



**Annual Report**  
**of Open Joint-Stock Company**  
**FIRST POWER GENERATING COMPANY ON THE**  
**WHOLESALE ENERGY MARKET**

**based on the activity results for 2010**

General Director of LLC INTER RAO-  
Management of power generation,  
management company of JSC OGK-1 \_\_\_\_\_ /P.I. Okley/  
" \_\_\_\_ " \_\_\_\_\_ 2011

Chief Accountant of JSC OGK-1 \_\_\_\_\_ /M.R. Evdokimova/  
" \_\_\_\_ " \_\_\_\_\_ 2011

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## **LETTER TO SHAREHOLDERS FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS OF JSC OGK-1**

Dear Shareholders,

Throughout the year, functions of a sole executive body of JSC OGK-1 were exercised by JSC INTER RAO UES, whose experience and managerial competence enabled us to improve operational and financial performance, to optimize the cost loading, and to implement number of measures to improve the efficiency of the generating assets of the Company. Careful attention was paid to implementation of investment projects, providing the Company with long-term sources of fuel and guaranteed power sale markets.

As part of optimization program for fuel supply, in December 2010 JSC OGK-1 entered into a natural gas supply contract of longest duration in the history of energy industry between CJSC Nizhnevartovskaya GRES and OJSC TNK-BP Holding, and conversion to coal at the new power unit No. 3 at the Kashirskaya GRES was completed. These measures will enable the Company to reduce costs of fuel and increase the efficiency of the generating facilities.

Improvement of production and economic effect, ensuring reliable and uninterrupted operation of the energy systems in the areas of operations, and stable growth of the shareholder value are the main goals of implementation of OGK-1 investment projects. Early implementation of these initiatives will enable OGK-1 not only to retain position of a wholesale generating company with largest installed capacity in Russia, but also to reinforce our positions on such key indicators as production efficiency and utilization of innovative technology.

Timely performance of investment commitments and improvement of reliability of current business operations of JSC OGK-1 were supported by the borrowed funds that were under favorable conditions secured from the leading Russian banks with assistance of the management company. In addition, in 2010, an additional issue of 38 billion shares was effected successfully, and 49.995% amounting to 21.278 billion rubles was purchased by JSC INTER RAO UES. The funds received from the placement were used in implementing the investment program for the Urengojskaya GRES.

In 2010, we were able to do much. But in 2011, we need to do even more. The Energy Strategy of Russia for the period up to 2030 approved by the Government of the Russian Federation sets out new operational standards for industry participants, which should be reflected at all levels of JSC OGK-1 activity. Therefore, in the new year, the Board of Directors and management of the Company will continue making every effort to develop the Company, implement its investment program, improve management of costs and revenues, improve quality of corporate governance, continuous supply of power to consumers and, of course, increase JSC OGK-1 value in the interests of all its shareholders

**Boris KOVALCHUK**

Chairman of the Board of Directors

## **LETTER TO SHAREHOLDERS FROM THE GENERAL DIRECTOR OF LLC INTER RAO-MANAGEMENT OF POWER GENERATION, THE MANAGEMENT COMPANY OF JSC OGK-1**

Dear Shareholders,

The year 2010 allowed us all to take a fresh look at the prospects of development of JSC OGK-1 and position of the company in the Russian energy market. In 2009, empowerment of JSC INTER RAO UES as a sole executive body of the Company made it possible to implement number of initiatives to reach positive dynamics of key operating and financial performance. By the end of 2010, revenues of JSC OGK-1 amounted to 56.467 billion rubles, that is 33 percent more than it was in 2009. Operating profit of the Company increased by 5.647 percent, and net profit increased by 19.8 percent to amount to 2.757 billion rubles.

Settlement of the issue of financing of the investment program of JSC OGK-1 was the most important result of the interaction between the two companies. In particular, as part of the additional issue of the Company shares, funds were raised for construction of power unit PGU-450 at the Urengojskaya GRES, where in 2010 a general contractor was selected. Another key point of the investment program was to initiate a feasibility study and expert evaluation of characteristics of the equipment produced for construction of power units (power units No. 3.1, and No. 3.2) at the Nizhnevartovskaya GRES with the gross capacity of more than 800 MW. In 2010, the general designer for the power units was designated – Institute Teploelectroproekt, and the tender for a general contractor of the project was commenced. Equipment parameters and the final total capacity of the power units will be determined on the basis of open competitive procedures.

Traditionally, uninterrupted power supply to the consumers was our priority in 2010. In 2010, power plants of the Company produced 41,017 million kW of power (taking into account operation of CJSC Nizhnevartovskaya GRES of 52,357 million kW), that is 29.66 percent more than was effected over the same period in the preceding year. Reliability of the equipment was achieved through timely and quality performance of all scheduled repair work. Cost of the repair campaign in 2010 was 2,062.579 million rubles (including that of CJSC Nizhnevartovskaya GRES – 2,445.584 million rubles.). Repair of power-generating equipment at the power plants was performed in full. For technical upgrading and renovation in 2010, the Company directed 1,451.182 million rubles (including CJSC Nizhnevartovskaya GRES – 2,015.084 million rubles). In accordance with the plans for development of the Company, to implement the program of retooling and modernization of JSC OGK-1 2,133.231 million rubles will be allocated in 2011.

With the assistance of the management company, agreements for borrowed funds on favourable terms were signed with the major banks to both implement investment projects and finance the ongoing business operations. As a result of the work done, the Moody's rating agency once again after 2007 confirmed the international credit rating of JSC OGK-1 obtained in 2007 at Ba3/Stable outlook. Listing of JSC OGK-1 shares in the quotation list A of the RTS stock

exchange second tier, and selection of the new registrar of the Company OJSC Registrar R.O.S.T. became important outcome of the activity in 2010.

Last year, we continued to implement programs on occupational and industrial safety. JSC OGK-1 is implementing a set of measures aimed at improving safety of energy workers, and their working conditions and health care. In 2010, the Nizhnevartovskaya GRES was awarded a 1 degree diploma "No injuries, no accidents", and a 1 degree diploma "Best program of briefings on occupational safety in organization" by the Nizhnevartovsk district administration. Kashirskaya GRES was awarded Certificate of Occupational Safety Compliance issued by the Joint-Stock Company "Power Engineering Institute n.a. G.M. Krzhizhanovsky under the auspices of the Ministry of Public Health and Social Development and the Central Agency of Certification of Occupational Safety in Organizations.

To summarize, I would like to emphasize that in 2010, JSC OGK-1 managed by JSC INTER RAO UES could solve some important problems of industrial and financial stability, and we look confidently to the future. In 2011, we are facing new challenges, and I am convinced that a team of highly qualified specialists who work at all of our power plants is able to manage them.

Pavel OKLEY  
General Director of LLC INTER RAO-  
Management of Power Generation,  
management company of JSC OGK-1

## I. COMPANY INFORMATION

### 1.1. JSC OGK-1 GENERAL INFORMATION

Open joint-stock company "First power generating company on the wholesale energy market" (hereinafter referred to as the "JSC OGK-1" or "Company") is the largest of the six generating companies of the wholesale energy market, created as a result of the reform of Russian power industry.

The structure of JSC OGK-1 includes: Permskaya GRES, Verkhnetagilskaya GRES, Kashirskaya GRES, Urengojskaya GRES, Irikliinskaya GRES with the installed capacity of 9,861 MW. Two existing power units of the Nizhnevartovskaya GRES were contributed to the authorized capital of CJSC Nizhnevartovskaya GRES (hereinafter referred to as the "CJSC NVGRES"), the shares of which belong to NVGRES HOLDING LIMITED (hereinafter referred to as the "NHL"). 75%–1 share of the authorized capital of NHL are held by JSC OGK-1, 25%+1 share are held by TNK-BP.



The main type of JSC OGK-1 activity is production and wholesale realization of electric power and minor supply of thermal energy.

All power plants of the Company are located in the regions experiencing power shortages (IES of Urals and Centre) with the highest growth rates of energy consumption. The power plants of the Company have high indicators of fuel efficiency. The main fuel is gas, which occupies about 91 percent of the Company fuel balance. At two power plants – Verkhnetagilskaya GRES and Kashirskaya GRES – coal is also used as a main fuel, the share of which at the power plants is about 30 percent.

From July 1, 2008, JSC FGC UES held 43 percent of the authorized capital of the Company, JSC RusHydro owned 23 percent, and 34 percent was held by minority shareholders.

On March 17, 2009 the rights to 61.88 percent of ordinary shares in JSC OGK-1 owned by JSC FGC UES and JSC RusHydro were placed under fiduciary management of INTER RAO UES for 5 years with the right extension for same period.

6 July 2009 the authorities of the sole executive body of JSC OGK-1 were transferred to the management organization JSC INTER RAO UES.

From March 2011, JSC INTER RAO UES holds 72.45 percent of the authorized capital of the Company, and 27.55 percent is held by minority shareholders.

On April 1, 2011 the authorities of the sole executive body of JSC OGK-1 were transferred to the management organization – Limited Liability Company INTER RAO-Management of Power Generation.

Registered ordinary shares of JSC OGK-1 are traded at stock exchange of CJSC Moscow Interbank Currency Exchange with ticker symbol OGK1 in the quotation list "A" first tier, JSC RTS in the quotation list "A" of the second tier and also at the classic, standard and exchange RTS markets (under OGKA, OGKAG and OGKS tickers respectively).

Full name of the Company in Russian language	Открытое акционерное общество "Первая генерирующая компания оптового рынка электроэнергии"
Full name of the Company in English language	JSC OGK-1
Abbreviated name of the Company in Russian language	ОАО "ОГК-1"
Registered address of the Company	1 bldg. 1, Odesskaya Street, Tyumen, the Tyumen Region, Russian Federation 625023
Current location of the Company	1 bldg. 27, Bolshaya Pirogovskaya Street, Moscow, Russian Federation 119435
Information about state registration	Primary state registration number (OGRN): 1057200597960
State registration date	March 23, 2005
Registration authority in accordance with the certificates of registration in the Unified State Register of Legal Entities	Inspectorate No. 3 of the Federal Tax Service of Russia for the City of Tyumen

Series and number of the certificate of registration in the Unified State Register of Legal Entities	Series 72 No. 001323364
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### Competitive advantage of JSC OGK-1

- ✓ JSC OGK-1 shows some of the best production efficiency and financial results in the industry; the concentration of high performance capacities in the UES Urals secures leadership of JSC OGK-1 in the industry;
- ✓ OGK-1 has one of the most modern fleet of generating capacities in Russia;
- ✓ The Company ranks #2 in terms of installed power capacity in the market among TGKs and OGKs;
- ✓ Rates and prices of JSC OGK-1 are of a level that provides the necessary generation capacity demand and sufficient level of profitability of the Company;
- ✓ High level of corporate governance based on best international practice is supported by effective work of the Board of Directors, which includes independent directors, and operational Committees for Strategy and Investments, Audit, Staff and Remunerations.

### Key indicators

Production indicators in 2010*	
Installed capacity, MW	8,261
Electric power output, million kW*h	41,017
Thermal output, Gcal thousand	1,074
Coefficient of usage of installed capacity, %	56.8
Unit consumption of fuel equivalent, g/kW*h	337.9
Average staffing number, people	4,513
Financial indicators in 2010*	
Revenue, RUB million	56,467
Operating profit, RUB million	4,649
Profit before tax, RUB million	3,672
Net profit, RUB million	2,757
EBIT sales profitability, %	7.35
EBITDA sales profitability, %	10.94
Return on assets (ROA), %	4.84
Short-term liabilities, RUB million	28,974

Long-term liabilities, RUB million	7,481
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\*OGK-1 (excluding CJSC Nizhnevartovskaya GRES)

### History of founding and development

JSC OGK-1 was founded on the basis of the Instruction of the Russian open joint-stock company of energy and electrification UES of Russia No. 52r on March 21, 2005, with the aim of fulfillment of the resolution of the Board of Directors of the JSC RAO UES of Russia (Minutes No. 183 dated December 24, 2004) and in accordance with the Instruction of the Government of the Russian Federation No. 1254-r dated September 01, 2003.

On the basis of Deed of Merger by Consolidation dated January 12, 2006, and Resolution on the increase of authorized capital of JSC OGK-1 adopted by the authorized managerial body of JSC OGK-1 shareholder – the Board of Directors of JSC RAO UES of Russia (Minutes No. 211 dated December 23, 2005), the reorganization in the form of consolidation of JSC Irikhinskaya GRES, JSC Kashirskaya GRES-4, CJSC Nizhnevartovskaya GRES, JSC Permskaya GRES and JSC Urengojkaya GRES with JSC OGK-1 was completed. The process of consolidation and transition to the unified share was completed on September 29, 2006.

Consolidation of JSC Irikhinskaya GRES, JSC Kashirskaya GRES-4, CJSC Nizhnevartovskaya GRES, JSC Permskaya GRES and JSC Urengojkaya GRES with JSC OGK-1 was done to ensure the efficient operations of the Company in production and sale of electricity and thermal energy in the wholesale energy market of the Russian Federation, as well as for financial and other activities.

On the basis of Deed of Merger by Consolidation of JSC OGK-1 Holding with JSC OGK-1 and Resolution on the increase of authorized capital of JSC OGK-1 adopted by the General Meeting of Shareholders of JSC RAO UES of Russia (Minutes dated October 30, 2007, unnumbered) and the General Meeting of Shareholders of JSC OGK-1 (Minutes dated November 26, 2007, unnumbered), all shares of JSC OGK-1 Holding Company were converted into shares of JSC OGK-1, placed at the disposal of JSC OGK-1 as a result of consolidation of JSC OGK-1 Holding with JSC OGK-1.

September 10, 2007, Moody's Investors Services rating agency confirmed OGK-1's international credit rating at Ba3 with a "stable" outlook. At the same time, Moody's Interfax Rating Agency assigned to the company a national scale rating of Aa3.ru, reflecting strong market position of JSC OGK-1 in the United Energy Systems of Central Russia and the Urals, as well as a stable financial position of the Company.

On April 18, 2008, the Board of Directors of JSC OGK-1 decided to purchase the Company's own outstanding shares. The maximum number of shares that could be purchased by the Company was 159,011,397 shares, with the purchase price of 2.51698 rubles per share. According to the report on the acquisition by JSC OGK-1 of the own outstanding shares (as approved by the Board of Directors on October 13, 2008), 126,490,745 shares were actually received at the account of JSC OGK-1. Repurchase of own shares was made to ensure conversion of shares of JSC OGK-1 Holding into shares of JSC OGK-1.

On May 30, 2008, JSC OGK-1 received the authorization of the Federal body of executive power of the securities market on circulation of 13,428,638,583 shares of JSC OGK-1 outside the Russian Federation. The FSFM authorization on international shares circulation was needed for the Company for launching the programs of global depository receipts.

On July 1, 2008, JSC OGK-1 completed the reorganization process, as a result of which JSC OGK-1 Holding was spun off from RAO UES of Russia, and merged with JSC OGK-1

(Minutes of the Extraordinary General Meeting of Shareholders dated November 26, 2007, unnumbered).

On July 10, 2008, the program of global depository receipts (GDR) upon JSC OGK-1 shares was opened, where the Bank of New York Mellon was the depository bank. Launching of GDR Program was performed within the closing stage of JSC RAO UES of Russia reform and with the aim of observing the rights of holders of depository receipts in respect to the shares of JSC RAO UES of Russia. The GDRs trade at the over-the-counter market in accordance with the applicable laws. Under Regulation S, GDRs are assigned the international code ISIN – US67086K2006 and under the Rule 144A – the international code US67086K1016.

On August 1, 2008, CJSC Nizhnevartovskaya GRES, in payment of the authorized capital of which the two existing power units of the Nizhnevartovskaya GRES were made, became an independent participant of the wholesale market of energy.

On August 12, 2008, the subsidiary of JSC OGK-1 – NVGRES HOLDING LIMITED (hereinafter referred to as the "NHL"), holding 100% of CJSC Nizhnevartovskaya GRES shares, placed additional share issue in the number of 3,335 shares in favor of TNK-BP. As a result of the placement, TNK-BP became the holder of the NHL equity stake of 25%+1 share of the increased authorized capital. 75%–1 share in the authorized capital of NHL are held by JSC OGK-1.

November 14, 2008 shares of JSC OGK-1 by decision of the Directorate of CJSC Moscow Interbank Currency Exchange were transferred from the quotation list "I" to the quotation list "A" first tier. Inclusion of the Company's shares in the quotation list "A" first tier allowed expanding the range of professional investors entitled to make transactions with securities of the Company.

November 20, 2008 JSC OGK-1 became a participant of the rating based on the annual survey of informational transparency of the largest public Russian companies in 2008 by the international rating agency Standard & Poor's and the Center for Economic and Financial Research at the Russian School of Economics.

March 23, 2009 JSC FGC UES and JSC RusHydro delegated to trustee JSC INTER RAO UES rights in 27,628,151,912 ordinary shares of JSC OGK-1 belonging to them, and representing 61.88 percent of the total voting shares of the Company for a period of 5 years with the right to extension for the same period.

On July 6, 2009, the authorities of the sole executive body of JSC OGK-1 were transferred to the management organization JSC INTER RAO UES.

On December 22, 2009, the Extraordinary General Meeting of Shareholders of JSC OGK-1 decided to increase the authorized capital of JSC OGK-1 through placement of additional uncertificated registered ordinary shares of par value of 0.57478 (zero point fifty-seven thousand four hundred seventy-eight one hundred thousandth) rubles each in the amount of 38,000,000,000 (thirty eight billion) shares by public subscription.

On July 15, 2010, the Federal Service for Financial Markets registered a decision on the additional issue and prospectus of ordinary shares of JSC OGK-1 with par value of 0.57478 (zero point fifty-seven thousand four hundred seventy-eight one hundred thousandth) rubles each in the amount of 38,000,000,000 (thirty eight billion) shares placed by public subscription.

On September 2, 2010, the Federal Service for Financial Markets permitted placement outside the Russian Federation for uncertificated registered ordinary shares of JSC OGK-1, state registration number of additional issue 1-02-65107-D-002D dated July 15, 2010, in the amount of 19,000,000,000 (nineteen billion) shares, and circulation outside the Russian Federation for

uncertificated registered ordinary shares of JSC OGK-1, state registration number of additional issue 1-02-65107-D-002D dated July 15, 2010, in the amount of 7,232,159,646 (seven billion two hundred thirty two million one hundred fifty nine thousand six hundred forty six) shares.

On September 3, 2010, by decision of JSC RTS shares of JSC OGK-1 were included in the quotation list "A" second tier. Inclusion of the Company's shares in the quotation list "A" second tier by JSC RTS allowed expanding the range of professional investors entitled to make transactions with securities of the Company.

On December 10, 2010, JSC OGK-1 confirmed their international credit rating at Ba3 with a "stable" outlook as assigned by the Moody's Investors Services rating agency.

On December 27, 2010, the Federal Service for Financial Markets was given notice on the outcome of additional issue of JSC OGK-1 on placement of uncertificated registered ordinary shares of par value of 0.57478 (zero point fifty-seven thousand four hundred seventy-eight one hundred thousandth) rubles each in the amount of 20,808,551,577 (twenty billion eight hundred eight million five hundred fifty one thousand five hundred seventy seven) shares, placed by public subscription, following which JSC INTER RAO UES became the owner of 29.03 percent of the authorized capital of the Company.

On April 30, 2011, an Extraordinary General Meeting of Shareholders of JSC OGK-1 was held, which terminated early the authorities of the management company JSC INTER RAO UES, and decided to transfer the authorities of the sole executive body to the management organization LLC INTER RAO-Management of Power Generation.

From April 1, 2011 the authorities of the sole executive body of JSC OGK-1 were transferred to the management organization LLC INTER RAO-Management of Power Generation.

On April 7, 2011, the Federal Service for Financial Markets cancelled the individual number (code) 002D in the state registration number 1-02-65107-D-002D dated July 15, 2010, assigned to the additional issue of uncertificated registered ordinary shares of JSC OGK-1.

## **1.2. JSC OGK-1 IN THE INDUSTRY**

At present, the Russian energy market is in a phase of active development. Private and public power generating companies founded as a result of reform of Russian power industry are actively competing with each other.

At present, a commercial operator Open Joint-Stock Company Administrator of the Trade System, Closed Joint-Stock company Financial Settling Center, and the private marketplace Open Joint-Stock Company Moscow Energy Exchange.

According to the OJSC System operator of United Energetic System (hereinafter referred to as the "OJSC SO UES"), power generation in the Unified Energetic System of Russia (hereinafter referred to as the "UES of Russia") in 2010 amounted to 1,025.0 billion kW\*h, which is 4.4 percent increase in consumption in 2009.

According to OJSC SO UES, electric power consumption in 2010 in UES of Russia was 988.5 billion kW\*h, which is 4.4 percent more than consumption in 2009.

In 2010, JSC OGK-1 supplied to the Russian energy market 54.57 billion kW\*h (including CJSC Nizhnevertovskaya GRES), representing 5.3 percent of the gross electric power produced in Russia.

Geography of production:

**UES Centre**

**UES Urals**

In UES Centre, one branch of JSC OGK-1 is focused (Kashirskaya GRES), so the output of JSC OGK-1 within the UES Centre is not significant.

In 2010, share of production of Kashirskaya GRES in electric energy generation of the UES Centre was 3.1 percent.

In UES Urals, four branches of JSC OGK-1 and CJSC Nizhnevartovskaya GRES are concentrated, which causes the high percentage share of production of the OGK-1 power plants in UES Urals. In 2010, power output percentage share of Verkhnetagilskaya, Irikhinskaya, Permskaya, Urengojkaya and Nizhnevartovskaya GRES in electric energy generation of the UES Centre was 17.9 percent.

### 1.3. THE COMPANY'S EQUITY AND SHAREHOLDERS

As of December 31, 2010 the authorized capital of JSC OGK-1 is 25,660,014,425.40804 rubles (44,643,192,918 ordinary shares with a par value of 0.57478 rubles), including the placed shares – 37,620,353,700.8361 rubles (65,451,744,495 ordinary shares with a par value of 0.57478 rubles).

February 3, 2011 amendments to the Articles of Association of the Company were registered, as related to the increase of the authorized capital to 37,620,353,700.8361 rubles. This increase occurred as a result of issuing additional shares in the amount of 20,808,551,577 shares, which took place in December 2010. Date of the state registration of additional issue of JSC OGK-1 ordinary shares: July 15, 2010 (state registration number: 1-02-65107-D-002D).

Cost of the placed shares of the Company amounted to 23,305,577,766.24 rubles. The main holder of the additional issue shares is JSC INTER RAO UES that paid 21,278,000,000.32 rubles for 18,998,214,286 shares at the offering price of 1.12 rubles per share.

Total number of registered persons in the register of holders of registered securities of JSC OGK-1 as of December 31, 2010 on personal accounts, on which securities were present, totaled 299,919, including 29 nominal holders.

#### Shareholders` structure as of December 31, 2010.

Name	Number of Shares	Share, %
Open Joint-Stock Company INTER RAO UES (trust management)	27,628,151,912	42.21
Open Joint-Stock Company INTER RAO UES	18,998,214,286	29.03
Other shareholders	18,825,378,297	28.76

As of December 31, 2010, JSC OGK-1 has no privileged shares outstanding.

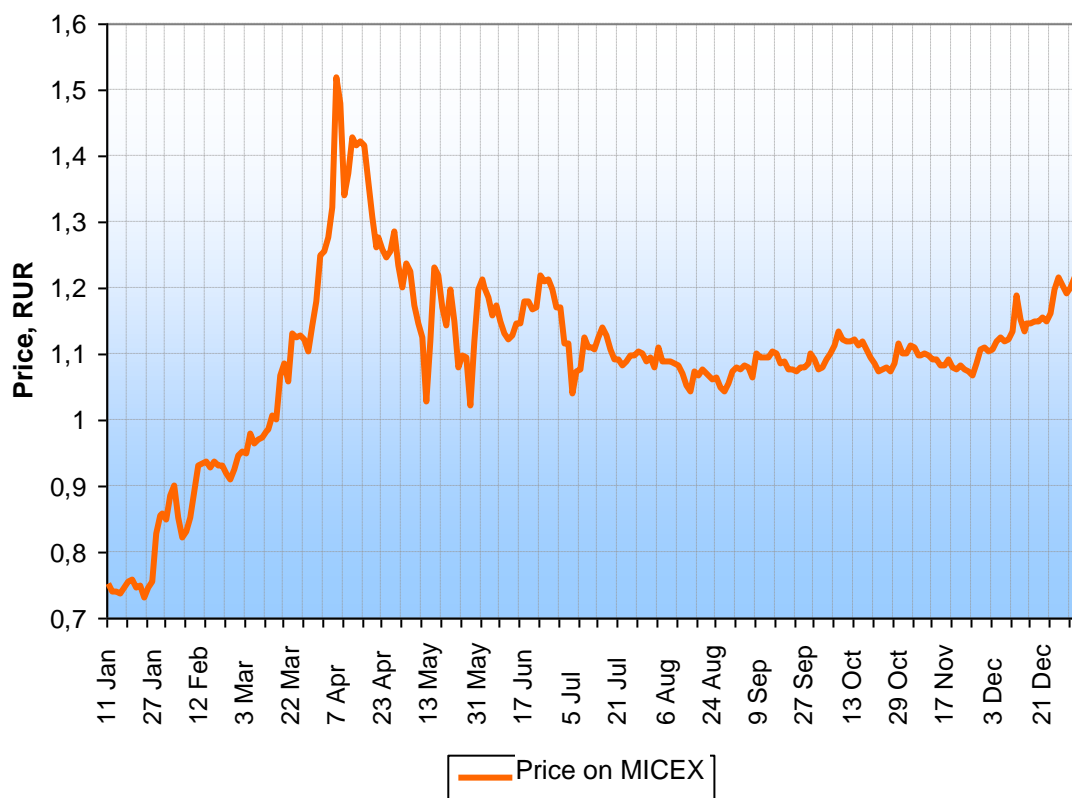
Holders of ordinary shares have rights as provided to shareholder – owner of ordinary shares, including voting rights for each voting shares of the Company, as established in the Article 6 of the Articles of Association of JSC OGK-1 posted on the Company's website: [www.ogk1.com](http://www.ogk1.com)

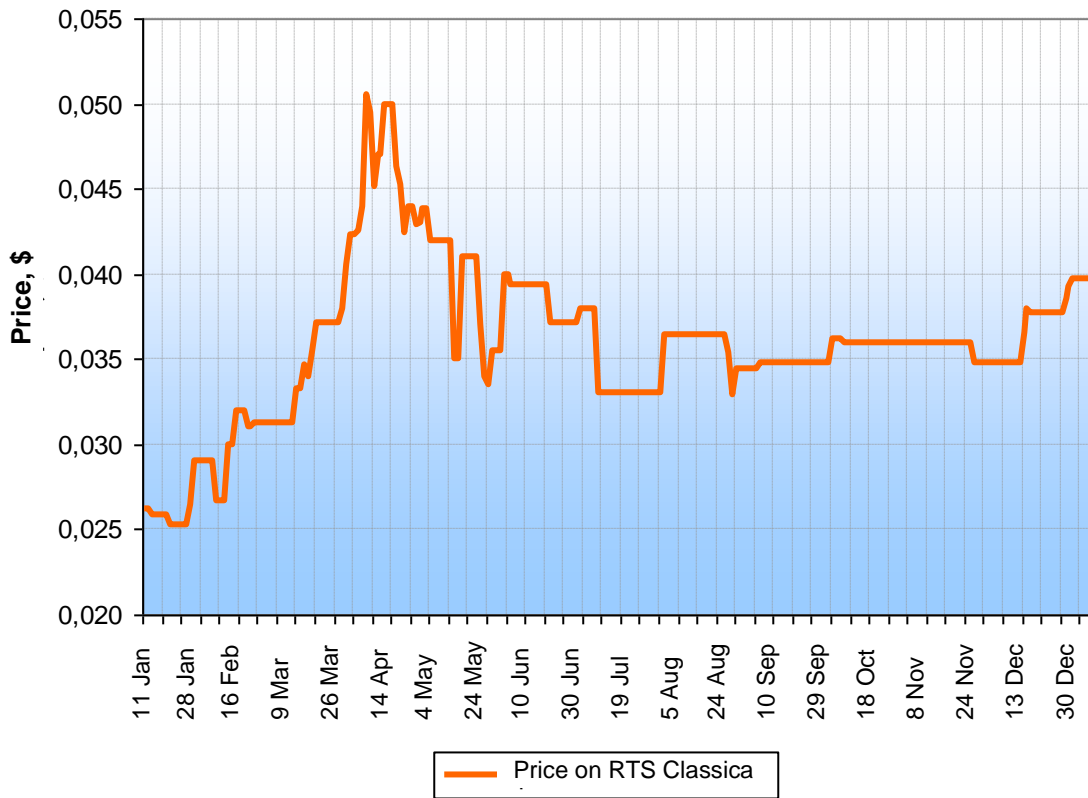
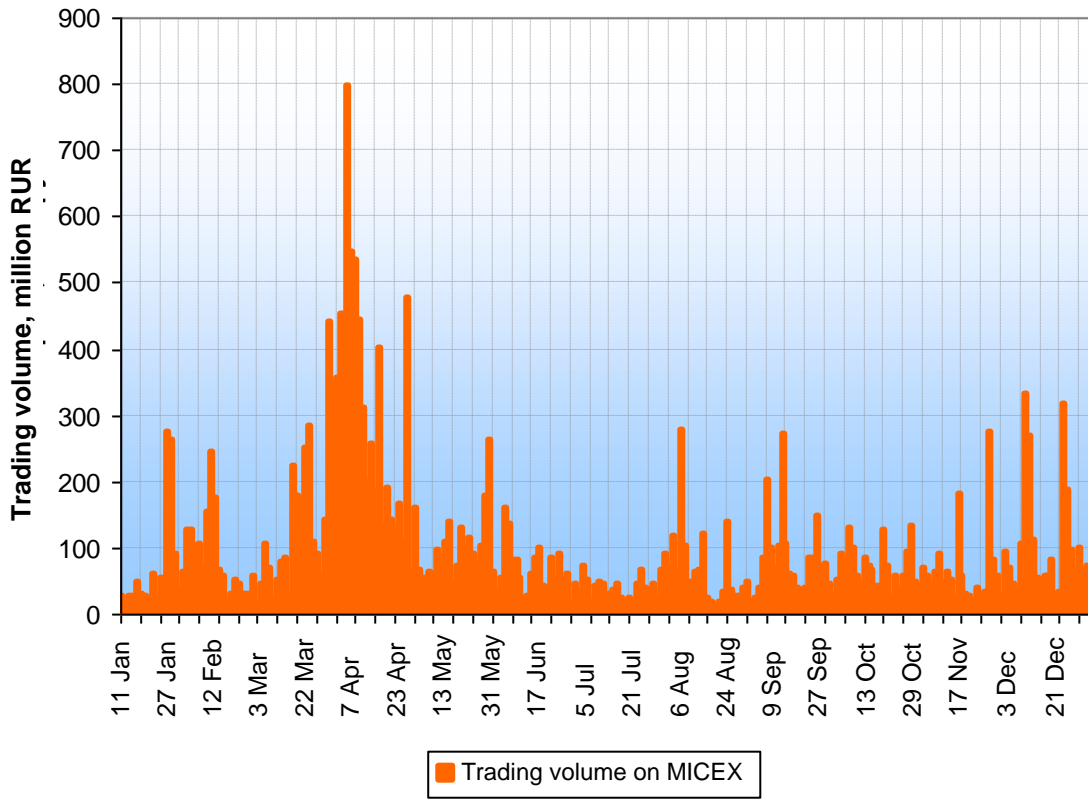
### 1.4. JSC OGK-1 SHARE PERFORMANCE IN 2010

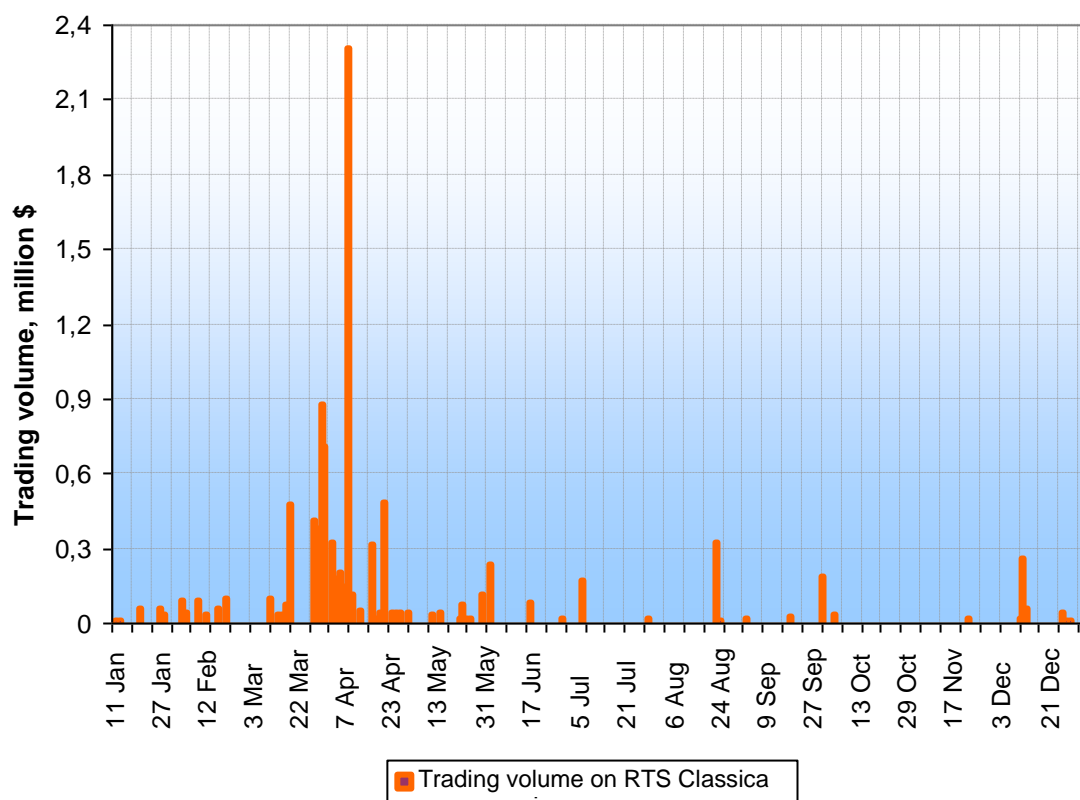
Registered ordinary shares of JSC OGK-1 are listed by the securities market operators:

- From November 29, 2006 – by CJSC Moscow Interbank Currency Exchange,
- From November 30, 2006 – by JSC RTS.

