



Appendix No.1 to the
Purchasing Policy of
PJSC Rosseti

Rules for Assessment of Purchasing Results of Subsidiaries and Affiliates of PJSC Rosseti

Moscow, 2016

Rules for Assessment of Purchasing Results of Subsidiaries and Affiliates of PJSC Rosseti

I. General Provisions

- 1.1. These Regulations set forth objectives, goals and procedures of assessing purchasing results of Subsidiaries and Affiliates of PJSC Rosseti (hereinafter also referred to as the Company).
- 1.2. Key objective of assessment is identification of the best practices of organizing purchasing intended to raise the purchasing efficiency carried out, i.a., by identifying among Subsidiaries and Affiliates (hereinafter referred to as Subsidiaries and Affiliates) leaders in organizing purchasing facilitating the maximum achievement of the key objective, timely procurement of goods, works and services having the required indices of their price and quality subject to strict compliance with the applicable laws and local regulations of the Company and its Subsidiaries and Affiliates.
- 1.3. Key goals of assessment are:
 - to encourage Subsidiaries and Affiliates to raise information openness and transparency of purchasing;
 - to monitor conformity of the purchasing of the Company's Subsidiaries and Affiliates to requirements of the applicable laws and local regulations of the Company and Subsidiaries and Affiliates governing the purchasing of Subsidiaries and Affiliates;
 - to raise the professionalism and competence of employees taking part in the purchasing of the Company and its Subsidiaries and Affiliates.

II. Procedure of Assessment of Purchasing Results of the Company's Subsidiaries and Affiliates

- 2.1. Assessment of purchasing results shall be conducted every quarter on the basis of information and documents submitted by Subsidiaries and Affiliates to the Company's Purchasing Department in charge of assessing purchasing results of Subsidiaries and Affiliates.
- 2.2. The Company's Purchasing Department may in accordance with the applicable procedure request from structural divisions of the Company's Subsidiaries and Affiliates in charge of organizing and carrying out purchasing (hereinafter referred to as purchasing divisions of Subsidiaries and Affiliates) information and certifying materials required to calculate rating values.

2.3. The Company's Purchasing Department shall every quarter analyze the incoming information and documents and assess purchasing results in accordance with the criteria and procedure of assessing purchasing results of the Company's Subsidiaries and Affiliates set forth in Section III of these Regulations.

2.4. Quarterly reports made on the basis of assessing purchasing results of Subsidiaries and Affiliates shall be presented by the Company's Purchasing Department for review to the Company's Central Purchasing Commission (Central Purchasing Commission of the Company) within 45 (forty five) calendar days after the reporting quarter end.

2.5. Report form is set forth in Appendix 1 to these Regulations.

III. Criteria and Methods of Assessment of Purchasing Results of the Company's Subsidiaries and Affiliates

3.1. To assess purchasing results, the following criteria and their weight coefficients shall be used:

Table 1

| No. of criterion | Description of the criterion | Unit of measurement | Procedure of assessment (indices compared) |
|-------------------------|--|----------------------------|---|
| 1. | Actual performance of the Purchasing plan at announcement | % | Assessed as a percentage of the actual value to the scheduled one |
| 2. | Actual performance of the Purchasing plan at recapitulation | % | Assessed as a percentage of the actual value to the scheduled one |
| 3. | The sole source based on results of procedures not implemented | % | Assessed as a percentage of purchasing from the sole source based on results of procedures not implemented to the total value of competitive procedures implemented (all announced procedures which have been recapitulated (winner has been selected)) |
| 4. | Purchasing in the electronic form | % | Assessed as a percentage of purchasing in the electronic form to the total value of competitive procedures implemented |
| 5. | Saving from purchasing procedures implemented | % | Assessed as a ratio of saving from purchasing completed to the limit initial price of procedures completed |
| 6. | Scope of open purchasing procedures implemented | % | Assessed as a percentage of open procedures implemented to the total value of procedures implemented minus conventional regular purchasing (purchasing implemented on a regular basis in a non-competitive (monopolistic) market) |

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|----|---|-------------|---|
| 7. | Competitiveness in implementing purchasing procedures | participant | Assessed as a ratio of the total number of participants of purchasing procedures to the number of open procedures implemented |
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3.2. Assessment of the criteria specified in par. 3.1 of the Regulations shall be performed in the following manner:

3.2.1. For each subsidiary and affiliate in each criterion, index value shall be calculated based on the incoming data in accordance with the assessment procedure set forth in Table 1, par. 3.1 of these Regulations. Rating of Subsidiaries and Affiliates by specific criteria shall be effected by a simple comparison of calculated values of indices by the criterion relative to each other (the best index shall come first, the worst, last). If 2 (two) (or more) Subsidiaries and Affiliates have the same value of an index, they shall be rated equally.

3.2.2. For a comprehensive assessment of purchasing results of Subsidiaries and Affiliates by all criteria, the following calculation shall be effected. Rating positions awarded by each criterion to Subsidiaries and Affiliates shall be summed. Based on summing results, the smallest final amount shall be awarded the first position, the biggest, final. If the sums of 2 (two) (or more) Subsidiaries and Affiliates have the same value, they shall be finally rated equally.

3.3. List of criteria and procedure and methods of their assessment may be adjusted by decision of the Central Purchasing Commission of PJSC Rosseti. Criteria of assessment of purchasing results of Subsidiaries and Affiliates of PJSC Rosseti shall be communicated to Subsidiaries and Affiliates before the period of assessment begins.

Table 2 – Final Rating

| Item No. | Names of Subsidiaries and Affiliates | Final sum of positions | Rating position |
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