

PricewaterhouseCoopers

Assessment of Transparency and Statements, RAO UES of Russia

Indicator of Efficiency	Statements					Completeness High degree Available Average degree Low degree Not available
	Internal only	Internet	Annual Report	Other outer reports	Social report	
Publishing financial statements /annual reports within four months after financial year's expiration		x	x			Available
Annual financial statements remain in open access at least five years		x				Available
Financial statements include management statement		x	x			Available
Financial statements include declarations of responsibility		x	x			Available
Consolidated statements prepared in accordance with IFRS and parent company's statements prepared according to the national legislation of the state on whose territory the parent company was established. If such consolidated statements are not made, the audited financial statements shall include statements prepared in accordance with the national legislation of those states on whose territory the issue was established.		x	x			Available
Consolidated statements – the audit opinion shall be published in full together with annual financial statements.		x	x			Available
Information shall be disclosed about the statements' preparation policy including the terms and standards used.		x	x			Available
Publishing audit rotation policy			x			Available
Description of major risks and uncertainties to which the issuer may be subject in his activities.		x	x			Available
Well-balanced and versatile analysis of business development and results of issuer's activities during the financial year; situation of issuer's business by the end of the year specified.		x	x			Available
Issuer's operating results or situation of issuer's business: analysis based on key financial indicators. When it is expedient, such analysis could be based on other key indicators including information related to environment protection as well as social and personnel issues.			x			Available
Reference to figures and additional explanation of the figures included in the issuer's financial statements when it is expedient.		x	x			Available
Information about any significant events that occurred after the financial year had ended.		x	x			Available
Information about issuer's expectable development in future.			x			Available
Information about research and development activities.		x	x			Available
Data on information about buying own shares.		x				Available
Data on issuer's subsidiaries if available.		x	x			Available
Report on the policy and goals of financial risks' management, exposure to price risk, credit risk, liquidity risk and funds' flow risk.		x				Available

<p>1. Preparing a condensed balance sheet and a concise profit and loss statement, the issuer shall observe the same principles of assessment and recognition as used for preparing annual financial statements.</p> <p>2. The balance sheet and the profit and loss statement shall display each of the headings and intermediate results included in the issuer's latest annual financial statements. Additional articles shall be included if without such articles the financial statements for six months would contain deluding assessment of assets, liabilities, financial condition, profits and losses of the issuer.</p> <p>3. The financial information for six months shall include comparative data submitted as follows: a balance sheet as of the end of the first six months of the current financial year and a comparative balance sheet as of the end of the previous financial year; a profit and loss statement for the first six months of the current financial year with comparable data (two years later after January 20, 2007) for the corresponding period of the previous financial year.</p> <p>4. The explanatory notes shall include as follows: - information in adequate amount to ensure the comparability... - information and explanation in adequate amount to ensure the correct....</p>			x	x		Available
<p>The accounting policies and furnishing of information applied for the figures for the six months shall conform with the accounting policies and furnishing of information applied for the latest annual financial statements published with the following exception: - the accounting policies and furnishing of information shall be changed in the following annual financial statements, the new accounting policies and furnishing of information shall be conformed with, the changes and the causes thereof shall be disclosed in the report for six months or, -the regulatory body shall consent to furnish information in some other way.</p>				x		Available
<p>-indication of significant events that occurred within the first six months of the financial year and the degree of their influence on the condensed financial statements as well as, -description of major financial risks and uncertainties for the remaining six months of the financial year.</p>		x		x		Available
<p>-transactions with the related parties that took place within the first half of the current financial year and that had a substantial influence on the financial situation or the company's performance results within the specified period, and -all the changes in the transactions with the related parties described in the latest annual report that can have a substantial influence on the financial situation or performance results of the company within the first half of the current financial year.</p> <p>1.If the issuer is not obliged to make consolidated statements, he shall disclose, at least, information about all the transactions entered into with the related parties including the amount of such transactions, character of relationship with the related party and other information about such transactions necessary to understand the issuer's financial situation if such transactions are material and they were not entered into on usual market conditions.</p> <p>2.The information about such transactions may be submitted in aggregate form in accordance with their nature with the exception of cases when information about some separate transactions is needed to understand the impact that ...</p>				x		Available
<p>-If the auditors performed an audit or analyzed financial statements for six months according to the guidelines of the Auditing Practices Board related to analyzing intermediate financial statements, the issuer should make a declaration in his report about it.</p>				x		Available