Currently, shares of OGK-1 are included in the quotation list "A" first tier of CJSC Moscow Interbank Currency Exchange and in the quotation list "A" second tier of JSC RTS.







Market capitalization of JSC OGK-1 according to quotation prices of CJSC Moscow Interbank Currency Exchange as of December 31, 2010 totaled 54,375,408,974 thousand rubles.

In addition, in conjunction with The Bank of New York Mellon, acting as a depository bank, JSC OGK-1 supports the GDR program under the Regulation S and Rule 144A (1 GDR = 50 ordinary shares). The GDRs trade at the over-the-counter market in accordance with the applicable laws. Under Regulation S, GDRs are assigned the international code ISIN – US67086K2006 and under the Rule 144A – the international code US67086K1016.

## II. STRUCTURE AND PRINCIPLES OF CORPORATE GOVERNANCE

### 2.1. PRINCIPLES AND DOCUMENTS

Corporate Governance is understood by the Company as a combination of processes ensuring management and control by its activity in the interests of shareholders. These processes include relations between shareholders, the Board of Directors and Company's executive bodies; the Company considers corporate governance as a means of increasing efficiency of its activity, strengthening reputation and increasing capitalization.

The Company realizes that effective and transparent system of relations between its management bodies, investors and interested persons represents a competitive advantage in business, which allows to increase investment attractiveness, decrease credits servicing, and as a result, to increase market capitalization.

Corporate governance is exercised in accordance with the Corporate Governance Code accepted in the Company and is based on the following principles.

- **Accountability.** The Company's Board of Directors is accountable to the General Meeting of Shareholders.
- **Fair and equitable treatment of all shareholders.** The Company undertakes to observe the rights of shareholders and ensure equitable treatment of all shareholders. The Board of Directors provides to all shareholders a possibility to receive effective defense in case of violation of their rights.
- **Transparency.** The Company ensures timely disclosure of reliable information on any material facts related to its activity, among this including, on financial status, social and ecological indicators, activity results, structure of property and Company management, and free access to such information for all stakeholders.
- **Responsibility.** The Company recognizes the rights of all stakeholders set forth in the legislation, and seeks to cooperation with the stakeholders to ensure development and financial stability of the Company.

In order to ensure the rights of their shareholders, the following internal documents regulating the activities of the Company's bodies were approved in JSC OGK-1.

#### **Articles of Association**

Articles of Association is the Company's founding document, which includes information on the legal status of the Company, goals and types of its activity, authorized capital, and shareholders' rights. It contains description of the Company's bodies, their authority and procedure for their activity.

The current revision of the Articles of Association was adopted on June 28, 2010 by the Annual General Meeting of Shareholders of JSC OGK-1, and registered on July 29, 2010 with the Inter-District Inspectorate No. 3 of the Federal Tax Service of Russia for the City of Tyumen. On February 3, 2011, amendments to the Articles of Association of JSC OGK-1 were introduced.

#### **Corporate Governance Code**

Corporate Governance Code was adopted by the Board of Directors of JSC OGK-1 on October 17, 2006 (Minutes No. 36). Objectives of the Code are improvement and systematization of corporate governance of JSC OGK-1, provision of more transparency in the Company and acknowledgment of the Company's permanent readiness to follow standards of due corporate management.

#### **Regulations on Information Policy**

Regulations on Information Policy were approved by the Board of Directors of JSC OGK-1 on September 20, 2010 (Minutes No. 117). The Regulations determine the composition of information disclosed by the Company, periodicity, terms and disclosure procedure.

#### **Regulations on Insider Information**

Regulations on Insider Information were approved by the Board of Directors of JSC OGK-1 on June 15, 2007 (Minutes No. 150). The Regulations are aimed at non-using information that is not intended for public use, in the interests of certain persons.

#### **Regulations on the Procedure for Preparation and Holding of the General Meeting of Shareholders**

Regulations on the Procedure for Preparation and Holding of the General Meeting of Shareholders of JSC OGK-1 were approved by the decision of the Management Board of JSC RAO UES of Russia, acting as the Extraordinary General Meeting of Shareholders of JSC OGK-1 on July 29, 2005 (Minutes No. 200). The Regulations determine the procedure for preparation and holding of the General Meeting of Shareholders, forms of the General Meeting of Shareholders, and define the functions of the General Meeting working bodies.

### **Regulations on Procedure for Convocation and Holding of Meetings of the Board of Directors**

Regulations on Procedure for Convocation and Holding of Meetings of the Board of Directors of JSC OGK-1 were approved by the decision of the Management Board of JSC RAO UES of Russia, acting as the Extraordinary General Meeting of Shareholders of JSC OGK-1 on July 29, 2005 (Minutes No. 200). The Regulations determine the procedure for preparation and holding of Meetings of the Board of Directors, and specify functions of the Chairman of the Board of Directors and the rights and duties of members of the Board of Directors of the Company.

### **Regulations on the Management Board**

Regulations on the Management Board of JSC OGK-1 were approved by the decision of the Management Board of JSC RAO UES of Russia, acting as the Extraordinary General Meeting of Shareholders of JSC OGK-1 on July 29, 2005 (Minutes No. 200). The Regulations contain the main tasks of the Management Board, determine the procedure for formation of the Board, determine the rights, duties and responsibilities of the Management Board members, establishes the procedure for holding meetings of the Management Board in form of presence and in absentia.

### **Regulations on payment of remunerations and compensations to members of the Board of Directors**

Regulations on payment of remunerations and compensations to members of the Board of Directors of JSC OGK-1 were approved by the decision of the Annual General Meeting of Shareholders on June 28, 2010 (Minutes unnumbered). The Regulations determine the amount of and payment procedure for remunerations and compensations paid out to members of the Board of Directors.

### **Regulations on the Audit Commission**

Regulations on the Audit Commission of JSC OGK-1 were approved by the decision of the Management Board of JSC RAO UES of Russia, acting as the Extraordinary General Meeting of Shareholders of JSC OGK-1 on July 29, 2005 (Minutes No. 200). The Regulations specify the tasks set for the Audit Commission, the rights and duties, and set forth the procedure for conducting audits.

### **Regulations on payment of remunerations and compensations to members of the Audit Commission**

Regulations on payment of remunerations and compensations to members of the Audit Commission of JSC OGK-1 were approved by the decision of the Annual General Meeting of Shareholders on May 12, 2008 (Minutes unnumbered). The Regulations specify the amount, form and terms for payment of remunerations and compensations to the Audit Commission members, as well as specialists (experts) engaged by the Audit Commission.

Text of the current Company's Articles of Association and internal documents regulating the activity of the Company's bodies, as well as of the Corporate Governance Code can be found on the Internet at: [www.ogk1.com](http://www.ogk1.com).

## **2.2. DISCLOSURE OF THE INFORMATION**

In the sphere of information disclosure JSC OGK-1 is governed by the requirements of the Federal Laws "Concerning Joint-Stock Companies" and "Concerning the Securities Market", the Regulations on Information Disclosure by Issuers of Equity Securities as approved by the order of the Federal Service for Financial Markets, and other statutory acts.

In September 2010, the Board of Directors of JSC OGK-1 approved the Regulations on Information Policy which determined basic principles of disclosure of information about activities of the Company, terms and procedure for its disclosure and submitting, as well as the list of documents and information to be disclosed to shareholders, creditors, potential investors, media representatives and civil society organizations, professional securities market participants, government agencies and other stakeholders.

The policy of JSC OGK-1 in respect of the information disclosure is based on the principles of regularity and efficiency, accessibility, completeness and reliability, and maintaining of reasonable balance between the Company's openness and observation of its commercial interests.

The corporate website of JSC OGK-1 [www.ogk1.com](http://www.ogk1.com) serves as the main channel for information disclosure, as it contains relevant information on material facts, events, management structure and results of financial and business activities of the Company.

The website contains the Articles of Association and internal documents of JSC OGK-1, annual and quarterly reports, financial statements, information about the affiliates, the essential facts, information that may affect the value of securities, and press releases of the Company.

JSC OGK-1 strictly observes the legislation requirements for provision the shareholders with the rights to access the necessary information.

## **2.3. MANAGEMENT AND CONTROL BODIES OF THE COMPANY**

### **2.3.1. General Meeting of Shareholders**

In accordance with the Article 47 of the Federal Law "Concerning Joint-Stock Companies", general meeting of shareholders is the supreme governing body of a joint-stock company. The authority of the General Meeting of Shareholders is stipulated by the Federal Law "Concerning Joint-Stock Companies", the Articles of Association and the Regulations on Preparation and Holding the General Meeting of JSC OGK-1 Shareholders.

On June 28, 2010 the Annual General Meeting of Shareholders of JSC OGK-1 was held (Minutes dated June 28, 2010, unnumbered) to address the following issues:

1. Concerning approval of the Annual Report of the Company based on the results of the fiscal year 2009.
2. Concerning approval of annual financial statements, including profit and loss statements based on the results of the fiscal year 2009.
3. Concerning allocation of profits (including payment of dividends) and losses of the Company based on the results of the fiscal year 2009.

4. Concerning election of members of the Board of Directors of the Company.
5. Concerning election of members of the Audit Commission of the Company.
6. Concerning approval of the Company's Auditor for 2010.
7. Concerning approval of the new revision of the Articles of Association of the Company.
8. Concerning payment of remuneration and compensation to the members of the Board of Directors of the Company.
9. Concerning approval of the amendment to the Agreement on delegation of authority of sole executive body of OGK-1 to the management organization as of July 6, 2009 between JSC INTER RAO UES and JSC OGK-1 as an interested party transaction.
10. Concerning approval of the amendment to the loan agreement between JSC INTER RAO UES and JSC OGK-1 dated November 24, 2009 No. ShTK-005154 as an interested party transaction.
11. Concerning approval of the Agreements on entitlement of JSC INTER RAO UES to direct debiting of funds from the accounts of JSC OGK-1 in the PERESVET AKB (CJSC), Vnesheconombank, OJSC Alfa-Bank and OJSC Sberbank of Russia, executed between JSC INTER RAO UES, JSC OGK-1 and PERESVET AKB (CJSC), Vnesheconombank, OJSC Alfa-Bank and OJSC Sberbank of Russia to secure the obligations of JSC OGK-1 to OJSC Alfa-Bank and OJSC Sberbank of Russia to secure the obligations of JSC OGK-1 to JSC INTER RAO UES under the loan agreement dated November 24, 2009 No. ShTK-05154 as inter-related interested party transactions.
12. Concerning approval of the insurance transactions for immovable and movable property of JSC OGK-1 as interested party transactions.
13. Concerning approval of transactions for purchase and supply of the capacity of JSC OGK-1 and Nonprofit Partnership Market Council, OJSC ATS, OJSC SO UES and the participants of the wholesale market of electric energy (power) as transactions (number of inter-related transactions) that may be committed in the future in the ordinary course of business of OGK-1.

On September 10, 2010 the Annual General Meeting of Shareholders of JSC OGK-1 was held (Minutes dated September 14, 2010, unnumbered) to address the following issue:

1. Concerning approval of interested party transactions.

### **2.3.2. Board of Directors**

General management of the Company's activity is exercised by the Board of Directors, which adopts decisions on material issues of the Company's activity in accordance with the authority stipulated by the Articles of Association. The procedure for activity of the Board of Directors is regulated by the Article of Association and the Regulations on Procedure for Convocation and Holding Meetings of the Board of Directors of JSC OGK-1. The Board of Directors is a collegial body of management that consists of 11 members. Members of the Board of Directors are elected by the General Meeting of Shareholders for the term until the next Annual General Meeting of Shareholders. Powers of members of the Board of Directors may be terminated early by decision of the General Meeting of Shareholders. Persons elected to the Board of Directors may be reelected an unlimited number of times. Candidates for election to the Board of Directors may be nominated by shareholders holding not less than 2 percent of the voting shares of the Company, as well as on the initiative of the Board of Directors of the Company.

From June 26, 2009 to June 28, 2010 Board of Directors acted in the following composition:

Dod Evgeny Vyacheslavovich (Chairman of the Board of Directors)

Ballo Anatoly Borisovich  
Goncharov Yury Vladimirovich  
Demin Andrey Aleksandrovich  
Kovalchuk Boris Yurievich  
Smirnova Yulia Vsevolodovna  
Terebulin Sergey Sergeevich  
Tuzov Mikhail Yurievich  
Shtykov Dmitry Vladimirovich  
Shulginov Nikolai Grigorievich  
Yushin Sergey Aleksandrovich

On June 28, 2010, the Annual General Meeting of Shareholders JSC OGK-1 elected the Board of Directors in the following composition:

Kovalchuk Boris Yurievich (Chairman of the Board of Directors)  
Ballo Anatoly Borisovich  
Badenkov Anton Yurievich  
Kaloyeva Madina Valerievna  
Panchenko Dmitry Anatolievich  
Rumyantsev Sergey Yurievich  
Tolstoguzov Sergey Nikolaevich  
Troshenkov Dmitry Aleksandrovich  
Sharov Yury Vladimirovich  
Shtykov Dmitry Vladimirovich  
Shulginov Nikolai Grigorievich

The following members are recognized as independent directors in accordance with the FFMS Code of Russia:

Ballo Anatoly Borisovich  
Troshenkov Dmitry Aleksandrovich  
Shtykov Dmitry Vladimirovich  
Shulginov Nikolai Grigorievich

In the reporting year, the Board of Directors of JSC OGK-1 held 16 meetings to address the major issues of current activities and further development of the Company.

The amount and procedure for payment of remunerations and compensations to members of the Board of Directors are determined in accordance with the Regulation on Payment of Remunerations and Compensations to Members of the Board of Directors of JSC OGK-1.

For participation in a meeting of the Board of Directors of the Company, regardless of its holding form, a member of the Board of Directors shall be paid a remuneration of five (5) times the minimum monthly wage rate of first-class worker as set out in a sectoral tariff agreement in the electrical energy complex of the Russian Federation (hereinafter referred to as the "Agreement") on a day of the meeting of the Board of Directors of the Company, subject to indexing established by the Agreement, and the Chairman of the Board of Directors shall be paid seven (7) times the minimum monthly wage rate.

The remuneration shall be paid within 7 calendar days from the date of the meeting of the Board of Directors of the Company by non-cash transfer (to the account advised by the Board of Directors) or in cash.

Members of the Board of Directors may be paid additional remuneration by decision of the General Meeting of Shareholders. Amount and terms of payment of additional remuneration shall be established by the General Meeting of Shareholders.

Member of the Board of Directors of the Company may refuse to receive the remuneration specified by the present Regulations entirely or in part by corresponding application addressed to the General Director of the Company.

In 2010, members of the Board of Directors of JSC OGK-1 for their participation in the meetings of the Board of Directors were paid remuneration of 6,165,547 rubles.

### Information about members of the Board of Directors

<b>Kovalchuk Boris Yurievich</b>	
Chairman of the Board of Directors	
Year of birth:	1977
Education:	Higher, Graduated from Saint-Petersburg State University
Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	From 2009 to the present day – Chairman of the Management Board of JSC INTER RAO UES 2009-2009 – Deputy General Director for Development of the State Atomic Energy Corporation Rosatom 2006-2009 – Director of the Department of Priority National Projects of the Government Central Office of the Russian Federation 2006-2006 – Assistant to the First Deputy Prime Minister of the Russian Federation
Over the last 5 years, the person held management positions in the following organizations:	JSC INTER RAO UES – member of the Board of Directors JSC OGK-1 – member of the Board of Directors LLC InterRAO-WorleyParsons – member of the Board of Directors CJSC Kambaratinskaya GES-1 – Chairman of the Board of Directors OJSC ATS – member of the Board of Directors JSC RusHydro – member of the Board of Directors OJSC Irkutskenergo – member of the Board of Directors LLC RSPP – member of the Management Board OJSC Unified Power Sales Company – Chairman of the Board of Directors OJSC Altayenergosbyt – Chairman of the Board of Directors OJSC Mosenergosbyt – Chairman of the Board of Directors OJSC Saratovenergo – Chairman of the Board of Directors OJSC Tambovskaya Power Sales Company – Chairman of the Board of Directors OJSC Peterburgskaya Power Sales Company – Chairman of the Board of Directors LLC INTER RAO-Management of power generation – Chairman of the Board of Directors
Ordinary shares of the Company owned by the person: 0.0%.	

<b>Badenkov Anton Yurievich</b>	
Member of the Board of Directors	
Year of birth:	1966
Education:	Higher, graduated from Lomonosov Moscow State University
Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	From 2010 to the present day – Assistant to the Chairman of the Management Board of JSC INTER RAO UES 2004-2007 – Vice-President, Acting President of JSC TVEL
Over the last 5 years, the person held management positions in the following organizations:	CJSC Moldavskaya GRES – member of the Board of Directors CJSC Electric Networks of Armenia – member of the Board of Directors LLC INTER RAO UES FINANCE – member of the Board of Directors OJSC Stend – member of the Board of Directors OJSC TGK-11 – Chairman of the Board of Directors JSC OGK-1 – member of the Board of Directors OJSC RazTES – member of the Board of Directors
Ordinary shares of the Company owned by the person: 0.0%.	

<b>Ballo Anatoly Borisovich</b>	
Member of the Board of Directors	
Year of birth:	1961
Education:	Higher, graduated from Moscow Institute of Finance
Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	From 2007 to the present day – member of the Management Board, Deputy Chairman of the Management Board of Vneshekonombank 2005-2007 – Director of the Department, Director of the Directorate of Vnesheconombank
Over the last 5 years, the person held management positions in the following organizations:	OJSC Ilyushin Finance Co. – member of the Board of Directors OJSC Evraziyskiy – Chairman of the Board of Directors CJSC Kraslesinvest – Chairman of the Board of Directors JSC NK Northern Light – member of the Board of Directors

positions in the following organizations:	<p>JSC West Siberian Metallurgical Complex – member of the Board of Director</p> <p>JSC Household Appliance Plant – member of the Board of Directors</p> <p>JSC RusHydro – member of the Board of Directors</p> <p>JSC Corporation for Development of the Krasnoyarsk Region – member of the Board of Directors</p> <p>CJSC CB GLOBEX – member of the Board of Directors</p> <p>JSC SYTRONIX – member of the Board of Directors</p> <p>JSC VEB-leasing – member of the Board of Directors</p> <p>CJSC Hotel Development – member of the Board of Directors</p> <p>Eco telecom limited – member of the Board of Directors</p> <p>Malev Zrt. – Chairman of the Supervisory Board</p> <p>RAFINERIJA UNJA MODRICA A.D. – Chairman of the Supervisory Board</p> <p>RAFINERIJA NAFTE A.D. – Chairman of the Supervisory Board</p> <p>PeTROL A.D. – Chairman of the Supervisory Board</p> <p>JSC Russian Agricultural Bank – member of the Supervisory Board</p> <p>OJSC Ammoniy – member of the Board of Directors</p> <p>JSC OGK-1 – member of the Board of Directors</p>
Ordinary shares of the Company owned by the person: 0.0%.	

<b>Kaloyeva Madina Valerievna</b>	
Member of the Board of Directors	
Year of birth:	1980
Education:	Higher, graduate from the Khetagurov North Ossetian State University
Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	<p>From 2009 to the present day – Head of Corporate Governance, Deputy Director of Economic Regulation and Property Relations of the Ministry of Energy of the Russian Federation</p> <p>2008-2009 – Adviser to the expert and analytical department of the Federal Agency for State Property Management</p> <p>2007-2008 – Senior Expert Specialist, Chief Expert Specialist of the department of property relations in the FEC Office of Legal Support and Property Relations of the Federal Agency for State Property Management</p> <p>2001-2007 – Secretary of the proceedings, Assessor, Assistant Judge of the Leninsky district court in the city of Vladikavkaz</p>
Over the last 5 years, the person held	JSC OGK-1 – member of the Board of Directors

management positions in the following organizations:	
Ordinary shares of the Company owned by the person: 0.0%.	

<b>Panchenko Dmitry Anatolievich</b>	
Member of the Board of Directors	
Year of birth:	1975
Education:	Higher, graduate from the Military University of the Ministry of Defense of the Russian Federation
Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	From 2010 to the present day – Director for Legal Issues of JSC RusHydro 2008-2010 – Head of the Department of Legal Support for the Project Work, head of the Legal Department of JSC INTER RAO UES 2006-2008 – Deputy General Director of CJSC TsOPenergo 2004-2006 – Executive Director of Fund "FEC Law and Economics"
Over the last 5 years, the person held management positions in the following organizations:	JSC OGK-1 – member of the Board of Directors
Ordinary shares of the Company owned by the person: 0.0%.	

<b>Rumyantsev Sergey Yurievich</b>	
Member of the Board of Directors	
Year of birth:	1956
Education:	Higher, graduate from the Moscow Institute of Management named after S. Ordzhonikidze and honoured with Order of the Red Banner of Labour
Nationality	RF
Positions held by the	From 2008 to the present day – member of the Management Board and Director for Economy of JSC INTER RAO UES

person in the issuer and other entities over the past 5 years and now:	2005-2008 – member of the Management Board, Deputy General Director for Economy, Deputy Director for Marketing of OJSC Mosenergo 2002-2005 – Deputy Chairman of the Management Board for Settlements and Finance of Nonprofit Partnership Administrator of the trade system of the wholesale market of electric energy in UES
Over the last 5 years, the person held management positions in the following organizations:	CJSC Industrial Power Company – member of the Board of Directors OJSC RazTES – member of the Board of Directors JSC Armianskaya Atomnaya Electrostantsia – member of the Board of Directors CJSC Electric Networks of Armenia – member of the Board of Directors JSC Sangtudinskaya GES-1 – member of the Board of Directors CJSC International Energy Corporation – member of the Board of Directors OJSC TGK-11 – member of the Board of Directors JSC OGK-1 – member of the Board of Directors, member of the Management Board
Ordinary shares of the issuer owned by the person: 0.000004%	

<b>Tolstoguzov Sergey Nikolaevich</b>	
Member of the Board of Directors	
Year of birth:	1964
Education:	Higher, graduate from the Magnitogorsk State Technical University named after G.I. Nosov
Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	From -2011 to the present day – member of the Management Board, Head of Industrial Activity Unit of JSC INTER RAO UES 2007-2008 – Deputy General Director for Asset Management in Asset Management Unit, Head of the project team for asset integration of CJSC INTER RAO UES 2005-2007 – Head of department for operation of generating facilities, Deputy Managing Director and Head of the Department of Management of building complex and generation of the business unit Service in OJSC RAO UES of Russia 2003-2005 – Chief Specialist, Division of Technical Support and Development of the Central Office for Commercial Dispatch Control of the Federal State Unitary Enterprise Russian State Concern Rosenergoatom
Over the last 5 years, the person held management positions in the	JSC OGK-1 – member of the Management Board, Executive Director JSC Armianskaya Atomnaya Electrostantsia – member of the Board of Directors CJSC Electric Networks of Armenia – member of the Board of Directors

following organizations:	OJSC Moldavskaya GRES – member of the Board of Directors International Energy Corporation CJSC – member of the Board of Directors JSC "Telasi" – member of the Supervisory Board OJSC TGK-11 – member of the Board of Directors JSC OGK-1 – member of the Board of Directors
Ordinary shares of the Company owned by the person: 0.00014%	

<b>Troshenkov Dmitry Aleksandrovich</b>	
Member of the Board of Directors	
Year of birth:	1966
Education:	Higher, graduate from the Saint-Petersburg State University, Saint-Petersburg Banking Institute
Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	From 2009 to the present day – First Deputy Chairman of the Management Board of JSC FGC UES 2006-2009 – Vice-President of the financial unit in JSC TNK-BP 2005-2006 – Deputy General Director for economy and finance in JSC OGK-1 2001-2006 – First Deputy Chairman of the Management Board of JSC Lenenergo
Over the last 5 years, the person held management positions in the following organizations:	JSC OGK-1 – member of the Board of Directors OJSC TGK-11 – member of the Board of Directors
Ordinary shares of the Company owned by the person: 0.0%.	

<b>Sharov Yury Vladimirovich</b>	
Member of the Board of Directors	
Year of birth:	1959
Education:	Higher, graduate from the Moscow Power Engineering Institute, Russian Economics Academy named after G.V. Plekhanov
Nationality	RF
Positions held by the person in the issuer	From 2008 to the present day – Deputy Chairman of the Management Board, Head of Capital Construction and Engineering Business Unit of JSC INTER RAO UES

and other entities over the past 5 years and now:	2006-2008 – Head of the Project Group for Development of Feasibility Study for Increase of Export of Electric Power to China (PGEEK) of JSC RAO UES of Russia 2004-2006 – Deputy Managing Director – Head of the Project Group in Foreign Economic Activity of the Business Unit "Networks" of JSC RAO UES of Russia
Over the last 5 years, the person held management positions in the following organizations:	LLC Quartz Management Company – member of the Board of Directors Nonprofit Partnership VTI – member of the Supervisory Board CJSC Quartz – New Technologies – member of the Board of Directors LLC InterRAO-WorleyParsons – member of the Board of Directors Moscow Power Engineering Institute – Electric Energy Systems Department Chairman JSC RusHydro – member of the Management Board LLC INTERENERGOEFFECT – member of the Board of Directors JSC Stantsiya Ekibastuzskaya GRES-2 – Chairman of the Board of Directors JSC OGK-1 – member of the Board of Directors, member of the Management Board National Association of Engineering Companies – President CJSC Kambaratinskaya GES-1 – member of the Board of Directors OJSC ENIN – member of the Board of Directors JSC Sangtudinskaya GES-1 – member of the Board of Directors JSC Eastern Energy Company – member of the Board of Directors JSC Dalenergosetproyekt – member of the Board of Directors JSC NTTs Elektroenergetiki – Chairman of the Board of Directors JSC Telasi – member of the Board of Directors JSC Volzhskaya TGK – member of the Board of Directors CJSC Electric Networks of Armenia – member of the Board of Directors JSC INTER RAO UES Ukraine – member of the Supervisory Board TGR Energji OJSC RazTES – member of the Management Board RAO Nordic Oy – member of the Management Board LLC INTER RAO-Management of power generation – member of the Board of Directors
Ordinary shares of the Company owned by the person: 0.0%.	

<b>Shtykov Dmitry Vladimirovich</b>	
Member of the Board of Directors	
Year of birth:	1976
Education:	Higher, graduate from the Moscow State Law Academy
Nationality	RF
Positions held by the person in the issuer and other entities	From 2010 to the present day – General Director of LLC Standard Plastic Group

over the past 5 years and now:	From 2003 to the present day – General Director of the Fund Institute of Professional Directors
Over the last 5 years, the person held management positions in the following organizations:	JSC OGK-1 – member of the Board of Directors JSC Bridge Construction-11 – member of the Board of Directors JSC Bridge Construction – member of the Board of Directors JSC Airport Tolmatchevo – member of the Board of Directors JSC International Airport Ufa – member of the Board of Directors JSC EUROSERVICE – member of the Board of Directors JSC Kudryashovskoye – member of the Board of Directors JSC Novosibirskenergo – member of the Board of Directors OJSC "E4 Group" – member of the Board of Directors JSC Kaluga plant Remputmash – member of the Board of Directors JSC Vereshchaginskiy PRMZ Remputmash – member of the Board of Directors OJSC "United Electrotechnical Plants" (ELTEZA) – member of the Board of Directors JSC TRANSKAT – member of the Board of Directors OJSC Power Machines – member of the Board of Directors OJSC YESC – member of the Board of Directors
Ordinary shares of the Company owned by the person: 0.0%.	

