>	<b>(95)</b>	<b>(15,729)</b>
-	-	-	(94)	(94)
-	(1,584)	(1,584)	(20)	(1,604)
<b>121,204</b>	<b>(94,503)</b>	<b>241,167</b>	<b>528</b>	<b>241,695</b>
<b>121,204</b>	<b>(94,503)</b>	<b>241,167</b>	<b>528</b>	<b>241,695</b>
-	(1,796)	(1,796)	18	(1,778)
-	(3,745)	(3,745)	-	(3,745)
(64)	-	(64)	-	(64)
(4,479)	-	(4,479)	-	(4,479)
<b>(4,543)</b>	<b>(5,541)</b>	<b>(10,084)</b>	<b>18</b>	<b>(10,066)</b>
(83)	1,254	1,171	(546)	625
-	(385)	(385)	-	(385)
<b>116,578</b>	<b>(99,175)</b>	<b>231,869</b>	<b>-</b>	<b>231,869</b>

## 10.6 GLOSSARY

<b>ADR</b>	American depository receipt	<b>WEM</b>	Wholesale Electricity Market
<b>NPP</b>	Nuclear power plant	<b>PWHB</b>	Peak water-heating boiler
<b>SPHPP</b>	Pumped-storage hydro power plant	<b>SGU</b>	Steam-and-gas unit
<b>GDR</b>	Global depository receipt	<b>SUW</b>	Start-up works
<b>SDPP</b>	State-owned district power plant	<b>ST</b>	Steam Turbine
<b>GTU</b>	Gas turbine unit	<b>RAS</b>	Russian accounting standards
<b>SPP</b>	State Power Plant	<b>DAM</b>	Day ahead market sector of the electricity market
<b>VMI</b>	Voluntary medical insurance	<b>RHP</b>	Regional Heating Plant
<b>FFZ</b>	Free power transfer zone	<b>REC</b>	Regional Energy Commission
<b>CF</b>	Capacity factor	<b>BoD</b>	Board of Directors
<b>IT</b>	Integrated testing	<b>SO UES</b>	System operator of the unified energy system
<b>EC</b>	Efficiency coefficient	<b>t/e</b>	Thermal energy
<b>KPI</b>	Key performance indicator	<b>EA, IS &amp; EP</b>	Department of engineering audit, industrial safety and environmental protection
<b>DHP</b>	District Heating Plant	<b>TPP</b>	Thermal power plant
<b>MOEK</b>	Moscow Integrated Power Company	<b>FTS</b>	Federal Tariff Service
<b>IFRS</b>	International financial reporting standards	<b>FFMS</b>	Federal Financial Markets Service
<b>PPP</b>	Private pension provision	<b>RF CB</b>	Russian Federation Central Bank
<b>PPF</b>	Private pension fund	<b>e/e</b>	Electric energy
<b>AI</b>	Accident insurance		
<b>WGC</b>	Power generating company of the wholesale market		

## Units of measurement

<b>Gcal</b>	Giga calorie - unit of measurement of heat	<b>kWh</b>	kilo Watt hour unit of measurement of electric energy
<b>Gcal/h</b>	Giga calories per hour - unit of measurement of thermal power	<b>MW</b>	Mega Watt unit of measurement of electric power
<b>kV</b>	kilo Volt unit of measurement of voltage	<b>tnf</b>	tons of natural fuel
		<b>tfe</b>	tons fuel equivalent

## 10.7 CONTACT INFORMATION

### Investor Relations Department:

**Ekaterina Pavlova**

Head of Department

Tel: +7 (495) 957-1-957 (ext. 37-67)

pavlova@mosenergo.ru

**Denis Voronchikhin**

Senior Expert

Tel: +7 (495) 957-1-957 (ext. 34-57)

voronchikhin@mosenergo.ru

### Contacts for Individual Shareholders:

**Tatiana Sivova**

Chief Specialist in Corporate Work Management

Tel: +7 (495) 957-1-957 (ext. 32-10)

### Mosenergo PJSC website:

[www.mosenergo.ru](http://www.mosenergo.ru)

### Mailing address:

101, Vernadskogo Avenue, bldg. 3, Moscow 119526

### Auditor:

FBK LLC

44/1 Myasnitskaya Str., bldg. 2AB, Moscow

Phone: (495) 737-53-53

Fax: (495) 737-53-47

E-mail: [fbk@fbk.ru](mailto:fbk@fbk.ru)

Website: [www.fbk.ru](http://www.fbk.ru)

### Registrar:

SR-DRAGa JSC

71/32, Novocheremushkinskaya Street, Moscow.

Tel: +7 (495) 719-40-44, 719-39-29, 719-39-30

E-mail: [info@draga.ru](mailto:info@draga.ru)

Website: [www.draga.ru](http://www.draga.ru)