The information that covers the period between the beginning of the related half year and the date when the report was published.				x		Available
-Explanation of material transactions and significant events that occurred within the period under consideration and the degree of their influence on the issuer's financial situation and on his subsidiaries. -General description of the issuer's and his subsidiaries' financial situation and performance results within the period under consideration.		x	x			Available
Disclosure of information on transactions with the participation of the largest shareholders – the notification requirement shall be brought into action if a stake size reaches, exceeds or drops below some definite limit values (5%, 10%, 15%, 20%, 30%, 50% and 75%).		x	x			Available
The provided notification shall include the information as follows: (1) the existing situation in view of voting right; (2) the chain of subsidiaries through which for that matter the voting right is exercised if applicable; (3) the date when the limit value was reached or exceeded; (4) shareholder's personal data even if this shareholder cannot exercise his voting rights as well as personal data of the person who is entitled to exercise the voting rights on behalf of this shareholder.		x		x		Available
The voting rights shall be counted taking into account all the shares that have voting rights even if implementation of such rights is suspended and is given for all the shares that have voting rights.		x				Available
Information on majority shareholders or shareholders with equity stake exceeding 10%.		x	x			Available
Information on the management's stakes.			x			Available
Information on the directors' stakes.			x			Available
Description of the types of shares and their voting rights.		x	x			Available
(1) The shares' issuer shall ensure an equal attitude towards all shareholders who are in an equal position. (2) The debt securities issuer shall ensure equal conditions for all legally equal debt securities in view of all the rights that such debt securities possess.	x	x				Available
(1) Shareholders and debt securities' holders shall not be inhibited to exercise their rights per power of attorney in accordance with the applicable laws of the country on which territory the issuer was established. (2) The issuer of shares or debt securities shall submit a printed form of power of attorney or (where applicable) through electronic means to each person who is entitled to vote at a shareholders' meeting or at a debt securities' meeting. (3) The form of power of attorney shall be submitted (a) together with the meeting notification or (b) after the announcement about the meeting.		x	x			Available
The issuer of shares shall immediately proclaim any change in the rights that different classes of shares possess including changes in rights that derivatives possess issued by the issuer providing access to the shares of this issuer.		x				Available
Apart from the shares listed for trade on the regulated market, the issuer of securities shall immediately declare any changes in the rights of securities' owners except for shares, including the changes in the terms and dates of circulation of such securities, which could indirectly influence these rights as a result of changes in credit terms or in credit interest rate.		x				Available

The issuer of shares shall submit to their owners the information as follows: (1) the venue and day of holding meetings and their agenda; (2) the total number of shares and voting rights; (3) shares owners' rights to participate in meetings.		x				Available
The issuer of shares shall publish notifications or distribute prospectuses relating to distribution and payment of dividends as well as issue of new shares including information about all mechanisms of distribution, subscription, cancellation or conversion.		x	x			Available
The issuer shall publish notifications or distribute prospectuses related to: (1) the venue and day of holding meetings and their agenda of debt securities' owners; (2) interest payment (3) exercising rights to conversion, exchange, subscription or cancellation and redemption; and (4) owners' rights to exercise their rights as per items (1) – (3).						N/A
The language of publications – official information or regulatory requirements.			x			Available
The restricted information shall be distributed the way to ensure its synchronous distribution with as much free access to it as possible.		x				Available
The restricted information shall be submitted to the mass media in such a way as to ensure security of communication, minimize the risk of data tempering and data trespassing, and to corroborate the source of such information. Security of receiving shall be provided by elimination as soon as possible of any failed attempt or interruption when communicating the restricted information. The issuer or person shall not be responsible for system failures or defects of the mass media which shall be submitted the restricted information.		x				Available
The restricted information shall be communicated in the way that: (1) makes obvious that such information is restricted; (2) allows to clearly define: (a) the issuer under consideration; (b) the subject of the restricted information; and (c) the day and date when the issuer or the person submit the restricted information.		x				Available
The issue/person shall not charge the investors for restricted information furnishing.		x				Available
The number of executive directors.			x			Available
The number of non-executive directors.			x			Available
Availability of an official corporate governance code.		x	x			Available
Remuneration and assessment concept of the performance of the board of directors' members/ supervisory board, CEO and top management.		x	x			Available
Declaration of independence of the board of directors/ supervisory board.		x				Available
Code of conduct for the board of directors' members.		x				Available
Disclosure of information related to attendance of board of directors' meetings/ supervisory board		x				Available
Disclosure of biography data and résumés of the board of directors' members/ supervisory board		x				Available
Disclosure of other powers of the board of directors' members/ supervisory board.		x				Available
Regular assessment by the board of directors of their performance.		x	x			Available