<b>Shulginov Nikolai Grigorievich</b>	
Member of the Board of Directors	
Year of birth:	1951
Education:	Higher, graduate from the Novocheerkassk Polytechnic Institute (South Russian State Technical University)
Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	From 2009 to the present day – First Deputy Chairman of the Management Board of JSC System Operator of United Energetic System 2004-2009 – Deputy Chairman of the Management Board of JSC System Operator of United Energetic System
Over the last 5 years, the person held management positions in the following organizations:	JSC OGK-1 – member of the Board of Directors JSC MOESK – member of the Board of Directors JSC Mosenergo – member of the Board of Directors JSC Lenenergo – member of the Board of Directors
Ordinary shares of the Company owned by the person: 0.0%.	

### **Committees of the Board of Directors:**

### Strategy and Investments Committee

Main task of the Strategy and Investments Committee includes development and submittal to the Board of Directors of the Company of recommendations on the following activities: determination of priority activities, strategic purposes and main principles of the strategic development of the Company, increasing investment attractiveness of the Company, improvement of investment activity and adoption of grounded investment decisions.

Date of establishment: **July 22, 2009**

The current members of the Committee were elected on July 28, 2010.

<b>Composition of the Strategy and Investments Committee of the Board of Directors of the Company</b>	
Rizhinashvili George Ilyich	Deputy Chairman of the Management Board of JSC RusHydro
Shulginov Nikolai Grigorievich	Member of the Board of Directors of JSC OGC-1, First Deputy Chairman of the Management Board of JSC SO UES
Ivanov Sergey Nikolaevich	First Deputy Chairman of the Management Board of JSC FGC UES
Tikhonova Maria Gennadievna	Director, Department of Economic Regulation and Property Relations of FEC of the Ministry of Energy of the Russian Federation
Miroshnichenko Evgeniy Nikolaevich	Deputy Head of Strategy and Investment Unit – Head of Strategy and Strategic Projects Division, JSC INTER RAO UES
Surkov Yury Vladimirovich	Deputy Director of the Infrastructure Department, State Corporation "Bank for Development and Foreign Economic Activity (Vnesheconombank)"

### Audit Commission of the Board of Directors

Main task of the Committee is to develop and submit to the Company Board of Directors recommendations (opinions) in the sphere of audit and internal control. The Audit Commission provides for actual participation of the Board of Directors in exercising control over financial and business activities of the Company. The most important functions of the Committee include making recommendations on selection of an independent auditing organization, evaluation and review of annual financial statements of the Company (accounting reporting and Annual report), assessment of efficiency and preparation of proposals on improving the procedures for internal control.

Date of establishment: **November, 2007**

The current members of the Committee were elected on July 28, 2010.

<b>Composition of the Audit Commission of the Board of Directors of the Company</b>	
Shtykov Dmitry Vladimirovich	Member of the Board of Directors of OGC-1, General Director of LLC Standard Plastic Group, Chairman of the Audit Commission of the Board of Directors of the Company
Troshenkov Dmitry Aleksandrovich	Member of the Board of Directors of JSC OGC-1, First Deputy Chairman of the Management Board of JSC SO UES
Shulginov Nikolai Grigorievich	Member of the Board of Directors of JSC OGC-1,

	First Deputy Chairman of the Management Board of JSC SO UES
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### Staff and Remunerations Committee of the Board of Directors

Main task of the Staff and Remunerations Committee is attraction to the Company management of qualified specialists and establishment of a fair amount of remuneration payable to them. Composition of the Committee has been determined by the decision of the Board of Directors in the number of not less than three persons. Personal membership of the Committee shall be elected by the Board of Directors from nominations submitted by members of the Board of Directors of the Company.

Date of establishment: **November 9, 2007**

The current members of the Committee were elected on July 28, 2010

<b>Composition of the Staff and Remunerations Committee</b>	
Shtykov Dmitry Vladimirovich	Member of the Board of Directors of OGK-1, General Director of LLC Standard Plastic Group, Chairman of of the Staff and Remunerations Committee of the Board of Directors of the Company
Troshenkov Dmitry Aleksandrovich	Member of the Board of Directors of JSC OGK-1, First Deputy Chairman of the Management Board of JSC SO UES
Shulginov Nikolai Grigorievich	Member of the Board of Directors of JSC OGK-1, First Deputy Chairman of the Management Board of JSC SO UES

### 2.3.3. Management Board of the Company

Management Board is a collegial executive body of JSC OGK-1 to administer the current activity. Management Board is accountable to the General Meeting of Shareholders and the Board of Directors of the Company. Members of the Management Board are elected by the Board of Directors in number determined by the Board of Directors. Activity of the Management Board is regulated by the Articles of Association and the Regulations on the Management Board. During 2010, changes in the composition of the Management Board of JSC OGK-1 occurred.

By decision of the Board of Directors as of February 01, 2010 (Minutes No. 140) the authority of the following members of the Management Board were terminated early:

- Dod Evgeny Vyacheslavovich,
- Mantrov Mikhail Alekseevich,
- Rizhinashvili George Ilyich

The following quantitative composition of the Management Board of the Company was determined – seven (7) persons.

Additionally elected to the Management Board of the Company.

Mirsiyapov Inar Ilbatyrovich – member of the Management Board – Head of Strategy and Investment Unit, JSC INTER RAO UES.

By decision of the Board of Directors as of December 28, 2010 (Minutes No. 155) the authority of the following members of the Management Board were terminated early:

- Nikitin Aleksandr Valeriyevich,
- Tolstoguzov Sergey Nikolaevich.

The following quantitative composition of the Management Board of the Company was determined – six (6) persons.

Additionally elected to the Management Board of the Company:

- Okley Pavel Ivanovich – member of the Management Board, Head of Industrial Activity Unit of JSC INTER RAO UES

### Information about the members of the Management Board

<b>Artamonov Vyacheslav Yurievich</b>	
Member of the Management Board	
Year of birth:	1957
Education:	Higher, graduate from the Moscow Power Engineering Institute (Technical University), Candidate of Science (Engineering)
Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	From 2008 to the present day – Deputy Chairman of the Management Board, Head of Trading Unit of JSC INTER RAO UES 2006-2008 – Head of Trading Unit, Deputy General Director for Trading JSC INTER RAO UES
Over the last 5 years, the person held management positions in the following organizations:	JSC OGK-1 – member of the Management Board Moscow Energy Exchange – member of the Board of Directors JSC Enel OGK-5 – member of the Board of Directors JSC Ispytatelnyi Stend Ivanovskoi GRES – member of the Board of Directors TGR Energji – member of the Management Board CJSC Industrial Power Company – member of the Board of Directors CJSC INTER RAO UES Baltic – member of the Board of Directors UAB Energijos Realizacijos Centras – member of the Management Board JSC Severo-Zapadnaya TETs – member of the Board of Directors JSC Altayenergobyt – member of the Board of Directors OJSC Unified Power Sales Company – member of the Board of Directors RAO Nordic Oy – member of the Management Board LLC INTER RAO-Management of power generation – member of the Board of Directors
Ordinary shares of the Company owned by the person: 0.0%.	
<b>Mirsiyapov Ilnar Ilbatyrovich</b>	

Member of the Management Board	
Year of birth:	1982
Education:	Higher, graduate from the Moscow State Institute of International Relations (University) of the Ministry of Foreign Affairs of the Russian Federation, Almetyevsk State Institute of Oil
Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	From 2010 to the present day – member of the Management Board – Head of Strategy and Investment Unit, JSC INTER RAO UES. 2009-2010 – Head of Strategy and Investment Unit, JSC INTER RAO UES 2008-2009 – Deputy Director of the Corporate Governance and Development Department, Deputy Director of the Corporate Governance Department, acting Department Director, Deputy Director of the Legal and Corporate Work Department, State Atomic Energy Corporation Rosatom 2007-2008 – Director of the Administrative Provision Department, JSC Atomic Energy Industrial Complex 2006-2007 – Deputy Head of the Affairs Management, Deputy Head of the Affairs Management and Administrative Provision, Federal Agency on Atomic Energy (Rosatom) 2005-2006 – Manager on Business Information, JSC Center for Projects Management Stroyneft
Over the last 5 years, the person held management positions in the following organizations:	TGR Energji – member of the Management Board OAO Eastern Energy Company – member of the Board of Directors RAO Nordic Oy – member of the Management Board JSC Armianskaya Atomnaya Electrostantsia – member of the Board of Directors OJSC TGK-11 – member of the Board of Directors LLC INTER RAO Invest – Chairman of the Board of Directors JSC OGK-1 – member of the Management Board UAB INTER RAO Lietuva – member of the Management Board UAB INTER RAO Lietuva – member of the Board of Directors CJSC INTER RAO Capital – Chairman of the Board of Directors
Ordinary shares of the Company <b>owned by the person: 0.0%</b> .	

<b>Okley Pavel Ivanovich</b>	
Member of the Management Board	
Year of birth:	1970
Education:	Higher, graduated from the Omsk Institute of Transportation Engineers, Academy of National Economy of the Russian Federation Government

Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	<p>From 2010 to the present day – member of the Management Board – Head of Industrial Activity Unit, JSC INTER RAO UES.</p> <p>From 2011 to the present day – General Director of LLC INTER RAO-Management of power generation (part-time)</p> <p>2008-2010 – Member of the Board, Deputy General Director – Technical Director, JSC IDGC Holding</p> <p>2008-2008 – Deputy Managing Director of Business Unit IDGC Holding (part-time) in JSC RAO UES of Russia</p> <p>2005-2008 – Deputy Head of the Centre for control of inter-regional distribution complexes, Deputy Director of the Centre for Technical Development, Head of the Centre for control of inter-regional distribution grid facilities of JSC FGC UES</p>
Over the last 5 years, the person held management positions in the following organizations:	<p>JSC OGK-1 – member of the Management Board</p> <p>LLC INTER RAO-Management of power generation – member of the Board of Directors</p>
Ordinary shares of the Company owned by the person: 0.0%.	

<b>Palunin Dmitry Nikolayevich</b>	
Member of the Management Board	
Year of birth:	1969
Education:	Higher, graduated from the Moscow Aviation Institute (Technical University)
Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	<p>From 2010 to the present day – member of the Management Board – Financial Director, JSC INTER RAO UES</p> <p>2009-2010 – Deputy Financial Director of Corporate Finance – Head of Treasury Department, JSC INTER RAO UES</p> <p>2007-2009 – General Director, LLC INTER RAO UES FINANCE</p> <p>2002-2008 – Deputy Financial Director of Corporate Finance – Head of Treasury Department, CJSC INTER RAO UES</p>
Over the last 5 years, the person held management positions in the following organizations:	<p>TGR Energji – member of the Management Board</p> <p>JSC Sangtudinskaya GES-1 – member of the Board of Directors</p> <p>JSC Sanatoriy-profilaktoriy Lukomoriye – member of the Board of Directors</p> <p>OAo Eastern Energy Company – member of the Board of Directors</p> <p>JSC Armianskaya Atomnaya Electrostansia – member of the Board of Directors</p> <p>OJSC TGK-11 – member of the Board of Directors</p> <p>LLC INTER RAO SERVICE – member of the Board of Directors</p> <p>JSC OGK-1 – member of the Board of Directors</p>

	<p>UAB INTER RAO Lietuva – member of the Management Board          CJSC INTER RAO Capital – member of the Board of Directors          JSC OGK-1 – member of the Management Board          CJSC ELECTROLUCH – member of the Supervisory Board          OJSC Stend – member of the Board of Directors          JSC INTER RAO Central Asia – member of the Supervisory Board          RAO Nordic Oy – member of the Management Board          CJSC Electric Networks of Armenia – member of the Board of Directors          LLC INTER RAO UES FINANCE – Deputy Chairman of the Board of Directors, member of the Board of Directors          CJSC Moldavskaya GRES – member of the Board of Directors          LLC INTER RAO SERVICE – Chairman of the Board of Directors</p>
Ordinary shares of the Company owned by the person: 0.0%.	

<b>Rumyantsev Sergey Yurievich</b>	
Member of the Board of Directors	
Year of birth:	1956
Education:	Higher, graduated from Moscow Institute of Management named after S. Ordzhonikidze and honoured with Order of the Red Banner of Labour
Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	<p>From 2008 to the present day – member of the Management Board – Director for Economy of JSC INTER RAO UES          2005-2008 – member of the Management Board, Deputy General Director for Economy, Deputy Director for Marketing of OJSC Mosenergo          2002-2005 – Deputy Chairman of the Management Board for Settlements and Finance of Nonprofit Partnership Administrator of the trade system of the wholesale market of electric energy in UES</p>
Over the last 5 years, the person held management positions in the following organizations:	<p>CJSC Industrial Power Company – member of the Board of Directors          OJSC RazTES – member of the Board of Directors          JSC Armianskaya Atomnaya Electrostantsia – member of the Board of Directors          CJSC Electric Networks of Armenia – member of the Board of Directors          JSC Sangtudinskaya GES-1 – member of the Board of Directors          International Energy Corporation CJSC – member of the Board of Directors          OJSC TGK-11 – member of the Board of Directors          JSC OGK-1 – member of the Board of Directors, member of the Management Board</p>
Ordinary shares of the issuer owned by the person: 0.000004%	

<b>Sharov Yury Vladimirovich</b>	
Member of the Board of Directors	
Year of birth:	1959
Education:	Higher, graduated from the Moscow Power Engineering Institute, Russian Economics Academy named after G.V. Plekhanov
Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	From 2008 to the present day – Deputy Chairman of the Management Board, Head of Capital Construction and Engineering Business Unit of JSC INTER RAO UES 2006-2008 – Head of the Project Group for Development of Feasibility Study for Increase of Export of Electric Power to China (PGEEK) of JSC RAO UES of Russia 2004-2006 – Deputy Managing Director – Head of the Project Group in Foreign Economic Activity of the Business Unit "Networks" of JSC RAO UES of Russia
Over the last 5 years, the person held management positions in the following organizations:	Quartz Management Company, LLC – member of the Board of Directors Nonprofit Partnership VTI – member of the Supervisory Board CJSC Quartz – New Technologies – member of the Board of Directors LLC InterRAO-WorleyParsons – member of the Board of Directors Moscow Power Engineering Institute – Electric Energy Systems Department Chairman JSC RusHydro – member of the Management Board LLC INTERENERGOEFFECT – member of the Board of Directors JSC Stantsiya Ekibastuzskaya GRES-2 – Chairman of the Board of Directors JSC OGK-1 – member of the Board of Directors, member of the Management Board National Association of Engineering Companies – President CJSC Kambaratinskaya GES-1 – member of the Board of Directors OJSC ENIN – member of the Board of Directors JSC Sangtudinskaya GES-1 – member of the Board of Directors JSC Eastern Energy Company – member of the Board of Directors JSC Dalenergosetproyekt – member of the Board of Directors JSC NTTs Elektroenergetiki – Chairman of the Board of Directors JSC Telasi – member of the Board of Directors JSC Volzhskaya TGK – member of the Board of Directors CJSC Electric Networks of Armenia – member of the Board of Directors JSC INTER RAO UES Ukraine – member of the Supervisory Board TGR Energji OJSC RazTES – member of the Management Board RAO Nordic Oy – member of the Management Board LLC INTER RAO-Management of power generation – member of the Board of Directors
Ordinary shares of the Company owned by the person: 0.0%.	

During 2010, members of the Management Board of the Company were paid remuneration totaling 618,833 rubles.

#### **2.3.4. Sole Executive Body**

On July 6, 2009 the authorities of the sole executive body of OGK-1 were transferred to the management organization – Joint-Stock Company INTER RAO UES. Grounds for the transfer of authority: the decision of the Annual General Meeting of Shareholders dated June 26, 2009; the Agreement on delegation of authority of sole executive body OGK-1 to the management organization dated July 6, 2009.

Abbreviated company name: JSC INTER RAO UES

Registered address: Podyezd 7, 12 Krasnopresnenskaya Naberezhnaya, Moscow, Russian Federation 123610

OGRN: 1022302933630

INN: 2320109650

Telephone: (495) 967-05-27, Fax: (495) 967-05-26

E-mail address: info@interrao.ru

During 2010, the management organization JSC INTER RAO UES was paid remuneration totaling 720,000,000 rubles.

On April 1, 2011 the authorities of the sole executive body of OGK-1 were transferred to the management organization – Limited Liability Company INTER RAO-Management of Power Generation. Grounds for the transfer of authority: the decision of the Annual General Meeting of Shareholders dated March 30, 2011; the Agreement on delegation of authority of sole executive body OGK-1 to the management organization dated March 31, 2011.

#### **2.3.5. Audit Commission**

Audit Commission of OGK-1 is elected by General meeting of shareholders to exercise control over the Company's financial and business activities. Audit Commission is a collegial body of management that consists of 5 members. The procedure for activity of the Audit Commission is regulated by the Articles of Association and the Regulations on the Audit Commission.

From June 26, 2009 to June 28, 2010 the Audit Commission elected by decision of the General Meeting of Shareholders of OGK-1 as of June 26, 2009, was operating in the Company in the following composition:

Gataulin Denis Vladimirovich

Goncharov Andrey Borisovich

Copernik (Dranishnikova) Darya Nikolaevna

Lelekova Marina Alekseevna

Lukashov Artem Vladimirovich

On June 29, 2010, the Annual General Meeting of Shareholders JSC OGK-1 elected the Audit Commission in the following composition:

Ivanova Elena Fedorovna  
 Egoshina Alfia Ravilievna  
 Ryzhkova Elena Gennadievna  
 Tananev Denis Vyacheslavovich  
 Chigirin Ivan Ivanovich

### Information about members of the Audit Commission

<b>Chigirin Ivan Ivanovich</b>	
Chairman of the Audit Commission	
Year of birth:	1975
Education:	Higher, graduated from the Moscow Economic and Statistical Institute
Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	From 2010 to the present date – Head of Operations Audit Office of Internal Audit Department, JSC RusHydro 2008-2010 – Head of Operations Audit Division of Internal Audit Department, Controlling and Risk Management Unit, 2007-2008 – Senior Expert of the Economy and Management Audit Division, CJSC INTER RAO UES 2005-2007 – Senior Auditor, Lead Auditor, Internal Audit Department of the Corporate Center, MTS Group OJSC Mobile TeleSystems, Moscow
Over the last 5 years, the person held management positions in the following organizations:	JSC INTER RAO Invest – General Director (part-time)
Ordinary shares of the Company owned by the person: 0.0%.	

<b>Ivanova Elena Fedorovna</b>	
Member of the Audit Commission	
Year of birth:	1976
Education:	Higher, graduated from the Saint-Petersburg State University of Economics and Finance

Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	From 2007 to the present date – Deputy Head of Internal Audit Department, Head of Financial Audit Division of Internal Audit Department, Controlling and Risk Management Unit, JSC INTER RAO UES 2006-2007 – Deputy General Director of LLC Atomenergo-Holding
Over the last 5 years, the person held management positions in the following organizations:	No positions in other organizations were held.
Ordinary shares of the Company owned by the person: 0.0%.	

<b>Ryzhkova Elena Gennadievna</b>	
Member of the Audit Commission	
Year of birth:	1978
Education:	Higher, graduated from Bryansk State Technical University Candidate of Economic Sciences, Associate Professor
Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	From 2009 to the present date – Head of the Internal Audit Department in the Internal Audit, Controlling and Risk Management Unit, member of the Audit Commission of JSC INTER RAO UES 2008-2009 – Senior Expert of the Financial Control and Audit Division, Internal Audit Department, JSC INTER RAO UES 2006-2008 – Senior Expert of the Financial Control and Audit Division, Internal Audit Department, CJSC INTER RAO UES 2004-2006 – Deputy Executive Director for Economics and Finance of JSC Bryansk Retail Company
Over the last 5 years, the person held management positions in the following organizations:	No positions in other organizations were held.
Ordinary shares of the Company owned by the person: 0.0%.	

<b>Egoshina Alfia Ravilievna</b>	
Member of the Audit Commission	
Year of birth:	1958
Education:	Higher, graduated from Kazan Financial and Economic Institute named after V.V. Kuibyshev
Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	2009-2010 – Senior Expert of the Financial Audit Division, Senior Expert of the Project Group for management of OGK-1, Lead Specialist of the Project Group for management of OGK-1 2007-2010 – Senior Specialist, Financial and Tax Audit Department, JSC OGK-1 2006-2007 – Senior Specialist, Financial and Tax Audit Department, CJSC TKhM 2005-2006 – Manager, Internal Audit and Tax Consulting Department, NAMS Association 2005-2005 – Lead Expert, Department of Tax and Law, Senior Consultant, Practice of tax consulting, CJSC BDO Unicon
Over the last 5 years, the person held management positions in the following organizations:	No positions in other organizations were held.
Ordinary shares of the Company owned by the person: 0.0%.	

<b>Tananaev Denis Vyacheslavovich</b>	
Member of the Audit Commission	
Year of birth:	1977
Education:	Higher, graduated from the Kaliningrad College of Space Engineering and Technology, Moscow State University of Service
Nationality	RF
Positions held by the person in the issuer and other entities over the past 5 years and now:	2009-2010 – Senior Expert of the Financial Audit Division, Senior Expert of the Project Group for management of OGK-1, Lead Specialist of the Project Group for management of OGK-1 2008-2010 – Senior Specialist, Financial and Tax Audit Department, JSC OGK-1 2006-2008 – Senior Auditor, Head of Department, Head of complex

	projects of the Audit Department, LLC Mikhailov and Co.Audit 2004-2006 – Auditor, LLC Yurinterbyuro-Audit
Over the last 5 years, the person held management positions in the following organizations:	No positions in other organizations were held.
Ordinary shares of the Company owned by the person: 0.0%.	

In 2010, members of the Audit Commission were paid remuneration totaling 448,988 rubles.

### 2.3.6. Auditor of the Company

The Company's Auditor is approved annually by the General Meeting of Shareholders for the purpose of auditing of the Company's financial and business activities in accordance with the legal acts of the Russian Federation on the basis of agreement concluded with it. The amount of the auditor's fee is determined by the Board of Directors of the Company.

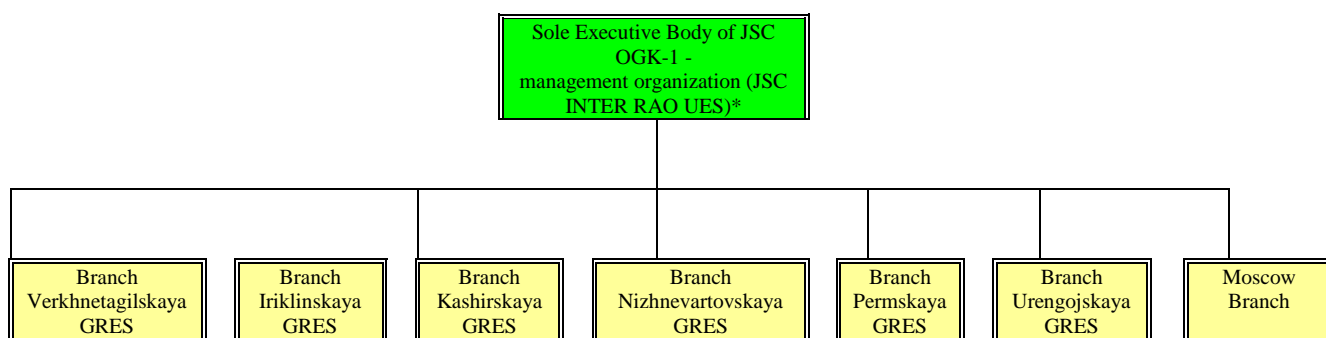
CJSC KPMG was approved as the Company's Auditor for 2010 by decision of the Annual General Meeting of Shareholders of JSC OGC-1 (Minutes dated June 28, 2010, unnumbered).

#### Information about the Auditor

Name	Closed Joint-Stock Company KMPG
INN/KPP	7702019950
OGRN	1027700125628
Registered address	Room 3035, 18/1 Olimpiyskiy prospect street, Moscow, Russia 129110
Postal address:	Unit C, Naberezhnaya Tower, 10 Presnenskaya Naberezhnaya, Moscow, Russia 123317
Telephone/fax:	(495) 937-44-77 / (495) 937-44-00
License	No 003330, issued 17/01/2003 by the Ministry of Finance of the Russian Federation, valid through 17/01/2013.
Membership in self-regulating organization	Non-Commercial Partnership Audit Chamber of Russia

## 2.4. ORGANIZATIONAL STRUCTURE OF MANAGEMENT AND ORGANIZATIONAL DEVELOPMENT POLICIES OF THE COMPANY

### Organizational structure of management



\* Prior to March 31, 20011, the authorities of the sole executive body of OGK-1 were performed by the management organization JSC INTER RAO UES.

On April 1, 2011 the authorities of the sole executive body of OGK-1 were transferred to the management organization – LLC INTER RAO-Management of Power Generation.

In order to improve the management systems, JSC INTER RAO UES was preparing a comprehensive description of the Company business processes and activities regulation for the subsequent certification of quality management system in compliance with ISO standards. Particular attention was paid to development of standardized business processes and standards for centralized procurement management, management of investment projects and programs, and internal control and risk management.

Introduction of standardized business processes and management standards allowed considering the management system as a means for improvement of the Company's efficiency and shareholder value.

### III. MAIN PROVISIONS OF DEVELOPMENT STRATEGY OF THE COMPANY

#### Mission

Mission of JSC OGK-1 is to promote sustainable economic development and improve quality of life in all regions of the Company's operations by providing reliable energy supplies, satisfying the growing demand for electric energy, and using innovative technologies and solutions for energy efficiency.

#### 3.1. Strategic guidelines and goals of the Company development

Strategic goals of JSC OGK-1: maintain leading positions at the Russian energy market; increase capacity, efficiency, and inner potential; ensure growth of the Company value due to a balanced development of its key drivers:

- Increase in revenues;
- Increase in operating profit;
- Improved utilization of assets.

In order to increase its revenues, JSC OGK-1 is seeking to implement an effective marketing policy, to optimize pricing, and to enter the market of system services.

To increase its operating profit, JSC OGK-1 implements cost reducing programs and seeks to optimize the major expenses in the cost structure – the cost of fuel, maintenance and personnel.

Improved utilization of assets of the Company means reduction of fuel consumption for electric energy and heat supply to the level of the leading international energy companies through the introduction of more energy-efficient equipment and technology, as well as the use of best practices of the equipment control, conditional upon obtaining a positive economic result.

### **3.2. Main strategic priorities of the Company**

#### **In the field of electricity production:**

*Increasing technical and economic efficiency of production processes, and energy efficiency.*

To accomplish this task, at the OGK-1 power plants programs of energy conservation and efficiency have been approved, activities to implement optimization systems for composition and loading mode of the equipment have been provided, as well as to reduce energy costs for the own needs, to improve the metering systems for electric and heat power, and the resources consumed for the production (primarily natural gas).

*Maintain equipment ready for power generation.*

To this end, OGK-1 implements measures to improve the efficiency of repair and service activities, the main and auxiliary equipment of the power units remodeling, and to provide the regulatory technical performance of equipment and its further improvement.

*Environmental safety of production and environmental protection.* In this regard, the Company seeks to reduce airborne emissions, minimize the impact on water bodies, and reduce the volume of ash and slag waste.

#### **In the field of electricity sales:**

*Maximization of marginal profits from operations in the free and regulated electricity market, and market of capacities.* In this regard, JSC OGK-1 forms a balanced client portfolio upon free bilateral agreements on electricity and capacity, develops individual offers for each group of clients, develops analytical directions of activities, computerizes the processes of sales management, and broadens the geography of sales in order to maximize profits and diversify risks.

*Receiving full payment for sale of electric energy and capacities under regulated contracts, increasing efficiency by optimizing the sales process.* For this purpose, separate settlement control for payers was organized, claims activities were launched, and individual debt service schemes are being developed for specific consumers.

**In the field of investment activity:**

*Investing in the growth of installed capacity.* Reforming of the Russian power industry among other things had as its goal the attraction of private capital for financing of the modernization of capital production equipment of generating plants and construction of new capacities. OGK-1 works on attracting external financing to its investment program.

**In the field of financial activity:**

*Maintain a stable financial position of the Company.* The Company ensures the balance of the debt and equity, maintains sufficient liquidity and keeps the credit ratings assigned.

**In the field of corporate governance:**

*Increase the corporate governance level* The Company pays attention to ensuring of the rights of all groups of shareholders, develops a system of governance, improves systems for internal control and risk management, develops procedures for information disclosure, implements measures to increase control over the use of insider information.

**IV. PRODUCTION**

The main activities of JSC OGK-1 in the reporting period:

- Production of electrical energy and power,
- Trade and marketing in the wholesale market of electricity (capacity) of the Russian Federation,
- Production and selling of thermal energy.

**4.1. GENERATING CAPACITIES OF THE COMPANY**

Production assets of JSC OGK-1 include five power plants (state district power stations) of gross installed capacity as of December 31, 2010 of 8,261 MW (including CJSC Nizhnevartovskaya GRES – 9,861 MW).

	Station Name	Installed capacity, MW	Launch of power units	Main fuel types
1	Kashirskaya GRES, Moscow Region	1910	1967-1983, 2009	gas, coal
2	Verkhnetagilskaya GRES, Sverdlovsk region	1497	1956-1964	gas, coal
3	Irkliinskaya GRES, Orenburg region	2430	1970-1981	gas
4	Permskaya GRES, Perm Territory	2400	1986-1990	gas

5	Urengojskaya GRES, Yamal-Nenets Autonomous District	24	1990-1992	gas
<b>Total for JSC OGK-1</b>		<b>8261</b>		
6	Nizhnevartovskaya GRES, Khanty-Mansiysk Autonomous Region	1600	1993-2003	gas
<b>Total for JSC OGK-1, including CJSC NVGRES</b>		<b>9,861</b>		

In December 2009, comprehensive testing of coal-fired power unit No 3 with K-330-240 turbine when running on gas fuel was successfully completed at the Kashirskaya GRES. For the power unit No 3, a pilot asynchronous generator to regulate voltage and power in the Moscow energy system was introduced .

In the electric energy market, a new capacity was registered by a commercial operator (OJSC ATS) starting from February 01, 2010.