Regular independent assessment of the board of directors' performance.	x					Available
External distribution of information about remuneration/ compensation of the board of directors' members/ supervisory board and other highly paid directors and top management representatives (for example, CEO)		x	x			Available
List of board of directors' committees.		x	x			Available
Availability of the auditing committee and auditing policy		x	x			Available
Availability of the compensation committee and compensation policy.		x	x			Available
Availability of the sustained development//production safety and environment protection committee and policy.						N/A
Availability of the risks and strategy committee.		x	x			Available
Publishing the committee members' names.		x	x			Available
Other committee members (other than the director).		x	x			Available
Board of directors members' experience in this branch.						N/A
Corporate codes of conduct defined at the group level (including subsidiaries and affiliates.	x					Available
Policy of anti-money laundering and/or operations using confidential information.		x				Available
Policies related to safety of personnel, business partners and clients		x				Available
Policies related to environment protection, health care and production safety.		x	x		x	Available
Policy related to anonymous informing of the management about breach of duty and misconduct.	x					Available
The operating mechanisms providing effective implementation of the company's corporate conduct code (for example, the system of compliance with the standards)		x				Available
Liabilities, areas of responsibility and accountability have been systematically specified for all the departments and companies of the group.			x			Available
Specialized reference service on the code of conduct.	x					Available
Relation between the code of conduct and remuneration of the employees.						N/A
The performance assessment systems of the employees include parameters of compliance with the standards/code of conduct.						N/A
Disciplinary measures shall be taken in case of breach/ misconduct, i.e. punishment policies regardless of the work status.						N/A
The system of compliance with the standards has been certified/ tested/approved by a third party.						N/A
Pursuing the policy of anti-corrupt practices in the top management;						N/A
Disclosure of information about direct and indirect contributions made for political purposes.		x				Available
Disclosure of information about charitable contributions and sponsorship.			x		x	Available
Effective information interoperability – Structure.			x			Available
Logical sequence in information management:			x			Available
Clear-cut connection of the strategy with the results and key performance indicators and a report on achieving mutual strategic goals.			x			Available
Explanation of important ideas and things that present the most important problems (in the group's opinion).		x	x			Available
The key ideas are presented as highlighted quotations, headings, marked list, cross headings, etc.		x	x			Available

The conclusions are represented in a graphic form		x	x			Available
Effective information interoperability – navigation.		x	x			Available
It has clear-cut content backed up by a mark on the edge, and paragraphs designated with different colors to help the reader get an immediate access to a necessary part of the report. As far as possible, the information in the paragraphs should be self-sufficient in the event that a paragraph should be read separately.			x			Available
A brief summary of the content at the beginning of each paragraph to facilitate conveyance of the idea and navigation.			x			Available
Clear-cut headings and subheadings, and a strict typographical hierarchical structure.			x			Available
There is a glossary and alphabetic index.			x			Available
Defining the group's key indicators for assessing creation of value		x				Available
Enclosing traditional financial data with the data different from the generally accepted accounting principles applied by the management.						N/A
Comparing the current efficiency with the results of the previous years.						N/A
A clear explanation of how the group used the money that had been coming during the year.			x			Available
Using advanced approach and language for the report.			x			Available
Applying the group's strategy as the basis for describing the current and prospective performance results.			x			Available
A paragraph about markets describing the activities of the group's companies in terms of the market situation.			x			Available
Discussing the market as well as trends and factors that influence group's sales on these markets.		x	x			Available
Considering competitive factors and macroeconomic factors.			x			Available
Presenting market statistical information taken for external sources.			x			Available
Defining competitors and assessing their market positions.						N/A
Availability of both previous and predicted data for the market.			x			Available
Consideration of strategy.		x	x			Available
Using the strategy as the basic element of the report.			x			Available
Presentation of the strategy using diagrams and text in the manner, which makes simple, consistent and convenient for memorizing.		x				Available
The basic operations necessary for strategy implementation have been defined.			x			Available
Report on strategy implementation progress providing a clear-cut connection between strategic priorities, key performance indicators, operating efficiency and risks.		x				Available
Applying strategic priorities as the basis for using the consistent structure to consider operating efficiency according to segments.		x				Available
Key activity indicators.			x			Available
Close-cut separation between actual results' indicators and key performance indicators.			x			Available
Pointing the article where key performance indicators are presented: in the opening section of the report			x			Available
Close-cut connection between strategy and key performance indicators, report on strategy implementation and main parameters for defining success for each strategic priority.			x			Available
Defining each key performance indicator, comparing the results of the previous years with the target indicators of the following year.						N/A
Disclosing key performance indicators at the group and segments' level depending on data availability.			x			Available

Explanation of management's actions aimed at improvement/support of the results for each key performance indicator.						N/A
Income and expenditure			x	x		Available
Specifying main key factors influencing growth of income during the year.						N/A
Defining key internal and external interested parties.		x				Available
Defining the most important information necessary for the interested parties.		x				Available
Changing the way of disclosing information to meet the requirements of the interested parties.		x				Available
Regular monitoring of the performance results and requirements in the field of accounting.	x					Available
Comparative analysis of the company's performance results.		x	x			Available
Rate of errors or omissions in the accounting due to inaccurately expressed requirements of the interested parties.						No data
Providing employees with the means necessary for effective disclosing of information.	x					No data
Comparative analysis of the company's performance results.			x	x		Available
Establishing the optimum transparency level for the organization.		x	x			Available
Timely communication of significant information.		x				Available
Applying technologies to provide timely accounting.		x				Available
Percentage of the respondent interested parties that stated that the company's documentation and statements were disclosed clearly, straightforwardly and honestly.	x					N/A
The number of inquiries made by the interested parties to specify the company's information.	x					N/A
The number of negative comments in the mass media related to the information disclosed by the company.	x					No data
The number of cases when negative information was disclosed by the company before such information was published by any other source.		x				Available
Updating frequency of the company's news on the corporate site.		x				Available