#### Average installed and operating capacity, MW

Item No.	Branch	2008		2009		2010	
		N installed	N operating	N installed	N operating	N installed	N operating
1	Verkhnetagilskaya GRES	1497	1197.3	1497	1227.3	1497	1252.0
2	Iriklinskaya GRES	2430	2109.7	2430	2143.5	2430	2112.6
3	Kashirskaya GRES	1580	1344.9	1580	1404.4	1882	1569.0
4	Permskaya GRES	2400	2151.9	2400	1949.9	2400	2084.8
5	Urengojskaya GRES	24	23.4	24	22.4	24	21.4
<b>Total for JSC OGK-1 not including CJSC NVGRES</b>		<b>7931</b>	<b>8326</b>	<b>7931</b>	<b>6747.5</b>	<b>8233</b>	<b>7039.7</b>
6	Nizhnevartovskaya GRES (CJSC NVGRES)	1600	1492.2	1600	1395.7	1600	1336.4
<b>Total for JSC OGK-1 including CJSC NVGRES</b>		<b>9531</b>	<b>8319.4</b>	<b>9531</b>	<b>8143.2</b>	<b>9833</b>	<b>8376.1</b>

#### Installed thermal capacity, Gcal/h

Item No.	Branch	Installed thermal capacity
1	Verkhnetagilskaya GRES	480
2	Iriklinskaya GRES	121
3	Kashirskaya GRES	458
4	Permskaya GRES	620
5	Urengojskaya GRES	410
<b>Total for JSC OGK-1, not including CJSC NVGRES</b>		<b>2089</b>
6	Nizhnevartovskaya GRES (CJSC NVGRES)	758

<b>Total for JSC OGK-1, including CJSC NVGRES</b>	<b>2,847</b>
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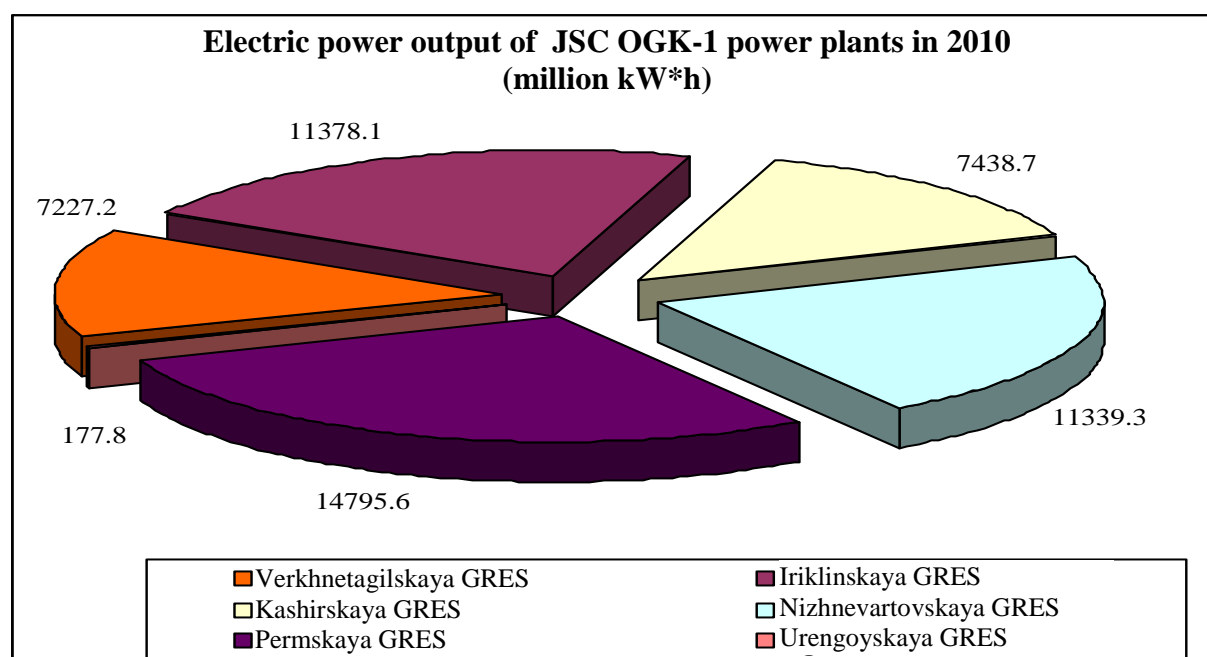
Total installed thermal capacity of the production branches of JSC OGK-1 for 2010 amounted to 2,089 Gcal/h (including CJSC Nizhnevartovskaya GRES – 2,847 Gcal/h).

## 4.2. PRODUCTION PERFORMANCE

Electric power output in 2008-2010, million kW\*h

Item No.	Branch	2008	2009	2010
1	Verkhnetagilskaya GRES	7760.328	5718.974	7227.173
2	Irkliinskaya GRES	9994.902	8139.136	11378.093
3	Kashirskaya GRES	6641.519	5231.017	7438.668
4	Permskaya GRES	14555.441	12361.518	14795.594
5	Urengojskaya GRES	190.055	184.372	177.761
<b>Total for JSC OGK-1, not including CJSC NVGRES</b>		<b>46348.986</b>	<b>31635.017</b>	<b>41017.289</b>
6	Nizhnevartovskaya GRES (CJSC NVGRES)	12357.592	11456.521	11339.285
<b>Total for JSC OGK-1, including CJSC NVGRES</b>		<b>51499.837</b>	<b>43091.538</b>	<b>52,356.574</b>

Electric power output of JSC OGK-1 in 2010 increased by 29.7 percent compared to the preceding year (including CJSC Nizhnevartovskaya GRES by 21.5 percent). Most significant electric power output was reached at the Kashirskaya GRES – by 42.2 percent, at the Irkliinskaya GRES – by 39.8 percent, and the Verkhnetagilskaya GRES – by 26.4 percent.



## Coefficient of usage of installed capacity in 2008-2010, %

Item No.	Branch	2008	2009	2010
1	Verkhnetagilskaya GRES	59.0	43.6	55.1
2	Iriklinskaya GRES	46.8	38.2	53.5
3	Kashirskaya GRES	47.9	37.8	44.7
4	Permskaya GRES	69.0	58.8	70.4
5	Urengojskaya GRES	90.2	87.7	84.6
<b>Total for JSC OGK-1, not including CJSC NVGRES</b>		<b>59.5</b>	<b>45.5</b>	<b>56.8</b>
6	Nizhneartovskaya GRES (CJSC NVGRES)	87.9	81.7	80.9
<b>Total for JSC OGK-1, including CJSC NVGRES</b>		<b>61.5</b>	<b>51.6</b>	<b>60.7</b>

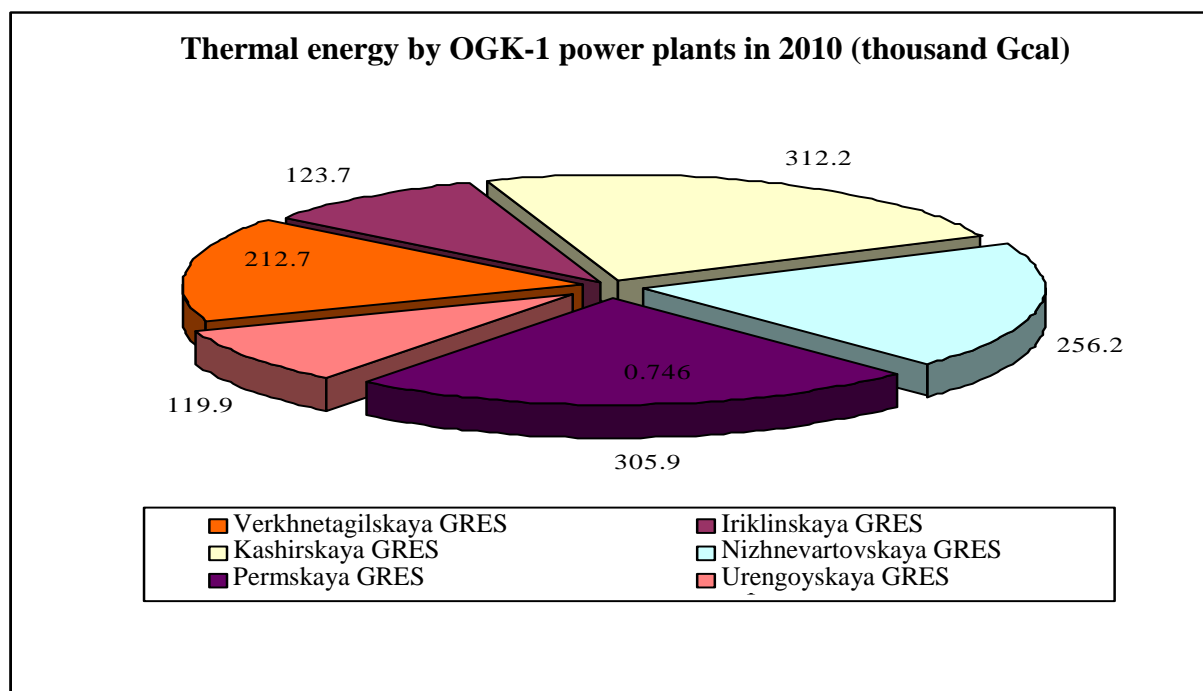
## Unit consumption of fuel equivalent for the energy supplied in 2008-2010, g/kWh.

Item No.	Branch	2008	2009	2010
1	Verkhnetagilskaya GRES	398.0	401.49	396.2
2	Iriklinskaya GRES	336.9	336.9	333.9
3	Kashirskaya GRES	347.8	357.5	352.1
4	Permskaya GRES	306.3	308.6	305.9
5	Urengojskaya GRES	437.5	434.2	430.1
<b>Total for JSC OGK-1, not including CJSC NVGRES</b>		<b>333.7</b>	<b>340.9</b>	<b>337.9</b>
6	Nizhneartovskaya GRES (CJSC NVGRES)	303.2	303.9	303.8
<b>Total for JSC OGK-1, including CJSC NVGRES</b>		<b>330.5</b>	<b>330.8</b>	<b>330.4</b>

Reducing of the unit consumption of fuel equivalent for the energy supplied in 2010 was 3.0 g/kWh (including CJSC Nizhneartovskaya GRES by 0.4 g/kWh). Reducing of the unit consumption of fuel equivalent occurred at all power plants and was mainly due to increase in energy consumption of industrial consumers in the areas of operating power plants, equipment loads according to the schedules of regional dispatch offices, and growing average loads of the power plants.

## Thermal energy supply from collectors in 2008-2010, thousand Gcal

Item No.	Branch	2008	2009	2010
1	Verkhnetagilskaya GRES	230.054	206.736	212.746
2	Iriklinskaya GRES	126.109	122.481	123.661
3	Kashirskaya GRES	339.235	286.495	312.214
4	Permskaya GRES	259.598	281.767	305.880
5	Urengojskaya GRES	136.664	140.873	119.880
<b>Total for JSC OGK-1, not including CJSC NVGRES</b>		<b>1091.660</b>	<b>1038.352</b>	<b>1074.381</b>
6	Nizhneartovskaya GRES (CJSC NVGRES)	224.853	251.287	256.214
<b>Total for JSC OGK-1, including CJSC NVGRES</b>		<b>1316.513</b>	<b>1289.639</b>	<b>1330.595</b>



Thermal energy by OGK-1 power plants is supplied mainly to provide heating of populated areas located in close proximity to the power plants, and this supply is directly dependent on climatic conditions. In 2010, the supplied thermal energy totaled 1074.381 Gcal (including CJSC NVGRES – 1330.595 Gcal), which is more than was supplied in the preceding year by 3.5 percent (including CJSC NVGRES by 3.1 percent), and is due to lower actual average air temperature.

No schedules for thermal energy supply by the power plants in 2010 were disrupted.

#### Unit consumption of fuel equivalent for the thermal energy supplied in 2008-2010, kg/Gcal.

Item No.	Branch	2008	2009	2010
1	Verkhnetagilskaya GRES	188.2	191.1	192.9
2	Irikliinskaya GRES	175.4	176.6	174.7
3	Kashirskaya GRES	164.8	168.1	166.0
4	Permskaya GRES	167.8	167.4	166.9
5	Urengojskaya GRES	154.6	154.0	155.6
<b>Total for JSC OGK-1, not including CJSC NVGRES</b>		<b>170.2</b>	<b>171.6</b>	<b>171.4</b>
6	Nizhnevartovskaya GRES (CJSC NVGRES)	168.3	166.9	168.6
<b>Total for JSC OGK-1, including CJSC NVGRES</b>		<b>170.0</b>	<b>170.7</b>	<b>170.9</b>

Unit consumption of fuel equivalent for the thermal energy supplied increased in 2010 by 0.2 kg/Gcal in comparison with 2009. Growth of unit consumption of fuel equivalent for the thermal energy supplied by the power stations of JSC OGK-1 was caused by the following factors:

- At the Verkhnetagilskaya GRES (an increase by 1.8 kg/Gcal) – by the increase of heat consumption for own needs resulted from the lower air temperature.
- At the Urengojskaya GRES (an increase by 1.6 kg/Gcal) – by reducing the heat load of the production extraction and supply of the heat by 14.9 percent.
- At the Nizhnevartovskaya GRES (an increase by 1.7 kg/Gcal) – by the withdrawal of boiler installation of the power unit No 1 from service to reduce the low-frequency vibration of the bearing 1 at the turbo generator No 1 and to redistribute the heat from boilers of the heating industrial boiler room for the power plant own needs.

### 4.3 FUEL SUPPLY OF THE COMPANY

Gas is the primary fuel for the Company; gas was 90.58 percent of the fuel balance structure as of the end of 2010. Coal is used as the primary fuel along with gas at two power plants – Verkhnetagilskaya GRES and Kashirskaya GRES. Fuel oil is used as a backup fuel at the Irikliinskaya GRES, Kashirskaya GRES, and Verkhnetagilskaya GRES.

#### Fuel balance of JSC OGK-1 in 2010

Item No.	Branch	Total fuel (thousand tons of fuel equivalent)	Including:					
			Coal		Fuel oil and gas-turbine fuel		Gas	
			thousand tons of fuel equivalent	% in the structure	thousand tons of fuel equivalent	% in the structure	thousand tons of fuel equivalent	% in the structure
1	Verkhnetagilskaya GRES	2,688.25	843.16	31.36	5.32	0.20	1,839.77	68.44
2	Irikliinskaya GRES+HPP boilers	3,660.91	-	-	24.65	0.67	3,636.26	99.33
3	Kashirskaya GRES	2,515.20	687.87	27.35	22.71	0.90	1,804.62	71.75
4	Permskaya GRES	4,450.53	-	-	0.23	0.01	4,450.30	99.99
5	Urengojskaya GRES	89.44	-	-	0.003	0.00	89.44	100.00
<b>Total for JSC OGK-1 not including CJSC NVGRES</b>		<b>13,404.33</b>	<b>1,531.03</b>	<b>11.42</b>	<b>52.91</b>	<b>0.39</b>	<b>11,820.39</b>	<b>88.18</b>
6	Nizhnevartovskaya GRES (CJSC NVGRES)	3,400.28	-	-	-	-	3,400.28	100.00

<b>Total for JSC OGK-1 including CJSC NVGRES</b>	<b>16,804.61</b>	<b>1,531.03</b>	<b>9.11</b>	<b>52.91</b>	<b>0.31</b>	<b>15,220.67</b>	<b>90.58</b>
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### Supplies of natural gas

Supply of gas to the power plants is divided into:

- Limit gas (gas supplied by Gazprom at marginal regulated prices approved by the Federal Tariff Service of the Russian Federation);
- Above-limit gas (volume of Gazprom gas beyond the contract limits);
- Commercial gas (gas supplied by alternative suppliers: OAO NOVATEK and JSC TNK BP Holding.)

In 2010, limit gas was delivered only to the Urengojskaya GRES.

Demand for gas for the other power plants was met through the procurement of commercial gas from independent suppliers: OAO NOVATEK and JSC TNK BP Holding.

From 2010, OAO NOVATEK is the main supplier of gas to the branches of JSC OGK-1. Percentage of NOVATEK gas supplies in the total volume was 77.4 percent.

### Structure of gas supplies by supplier for the branches in 2010

<b>Item No.</b>	<b>Branch</b>	<b>Supplier:</b>	<b>Gas supply (million cubic meter)</b>	<b>% in total supplies</b>
1	Verkhnetagilskaya GRES	OAO NOVATEK	1,617.819	12.23
2	Irkliinskaya GRES	OAO NOVATEK	3,181.968	24.06
3	Kashirskaya GRES	OAO NOVATEK	1,567.697	11.85
4	Permskaya GRES	OAO NOVATEK	3,864.761	29.22
5	Urengojskaya GRES	JSC Severregiongaz	78.926	0.60
<b>Total for JSC OGK-1, not including CJSC NVGRES</b>			<b>10,311.171</b>	<b>77.96</b>
6	Nizhnevartovskaya GRES (CJSC NVGRES)	JSC TNK BP Holding	2,914.702	22.04
<b>Total for JSC OGK-1, including CJSC NVGRES</b>			<b>13,225.873</b>	<b>100.0</b>

### Structure of limit and commercial gas supplies in 2010

<b>Item No.</b>	<b>Branch</b>	<b>Supplier:</b>	<b>Limit gas supply (million cubic m)</b>	<b>Supply of commercial and above-limit gas (million cubic m)</b>
1	Verkhnetagilskaya GRES	OAO NOVATEK	-	1,617.819
2	Irkliinskaya GRES	OAO NOVATEK	-	3,181.968
3	Kashirskaya GRES	OAO NOVATEK	-	1,567.697
4	Permskaya GRES	OAO NOVATEK	-	3,864.761

5	Urengojkaya GRES	JSC Severregiongaz	78.870	0.056
<b>Total for JSC OGK-1, not including CJSC NVGRES</b>			<b>78.870</b>	<b>10,232.301</b>
6	Nizhnevartovskaya GRES (CJSC NVGRES)	JSC TNK BP Holding	-	2,914.702
<b>Total for JSC OGK-1 including CJSC NVGRES</b>			<b>78.870</b>	<b>13,147.003</b>

### Fuel oil supplies in 2010

Item No.	Branch	Supplier:	Fuel oil supplies, thousand tons of natural fuel
1	Iriklinskaya GRES	LLC LogistikaTrade OOO PromTekhResurs	12.761 1.981
2	Kashirskaya GRES	OOO OMIKS	5.074
<b>Total for JSC OGK-1</b>			<b>19.816</b>

### Coal supplies in 2010

Item No.	Branch	Supplier:	Coal oil supplies, thousand tons of natural fuel
1	Verkhnetagilskaya GRES	OOO Resursenergougol OOO SibZhelTorg	1,372.531 46.152
2	Kashirskaya GRES	JSC Kuzbassrazrezugol	801.638
<b>Total for JSC OGK-1</b>			<b>2,220.321</b>

The Company's fuel supply strategy is aimed at purchasing fuel at competitive prices while ensuring reliability of supplies.

In order to optimize the cost of purchased fuel in 2010 to maximize electric energy sales efficiency, dispatching of hourly, daily, decade and monthly volumes of gas supply/taking was provided which enabled us not to restrict production and sales of electric energy as provided for in the gas supply schedules; in addition the penalties for failure to take gas/gas overconsumption were minimized.

### Information about the volume of each of the energy resources used by the Joint-Stock Company

Type of energy resource		Unit	Quantity	Cost, RUR (Excluding VAT)
Process	Non-process			
<b>Gas</b>		<b>(thousand cubic m)</b>	<b>10,310,392.473</b>	<b>24,392,695,875</b>
Verkhnetagilskaya GRES		(thousand cubic m)	1,617,040.412	3,787,615,454
Iriklinskaya GRES		(thousand cubic m)	3,181,968.031	7,617,377,103
Kashirskaya GRES		(thousand cubic m)	1,567,697.000	4,473,454,944
Permskaya GRES		(thousand cubic m)	3,864,761.030	8,395,589,577
Urengojkaya GRES		(thousand cubic m)	78,926.000	118,658,797

<b>Coal</b>		<b>tons</b>	<b>2,289,011.820</b>	<b>2,635,867,203</b>
Verkhnetagilskaya GRES		tons	1,488,686.820	1,316,391,491
Kashirskaya GRES		tons	800,325.000	1,319,475,712
<b>Fuel oil</b>		<b>tons</b>	<b>41,814.231</b>	<b>266,772,981</b>
Verkhnetagilskaya GRES		tons	3,843.000	17,996,700
Iriklinskaya GRES		tons	17,653.035	130,970,666
Kashirskaya GRES		tons	20,157.196	117,622,243
Permskaya GRES		tons	161.000	183,372
<b>Other process fuel</b>		<b>tons</b>	<b>1.900</b>	<b>484</b>
Urengojkaya GRES		tons	1.900	484
	<b>Petroleum, oil, lubricants and other non-process fuel</b>	-	-	<b>41,920,218</b>
	Verkhnetagilskaya GRES	-	-	7,405,195
	Iriklinskaya GRES	-	-	6,415,962
	Kashirskaya GRES	-	-	14,340,245
	Permskaya GRES	-	-	9,716,802
	Urengojkaya GRES	-	-	4,042,014
<b>Electric energy purchase</b>		<b>thousand kW*h</b>	<b>26,441</b>	<b>58,075,231</b>
Verkhnetagilskaya GRES		thousand kW*h	22,991	48,929,272
Iriklinskaya GRES		thousand kW*h	1,610	3,733,519
Kashirskaya GRES		thousand kW*h	745	2,748,074
Permskaya GRES		thousand kW*h	1,095	2,664,366
<b>Capacity purchased</b>		<b>MW</b>	<b>218.944</b>	<b>36,571,871</b>
Verkhnetagilskaya GRES		MW	164.043	27,622,501
Iriklinskaya GRES		MW	-	-
Kashirskaya GRES		MW	24.778	3,689,145
Permskaya GRES		MW	25.160	4,355,478
Urengojkaya GRES		MW	4.963	904,747
<b>Thermal energy purchased</b>		<b>thousand Gcal</b>	<b>0.4</b>	<b>277,697</b>
Iriklinskaya GRES		thousand Gcal	0.4	277,697

#### 4.4. REPAIRS

##### Repair campaign results for 2010

In accordance with the Repair Program of OGK-1 and CJSC Nizhnevartovskaya GRES for 2010, the following was performed:

- Repairs of steam and hydraulic turbines: Capital repairs for 2,205 MW, medium repairs for 1,435 MW, operating repairs for 5,335 MW;
- Repairs of power boilers, including cross braced boilers: Capital repairs for 7,190 t/hour, medium repairs for 4,490 t/hour, operating repairs for 17,980 t/hour;
- Repairs of transformers: Capital repairs for 1,000 MVA, operating repairs for 9,184 MVA;
- Repairs of water boilers: Capital repairs for 100 Gcal/h, operating repairs for 100 Gcal/h.

##### Characteristic of quality of the repairs provided

In acceptance of the repaired equipment of JSC OGK-1 and CJSC Nizhnevartovskaya GRES the following quality assessment was established: "Complies with regulatory and technical documentation." As a result of repair the technical and economic parameters of the equipment were restored to the predetermined values. Repeated repairs were not provided.

*Analysis of changes in the cost of repairs for the period 2008-2010 by power plants*

(Figures given in 2010 prices, thousand rubles)

Item Item No.	Branch	2008	2009	2010
1	Verkhnetagilskaya GRES	385,984	374,159	397,167
2	Iriklinskaya GRES	368,051	384,335	518,327
3	Kashirskaya GRES	682,203	597,144	538,830
4	Permskaya GRES	498,739	558,950	539,127
5	Urengojskaya GRES	106,448	79,380	69,128
<b>Total for JSC OGK-1, not including CJSC NVGRES</b>		<b>2,041,425</b>	<b>1,993,968</b>	<b>2,062,579</b>
6	Nizhneartovskaya GRES (CJSC NVGRES)	436,609	418,245	383,005
<b>Total for JSC OGK-1, including CJSC NVGRES</b>		<b>2,478,034</b>	<b>2,412,213</b>	<b>2,445,584</b>

*Analysis of changes in the cost of repairs for the period 2008-2010 by capital assets*

*(Figures given in 2010 prices, thousand rubles)*

*A) Machinery and equipment*

Item Item No.	Branch	2008	2009	2010
1	Verkhnetagilskaya GRES	366,440	351,804	362,612
2	Iriklinskaya GRES	328,783	369,239	506,392
3	Kashirskaya GRES	612,381	537,400	486,073
4	Permskaya GRES	436,701	507,419	445,654
5	Urengojskaya GRES	86,633	67,494	67,995
<b>Total for JSC OGK-1, not including CJSC NVGRES</b>		<b>1,830,938</b>	<b>1,833,356</b>	<b>1,868,726</b>
6	Nizhneartovskaya GRES (CJSC NVGRES)	376,219	375,974	358,423
<b>Total for JSC OGK-1, including CJSC NVGRES</b>		<b>2,207,157</b>	<b>2,209,330</b>	<b>2,227,149</b>

*B) Buildings and structures*

Item Item No.	Branch	2008	2009	2010
1	Verkhnetagilskaya GRES	19,543	22,355	34,555
2	Iriklinskaya GRES	39,268	15,097	11,935
3	Kashirskaya GRES	69,822	59,744	52,757
4	Permskaya GRES	62,038	51,531	93,473
5	Urengojskaya GRES	19,816	11,885	1,133
<b>Total for JSC OGK-1, not including CJSC NVGRES</b>		<b>210,487</b>	<b>160,612</b>	<b>193,853</b>
6	Nizhneartovskaya GRES (CJSC NVGRES)	60,389	42,271	24,582
<b>Total for JSC OGK-1, including CJSC NVGRES</b>		<b>270,876</b>	<b>202,883</b>	<b>218,435</b>

Costs of repairs for the main capital assets in the reporting year (in 2010 prices) compared with 2008 and 2009 remained virtually unchanged.

Repair programs of the Company branches in 2010, were implemented in full. The following activities are implemented systematically:

- Repairs optimization for capital equipment, taking into account the technical condition;
- Cost management and inventory management;
- Procurement management.

### Plans for 2011

In accordance with the Repair Program of OGK-1 and CJSC Nizhnevartovskaya GRES for 2011, the following has been scheduled:

- Capital and operating repairs for steam and hydraulic turbines;
- Capital and operating repairs for power boilers, including cross braced boilers;
- Operating repairs for transformers;
- Operating repairs for water boilers;

To implement the Repair Program in 2011, the Company is to spend 2,979,107 thousand rubles.

## V. ENERGY SALES

In 2010, deregulation of the electric energy market continued to make 60 percent made in the first half year, 80 percent in the second half year, with the average annual deregulation rate of 70 percent.

The main largest purchasers (volume of supplies over 10 percent) under the regulated contracts (hereinafter referred to as the "RC") is a regional power sales companies with the status of a last resort provider (hereinafter referred to as the "LRP") in the Urals (for the branches Verkhnetagilskaya GRES, Irikhinskaya GRES, Permskaya GRES, and Urengojkaya GRES) and Central (for the Kashirskaya GRES) regions.

The unified party in the contracts in competitive sectors of the wholesale electrical energy (power) market (hereinafter referred to as the "WMEP"): in the day-ahead market (hereinafter referred to as the "DAM"), the balancing market (hereinafter referred to as the "BM"), in competitive power taking (hereinafter referred to as the "CPT") shall be the Closed Joint-Stock Company "Financial Settling Center".

In 2010, the Company sold electric energy and power under non-regulated contracts (hereinafter referred to as the "EPNRC") (exchange-traded and OTC-traded EPNRC). Major power sales companies were the main purchasers under non-regulated contracts.

### Key values of the electric energy sales

Factors that influenced the results of the Company's electric energy sales activities in 2010:

- Further deregulation of the WMEP, growth of the share of electric energy and power sold at free-of-control prices;
- Growth in electricity demand in the domestic market as a result of a gradual economic recovery, resulting in increased production of the power plants;
- Increase in DAM prices and exchange-traded EPNRC as a result of growth in domestic demand;
- Reducing the overall level of payment defaults in the WMEP following the economic recovery.

### Analysis of electric energy sales in the WMEP in 2010

Branch	Electric energy sales, million kWh	Electric energy sales, million rubles VAT included
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	RC	DAM	BM	EPNRC	non-regulated bilateral contracts	Total WMEP	RC	DAM	BM	EPNRC	non-regulated bilateral contracts	Total WMEP
Verkhnetagil'skaya GRES	2390.68	4726.86	193.51	1467.01	804.89	9582.95	2298.95	4621.83	189.03	1592.75	715.64	9418.20
Irkliinskaya GRES	3740.93	8139.27	303.64	1594.55	632.79	14411.18	3383.43	8142.14	333.85	1699.86	578.65	14137.93
Kashirskaya GRES	3019.49	4690.08	407.12	759.86	0.56	8877.11	3290.50	5019.38	444.94	872.71	0.45	9627.99
Permskaya GRES	5280.30	11031.91	513.52	1066.41	3640.81	21532.94	4000.70	10161.37	442.30	1157.35	3078.91	18840.62
Urengoj'skaya GRES	60.48	102.19	4.97	0.00	0.00	167.64	41.94	101.16	4.21	0.00	0.00	147.30
<b>Total for JSC OGK-1, not including CJSC NVGRES</b>	<b>14491.89</b>	<b>28690.30</b>	<b>1422.75</b>	<b>4887.83</b>	<b>5079.05</b>	<b>54571.82</b>	<b>13015.52</b>	<b>28045.87</b>	<b>1414.33</b>	<b>5322.66</b>	<b>4373.65</b>	<b>52172.04</b>
Nizhnevartovskaya GRES (CJSC NVGRES)	4345.93	6955.46	93.40	188.17	150.71	11733.67	2560.61	6180.43	61.76	198.68	121.76	9123.24
<b>Total for JSC OGK-1, including CJSC NVGRES</b>	<b>118,837.82</b>	<b>35,645.76</b>	<b>1,516.15</b>	<b>5,076.00</b>	<b>5,229.76</b>	<b>66,305.49</b>	<b>15,576.13</b>	<b>4226.30</b>	<b>1476.09</b>	<b>5521.34</b>	<b>4495.41</b>	<b>61295.28</b>

Sale of electric energy at regulated prices (tariffs) is provided in accordance with the schedule approved by the OJSC ATS, at prices approved by the Federal Tariff Service. Sale of the volume produced over the RC volumes is provided in the DAM market at prices prevailing as a result of trading. The largest volume of electric energy sales in the DAM market and under non-regulated contracts occurred at the Permskaya GRES, 38.5 and 71.7 percent respectively.

### Analysis of power sales in the WMEP in 2010

Branch	Power sales, MW				Power sales, million rubles VAT included			
	RC	EPNRC	CPT	Total WMEP	RC	EPNRC	CPT	Total WMEP
Verkhnetagil'skaya GRES	7,117.619	10,695.752	211.578	18,024.949	655.64	1,392.38	33.65	2,081.68
Irkliinskaya GRES	10,957.083	18,403.255	45.646	29,405.984	763.76	2,393.05	15.01	3,171.82
Kashirskaya GRES	8778.519	9,653.589	4,494.850	22,926.958	960.66	1,265.44	2,162.58	4,388.68
Permskaya GRES	12,224.049	16,490.072	136.944	28,851.065	1,243.17	2,223.33	24.36	3,490.86
Urengoj'skaya GRES	204.308	0.00	83.692	288.00	345.13	0.00	144.30	489.43
<b>Total for JSC OGK-1, not including CJSC NVGRES</b>	<b>39,281.578</b>	<b>55,242.668</b>	<b>4,972.71</b>	<b>99,496.956</b>	<b>3,968.37</b>	<b>7,274.20</b>	<b>2,379.91</b>	<b>13,622.48</b>
Nizhnevartovskaya GRES (CJSC NVGRES)	9,189.20	1,798.24	8,227.56	19,215.00	1332.65	29.21	1,184.71	2,809.46
<b>Total for JSC OGK-1, including CJSC NVGRES</b>	<b>48,470.778</b>	<b>57,040.908</b>	<b>13,200.27</b>	<b>118,711.956</b>	<b>5,301.02</b>	<b>7,303.41</b>	<b>3,564.62</b>	<b>16,431.94</b>

Sale of power at regulated prices (tariffs) is provided in accordance with the schedule approved by the OJSC ATS, at prices approved by the Federal Tariff Service. Sale of volumes in excess of RC is provided under non-regulated exchange-traded and OTC-traded contracts for electricity and power at bargain prices (for OTC contracts) or at prices prevailing in the free power transfer zone during trading (for exchange-traded contracts). The remaining volume is sold in the CPT sector. The largest volume of transactions under non-regulated contracts was formed by branches Permskaya GRES and Irklinskaya GRES.

### Analysis of electric energy purchases in the WMEP in 2010

Branch	EE purchase, million kW*h					EE purchase, million rubles VAT included				
	DAM	BM	EPNRC	non-regulated bilateral contracts	Total WMEP	DAM	BM	EPNRC	non-regulated bilateral contracts	Total WMEP
Verkhnetagil'skaya GRES	2,542.59	432.73	2.44	0.00	2,977.76	2,603.73	407.85	2.37	0.00	3,013.95
Irkliinskaya GRES	2,306.28	1,261.08	0.00	0.00	3,567.36	2,347.86	1,082.40	0.00	0.00	3,430.26
Kashirskaya GRES	1,280.06	669.07	0.00	0.00	1,949.13	1,386.20	699.62	0.00	0.00	2,085.82

Permskaya GRES	5,644.41	1,521.16	0.00	16.41	7,181.98	5,330.97	1,112.17	0.00	14.52	6,457.67
Urengojkaya GRES	3.88	6.30	0.00	0.00	10.18	3.75	5.85	0.00	0.00	9.61
<b>Total for JSC OGK-1 not including CJSC NVGRES</b>	<b>11,777.22</b>	<b>3,890.33</b>	<b>2.44</b>	<b>16.41</b>	<b>15,686.41</b>	<b>11,672.52</b>	<b>3,307.89</b>	<b>2.37</b>	<b>14.52</b>	<b>14,997.30</b>
Nizhneartovskaya GRES (CJSC NVGRES)	457.48	233.40	0.00	0.00	690.88	424.14	136.29	0.00	0.00	560.43
<b>Total for JSC OGK-1 including CJSC NVGRES</b>	<b>11777.70</b>	<b>3,123.73</b>	<b>2.44</b>	<b>16.41</b>	<b>16,377.29</b>	<b>12,096.66</b>	<b>3,444.18</b>	<b>2.37</b>	<b>14.52</b>	<b>15,557.73</b>

Purchase in the WMEP was conducted mainly in the sector in the DAM sector under the non-regulated contracts (exchange-traded EPNRC and non-regulated bilateral contracts). The largest volume of purchases was formed by the Permskaya GRES branch, where the proportion of the sales under the non-regulated contracts was the largest.

### Analysis of power purchases in the WMEP in 2010

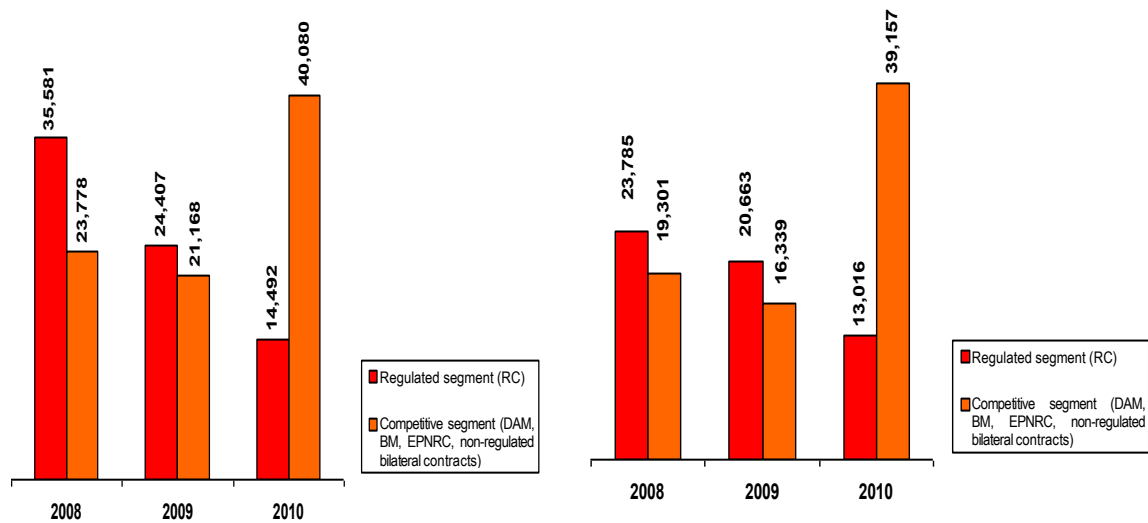
Branch	Power purchases, MW			Power purchases, million rubles VAT included		
	EPNRC	CPT	Total WMEP	EPNRC	CPT	Total WMEP
Verkhnetagilskaya GRES	30.00	194.99	224.99	4.55	39.72	44.27
Iriklinskaya GRES	0.00	245.98	245.98	0.00	56.68	56.68
Kashirskaya GRES	0.00	361.74	361.74	0.00	201.99	201.99
Permskaya GRES	0.00	76.23	76.23	0.00	16.18	16.18
Urengojkaya GRES	0.00	4.96	4.96	0.00	1.07	1.07
<b>Total for JSC OGK-1, not including CJSC NVGRES</b>	<b>30.00</b>	<b>883.90</b>	<b>913.80</b>	<b>4.55</b>	<b>315.64</b>	<b>320.18</b>
Nizhneartovskaya GRES (CJSC NVGRES)	0.00	33.85	33.85	0.00	7.98	7.98
<b>Total for JSC OGK-1, including CJSC NVGRES</b>	<b>30.00</b>	<b>917.75</b>	<b>947.75</b>	<b>4.55</b>	<b>323.62</b>	<b>328.16</b>

Below are progress summary figures for electric energy sales in the WMEP for the period 2008-2010.

Period	EE purchase, billion kW*h		EE purchase, billion rubles VAT included		Progress in % (2010 to 2009)		
	Regulated segment	Competitive segment	Regulated segment	Competitive segment		Regulated segment	Competitive segment
2008	35.581	23.778	23.785	19.301			
2009	24.407	21.168	20.663	16.339	volume	59.4%	189.3%
2010	14.492	40.080	13.016	39.157	revenue	63.0%	239.6%

Electric energy sales  
in the WMEP segments, billion kW\*h

Electric energy sales  
in the WMEP segments, billion rubles VAT included



The share of electric energy sales under RC is reduced in line with the deregulation in the WMEP. In 2009, sales in the competitive segment also declined due to a general decline in demand for electricity resulting from the economic crisis. In 2010, there has been significant growth of sales in the competitive segment as a result of growth in consumer demand for electricity, as well as increasing the volume of transactions under non-regulated contracts.

## VI. PROCUREMENT

### Key provisions of the Company's policies in procurement

In order to ensure targeted and efficient expenditure of funds, as well as the implementation of economically reasoned costs, JSC OGK-1 is working to improve the system of competitive and non-competitive procurement of goods, work and services.

Regulations for procurement are based on reasonable use of special techniques and procedures for the targeted enhancement of market laws action in each case of purchasing.

In accordance with the Regulations on the procedure for regulated procurement of goods, work and services approved by the Board of Directors of OGK-1 (Minutes dated March 31, 2008 No 101), these procedures involve:

- ✓ Careful planning of the needs in products and services for the execution of production programs of OGK-1 (repairs, retooling and modernization, construction in progress, maintenance, etc.);
- ✓ Market analysis and market research;
- ✓ Actions aimed at achieving a reasonable level of competition among potential suppliers, where possible, and if not possible – increase in internal controls;
- ✓ Fair and reasonable selection of most preferred proposals in comprehensive analysis of benefits and costs (price and quality primarily);
- ✓ Control over performance of contracts and use of the products purchased.

Permission for procurement of products for the needs of JSC OGK-1, and control and coordination of procurement activities are provided by the Central Procurement body

(hereinafter referred to as the "CP"), and approval of comprehensive annual procurement programs and reporting is done by the Board of Directors of the Company.

Head and structure of the CP are approved by the Board of Directors of JSC OGK-1. The CP Head is personally responsible for organization of regulated procurement procedures, and training of staff involved in procurement control and management, and direct procurement procedures.

Functions of review, assessment and ranking of competitive proposals for preference, and awarding procurement procedures are assigned to the Company's Permanent Procurement Commissions (hereinafter referred to as the "PPC"). Functions related to the conduct and registration of regulated procurement procedures in 2010 were performed by the Procurement unit of JSC INTER RAO UES, the management organization of OGK-1.

### **Description of procurement methods and conditions of their selection, and use of e-commerce**

Open single stage tender is the method of procurement used most of all. Regulations on procedures for open single stage tender are based on the requirements of Articles 447-449 of the Civil Code of the Russian Federation and involve bringing the maximum possible number of potential participants using the media.

Other types of procedures are applied in accordance with the Regulations on the procedure for regulated procurement of goods, work and services.

In the absence of a competitive environment for specific activities and supplies (in low competition and monopolistic sectors of the economy), and with increased internal control the procurement can be provided from a single source.

Procedures for procurement by the Company of any goods, works and services valued at less than 500 thousand rubles VAT excluded are not regulated and are conducted on the basis of a marketing micro-research.

#### *Procedures for procuring goods, works and services*

<b>Type of procedure</b>	<b>Maximum cost</b>
Open tender	without restriction
Open request for proposals	3 (5*) million rubles
Open request for quote	3 (5*) million rubles
Open competitive negotiations	not determined
Private competitive negotiations	not determined
Private request for proposals	1.5 million rubles
Public request for quote	1.5 million rubles
Single source	not determined
Unregulated purchases	0.5 million rubles

\* up to 5 million rubles for contracting and procurement of construction materials

In connection with the aspiration of the Company to use best practices in procurement in 2010, OGK-1 is actively used in its procurement activities the functional electronic trading platform b2b-energo.ru, including to announce and conduct the procurement marketing research.

As part of the electronic trading platform b2b-energo.ru in 2010 539 competitive procurement operations were provided, which amounted for 65.9 percent of the total number of competitive procurement operations.

For all competitive procedures conducted outside of the electronic trading platform, publication of notices and notifications, as well as the results of purchases is made under Procurement section of the corporate website of the Company.

### Implementation of Comprehensive annual procurement program (CAPP) in 2010

Annual comprehensive procurement program of OGK-1 in 2010 (hereinafter referred to as the "CAPP") was established in accordance with the approved functional budget and the Regulations on the procedure for regulated procurement of goods, work and services approved by the Board of Directors (Minutes dated December 29, 2009 No. 139). CAPP adjustment for 2010 was conducted in accordance with the decision of the Board of Directors (Minutes dated April 30, 2010 No 145).

Also, on a competitive basis the conclusion of contracts as part of the investment program is provided to build new generating capacities.

### Annual reporting on procurement activities

In 2010, the Company (including branches) held 3,240 purchases in the amount of 16,891,518 thousand rubles. (including construction of new generating capacities amounting to 11,213,472 thousand rubles.):

224 open tenders (OT) in the amount of 13,139,089 thousand rubles,

267 open requests for proposals (ORFP) in the amount of 753,265 thousand rubles,

1 private request for proposals (PRFP) in the amount of 4,338 thousand rubles,

1 private request for quote (PRFQ) in the amount of 4,338 thousand rubles,

123 open requests for quote (PRFQ) in the amount of 104,099 thousand rubles,

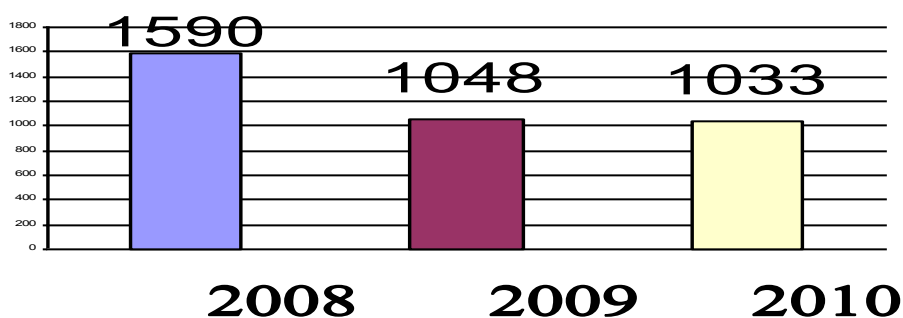
5 open competitive tenders (OCT) in the amount of 40,083.4 thousand rubles,

215 purchases from the single source (SS) in the amount of 1,547,770.4 thousand rubles,

197 purchases from the single source (SS) in the amount of 952,015 thousand rubles based on results of competitive procedures,

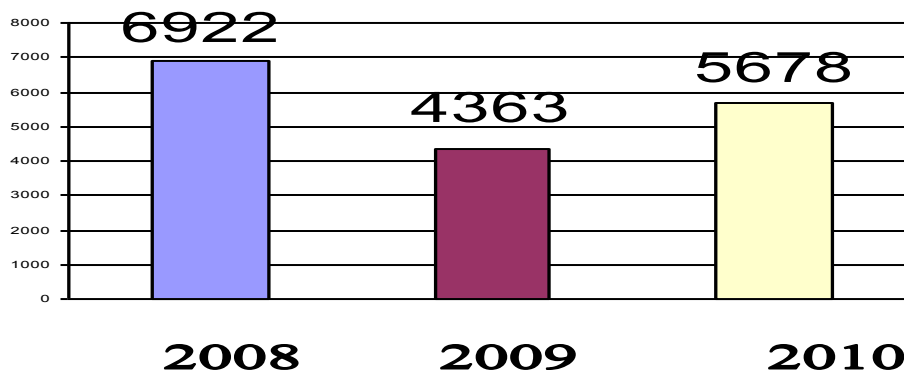
2,207 unregulated purchases (UP) in the amount of 349,057 thousand rubles,

### Number of regulated procurement procedures, ea.



Reducing the number of purchases in comparison to preceding periods due to consolidation of lots and increasing the threshold of regulation since mid-2008 from 200 thousand rubles to 500 thousand rubles.

#### Preliminary cost of the procurement performed\*, million rubles



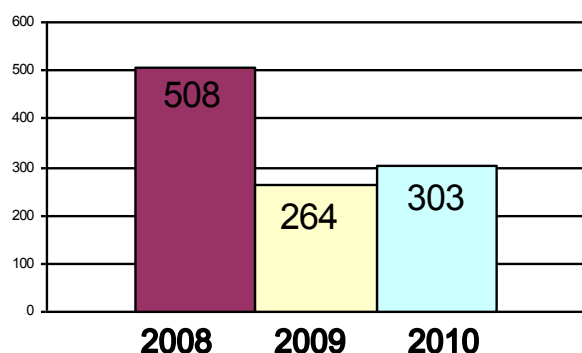
#### Efficiency of procurement

Economic effect as a result of organization and conduct of procurement of supplies, work and services on a competitive basis with respect to the original scheduled expenses amounted to 303,573 thousand rubles. (including power plants – 274,184 thousand rubles, and executive establishment – 29,389 thousand rubles)

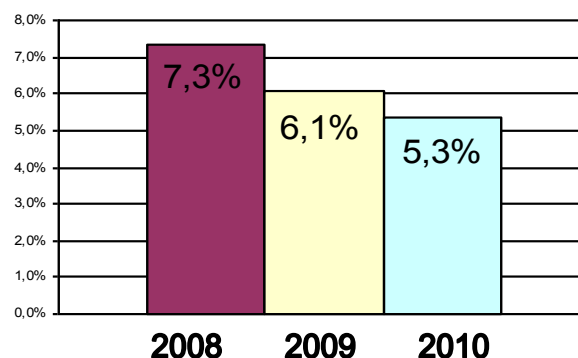
Economic efficiency relative to the average market price formed in procurement for OGK-1 in 2010 (calculated in accordance with the recommendations of the Ministry of Economic Development (Letter dated March 27, 2003 No ASH/815/05) totaled 1,031,086 thousand rubles VAT excluded.

Economic efficiency of procurement of 'Turnkey construction of the power unit PGU-450 at the Urengojkaya GRES (general contract)' amounted to 824,257 thousand rubles and was achieved through the re-auction procedure.

#### Absolute economic efficiency of procurement, million rubles



#### Relative economic efficiency of procurement, %



The relative efficiency of procurement is reduced as a whole, indicating the more careful tender preparation (tender planning).

### Centralization of the procurement system

In 2010, work was carried out to establish and develop a specialized company to provide centralized procurement for companies within JSC INTER RAO UES Group.

In connection with the decision by INTER RAO UES to establish a specialized company to provide centralized procurement for companies within JSC INTER RAO UES Group, and the transition from a decentralized procurement system to a centralized procurement system for companies within JSC INTER RAO UES Group, currently a comprehensive plan of measures is being implemented to amend the existing regulatory procurement documents in order to create a unified local regulatory framework for procurement activities of the Group.

### Information on key indicators of CAPP formed for 2011

Annual comprehensive procurement program for 2011 is formed in accordance with the Regulations on the procedure for regulated procurement of goods, work and services of the Company and on the basis of Production Programs and Business Plan of JSC OGK-1.

1,102 regulated and 1,336 unregulated purchases have been scheduled (less than 500 thousand rubles) totaling 9,301,607 thousand rubles, and fuel purchases amounting to 31,253,108 thousand rubles under the concluded long-term contracts will be provided. Open tenders in the amount of 8,145,027 thousand rubles have been scheduled (87.57%)

In accordance with the CAPP in 2011, 456 open competitive procedures by JSC OGK-1 will be carried out using an electronic trading platform b2b-energo.ru in total.

## VII. INVESTMENT ACTIVITIES

OGK-1 has been implementing the following priority projects for construction of new generating capacities, including projects of CJSC Nizhnevartovskaya GRES:

Facility name	Fuel type	Year capacity launch	of	Capacity launched
Kashirskaya GRES (unit No 3)	Coal	2009		330 MW
Urengojkaya GRES, power unit on the basis of PGU-450	Gas	2012		450 MW
Nizhnevartovskaya GRES, power unit No 3.1 on the basis of PGU-410	Dry gas	stripped	2013	410 MW
Nizhnevartovskaya GRES, power unit No 3.2 on the basis of PGU-410	Dry gas	stripped	2015	410 MW
Permskaya GRES, power unit No 4	Gas	2015		410 MW

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on the basis of PGU-410

Total capacity launched

2010 MW

### 7.1. Description of Investment Projects

#### **Technical re-equipment of power unit No 3 at the Kashirskaya GRES.**

The project on technical upgrading of the third power unit at the Kashirskaya GRES of 330 MW was aimed at improving the reliability of the energy system of the Moscow region.

In 2010, under the Project for technical re-equipment of power unit No 3 at the Kashirskaya GRES work on the second and third start-up facilities were completed. Power unit equipment in the second and third start-up facilities is accounted as fixed assets.

The Project is completed.

#### **Construction of unit PGU-450 at the Urengoiyskaya GRES**

Launch of PGU-450 MW at the Urengoiyskaya GRES will ensure system reliability of supply of electric energy in the Tyumen region, the main oil and gas producing region of Russia (today there are limitations for electricity supplies at low temperatures and during repairs at power generation facilities), will increase tax revenue to the region budget for the life of the equipment and improve employment figures in the region and provide a multiplier effect for economic development in the region.

Comprehensive grid schedule for construction of the unit PGU-450 at the Urengoiyskaya GRES was approved by the joint order of JSC INTER RAO UES and JSC OGK-1 dated October 22, 2010 No IRAO/782/137 'On implementation of the construction schedule for the unit PGU-450 at the Urengoiyskaya GRES'.

Currently, the following work has been implemented:

- Feasibility study for the project was prepared (developed by JSC SibCOTES), and the positive opinion of the State Expertise was obtained.
- Detail design documentation is being developed under the contract with JSC SibCOTES;
- Building permit has been obtained;
- Scheme of power distribution has been coordinated with JSC FGC UES and JSC SO UES;
- General contract with JSC VO Technopromexport for construction of combined cycle power unit PGU-450 (including delivery of equipment) for Urengoiyskaya GRES has been signed.

Commissioning of the facility has been scheduled for the third quarter of 2012. The installed electric capacity of the power station after the launch of the new unit shall be 474 MW.

#### **Construction of power units PGU-410 at the Permskaya GRES**

Construction is performed in accordance with the capacity supply agreement of OGK-1.

Preliminary assessment of capital expenditure in view of the completed main production facilities has been prepared (construction of the main building of the unit No. 4, the inlet and outlet channels with circulation pump station, construction of facility switchboard, etc.).

Layout of the power unit based on CCGT technology 410 MW has been tentatively determined as using the single-shaft arrangement on the basis of a foreign main equipment with efficiency of ~ 57%.

To determine the optimal parameters of the Project a working group has been formed to prepare a preliminary feasibility study for construction of power unit No 4 at the Permskaya GRES pursuant to the order of JSC INTER RAO UES dated February 07, 2011 No IRAO/71/16 .

### **Construction of power units No. 3.1. and No. 3.2. on the basis of PGU-410 at the Nizhnevartovskaya GRES**

In accordance with the capacity supply agreement, the obligations of OGK-1 include construction of the power unit No 3.1. (410 MW) at the Nizhnevartovskaya GRES to be commissioned on September 30, 2013, and the power unit No 3.2. (410 MW) at the Nizhnevartovskaya GRES to be commissioned on December 31, 2015.

In 2010, General Electric was selected as the main equipment vendor, and JSC UES Engineering Center (the branch of the Institute Teploelectroproekt) as the general designer.

Currently, tender for the general contract is conducted, work is underway to obtain positive opinion on the project from RF State Expert Evaluation Department Glavgosekspertiza, and efforts to obtain building permit are made.

## **7.2. Sources of financing for the investment program**

*Sources of financing for the investment program in 2010, million rubles (VAT included)*

Source of financing		Amount of financing	
		excluding CJSC NVGRES	including CJSC NVGRES
1.	Own funds	2,701.781	4,397.450
1.1.	Net profit in the current year	182.868	182.868
1.2.	Profit of previous years	4.132	977.573
1.3.	Depreciation	1,740.476	2,253.429
1.4.	Unexpended depreciation of previous years	17.439	17.439
1.5.	Proceeds from the additional issue of shares	359.386	359.386
1.6.	VAT reclaimed	397.479	606.755
2.	Attracted funds	4,089.659	4,102.790
2.1.	Loans	4,089.659	4,089.659
2.2.	Entities' loans	-	13.131
Total funded		<b>6,791.440</b>	<b>8,500.241</b>

Total financing for the investment program of JSC OGK-1 for 2010 amounted to 6,791.440 million rubles (including CJSC Nizhnevartovskaya GRES – 8,500.241 million rubles).

Current year net profit of 101.1 million rubles was used as a source of funding for the Project of technical retooling of fly-ash-handling system for the boiler units No 8 and 9 at the

Verkhnetagilskaya GRES in the amount of 81.7 mln rubles as part of the Project for ash dump reconstruction at the Kashirskaya GRES.

Profit of previous years was spent in the amount of 4.132 million rubles for funding the Project for construction of the fish-protection structure at the water intake of the Irikliinskaya GRES.

Depreciation in the amount of 1,740.476 million rubles (including CJSC Nizhnevartovskaya GRES – 2,253.429 million rubles) was used to finance the technical re-equipment projects.

Unexpended depreciation of previous years of 17.439 million rubles was used to purchase land at the Permskaya GRES and Irikliinskaya GRES.

The proceeds from the additional issue of shares of 359.386 million rubles were used to finance the Project for construction of PGU-450 at the Urengojskaya GRES.

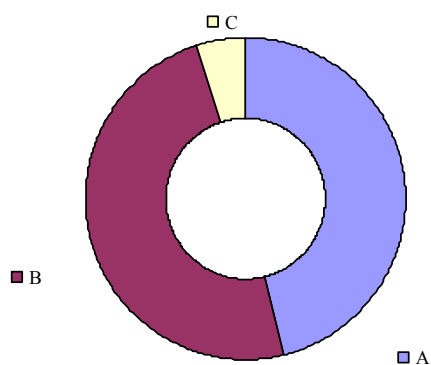
The VAT reclaimed in the amount of 397,479 million rubles (including CJSC Nizhnevartovskaya GRES – 606.755 million rubles) was used to finance new construction and technical re-equipment projects.

Loans of 4,089.659 million rubles were used to finance the Project of construction of PGU-450 at the Urengojskaya GRES.

Loans of 13.131 million rubles were used to finance the Project of construction of the power unit No 3.1. PGU-410 at the Nizhnevartovskaya GRES.

### 7.3. Assimilation of capital expenses

2010 investment program is aimed at development and modernization of basic infrastructure with the purpose to decrease costs of electric and thermal energy production, replacement of obsolescent and out-of-date equipment, increase in competitiveness and capitalization of the Company and ensuring acceptable investment performance.



Assimilation of capital expenses in 2010		2010	
		thousand rubles	%
A	Technical retooling and modernization	1,855,498	50
B	New construction	1,684,220	46
C	Other expenditures	159,584	4
	Capital expenditures, total	3,699,302	100

Assimilation of capital expenses in 2010 amounted to 3,699,302 thousand rubles without VAT, including:

- Re-equipment of the power unit No. 3 at the Kashirskaya GRES – 297,249 thousand rubles without VAT,
- Construction of PGU-450 at the Urengojskaya GRES – 1,367,273 thousand rubles without VAT

- Construction of the power unit No. 3.1 at the Nizhneartovskaya GRES – 303,173 thousand rubles without VAT.

#### 7.4. Investing activities (as part of the Technical retooling and modernization)

Technical retooling and modernization program implementation

As part of the investment program of JSC OGK-1, implementation of the Technical retooling and modernization program (hereinafter referred to as the "TRMP") in 2010 was as follows:

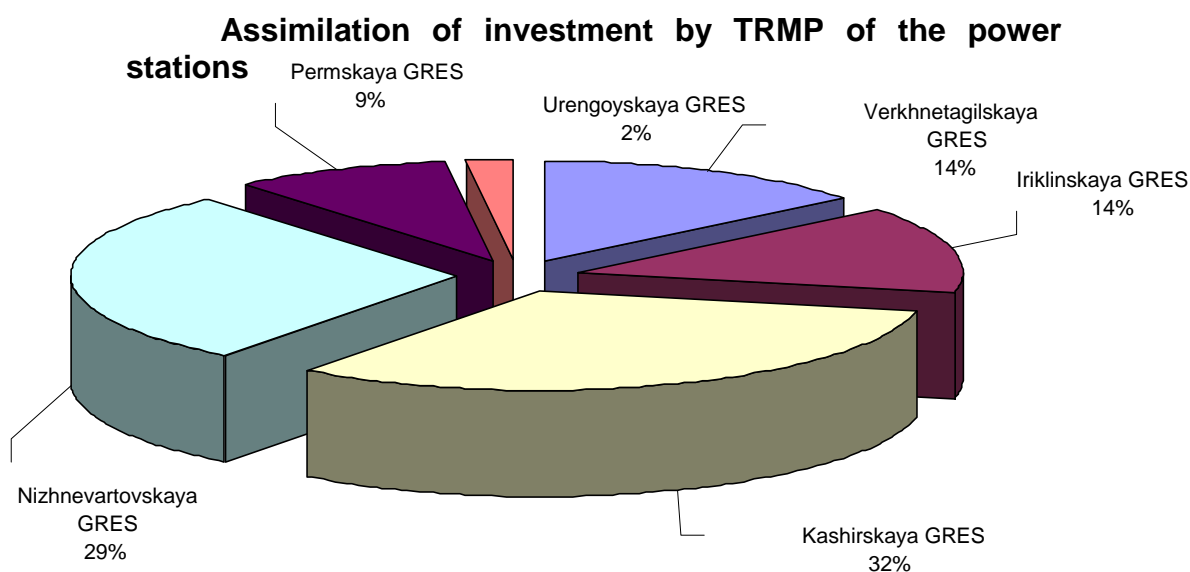
Item No.	Branch	Assimilation, million rubles, VAT excluded			Financing million rubles, VAT included		
		planned	actual*	%	planned	actual	%
1	Verkhnetagilskaya GRES	304.450	277.535	91.2	358.411	358.339	99.98
2	Irikliinskaya GRES	315.027	282.089	89.5	368.651	308.692	83.7
3	Kashirskaya GRES	729.074	672.128	92.2	1,013.452	736.033	72.6
4	Permskaya GRES	218.745	178.812	81.7	256.622	277.755	108.2
5	Urengojkaya GRES	34.784	40.617	116.8	41.045	46.017	112.1
<b>Total for JSC OGK-1 not including CJSC NVGRES</b>		<b>1602.080</b>	<b>1451.182</b>	<b>90.0</b>	<b>2038.181</b>	<b>1726.836</b>	<b>84.7</b>
6	Nizhneartovskaya GRES (CJSC NVGRES)	573.469	563.902	98.3	537.561	529.826	98.6
<b>Total for JSC OGK-1 including CJSC NVGRES</b>		<b>2,175.549</b>	<b>2,015.084</b>	<b>92.2</b>	<b>2,575.742</b>	<b>2256.662</b>	<b>87.6</b>

\* The figures are based on the report of the Business Plan of OGK-1, including other expenditures (including research and development)

As a result of technical retooling and modernization, new fixed assets of JSC OGK-1 is 3,274,740 thousand rubles VAT excluded (including CJSC Nizhneartovskaya GRES – 3,880,081 thousand rubles excluding VAT), including branches:

Item No.	Branch	New Fixed Assets (actual*), million rubles, VAT excluded
1	Verkhnetagilskaya GRES	239.807
2	Irikliinskaya GRES	176.261
3	Kashirskaya GRES	2,623.579
4	Permskaya GRES	164.383
5	Urengojkaya GRES	70.442
	Moscow Branch	0.268
<b>Total for JSC OGK-1, not including CJSC NVGRES</b>		<b>3,274.740</b>
6	Nizhneartovskaya GRES (CJSC NVGRES)	605.341

<b>Total for JSC OGK-1, including CJSC NVGRES</b>	<b>3,880.081</b>
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The provided activities of the Technical retooling and modernization program of JSC OGK-1 enable the Company to achieve the basic goals and objectives of production operations:

- Improve safety of the equipment;
- Ensure reliable uninterrupted power supply to consumers;
- Increase technical and economic performance of fixed assets or their parts, based on the introduction of advanced equipment and technology, mechanization and automation of production, modernization and replacement of obsolescent and out-of-date equipment with new more efficient equipment;
- Lower operating expenditures through improved equipment efficiency and reduced costs for repairs and maintenance.

#### Major activities made in 2010:

Activity	Costs, thousand rubles
<b>Permskaya GRES</b>	
Replacement of air circuit breakers 500 kV with sulfur-hexafluoride circuit breakers (2008 – 2 pcs, 2009-3 pcs, 2010-3 pcs.)	66,863
<b>Verkhnetagil'skaya GRES</b>	
Technical retooling of fly-ash-handling system for the boiler units No 8 and 9.	90,160.3
Modernization of smoke exhaust electric drives, and forced-draught fans of the power unit No. 9.	17,401
Modernization of the dust extraction plant of the of boiler unit PK-14 No. 3.	12,443.6

Modernization of the boiler unit No.16 at the power unit No. 9 with installation of an ignition control system equipped with shut-off devices as safety protection valves.	17,500
Modernization of the power unit No. 9 with replacement of shut-off and regulating valves.	21,345
<b>Iriklinskaya GRES</b>	
Installation of the filtration unit in the turbine condenser cleaning system of the power unit No. 1.	17,701
Construction of the bypass channel.	132,398
Modernization of the high-pressure cylinder of the turbine K-300-240 of the power unit No. 1 with the installation of cellular seals.	9,000
Modernization of regenerative air heaters at the power unit No. 3.	24,257
<b>Kashirskaya GRES</b>	
Reconstruction of the ash dump	143,130
Reconstruction of the control system of shut-off and control valves for gas distribution stations to enable using control from the facility switchboards at the power units No. 5 and No. 6.	12,941
Equipping of feed electric pumps and feed turbo pumps of the power units No. 1, 2, 4, 5, and 6 with the automated vibration control and diagnostics system; modernization of the top level of the automated vibration control and diagnostics system Vector at the power units No. 1, 4, and 6.	13,000
<b>Urengojskaya GRES</b>	
Purchase and installation of pre-filter on turbine condenser circulation pipelines at the units No. 1 and No. 2.	7,419
Construction of the level crossing signaling system for the crossing at the spur track to UGRES at the intersection with the road Noviy Urengoy – Korotchaevo.	8,569

### **CJSC Nizhnevartovskaya GRES**

Modernization of the intermediate-pressure cylinder with the replacement of the intermediate-pressure rotor at the unit No. 1;

Modernization of the software and hardware complex of the automated process control system at the power unit No. 1;

Modernization of the gas supply system at the power unit No. 1, including gas distribution station No. 1;

Replacement of air circuit breakers ORU 220 kV with sulfur-hexafluoride circuit breakers;

Replacement of direct-current boards 1EE, and 1EG at the power unit No. 1;

Modernization of the main steam fusion points of the boiler TGMP-204KhL at the power unit No. 1;  
 Modernization of start-up spray-type desuperheaters of hot reheat bypasses and steam hooks at the power unit No. 1.

## VIII. FINANCIAL ACTIVITIES

### Analysis of financial performance

Revenue of JSC OGK-1 in 2010 increased by 14,019 million rubles (33.03%) and based on the year results amounted to 56,467 million rubles comparing with 42,448 million rubles in 2009. Such a significant increase in revenue was caused by the improved conditions in the energy markets, as reflected in increased sales of electric energy, both in the free market and in the growth of prices.

Aggregated Profit and Loss Statement for 2009-2010, million rubles

Item	2010	2009	Rate of growth in 2010/2009, %
Revenue	56,467	42,448	33.03%
Production cost of the sold goods, products, work and services	(51,818)	(38,567)	34.36%
Gross operational profit	5,647	4,746	18.98
Profit/loss from sales	4,649	3,881	19.77
Other income and expenditures	(977)	(792)	23.27
Profit before tax	3,672	3,089	18.87
Profit tax income (expenditures)	(915)	(787)	16.23
Net profit/loss	2,757	2,302	19.78

Production cost of the sold goods, business and administrative expenses for 2010 increased in proportion to revenue growth by 13.3 billion rubles. (34.4%), to 51.8 billion rubles Increased operating costs is associated with the increase in fuel prices since January 2010, and additional purchases of fuel oil due to increasing loads in the areas of operations of OGK-1 in the first half of 2010.

As a result, gross profit amounted to 5,647 million rubles, profit before tax – 3,672 million rubles, and the net profit amounted to 2,757 million rubles comparing 2,302 million rubles in 2009 (an increase by 19.8%).

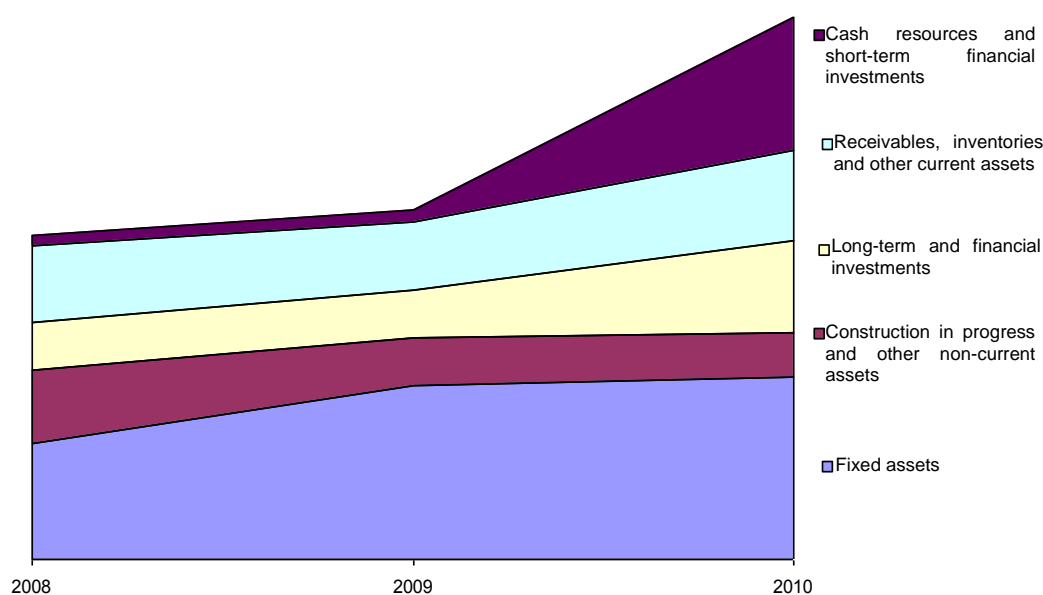
## Analysis of changed assets and liabilities

Aggregated balance, million rubles

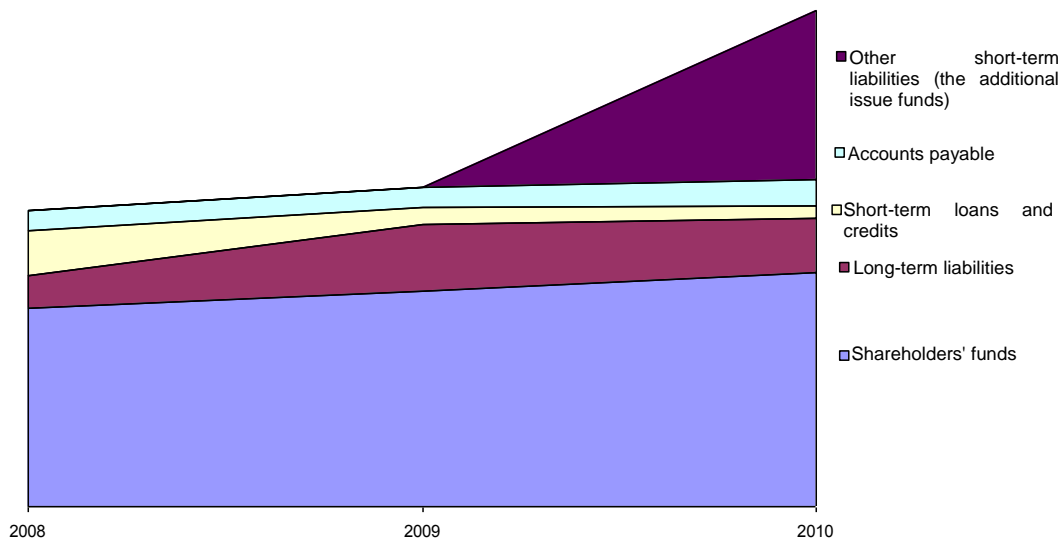
Item	2010	2009	Rate of growth in 2010/2009, %
Non-current assets	40,739	34,441	18.29
Current assets	28,544	10,294	177.28
<b>TOTAL ASSETS</b>	<b>69,283</b>	<b>44,735</b>	<b>54.87</b>
Equity	32,828	30,071	9.17
Long-term liabilities	7,481	9,069	-17.51
Short-term liabilities	28,974	5,595	417.84
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>69,283</b>	<b>44,735</b>	<b>54.87</b>

Total assets of JSC OGK-1 in 2010 increased by 24,548 million rubles. (54.9%), as of December 31, 2010 totaling 69,283 million rubles. (44,735 million rubles as of the end of 2009). The asset growth was caused by the funds obtained under the additional issue of shares of OGK-1: from INTER RAO UES in the amount of 21,278 million rubles and as part of exercising of the preemptive rights by the shareholders – 2,028 million rubles. Funds received as a result of the additional shares are intended to finance the investment project of construction of the Urengojkaya GRES.

### Changes in structure of the assets



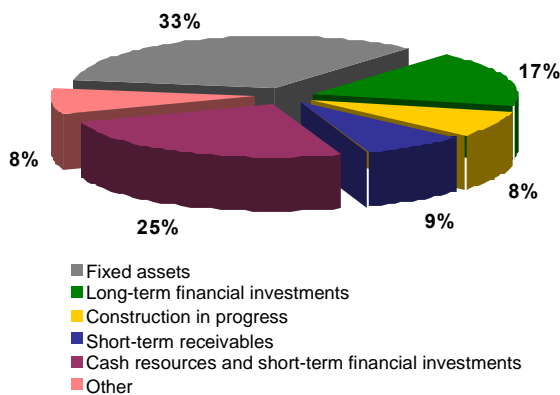
### Changes in structure of the liabilities



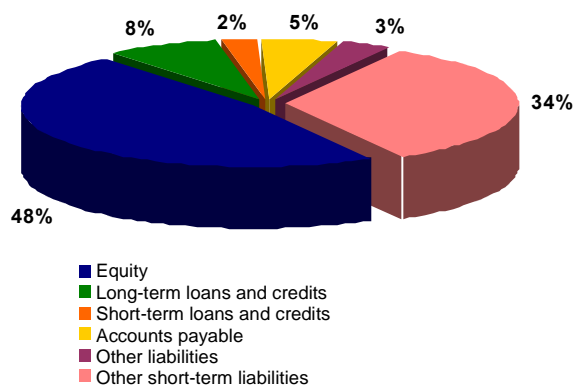
The cost of fixed assets of JSC OGK as of December 31, 2010 reached 23,342 million rubles, which is 5 percent higher than same in the preceding year. The largest share in the growth of fixed assets was associated with the commissioning of the 2nd and 3rd phases of the power unit No 3 at the Kashirskaya GRES, which also influenced the proportionate reduction of the volume of the construction in progress by 9.2 percent to 5,440 million rubles.

The increase in current assets, including highly liquid assets (financial investments and cash resources) from 10,294 million rubles at the end of 2009 to 28,544 million rubles at the end of 2010 was caused by receipt of funds during the additional issue, as well as due to exercising the pre-emptive rights.

### Structure of the assets of JSC OGK as of December 31, 2010



### Structure of the liabilities of JSC OGK as of December 31, 2010



The additional issue of shares of the Company also had a ripple effect on the structure of assets at the end of the reporting period. Since by December 31, 2010 the amendments to the Articles of Association relating to the additional emission had not been registered, increase in the authorized capital of OAO OGK-1 as of December 31, 2010 is not shown, and the funds received during the additional issue were attributed to short-term liabilities under the Other short-term liabilities item.

The lending book reduced to 7,222 million rubles as of December 31, 2010 (by 35%) in comparison to 11,026 million rubles as of the beginning of the reporting period. At the same time, the structure of the lending book was not changed: proportion of long-term and short-term loans remained the same as 75 percent and 25 percent respectively. Reducing of the lending book during the reporting period was caused both scheduled and early repayment of loans raised earlier for the construction project at the Urengojskaya GRES.

#### Condensed cash flow statement of JSC OGK-1 for 2009-2010, million rubles

Item	2010	2009
Net cash generated from operating activities	7,868	4,684
Net cash spent for investments	(21,291)	(5,136)
Net cash generated from financial activities	19,415	778
<i>including proceeds from issue of shares</i>	23,305	-
<i>including net procurement of loans and credits</i>	(3,745)	778

Increase in the authorized capital of OAO OGK-1 affected the structure of the cash flow statement in 2010 – influx from the own sources of funding significantly reduced the Company's need in borrowed assets.

Given the large cash flows from financing and investing activities, steady progress of net cash flow from operating activities is recognized, which resulted in a positive net cash flow.

## The Company's financial condition review

All financial indicators from now on are calculated on the basis of *adjusted balance*, it means that typical reclassification of assets in terms of its urgency and economic substance was performed. Specifically, long-term receivables are carried forward from current assets to non-current ones. In addition to that, funds in the volume of 23.3 billion rubles obtained as a result of additional share issue and carried as of 31.12.2010 through other short-term obligations are carried forward to capital and reserves.

### Profitability indices

#### Key earnings yield

Indicators	2010	2009	Growth rate 2010/2009, %
EBIT*, million rubles	4,148	3,287	26.17
EBITDA*, million rubles	6,178	4,576	35.03
Net profit, million rubles	2,757	2,302	19.78

\* EBITDA – earnings before taxes, interest payable and amortization  
EBIT – earnings before taxes and interest payable

Key earnings yield showed steady growth in 2009-2010, to a large extent it may be due to increase of effectiveness of the wholesale electrical energy and power market and improvement of business conditions on energy markets.

Relative profitability indices did not discover considerable growth compared to the absolute indices, it is largely determined by proportionate increase of receipts and expenses in terms of day-to-day operation.

#### Key profitability indices

Indicators	2010	2009	Growth/decrease rate 2010/2009, %
Return on sales according to EBIT, %	7.35%	7.74%	-5.15%
Return on sales according to EBITDA, %	10.94%	10.78%	1.50%
Return on assets (ROA), %	4.84%	5.35%	-9.60%
Return on equity (ROE), %	6.40%	7.97%	-19.77%

Return on assets and equity in the accounting period decreased; however, this decrease is temporary and in many respects occurred due to nonrecurring growth of equity capital and assets in the forth quarter of the fiscal year because of additional share issue. Besides, when reasons for indicated evolution being reviewed, it should be appreciated that growth of equity capital at the

end of 2010 could not have led to additional income of JSC OGC-1 in 2010; however, economic returns from shareholders' financial investments will be obtained as early as in the medium term, and consequently gradual increase of return on assets and equity is expected.

### *Turnover indices*

#### Key turnover indices

<b>Indicators</b>	<b>2010</b>	<b>2009</b>	<b>Growth/decrease rate 2010/2009, %</b>
Time of stock turnover, days	15.11	23.77	-36.43
Time of receivables turnover, days	33.25	46.63	-28.70
<i>including time of trade receivables turnover, days</i>	12.00	12.74	-5.84
Time of credit debts, days	20.62	23.52	-12.34
<i>including time of trade creditors turnover, days</i>	10.47	13.93	-24.85

Owing to significant growth of volume of exchanges and effective work related to receivables and credit debts management turnover indices showed a tendency for improvement in the accounting year.

### *Liquidity and financial stability figures*

#### Key liquidity figures

<b>Figures</b>	<b>2010</b>	<b>2009</b>	<b>Growth/decrease rate 2010/2009, %</b>
Absolute liquidity ratio	1.19	0.13	782.41
Current ratio	4.43	1.80	145.74

Significant growth of liquidity ratio in the accounting period is related to receipt of funds in the volume of 23.3 billion rubles within the framework of additional share issue. With a view of ensuring effective use of available cash assets, they have been placed into deposit accounts of the major Russian banks and channeled to obtain highly liquid papers. In future obtained funds will be channeled to implement of the Company's investment program according to building schedule that will induce reduction of the ratio to the specified level.

Due to simultaneous decrease of the Company's credit portfolio, reduction of current percentage rate and operating margin growth, debt load indices significantly improved. In addition to that, owing to additional share issue, internal funds related to sources of financing the Company's activities are considerably increased which is the basis for successful implementation of the Company's investment program.

#### Solvency and financial stability ratio

Indicators	2010	2009	Growth/decrease rate 2010/2009, %
Net debt at period's end, mln rubles	475.15	10,270.88	-95.37
Net debt / EBITDA	0.08	2.24	-96.57
EBITDA / Interest payable	5.77	3.20	79.94
Equity base on the liabilities side	0.81	0.67	20.53

On the whole, assets and business sources restructuring, as well as operating activities effectiveness review denotes sustainable development of the Company in the accounting period. Basic financial indicators show high financial stability and solvency of JSC OGK-1 as in short-term period, so as in the long run. Gains in JSC OGK-1 equity, growth of 2010 profitability and CFO indices create a base for successful implementation of the investment program and further development of the Company in the context of financial stability of external factors.

### **CJSC Nizhneartovskaya GRES' financial condition review**

The bulk of the long-term investments is JSC OGK-1 interest in share capital of NVGRES Holding Ltd. in the amount of 5.8 billion rubles (75% minus 1 share) that in its turn has a 100% stake in CJSC Nizhneartovskaya GRES (hereinafter referred to as CJSC NVGRES).

#### CJSC NVGRES Aggregate Profit-and-Loss Report, mln rubles

Indicators	2010	2009	Growth/decrease rate 2010/2009, %
Revenue	10,256	8,763	17.03
Current operating expenses	(8,425)	(7,538)	11.77
Net profit/loss	933	986	-5.34

## CJSC NVGRES Aggregate Balance Sheet, mln rubles

Indicators	2010	2009	Growth rate 2010/2009, %
Noncurrent assets	6,067	5,553	9.26
Current assets	3,539	2,950	19.94
<b>TOTAL ASSETS</b>	<b>9,606</b>	<b>8,503</b>	<b>12.96</b>
Equity	8,142	7,208	12.94
Long-term liabilities	751	43	1,657.69
Short-term liabilities	713	1,252	-43.02
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,606</b>	<b>8,503</b>	<b>12.96</b>

Aggregate balance sheet forms and profit-and-loss report review indicates sustainable development of the Company. Current operating funds produce growth of CJSC NVGRES assets, which reflects on increase of equity and reserves on the liabilities side and on the cash flow report.

Funds obtained from operating activities are accumulated for the purpose of the investment program implementation, i. e. commissioning of new generating facilities in 2012.

## CJSC NVGRES Aggregate Cash Flow Report

Indicators	2010	2009	Growth/decrease rate 2010/2009, %
Net cash from current operation activities	1,725	1,427	20.94
Net cash channeled to investment activities	(1,905)	(2,048)	-6.97
Net cash from financial activities	-	727	-100.00

## CJSC NVGRES key financial indicators

Indicators	2010	2009	Growth/decrease rate 2010/2009, %
EBITDA, million rubles	1,616	1,668	-3.11
Return on sales according to EBITDA, %	15.76%	19.03%	-17.21

Return on equity (ROE), %	12.16%	14.68%	-17.17
Net debt ratio to EBITDA	0.40	0.34	20.54
Interest payable coverage	25.58	38.63	-33.79
Average term for receivables coverage, days	42.98	31.72	35.48
Average term for credit debts coverage, days	18.29	15.19	20.46
Current ratio	4.43	1.80	145.74

In comparison to the industry average values, CJSC NVGRES profitability is at consistently high level. Financial coefficients that estimate the Company's ability to cover its financial liabilities denote high creditworthiness of CJSC NVGRES.

Considerable excess of circulating assets over short-term liabilities and foreseeability of the Company's cash flows minimize liquidity gap risks.

CJSC NVGRES (a subsidiary of JSC OGK-1) performance review adduced allows to expect an increase of economic return from the capital invested in the medium term.

## **IX. SUSTAINABLE DEVELOPMENT (CORPORATE AND SOCIAL RESPONSIBILITY)**

### **9.1. STAFF AND SOCIAL POLICY**

Personnel management policy in JCS OGK-1 is directed towards strategic goals to be achieved by virtue of improvement of human capital use.

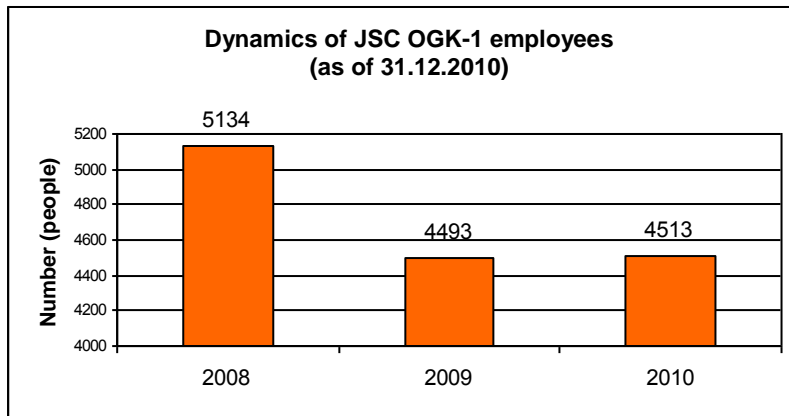
The main purpose of JSC OGK-1 staff policy is to introduce new approaches in terms of human resources management aimed at development of community-minded position of the Company as an employer which offers its employees favourable working conditions that guarantee health maintenance, professional development and better occupational awareness, succession and strengthening of powermen dynasties, as well as ensures decent life for energy industry workers while being retired.

Basic principles of staff policy are as follows:

- to ensure optimal employment of workers, maximum use of skills, experience, and intellectual potential of each worker, effective labour management and occupational safety;
- to raise standard of living for workers and their families, to create social and labour rights and guarantees that improve status of workers;

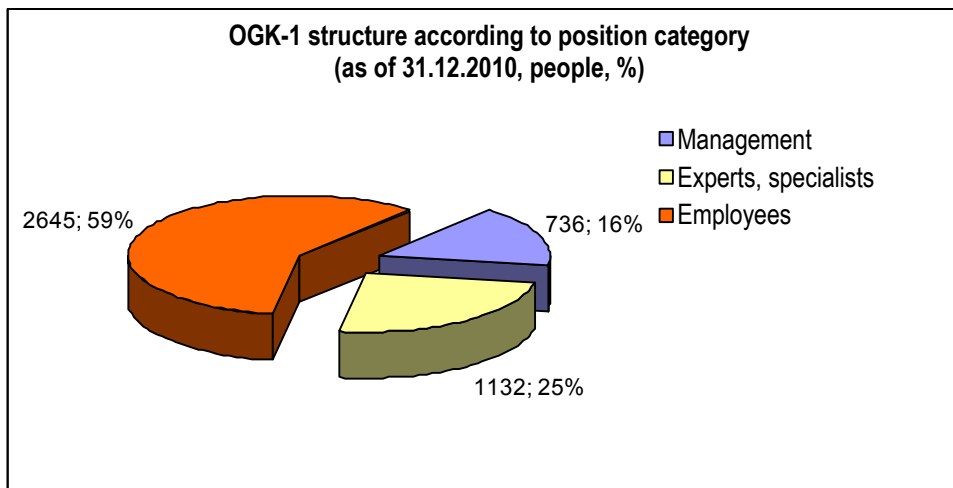
- to create appropriate conditions for effective professional and personal growth of workers, to develop motivation systems for high productive labour;
- flexible continuous dynamic development of staff management system that serves the Company's current interests.

As of December 31, 2010 number of JSC OGK-1 employees constitutes 4,513 people.



After number optimization procedure being carried out in 2009 largely related to administrative and support personnel, in 2010 number of employees increased to perform Urengojskaya GRES' PGU-450 construction works.

Number of workers who terminated employment in JSC OGK-1 in 2010 constituted 318 people.



14% of JSC OGK-1 personnel are employees at the age up to 30, 61% are specialists older than 30 years of age, 25% are older than 50.

High qualified employees with high educational level work for JSC OGK-1.

The bulk of JSC OGK-1 employees graduated from secondary and secondary vocational institutions (64%), 36% are highly educated.

## **Social benefits and guarantees**

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In 2010 JSC OGK-1 granted its employees entire package of social benefits and guarantees provided by the Collective Agreement. Employees were given material assistance in case of leave, hard financial situation and other cases (wedding, birth of a child, death of near relatives, etc.). The Collective Agreement provides voluntary health insurance, accident insurance, as well as a chance to arrange recreation in sanatorium-resort and other sanitary institutions for employees, off-the-job pensioners (veterans) and their family members.

Collective bargaining held in the Company at the end of 2010 in terms of JSC OGK-1's new Collective Agreement for 2011 became a part of the further development project related to the Company's social policy. In the course of collective bargaining key issues of social labour relations were considered, changes of labour legislation were discussed, interesting solutions and ideas for living standards of JSC OGK-1 stations' work collective to be improved were suggested.

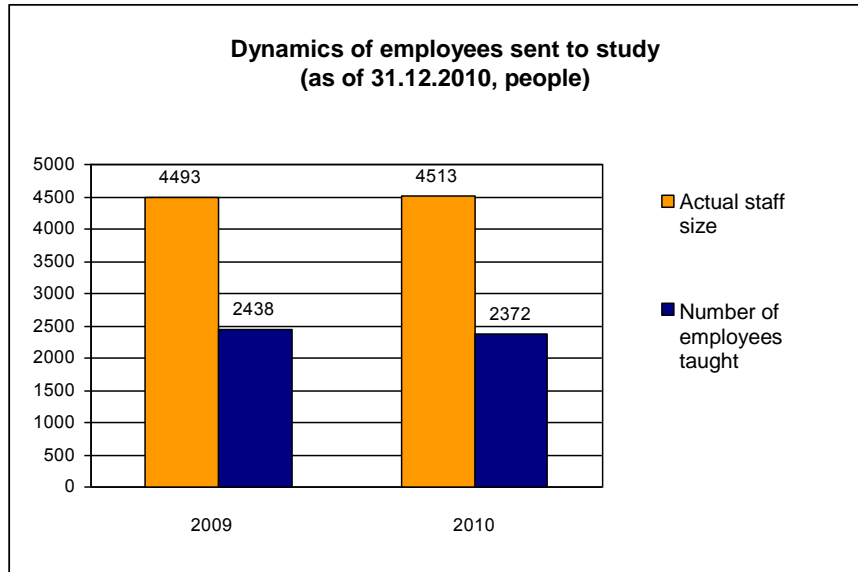
A new form of Collective Agreement was proposed to trade unions and work collectives of the branches. The unified Collective Agreement of JSC INTER RAO UES being the sole executive body of the Company was taken as the basis. The new Collective Agreement of JSC OGK-1 comprises 12 purpose-oriented social programs aimed to ensure life and labour safety for employees, health protection and social welfare, career development, young families support, child and pensioner care. In addition to the clearly defined goals, each program establishes indicators to estimate its efficiency.

In 2010 salaries were paid on time and in full. Throughout 2010 in accordance with the Sectoral Tariff Agreement indexing of monthly tariff rate was carried out on a quarterly basis.

## **Personnel training and development**

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Employees of the Company undergo training in leading specialized educational institutions provide preparation and staff development for fuel-and-energy workers, including MPEI (TU), NP CESC UES, PPEIPD, NSEE Mosenergo Educational Center, and other regional educational centers.



Besides, advanced training, pre-examination preparation, physical training, professional skills competition among employees of heat power plants are carried out on the base of JSC OGK-1's corporate training center "Training and Upskilling Center" Institution situated in the town of Dobryanka, the Perm Territory. In 2010 five teams composed of representatives of JSC OGK-1 branches took part in the annual Corporate Competition among multiple-skill crews of unit thermal power plants' operational personnel. All in all, 40 people participated in the competition.

To ensure continuous professional development, extension of in-service training opportunities, physical training in all branches of JSC OGK-1 specially equipped training classrooms have been assigned.

Within the framework of cooperation development with higher educational institutions, to create an external staff reserve JSC OGK-1 performs target preparation of students, production and pregraduation practice are arranged. In 2010 32 students studied under target agreements, 109 students did practical training, the "Energy Class" project was fulfilled. The project was intended for 11<sup>th</sup> class students of Dobyanka and Verkhniy Tagil towns in the number of 37 people.

In 2010 with the purpose of business-leaders training for advanced enterprises of JSC INTER RAO UES Group as well as development of intellectual potential of the youth and innovative technologies in electric power engineering, in collaboration with the Federal Agency for Youth Affairs seven employees of JSC OGK-1 participated in the international shift of All-Russian Educational Youth Forum "Seliger 2010". Following the results of the international shift activities reports were presented, information workshops with GRES employees were held.

## 9.2. CHARITY

OGK-1 extensively performs charity work. The Company considers this work as a part of corporate social activity that is one of the main qualities of a big company. Goodwill projects are aimed to create favourable social environment and to serve interests of employees and inhabitants of regions where OGK-1 carries out productive activities.

Branches of the Company and Nizhnevartovskaya GRES launch special projects intended to help veterans of electric power engineering, World War II veterans disabled included. In addition to that, GRES help social entities, educational institutions, and health care and cultural objects.

Special attention is paid to support mass and youth sports. An integral part of the Company's activities is regular internal sporting contest and sports events inhabitants of the towns where power plants are situated participate in.

OGK-1 performs charity works on the regular basis, it is intended to achieve the maximum effectiveness of aid rendered.

### 9.3. ENVIRONMENT PROTECTION

Electric energy production by means of organic fuel firing has a considerable effect on environmental conditions, that are atmosphere, water bodies, and land resources. Estimating ecological consequences of its activities JSC OGK-1 gives much attention to environment protection, minimization and compensation of the impact it makes.

Understanding the primary importance of protection from negative impact on natural environment from heat and power production, environmental professionals in their work follow requirements of environmental laws of the Russian Federation, fulfilling requirements of basic statutory acts: Federal Law "On environment protection" No. 7-FZ dated 10.01.2002; Federal Law "On protection of ambient air" No. 96-FZ dated 04.05.1999; Federal Law "On production and consumption waste" No. 89-FZ dated 24.06.1998; Water Code of the Russian Federation No. 74-FZ dated 03.06.2006, and other ecological statutory documents and standards.

#### Consumable resources

Main fuel for JSC OGK-1 is gas which following the results of 2010 constitutes 90.58% in the structure of fuel balance. Along with gas as main fuel Kashirskaya and Verkhnetagilskaya GRES use coal. Heating oil is used as back-up fuel at Verkhnetagilskaya, Irikhinskaya, Kashirskaya, Permskaya, and Nizhnevartovskaya GRES. Portion of burning of environmentally unfriendly types of fuel in 2010 constitutes 9.11% in terms of coal and 0.31% in terms of heating oil, that is lower than in 2009.

#### JSC OGK-1 fuel balance in 2009-2010

	Branch	Fuel total: thousand tons of reference fuel		Coal		Heating oil + oil fuel		Gas	
				% in the structure		% in the structure		% in the structure	
		2009	2010	2009	2010	2009	2010	2009	2010
1	Verkhnetagilskaya GRES	2,152.66	<b>2,688.25</b>	37.33	31.36	0.28	<b>0.2</b>	62.38	<b>68.44</b>
2	Irikhinskaya GRES	2,632.67	<b>3,660.91</b>	0	0	0.53	<b>0.67</b>	99.47	<b>99.33</b>
3	Kashirskaya GRES*	1,792.01	<b>2,515.20</b>	33.06	27.35	1.03	<b>0.9</b>	65.91	<b>71.75</b>

4	Permskaya GRES	3,743.76	<b>4,450.53</b>	0	0	0	<b>0.01</b>	100.0	<b>99.99</b>
5	Urengojkaya GRES	95.72	<b>89.44</b>	0	0	0.05	<b>0</b>	99.95	<b>100.00</b>
<b>Total for OJSC OGK-1 CJSC NVGRES excluded</b>		<b>10,416.8</b>	<b>13,404.32</b>	<b>10.08</b>	<b>9.11</b>	<b>0.28</b>	<b>0.31</b>	<b>89.64</b>	<b>90.58</b>
6	Nizhnevartovskaya GRES (CJSC NVGRES)	3,432.9	3,400.28	0	0	0	0.0	100.0	100.00
<b>Total for OJSC OGK-1 CJSC NVGRES included</b>		<b>13,849.7</b>	<b>16,804.6</b>	<b>10.08</b>	<b>9.11</b>	<b>0.28</b>	<b>0.31</b>	<b>89.64</b>	<b>90.58</b>

In 2010 fuel consumption increased owing to increased electric power output.

Coal proportion in the structure of JSC OGK-1 fuel balance decreased due to Verkhnetagilskaya and Kashirskaya GRES by 1.98% as compared to 2009. Use of natural gas in the structure of fuel balance increased by 1.95% in comparison with 2009 as electric power output increased by 9,275.407 mln kW\*h and heat supply increased by 44.34 Gcal.

### Environmental impact

In 2010 due to increased electric power output air pollution emissions increased by 14.085 thousand tons as regards 2009 from 83.481 thousand tons to 97.566 thousand tons.

Pollutant emissions into the atmosphere make the predominant action on environment. Emission dynamics in JSC OGK-1 branches depend on fuel balance changes.

Dynamics of air pollution emissions changes in 2009-2010 (thousand ton)

	<b>2009</b>	<b>2010</b>
Sulfur dioxide	20.195	22.015
Nitrogen oxides (in terms of NO <sub>2</sub> )	37.971	44.870
Furnace bottom ash	23.423	26.115
<b>Total</b>	<b>81.589</b>	<b>93.000</b>

Among priority orientations of JSC OGK-1 activities in the sphere of environmental protection is reduction of greenhouse gas releases. GRES is characterized by the following greenhouse gas releases arising from fuel burning: carbon dioxide (CO<sub>2</sub>), nitrous oxide (N<sub>2</sub>O), methane (CH<sub>4</sub>), insulating gas SF<sub>6</sub>. Over 99% of all releases fall on CO<sub>2</sub>.

In 2008 JSC OGK-1 introduced calculation methods for greenhouse gas releases on the basis of "Methodological instructions concerning calculation of gross greenhouse gas releases from thermal power plants and boiler houses" elaborated by JSC RAO UES Russia.

Volumes of greenhouse gas releases in 2009-2010

Fuel type	Fuel consumption, thousand tons of reference fuel		CO <sub>2</sub> releases, tons		NO <sub>2</sub> releases, tons		CH <sub>4</sub> releases, tons	
	2009	2010	2009	2010	2009	2010	2009	2010
<b>Gas</b>	12,420,678.0	15,223,195.0	7,980,637.74	24,383,243.8	14.00	44.62	0.00	183.3

<b>Oil fuel</b>	39,148.729	53,550.754	14,292.237	121,043.271	0.289	1.299	0.809	5.187
<b>Solid fuel</b>	1,396,048.0	1,531,024.0	2,167,493.0	4,439,232.38	32.98	62.81	23.55	44.87
<b>Total</b>	<b>13,855,874.7</b>	<b>16,807,769.8</b>	<b>10,162,423.0</b>	<b>28,943,519.4</b>	<b>47.27</b>	<b>108.7</b>	<b>24.36</b>	<b>233.4</b>

Increased greenhouse gas releases stem from increased electric and thermal energy output.

As stationary fuel-firing plants are the main emission sources, it is possible to reduce greenhouse gas releases by means of:

- reduced specific fuel discharge by construction of energy plants with high coefficient of efficiency (gas turbine plants, combined-cycle plants);
- actions intended to improve efficiency and reduce specific fuel discharge.

### Impact on water bodies

Water is a necessary resource for the Company to perform operating activities. Volume of water consumption by JSC OGK-1 power plants is about 3.392 billion m<sup>3</sup> a year, 89% of which is many times and repeatedly reusable waters.

To a large extent JSC OGK-1 branches draw water from surface sources: rivers, water storage basins, and do not have considerable impact on average annual volume of these water bodies. The Table shows general data in terms of water consumption in the Company as a whole.

Water consumption by JSC OGK-1 in 2010, mln m<sup>3</sup>

Source	Water taken	Water used			
		Total	including economic and drinking needs	including production needs	including other needs
<b>Total</b>	<b>3,968.688</b>	<b>3,965.214</b>	<b>4.775</b>	<b>3,960.398</b>	<b>0.04009</b>
From surface sources	3,966.286	3,963.074	2.677	3,960.397	-
From town water supply	0.745	0.745	0.704	0.001	0.0409
From underground sources	1.657	1.394	1.394	-	-

In 2010 due to increased electric energy output by Irikhinskaya GRES by 39.8%, water consumption increased by 2.2%. When output at Verkhnetagilskaya GRES increased by 26.4% as compared to 2009, water consumption from underground sources increased, it was caused by actual water use for economic and drinking needs of the town and condition of some water pipeline sections having been used more than 50 years.

### Reverse and recycling water supply

To preserve the environment and to ensure rational water use JSC OGK-1 applies reverse and recycling water supply systems, proportion of water consumption from it in the course of operating activities constantly increases.

Water consumption in reverse and recycling water supply systems, thousand m<sup>3</sup>

No.	Branch	2009		2010	
		Volume of reverse water supply	Volume of recycling water supply	Volume of reverse water supply	Volume of recycling water supply
1	Verkhnetagilskaya GRES	2,176,461.0	750.0	2,176,461.0	712.0
2	Irikliinskaya GRES	33,957.9	1,394.0	44,533.4	1,343.6
3	Kashirskaya GRES	826,412.0	15,000.0	672,800.6	12,544.0
4	Permskaya GRES	892.6	3,046.6	115,731.570	2,977.580
5	Urengojskaya GRES	19,271.5	76.7	19,053.9	72.800
<b>Total for JSC OGK-1 CJSC NVGRES excluded</b>		<b>3,056,995.0</b>	<b>20,267.3</b>	<b>3,028,580.5</b>	<b>17,649.98</b>
6	Nizhneartovskaya GRES (CJSC NVGRES)	0	604.6	0	555.390
<b>Total for JSC OGK-1 CJSC NVGRES included</b>		<b>3,056,995.0</b>	<b>20,871.9</b>	<b>3,028,580.5</b>	<b>18,205.37</b>

### Polluted and treated water discharge

The bulk of discharged water (99.8%) falls on cooling water qualified as partially clean water that does not require treatment. Permskaya and Irikliinskaya GRES enjoy drainless water use systems.

Dynamics of polluted and treated water discharge in 2009-2010 (mln m<sup>3</sup>)

Type of waste water	2009	2010
Pollution without cleaning	3.153	3.153
Cleaned biologically	2.917	2.946
Cleaned mechanically	0.870	1.160
Partially clean (without treatment)	3,932.72	3,824.785

Increased discharge of biologically treated water relates to increased electric power output.

### Waste products

There 121 waste types in the branches of JSC OGK-1, among them:

- 1<sup>st</sup> class of hazard (4 types), in general liable to recycling;
- 2<sup>nd</sup> class of hazard (one type) – recycling;
- 3<sup>d</sup> class of hazard (28 types) – recycling, sterilization, use, burial, storage;
- 4<sup>th</sup> class of hazard (40 types) – burial, storage, use;
- 5<sup>th</sup> class of hazard (nonhazardous) – storage, burial, use.

Generation and placement of production and consumption waste, 2009-2010 (tons)

Waste name	Waste production, tons	Utilized wastes, tons during the year	Availability for year end, tons
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	2009	2010	2009	2010	2009	2010
<b>TOTAL:</b>	<b>689,313.75</b>	<b>772,716.09</b>	<b>67,883.59</b>	<b>102,098.87</b>	<b>50,806,222.8</b>	<b>51,476,739.1</b>
<b>Under the first hazard class</b>	6.764	5.258	6.677	5.388	0.169	0.039
<b>Under the second hazard class</b>	31.335	3.523	0	0.350	2.601	1.351
<b>Under the third hazard class</b>	355.349	188.079	58,271	57.430	381.980	429.698
<b>Under the fourth hazard class</b>	3,769.471	3,903.608	2,740.865	2,790.493	123,436.08	124,549.09
<b>Under the fifth hazard class</b>	685,150.83	768,615.63	65,077.77	99,245.21	50,682,402.0	51,351,759.0

Dynamics of waste production directly depend on proportion of coal firing. The bulk of wastes (99%) fall on ash products from coal firing at Verkhnetagilskaya and Kashirskaya GRES (5<sup>th</sup> class of hazard). In 2010 production waste increased significantly due to increased proportion of coal fired at Verkhnetagilskaya GRES. All in all, ash products from coal firing at the two plants constituted 726,768.367 tons a year, from these 93,981.152 tons were sold. Overall, at the end of 2010 available ash products from coal firing amounted to 51,338,058.170 tons.

### Waste recycling

In branches of JSC OGK-1 1<sup>st</sup> hazard class waste is liable for recycling, i.e. products, devices, equipment lost its consuming properties, containing mercury (mercury lamps, luminous old tubes containing mercury, defects); for this purpose third-party companies that have appropriate licenses get involved.

At Verkhnetagilskaya GRES and Kashirskaya GRES that use coal as fuel waste recycling is a severe problem owing to extreme fullness of ash-disposal areas.

Thus, processing and sales of ash products (hereinafter referred to as AP) is an important direction of JSC OGK-1 activities. This issue is one of the Company's significant ecological risks. Consequently an integrated program was elaborated and implemented during 2010, it consists of 4 areas:

- sales of ash products from ash-disposal areas;
- dry intake and sales of ash from electrostatic precipitators;
- construction of manufacturing facilities to process AP into commercial output;
- intake and sales of microspheres which is a product arising from coal firing and being of great value.

In 2010 Kashirskaya GRES sold to outside consumers 81,008.822 tons of ash that is more than 55.5% of annual amount of 5<sup>th</sup> hazard class waste and 97.7% of 5<sup>th</sup> hazard class waste being sold to outside agencies.

Verkhnetagilskaya GRES sold to outside consumers 12,972.33 tons of ash that is 2.1% of the annual amount of 5<sup>th</sup> hazard class waste and 91.63% of 5<sup>th</sup> hazard class waste being sold to outside agencies. Since 2009 Verkhnetagilskaya GRES implements an integrated project related to ash products selling to outside agencies that results in increased free space of ash-disposal area No. 2.

## Expenses connected with environment protection

### *Volumes of financing of environmental protection policy*

In 2010 current expenses connected with JSC OGGK-1 environment protection including expenses for environmental protection measures, amortization of fixed assets intended for nature protection purposes, discharges and waste exchange services amounted to 302.189 mln rubles in terms of JSC OGGK-1 and 102.691 mln rubles in terms of CJSC Nizhnevartovskaya GRES.

### *Payments for negative effect*

2010 payments for negative effect on the environment decreased as compared to 2009 and made 2.235 mln rubles for JSC OGGK-1, it is due to diminution of excessive payments.

### *Payments for negative effect*

2010 payments for negative effect on the environment decreased as compared to 2009 by 857.67 thousand rubles, this is due to diminution of excessive payments.

Overall payments for negative effect on the environment for 2009-2010 punitive sanctions included (thousand rubles)

<b>JSC OGGK-1</b>	<b>2009</b>	<b>2010</b>
<b>Environmental payments, total</b>	<b>24,402.1</b>	<b>22,167.045</b>
including:		
<b>for allowable emissions and releases</b>	<b>15,152.7</b>	<b>13,051.703</b>
including payments for emissions and releases above the allowable level	6,953.2	2,219.7
<b>for waste emplacement</b>	<b>9,249.4</b>	<b>9,115.342</b>
including payments for above the allowable waste emplacement	645.857	0.154
Fines	10.0	45.0
<b>CJSC Nizhnevartovskaya GRES</b>		
<b>Environmental payments, total</b>	<b>8,031.900</b>	<b>4,085.800</b>
including:		
<b>for allowable emissions and releases</b>	<b>7,962.1</b>	<b>3,974.1</b>
including payments for emissions and releases above the allowable level	0	0
<b>for waste emplacement</b>	<b>69.8</b>	<b>111.700</b>
including payments for above the allowable waste emplacement	0	0
Fines	5.0	0

Decreased payments in comparison with the previous year by 3.9 mln rubles in terms of CJSC Nizhnevartovskaya GRES is due to decreased fuel firing and technological solution concerning mercury discharge in water bodies.

### Environmental protection measures

The most important environmental problem of power industry is air pollution. It is especially true for plants burning coal. All JSC OGGK-1 electric power plants act within the framework of standards for allowable (nonhazardous) discharge amount. Verkhnetagilskaya GRES which has temporarily agreed emissions of coal ashes exceeds it a bit. It is due to the following reasons:

outdated equipment, specific character of fuel (Ekibastuz coal), low tubes, topographic features of the local area. The Company made a decision to re-equip the first, second and third boilers of Verkhnetagilskaya GRES with new ash catching devices.

The most important environmental protection activities carried out by JSC OGK-1 in 2010 in respect of the plant are as follows:

#### **Verkhnetagilskaya GRES**

- Project development for technical re-equipment of ash disposal system of boilers, st. No. 7-11.
- Updating of ash catching device of PK-14 boiler unit, st. No. 3.
- Technical re-equipment of ash disposal system of boiler units No. 8, 9.

#### **Iriklinskaya GRES**

- Development of action plan as for switching to integrated water supply system with elaboration of bypass canal project and bypass canal construction at IGRES.

#### **Kashirskaya GRES**

- Putting into operation of selective non-catalytic reduction (SNCR) plant, unit No. 3.

#### **Permskaya GRES**

- Updating of gas analysis devices for power units No. 1, 2.
- Reconstruction of neutralization tanks No. 1, 2 of the "Neutralization unit".

#### **CJSC Nizhnevartovskaya GRES**

- Technical documentation preparation, agreement and approval in terms of CJSC NVGRES waste disposal sites and technical and economic reasons for closing and reclamation of waste disposal sites.

## **9.2. STAFF AND SOCIAL POLICY**

Personnel management policy in JCS OGK-1 is directed towards strategic goals to be achieved by virtue of improvement of human capital use.

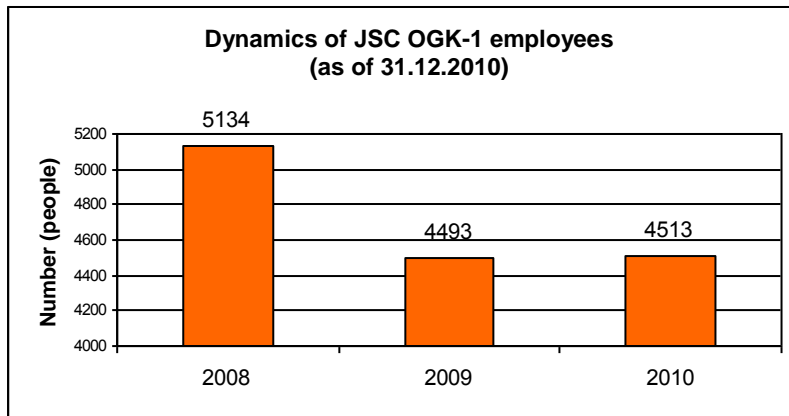
The main purpose of JSC OGK-1 staff policy is to introduce new approaches in terms of human resources management aimed at development of community-minded position of the Company as an employer which offers its employees favourable working conditions that guarantee health maintenance, professional development and better occupational awareness, succession and strengthening of powermen dynasties, as well as ensures decent life for energy industry workers while being retired.

Basic principles of staff policy are as follows:

- to ensure optimal employment of workers, maximum use of skills, experience, and intellectual potential of each worker, effective labour management and occupational safety;
- to raise standard of living for workers and their families, to create social and labour rights and guarantees that improve status of workers;

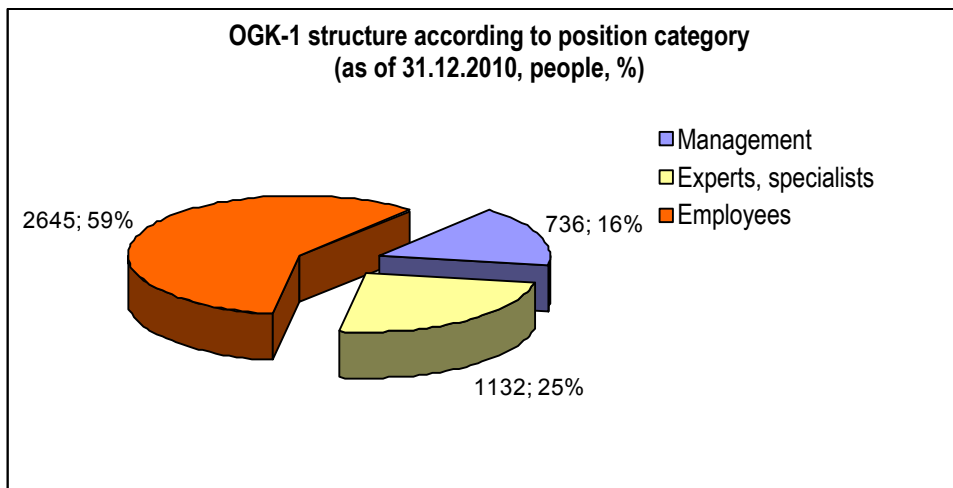
- to create appropriate conditions for effective professional and personal growth of workers, to develop motivation systems for high productive labour;
- flexible continuous dynamic development of staff management system that serves the Company's current interests.

As of December 31, 2010 number of JSC OGK-1 employees constitutes 4,513 people.



After number optimization procedure being carried out in 2009 largely related to administrative and support personnel, in 2010 number of employees increased to perform Urengojskaya GRES' PGU-450 construction works.

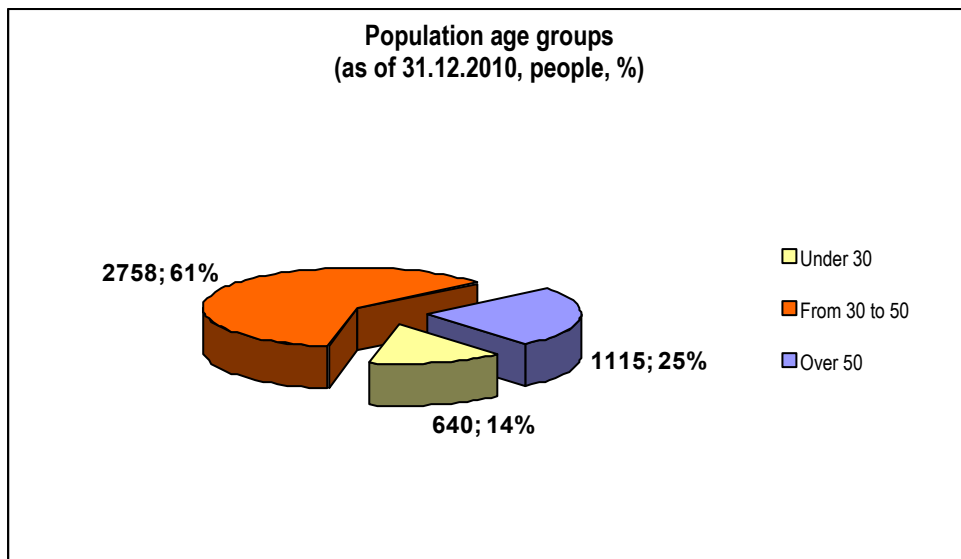
Number of workers who terminated employment in JSC OGK-1 in 2010 constituted 318 people.



14% of JSC OGK-1 personnel are employees at the age up to 30, 61% are specialists older than 30 years of age, 25% are older than 50.

High qualified employees with high educational level work for JSC OGK-1.

The bulk of JSC OGK-1 employees graduated from secondary and secondary vocational institutions (64%), 36% are highly educated.



### Social benefits and guarantees

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In 2010 JSC OGK-1 granted its employees entire package of social benefits and guarantees provided by the Collective Agreement. Employees were given material assistance in case of leave, hard financial situation and other cases (wedding, birth of a child, death of near relatives, etc.). The Collective Agreement provides voluntary health insurance, accident insurance, as well as a chance to arrange recreation in sanatorium-resort and other sanitary institutions for employees, off-the-job pensioners (veterans) and their family members.

Collective bargaining held in the Company at the end of 2010 in terms of JSC OGK-1's new Collective Agreement for 2011 became a part of the further development project related to the Company's social policy. In the course of collective bargaining key issues of social labour relations were considered, changes of labour legislation were discussed, interesting solutions and ideas for living standards of JSC OGK-1 stations' work collective to be improved were suggested.

A new form of Collective Agreement was proposed to trade unions and work collectives of the branches. The unified Collective Agreement of JSC INTER RAO UES being the sole executive body of the Company was taken as the basis. The new Collective Agreement of JSC OGK-1 comprises 12 purpose-oriented social programs aimed to ensure life and labour safety for employees, health protection and social welfare, career development, young families support, child and pensioner care. In addition to the clearly defined goals, each program establishes indicators to estimate its efficiency.

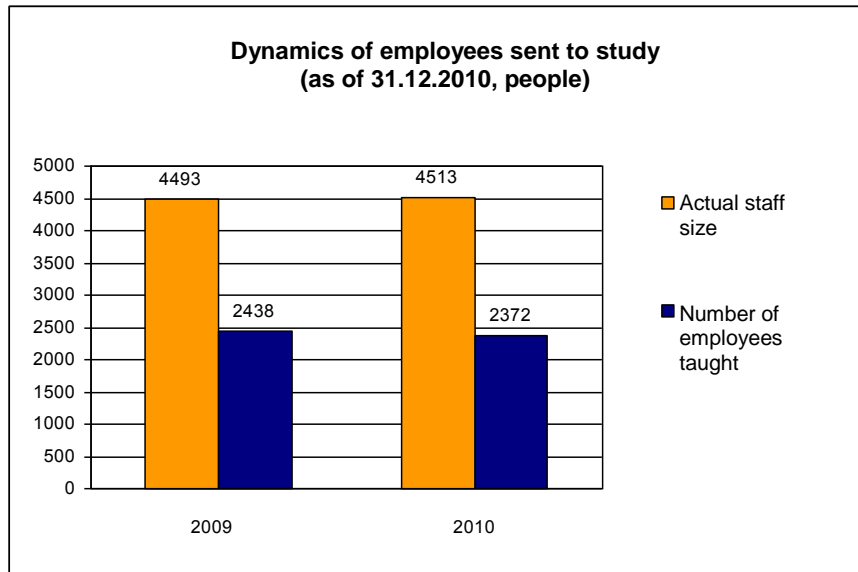
In 2010 salaries were paid on time and in full. Throughout 2010 in accordance with the Sectoral Tariff Agreement indexing of monthly tariff rate was carried out on a quarterly basis.

### Personnel training and development

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Employees of the Company undergo training in leading specialized educational institutions provide preparation and staff development for fuel-and-energy workers, including MPEI (TU),

NP CESC UES, PPEIPD, NSEE Mosenergo Educational Center, and other regional educational centers.



Besides, advanced training, pre-examination preparation, physical training, professional skills competition among employees of heat power plants are carried out on the base of JSC OGK-1's corporate training center "Training and Upskilling Center" Institution situated in the town of Dobryanka, the Perm Territory. In 2010 five teams composed of representatives of JSC OGK-1 branches took part in the annual Corporate Competition among multiple-skill crews of unit thermal power plants' operational personnel. All in all, 40 people participated in the competition.

To ensure continuous professional development, extension of in-service training opportunities, physical training in all branches of JSC OGK-1 specially equipped training classrooms have been assigned.

Within the framework of cooperation development with higher educational institutions, to create an external staff reserve JSC OGK-1 performs target preparation of students, production and pregraduation practice are arranged. In 2010 32 students studied under target agreements, 109 students did practical training, the "Energy Class" project was fulfilled. The project was intended for 11<sup>th</sup> class students of Dobyanka and Verkhniy Tagil towns in the number of 37 people.

In 2010 with the purpose of business-leaders training for advanced enterprises of JSC INTER RAO UES Group as well as development of intellectual potential of the youth and innovative technologies in electric power engineering, in collaboration with the Federal Agency for Youth Affairs seven employees of JSC OGK-1 participated in the international shift of All-Russian Educational Youth Forum "Seliger 2010". Following the results of the international shift activities reports were presented, information workshops with GRES employees were held.

## **X. FACTORS AND RISKS INFLUENCING ACTIVITY OF THE COMPANY**

The main goals of the Company's business development are to preserve the leading position on the Russian energy market, to ensure power and efficiency growth, internal capacity building and rise in the Company's value. These key points determine higher priority of risk management procedures in the Company's activities. In the accounting period JSC OGK-1 continued to improve risk management integrated system using the best world practices and in accordance with requirements of the Russian law.

In 2010 the Board of Directors approved Provision on JSC OGK-1 risks management specifies the main goals, principles, and approaches to risk management, as well as the concept of integrated corporate risk management.

Pursuant to the decision of the senior management bodies, the "pilot" project on creation of integrated system of risk identification and management at Permskaya GRES, a branch of JSC OGK-1, launched in 2009 have been implemented in 2010 and nowadays. This project takes into consideration all the list of potential risk events and methods of risk prediction as a result of management decisions for the production branch. Methodological support for the "pilot" project is carried out in accordance with corporate risk management policy established in JSC OGK-1. When the "pilot project" has been carried out, the risk management system is expected to be introduced to other production divisions of the Company.

According to the results of 2010 there are key risk factors that have an impact on JSC OGK-1 activities as follows.

### **Factors related to reforms in power industry**

The most significant factors which in 2010 influenced activity of JSC OGK-1 in connection with reforming of the power industry were:

- continuing reforms in the power industry, including liberalization of internal electricity market (IEM) in accordance to which free segment in the IEM constituted 80% from July 2010.
- electric power futures sales start at Moscow Power Exchange;
- work activation related to long-term power market (LTPM) launch;
- maintenance of positive dynamics of increased energy consumption throughout Russia in the fourth quarter of 2010 in comparison with the same period of the past year.

Continuing liberalization of the IEM increases the volume of electric energy and power purchased by the Company in the free segment of the IEM, increasing market risks and encouraging the Company to look for new instruments to lower these risks.

### **External factors**

Among factors that can produce negative effect on sales of the products by the Company are external factors determined by political and economic conditions in this country and regions where JSC OGK-1 performs its activities (country risks).

JSC OGK-1 is registered as a taxpayer in Tyumen, however, besides Tyumen oblast, the Company's power plants generating electricity and heat are situated in other regions of the Russian Federation, particularly in the European part of the country and in the Urals. Business diversification allows speaking about stability of the Company and its less exposure to regional risks. Political risks in the regions where JSC OGK-1 performs its activities are related to changes of regional laws, regional tariff-making.

At present time the Russian Federation continues reforms intended to create and develop legislative, economic, and financial systems. The Russian Federation is characterized by some features of developing market, such as inconvertibility of the Russian ruble in most countries and high inflation. Russian current tax, currency and customs laws allow different interpretation and prone to frequent changes.

Actions of JSC OGK-1 planned in the case of negative impact of changes in the country and the region on its activities provide a number of measures concerning anti-crisis management in order to reduce the negative effect of the situation upon business financial results to the extent possible.

### **Trade (price) risks**

Current pricing environment of the power markets where the Company performs its activities is characterized by rather high level of uncertainty.

One of the most considerable risks while power industry trade activities being carried out is zero prices in the free market (FM). With the purpose to decrease zero prices risk the Company performs actions concerning bilateral agreements stipulate fixed prices.

In terms of price risk reduction activities JSC OGK-1 exercises control of trading portfolio intended to ensure profitability from business at the level defined by JSC OGK-1 Business Plan, as well as to improve competitive ability of the Company, particularly by increased value of electric energy and power sold on IEM and produced by the own generating equipment under liberalized contracts for electric energy and power sales.

### **Industry risks**

According to assessment of the Company, the following industry risks are the most important for JSC OGK-1:

*1.* Operational risks related to equipment shutdown/failure, including loss of energy supply reliability, electric energy production failure, and reduced capacity of generating plants. JSC OGK-1 actions aimed at reduction of the given risk provide technical re-equipment and reconstruction of fixed assets, reconstruction of active generating facilities and building of the new ones, as well as property insurance for the purpose of damages reparation.

*2.* Reduction of overall production

This risk arises when a demand for electric energy decreases. Due to many factors regarding uncertainty and difficulty in terms of time prediction when the demand for electric energy starts to return, JSC OGK-1 considers this industry risk as the most sensitive. Primary risk management actions are intended to reduce cost of production, to enter into long-term energy supply contracts and to diversify liberalized contracts for energy supply according to industries and regions.

*3.* Slowing down the electricity tariff growth rate.

This risk is concerned with possible establishment of tariff lower than economically grounded level and with possible electricity tariff growth rate which is lower in comparison with fuel growth rate; it can cause decreased profitability of sales on the controlled segment of IEM. As proportion of IEM free segment increases, impact of this risk on JSC OGK-1 decreases.

#### 4. Risks related to fuel price escalation

Fuel expenses are the main point in the cost of energy production, that's why risks concerned with escalation of energy products and its transportation prices can impair financial and economic state of the Company. JSC OGK-1 actions aimed at reduction of the given risk provide are intended to diversify fuel suppliers, to take part in organization and conduct of gas exchange trade, to develop trading function, to predict development of the FM situation in short- and long-term perspective, to enter into long-term contracts with suppliers under the prices agreed upon beforehand taken into consideration upon tariff establishment.

#### **Legal risks**

As legal risks that can influence business of the Company can be classified risks related to changes of currency exchange regulation, change of tax laws, changes of licensing procedures for JSC OGK-1 core business or right of use of objects which are limited in number (including natural resources), and changes of court practice.

JSC OGK-1 carries out regular monitoring of amendments introduced to tax legislation, assesses and predicts how these changes can influence its activities. If court practice changes in respect of issues related to JSC OGK-1 business, financial and operating activities will be planned with the view of these changes.

#### **Risk of counterparties default of obligations (Credit risk)**

To avert the risk of counterparties default of obligations and to minimize possible losses JSC OGK-1 carries out credit risk management when dealing with outside counterparties (buyers suppliers), with its subsidiaries (in cases of intragroup financing), as well as with financial institutions, including banks and insurance companies.

Despite the fact that the critical phase of the financial crisis terminated, uncertainty related to further development of the largest world economies does not allow to make reliable positive forecast in respect of the Russian economy as well. In this regard, JSC OGK-1 still considers nonpayment risk for trade activities on the territory of the Russian Federation as significant. To minimize losses JSC OGK-1 undertakes preventive measures: counterparties being analyzed in terms of solvency, creditworthiness and financial stability on the whole, receivables monitoring being carried out on the regular basis. In addition to that, while entering into agreement JSC OGK-1 applies instruments allow to reduce credit risks (advance payments, letters of credit, bank guarantees). The same actions are also undertaken in the course of procurement activity.

Monitoring solvency of the subsidiaries is carried out within business planning and budgeting. Nonpayment risks in terms of intragroup operations the Company considers as minimal.

Credit risk management while dealing with financial institutions, particularly with contracting banks, is also subject to the established Credit policy. Monetary resources placement operations are performed only within the limits fixed on the basis of the current financial stability of lending agencies.

Due to actions being undertaken liability of the Company to credit risk is placed within controlled limits.

#### **Risk of change of interest rates (interest risk)**

Interest risk deals with loan service expenses related to floating interest rate credits, portion of which is significant in the credit portfolio of JSC OGC-1. Interest expense for these credits depends on change of MOSPRIME Moscow Interbank Offered Rate.

In 2010 credit resources value for Russian loaners followed the tendency formed on international financial markets. To hasten overcoming the crisis and stimulate their own economies, governments of most countries kept discount rates at a minimum. As a result of this policy interbank rates have been decreasing practically through the whole year. Particularly, in 2010 3 months maturity MOSPRIME Moscow Interbank Offered Rate decreased from 7% to 4%, and in October it reached its minimum value of 3.73%.

On the whole, in 2010 interest rate dynamics exerted positive influence upon performance indicators, however, with the view of global inflation growth and the fact that in 2010 rates were at the historical minimum, the most possible scenario for 2011 is a scenario of gradual growth of debt financing value. Possible occurrence of these risks in 2011 can exert negative influence upon JSC OGC-1 activities.

Besides, interest risk comes into being upon revision of crediting rates for borrowing costs at the moment of its refinancing. Given that borrowing costs are drawn on long-term basis, risk of crediting rates revision in the short-term perspective is considered to be insignificant.

Within limits of interest risk management the Company carries out analyzing and forecasting of potential losses as result of negative changes of interest rates on the basis of such techniques, as GAP-analysis, scenario modeling, and stress testing.

For the limiting of its subjection to interest risk the Company increases term of loans, reduces the frequency of loan interest rates revision, provides options of early loans repayment in the contracts and also considers a possibility of use of derivative financial instruments for interest risk hedging.

On the whole, with the view of actions undertaken to reduce interest risk, at present it can not exert significant influence upon JSC OGC-1 ability to fulfill its obligations.

#### **Risk of inflation rate change (inflation risk)**

According to the data of the Federal State Statistics Service, inflation index in 2005 was 10.9%, in 2006 – 9.0%, in 2007 – 11.9%, in 2008 – 13.3%, in 2009 – 8.8%, in 2010 – 8.8%. Pursuant to the forecast of the Ministry of Economic Development of the Russian Federation, in 2011 inflation is expected to be 6-7%.

Decline in inflation as compared to the past years has a positive impact on JSC OGC-1 activities, because it helps to reduce credit resources value and decreases a number of other risks indicated below.

Negative impact of inflation upon JSC OGK-1 financial and business activities can be caused by the following risks:

- risk of loss related to loss in actual value of receivables when payment was postponed or delayed for a long time;
- risk of increase of interest payable;
- risk of first cost increase for goods, products, work, services due to increase of energy products cost, transportation expenses, wages, etc.;
- risk of investment program cost increase.

Significant exceed of actual inflation levels over the expected ones and formation of galloping inflation (25-30% a year), risk of which is kept real by uncertain perspectives of the world financial and economic crisis termination, can have its negative impact on JSC OGK-1 profitability.

In case of considerable exceed of estimated inflation levels, JSC OGK-1 will undertake measures to optimize expenses and to increase proceeds response rate on inflation growth.

Under current conditions of realization of trade activities Company attaches special importance to risk management at all levels of business management. Risk management methods applied by JSC OGK-1 involve reduction (minimization), acceptance, rejection, and passing. One of the most effective mechanisms of risk management is its passing by virtue of insurance.

Strategic missions of JSC OGK-1 concerning insurance are:

- Maintenance of reliable guarantees of remedy for loss and damage decrease caused to Company as a result of technological failures, acts of nature, actions of the third parties and other unforeseen events by means of improvement of quality of insurance agreements and optimization of claims settlement process;
- Minimization of Company financial resources, directed on liquidation of natural and technogenic failures consequences and other adverse events at the expense of use of insurance mechanism;
- Increase of investment attractiveness of the Company by preservation and maintenance of guaranteed size of assets through use of mechanisms of insurance and reinsurance of the Insurer responsibility in insurance companies gained high international rating in terms of financial reliability;
- Increase of social protection level and level of Company personnel motivation, their life and health protection by means of conclusion voluntary medical insurance agreements and industrial accident and diseases insurance.

Insurance is carried out by the Company both on obligatory basis (according to legislation requirements) and on voluntary basis.

Obligatory insurance includes: Insurance of public liability of organizations that use dangerous industrial objects, insurance of public liability of organizations that use hydraulic engineering constructions, automobile owners' obligatory insurance of public liability.

The following types of voluntary insurance are offered: Property insurance against all risks and equipment against damages, transport facilities, employees against accidents, and medical insurance of employees.

As of today among above mentioned types the most important for JSC OGK-1 strategic tasks solution are property insurance against all risks and equipment against damages.

In 2010 replacement cost of branches' property and risks for the purpose of insurance were assessed. On the basis of results obtained, new actual insured amounts and insured limits related to risks according to which the Company concluded a property insurance contract were defined.

## XI. PROFIT DISTRIBUTION AND DIVIDEND POLICY

In 2008 the Board of Directors of JSC OGK-1 approved Provision on dividend policy of the Company (the Minutes dated 28.04.2008) that determines procedure related to decision-making on dividend payout (announcement), payout conditions, dividend rate calculation procedure, and direct dividend payout procedure, including terms, place, outpayment form, as well as liability of the Company for dividend payout.

Dividend policy is based on strict observance of shareholders' rights provided by the RF current laws, Articles of Association, and internal documents of the Company and aimed at increase of investment attractiveness of the Company, its capitalization, and maximum satisfaction of rights and interests of its shareholders through growth of share price and rise of dividend payments.

### Dividend policy of the Company is based on the following principles:

- Compliance of the Company's practice concerning dividend distribution and payout with the RF laws and the best standards of corporate conduct;
- Satisfaction of shareholders' interests;
- Maintenance of financial and technical state of the Company at of the required level, ensuring development perspectives for the Company;
- Necessary increase of investment attractiveness of the Company and its capitalization;
- Ensuring transparency (clarity) of mechanism related to assessing of dividend amount for shareholders and managers.

The source of dividend is the Company's profit after tax (net profit of the Company). Dividends on preferred shares of certain types can be also paid from special funds of the Company formed for these purposes beforehand.

### Information on dividends paid and announced

Period	Dividends per share, rubles	Total amount of dividends announced, thousand rubles	Total amount of dividends paid, thousand rubles
9 months of 2005	0.001406	23,598	23,598
1 <sup>st</sup> quarter 2006	0.0025043	42,031	42,031
6 months of 2006	0.003571	59,934	59,934
1 <sup>st</sup> quarter 2007	0.014336	640,005	636,675
2008	-	-	-
2009	-	-	-

## **XII. Appendices:**

### **12.1. AUDIT REPORT**

Below is given the text of the Audit Report of CJSC KPMG based on the results of audit of accounting records of JSC "First Generating Company of the Wholesale Electric Power Market" (hereinafter referred to as the Company) for the period from January 1, 2010 till December 31, 2010 inclusively. Accounting records mentioned were not included in this annual report of the Company. That's why all references to "accounting records attached" and information in the explanatory note to accounting records contained in the audit report regard documents that were not submitted to this annual report of the Company. This Audit Report is applicable only from January 1, 2010 including the explanatory note to accounting records that you can see on the corporate website of JSC OGK-1 [www.ogk1.com](http://www.ogk1.com) in the section "Accounting and Financial Records", you can also take these documents at the Company.



## **Information about the Auditor**

<i>Name</i>	Closed Joint-Stock Company KPMG
<i>Registered office (legal address)</i>	Olympiyskiy pr. 18/1, of. 3035, Moscow 129110
<i>Mail address:</i>	Presnenskaya naberezhnaya 10, block C, 31 <sup>st</sup> floor, Moscow 123317
<i>State registration:</i>	Registered by Moscow Registration Chamber. Certificate No. 011.585 dated May 25, 1992.  An entry was made in the Uniform State Register of Legal Entities by Moscow Interdistrict Inspectorate No. 39 of the Ministry for Taxes and Charges of the Russian Federation under the No. 1027700125628 on August 13, 2002, certificate series 77 No. 005721432.
<i>Membership in the self-regulating audit organization</i>	A member of Non-Profit partnership of Russian Audit Chamber.  Main registration number of the entry (MRNE) in the register of auditors and audit organizations 10301000804.

## **Information about the Auditee**

<i>Name</i>	The Open Joint-stock Company "First Generating Company of Electric Power Wholesale Market".
<i>Registered office (legal address):</i>	ulitsa Odesskaya 1, bld. 1, Tyumen, Tyumen region, Russia 625023
<i>Mail address:</i>	ulitsa Bolshaya Cheremushkinskaya 13/17, Moscow 117447
<i>State registration:</i>	Registered in the Uniform State Register of Legal Entities by Tyumen Inspectorate No. 3 of the Ministry for Taxes and Charges of the Russian Federation under the No. 1057200597960 on March 23, 2005. Certificate dated March 23, 2005, series 72 No. 001323364

## Audit report

To shareholders of the Open Joint-stock Company "First Generating Company of Electric Power Wholesale Market"

We have carried out an audit of 2010 accounting records attached to this Audit Report of the Open Joint-stock Company "First Generating Company of Electric Power Wholesale Market" (hereinafter referred to as the Company).

Accounting records on 55 sheets consist of:

- Balance sheet as of December 31, 2010;
- 2010 profit-and-loss report;
- Appendices to the balance sheet and profit-and-loss report, including:
  - statement of changes in equity;
  - 2010 cash flow statement;
  - appendices to the balance sheet;
- Explanatory note.

### *Liability of the Company for accounting records*

Management of the Company bears responsibility for preparation and accuracy of these accounting records in compliance with the Russian standards for accounting records preparation and for inner control system needed for accounting records to be drawn without significant garbles due to dishonest actions or mistakes;

### *Liability of the Auditor*

Our responsibility is to express our opinion about accuracy of accounting records in all essential respects on the basis of the audit we carried out. We conducted the audit in accordance with financial standards of auditing activities. These standards require observance of applicable code of ethics, as well as planning and auditing in such a way allowing obtaining sufficient confidence that accounting records does not contain essential garbles.

The audit includes auditing procedures intended for receipt of audit evidence that proves index numbers in the accounting records and disclosure of information in it. Auditing procedures selection is a subject of our judgment based on assessment of essential garbles risk due to dishonest actions or mistakes. In the course of this risk assessment we considered inner control system ensuring preparation and accuracy of accounting records for the purpose of appropriate auditing procedures selection, not aiming at expression of opinion about efficiency of inner control.

The audit also included assessment of propriety of applicable account policy and validity of estimated figures received by management of the Company as well as assessment of accounting records presentation on the whole.

We believe that audit evidence received in the course of the audit provides reasons enough to express opinion concerning accuracy of the accounting records.

*Opinion*

In our opinion, accounting records attached to this Audit Report reflects accurately in all essential respects its financial state as of December 31, 2010, results of its financial and business activities and cash flow for the year of 2010 in accordance with the Russian standards for accounting records preparation.

*Other information*

Audit of 2009 accounting records was conducted by other auditor who expressed his unreservedly positive opinion in the Audit Report dated March 30, 2010.

CJSC KPMG Director  
(Power of attorney No. 52/10 dated October 1, 2010)

signature

A.I. Usov

March 15, 2011

**Seal:**

Closed Joint Stock Company KPMG  
Reg. No. 011585  
Moscow

## **12.2. THE COMPANY'S AUDIT COMMISSION REPORT**

To JSC "OGK-1"  
Shareholders Meeting

### **REPORT OF THE AUDIT COMMISSION OF THE OPEN JOINT-STOCK COMPANY**

#### **"First Generating Company of Electric Power Wholesale Market"**

April 22, 2011

Moscow

In accordance with the Charter of JSC OGK-1 (hereinafter referred to as the Company), Federal Law of Russia "On joint-stock companies" No. 208-FZ dated 26.12.1995 and internal decision No. 1 dated 20.03.2011 the Audit commission of the Company carried out the audit of financial and economic activity of the Company for 2010 in the period from 22.03.2011 to 20.04.2011.

Main targets of the audit contained the following: a) make sure that basic financial indicators of the Company's activity reproduced in the accounting reports are reliable, b) the Company kept the order of accounting and executed requirements of legal acts of the Russian Federation during the performance of financial and economic activity.

It is the management that bears responsibility for preparation of accurate accounting records and observance of accounting records maintenance procedures and other requirements of the Russian Federation legal acts.

By audit performing the Audit commission was responsible for obtaining of reasonable assurance that basic targets of audit were executed and summary was made on the basis of maximum objective and sufficient analysis of all information, data and documents presented for audit.

In the opinion of the Audit commission obtained data, information and documents give sufficient basis for preparation of summary and conclusions. Audit general results are presented in the enclosed act.

Following the results of audit the Audit commission reports:

- a) we have not noticed cases of evident non-observance of essential external or internal requirements;
- b) we have not noticed anything in the reproduction of financial indicators of the Company's activity which could cause material distortion of assets and liabilities as of 31.12.2010 and financial results of the Company's activity for 2010.

The audit commission notes that the Company's 2010 accounting records are accurate in all essential respects and confirms accuracy of data contained in the annual report.

## JSC OGK-1 Audit Commission members

Head of Operations Audit Division of Internal Audit Department, JSC RusHydro *signature* I.I. Chigirin

Chairman of the Audit Commission of JSC INTER RAO UES *signature*

The Head of Internal Audit Department of the Internal Audit, Controlling and Risk Management Unit of JSC INTER RAO UES *signature* E.G. Ryzhkova

Deputy Head, Department of Internal Audit, Head of Generating Assets Audit Division, the Internal Audit, Controlling and Risk Management Unit of JSC INTER RAO UES *signature* E.F. Ivanova

The Report is read and understood by:

Executive director of JSC OGK-1 *signature* P.I. Okley

Chief Accountant *signature* M.R. Yevdokimova

### 12.3. ACCOUNTING REPORTS OF THE COMPANY

Information presented below was taken by JSC OGGK-1 management from full set of accounting records audited by CJSC KPMG. The Audit Report placed in the previous section was issued in terms of the full set of accounting records, including the explanatory note which is not presented in this document. You can revise the balance sheet, profit-and-loss report, statement of changes in equity, cash flow statement, and appendices to the balance sheet along with the full set of accounting records audited.

Accounting records as of December 31, 2010

(Form No. 1 of OKUD 0710001)

		CODES
Date (year, month, day)		
Organization The Open Joint-stock Company "First Generating Company of Electric Power Wholesale Market".	by OKPO	76823425
Taxpayer Identification Number	INN	7203158282
Type of activity Electric power production by thermal power plants	by OKVED	40.10.11
Legal status / ownership Open Joint Stock Company / private property	by OKOPF/OKFS	47/16
Unit: thousand rubles	By OKEI	384
Location (address)	625 023 Russian Federation, the Tyumen region, Tyumen, 1 Odesskaya ul., bld. 1	

ASSETS	Line Code	At the beginning of reporting year	At the end of reporting period
1	2	3	4
<b>I. NONCURRENT ASSETS</b>			
Intangible assets	110	788	687
Fixed assets	120	22,214,571	23,341,540
Incomplete construction	130	5,993,314	5,440,129
Income-bearing investments in tangible assets	135	-	-
Long-term investments	140	6,035,367	11,761,225
Deferred tax assets	145	47,947	42,862
Other non-current assets	150	149,353	152,950
<b>TOTAL for section I</b>	<b>190</b>	<b>34,441,340</b>	<b>40,739,393</b>
<b>II. CURRENT ASSETS</b>			
Stock	210	2,184,015	2,106,052

raw materials, supplies and other similar values	211	2,130,107	2,026,840
Rearers and fatteners	212	27,184	33,963
Expenses in incomplete production	213	-	-
Furnished products and goods for resale	214	91	4
Shipped goods	215	-	-
deferred expenses	216	26,633	45,245
Other stock and expenses	217	-	-
Value-added tax on acquired values	220	93,258	68,014
Accounts receivable (payments expected more than during 12 months after the reporting date)	230	204,760	3,425,106
buyers and customers	231	144,554	-
Accounts receivable (payments expected more than during 12 months after the reporting date)	240	6,249,823	5,889,620
buyers and customers	241	2,034,499	2,200,368
Short-term investments	250	806,932	10,307,509
Funds	260	754,749	6,747,165
Other current assets	270	614	246
TOTAL for section II	290	10,294,151	28,543,712
<b>BALANCE</b>	300	44,735,491	69,283,105

LIABILITIES	Line code	At the beginning of reporting year	At the end of reporting period
1	2	3	4
<b>III. CAPITAL AND RESERVES</b>			
Authorized Capital	410	25,660,014	25,660,014
Own shares repurchased	411	-	-
Additional capital	420	703,385	703,385
Reserve capital	430	214,620	329,715
reserves formed in accordance with the law	431	214,620	329,715
reserves formed in accordance with the constituent documents	432	-	-
Retained profit (uncovered loss)	470	3,492,822	6,134,862
TOTAL for section III	490	30,070,841	32,827,976
<b>IV. LONG-TERM LIABILITIES</b>			
Borrowings and credits	510	8,311,341	5,516,667
Deferred tax liabilities	515	746,156	1,185,201
Other long-term liabilities	520	12,000	779,241
TOTAL for section IV	590	9,069,497	7,481,109
<b>V. CURRENT LIABILITIES</b>			
Borrowings and credits	610	2,714,413	1,705,807
Account payable	620	2,876,546	3,714,884
suppliers and contractors	621	1,597,564	1,909,358
payable to staff of the Organization	622	71,892	90,333
debt to the state off-budget	623	7,641	22,723
Taxes and duties payable	624	499,779	1,070,716
Other creditors	625	699,670	621,754
Debt to participants (founders) in terms of income payment	630	4,065	3,692
Income of future periods	640	129	163
Provisions for future expenses	650	-	243,896
Other short-term liabilities	660	-	23,305,578
TOTAL for section V	690	5,595,153	28,974,020
<b>BALANCE</b>	700	44,735,491	69,283,105

Reference on the values recorded on off-balance sheet accounts			
Leased assets	910	2,347,876	2,319,467
including leasing	911	-	-
Goods and materials accepted for custody	920	136,528	136,545
Goods accepted for commission	930	-	-
Indebtedness of insolvent debtors written off to losses	940	50,759	79,060
Securing obligations and payments received	950	206,828	8,624,218
Securing obligations and payments issued	960	9,278	8,959
Housing stock depreciation	970	-	-
Land improvement facilities and other similar objects depreciation	980	-	-
Intangible assets received to be used	990		

Head	P.I. Okley
Chief Accountant	M.R. Yevdokimova
March 15, 2011	

## 2010 PROFIT-AND-LOSS REPORT

(Form No. 2 of OKUD 0710002)

		CODES	
Date (year, month, day)			
Organization: The Open Joint-stock Company "First Generating Company of Electric Power Wholesale Market"	by OKPO	76823425	
Taxpayer Identification Number	INN	7203158282	
Type of activity Electric power production by thermal power plants	by OKVED	40.10.11	
Legal status / ownership Open Joint Stock Company / private property	by OKOPF/OKFS	47	16
Unit: thousand rubles.	By OKEI	384	

Name of indicator	Line code	For the accounting period	For the same period of the previous year
1	2	3	4
<b>Income and expenses from ordinary activities</b>			
Revenues (net) from sale of goods, products, works and services (net of value added tax, excise duties and similar obligatory payments)	010	,56,466,806,	,42,448,166,
Prime cost of goods sold, output, works, services	020	(50,819,825)	(37,701,771)
Gross profit	029	5,646,981	4,746,395
Selling expenses	030	(124,706)	(100,828)
Management expenses	040	(873,383)	(764,081)
Profit (loss) on sales	050	4,648,892	3,881,486

<b>Other income and expenses</b>			
Interest income	060	83,955	71,654
Interest due	070	(559,528)	(269,845)
Income from participation in other organizations	080	-	186
Other income	090	461,629	893,769
Other expenses	100	(962,825)	(1,488,129)
<b>Profit (loss) before taxation</b>	140	3,672,123	3,089,121
Deferred tax assets of the current year	141	12,027	21,612
Deferred tax liabilities of the current year	142	(449,054)	(280,268)
Current profits tax	150	(544,447)	(577,925)
Deferred tax assets of the past years (for reference)	161	-	1,461
Deferred tax liabilities of the past years (for reference)	162	201	20,921
Profit tax for the past tax periods	170	76,060	53,740
Other similar payments	180	(9,574)	(4,373)
<b>Net income (loss) for the reporting period</b>	190	2,757,135	2,301,907
<b>BACKGROUND</b>			
Fixed tax liabilities (assets)	200	247,049	218,757
Basic earnings (loss) per share	210	0.0000618	0.0000516
Diluted profit (loss) per share	220	-	-

## ITEMIZED PROFITS AND LOSSES

Index		For the accounting period		For the same period of the previous year	
Name	Code	profit	loss	profit	loss
1	2	3	4	5	6
Fines, forfeits and penalties recognized or awarded by a court (arbitration court) on their recovery	230	132 043	49 386	157 674	131 302
Profit (loss) of previous years	240	13,548	36,221	15,746	31,886
Damages caused by the failure or improper fulfillment of obligations	250	-	38	-	111
Exchange differences on transactions in foreign currency	260	4,301	2,582	3,417	3,064
Allocations to valuation reserves	270	X	106,650	X	290,154
Write-off of accounts receivable and accounts payable with expired period of limitation of action	280	147	2,207	9,874	12,855

Head	P.I. Okley
Chief Accountant	M.R. Yevdokimova
March 15, 2011	

**2010 STATEMENT OF CHANGES IN EQUITY**  
(FORM NO. 3 OF OKUD 0710003)

		CODES	
Date (year, month, day)			
Organization: The Open Joint-stock Company "First Generating Company of Electric Power Wholesale Market"	by OKPO	76823425	
Taxpayer Identification Number	INN	7203158282	
Type of activity: Electric power production by thermal power plants	by OKVED	40.10.11	
Legal status/ownership Open Joint Stock Company/private property	by OKOPF/OKFS	47	16
Unit: thousand rubles.	By OKEI	384	

<b>I. Change of capital</b>							
Index		Authorized Capital	Additional capital	Reserve capital	Retained profit (uncovered loss)	Own shares repurchased	Total
Name	Code						
1	2	3	4	5	6	7	8
Balance at December 31 of the year preceding the previous	050	25,660,014	3,670,825	160,306	(1,777,044)	(39,846)	27,674,255
<b>2009</b> (Previous year) Changes in accounting policies	051	x	x	x	-	x	-
The result from the revaluation of fixed assets	052	x	-	x	-	x	-
Changes of accounting standards	053	x	x	x	91,023	x	91,023
Balance at January 1 of the previous year	060	25,660,014	3,670,825	160,306	(1,686,021)	(39,846)	27,765,278
Foreign currency translation results	061	x	-	x	x	x	-
Net profit	062	x	x	x	2,301,907	x	2,301,907
Dividends	063	x	x	x	-	x	-
Deductions to the reserve fund	064	x	x	54,314	(54,314)	x	-

Increase in capital value due to: Additional share issue	071	-	x	x	x	-	-
Increasing in the nominal value of shares	072	-	x	x	x	-	-
reorganization of legal entity	073	-	x	x	-	-	-
other	074	-	-	-	-	-	-
Reduction in capital value due to: Reducing in the nominal value of shares	081	-	x	x	x	x	-
Reducing in the number of shares	082	-	x	x	x	-	-
reorganization of legal entity	083	-	x	x	-	-	-
Loss from own shares sales		-	-	-	(33,672)	39,846	6,174
Changes of accounting standards and tax laws					(2,518)		(2,518)
Balance at December 31 of the previous year	090	25,660,014	3,670,825	214,620	525,382	-	30,070,841
<b>2010</b> (reporting year) Changes in accounting policies	091	x	x	x	-	-	-
The result from the revaluation of fixed assets	092	X	(2,967,440)	X	2,967,440	X	-
Changes of accounting standards	093	-	-	-	-	X	-
Balance at January 1 of the reporting year	100	25,660,014	703,385	214,620	3,492,822	-	30,070,841
Foreign currency translation results	101	x	-	x	x	-	-
Net profit	102	X	X	X	2,757,135	X	2,757,135
Dividends	103	x	x	x	-	-	-
Deductions to the reserve fund	110	X	X	115,095	(115,095)	X	-
Increase in capital value due to: Additional share issue	121	-	x	x	x	-	-

1	2	3	4	5	6	7	8
Increasing in the nominal value of shares	122	-	x	x	x	-	-
reorganization of legal entity	123	-	x	x	-	-	-
Reduction in capital value due to: Reducing in the nominal value of shares	131	-	x	x	x	-	-
Reducing in the number of shares	132	-	x	x	x	-	-
reorganization of legal entity	133	-	x	x	-	-	-
Fixed assets final appraisal write off дооценки основных средств	134	-	-	-	-	-	-
Balance at December 31 of the reporting year	140	25,660,014	703,385	329,715	6,134,862	-	32,827,976

## II. Reserves

Index	Code	Balance	Received	Used	Balance
Name					
1	2	3	4	5	6
<b>Reserves formed in accordance with the legislation:</b>					
<b>Reserve capital</b>					
(reserve name)					
data of the previous year	151	160,306	54,314	-	214,620
data of the reporting year	152	214,620	115,095	-	329,715
(reserve name)					
data of the previous year	153	-	-	-	-
data of the reporting year	154	-	-	-	-
<b>reserves formed in accordance with the constituent documents</b>					
(reserve name)					
data of the previous year	161	-	-	-	-
data of the reporting year	162	-	-	-	-
(reserve name)					
data of the previous year	163	-	-	-	-
data of the reporting year	164	-	-	-	-
<b>Estimated reserves: reserve for doubtful debts</b>					
(reserve name)					
data of the previous year	171	290 816	242 081	-	532 897
data of the reporting year	172	532 897	100 976	(78 653)	555 220

Reserve against decreases in the value of tangible assets					
(reserve name)					
data of the previous year	173	30,502	48,073	(13,191)	65,384
data of the reporting year	174	65,384	5,674	(16,467)	54,591
(reserve name)					
data of the previous year	175	-	-	-	-
data of the reporting year	176	-	-	-	-
<b>Provisions for future expenses</b>					
Reserve for premium payment					
(reserve name)					
data of the previous year	190	-	-	-	-
data of the reporting year	191	-	149,994	-	149,994
Reserve against non-payment of carry-over vacations					
(reserve name)					
data of the previous year	192	-	-	-	-
data of the reporting year	193	-	93,902	-	93,902

### Information

Index		Balance at the beginning of the reporting year		Balance at the end of the reporting year	
Name	Code				
1	2	3		4	
Net assets	200	30 070 970		32 828 139	
		From the budget		From extra-budgetary funds	
		For reporting year	For previous year	For reporting year год	For previous year
		3	4	5	6
Received for:					
General expenses, Total	210	5,274	-	235	-
including:					
	211	-	-	-	-
	212	-	-	-	-
	213	-	-	-	-
Non-current assets capital investments	220	-	-	-	-
including:					
	221	-	-	-	-
	222	-	-	-	-
	223	-	-	-	-

Head	P.I. Okley
Chief Accountant	M.R. Yevdokimova
March 15, 2011	

**2010 CASH FLOW STATEMENT**

(Form No. 4 of OKUD 0710004)

		CODES	
Date (year, month, day)			
Organization: The Open Joint-Stock Company "First Generating Company of Electric Power Wholesale Market"	by OKPO	76823425	
Taxpayer Identification Number	INN	7203158282	
Type of activity: Electric power production by thermal power plants	by OKVED	40.10.11	
Legal status / ownership Open Joint Stock Company / private property	by OKOPF/OKFS	47	16
Unit: thousand rubles.	By OKEI	384	

Index		For the accounting period	For the same period of the previous year
Name	Code		
1	2	3	4
<b>Demand balance at the beginning of the year</b>	100	754 749	427 908
<b>Cash flow from operating activities</b>		65,992,284	48,976,845
Funds received from customers, clients	110		
	120		
	130		
Other income	140	1,306,126	967,289
Funds allocated for:			
payments for purchased goods, works and services, raw materials and other current assets	150	(51,444,967)	(37,300,777)
remuneration of labour	160	(2,160,335)	(2,373,146)
payments for dividends, interest	170	(1,129,996)	(1,433,871)
Payment under Taxation and duties	180	(3,203,870)	(3,296,858)
	181	,	,
	182	,	,
other expenses	183	(1,491,111)	(855,554)
	184		
Net cash from operating activities	190	7,868,131	4,683,928
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets and other noncurrent assets	210	10,829	8,383
Proceeds from the sale of securities and other financial investments	220	-	74,197
Dividends received	230	-	186
Interest received	240	42,716	61,155
Income from repayment of loans granted to other organizations	250	-	-
Other income	260	19,858,000	38,490,943
	270	-	-
Acquisition of subsidiaries	280	(46)	-

Acquisition of fixed assets, profitable investments in tangible and intangible assets	290	(6,141,776)	(4,970,457)
1	2	3	4
Acquisition of securities and other financial investments	300	(35,060,614)	(38,799,926)
Loans given to other entities	310	-	-
Other expenses	320	(37)	-
	330		
Net cash from investing activities	340	(21,290,928)	(5,135,519),
<b>Cash flows received from financing activities</b>			
Income from share or other equity securities emission	410	23,305,578,	-
Income from loans and loans to other organizations	420	5,589,660	8,328,008,
Other income	430	5,272	428
	440		
Repayment of loans and credits (without interest)	450	(9,334,335)	(7,550,000)
Repayment of finance lease liabilities	460	-	-
Other expenses	470	(150,955)	-
	480		
Net cash from financing activities	490	19,415,220	778,436
Net increase (decrease) in cash and cash equivalents	500	5,992,423	326,845
Demand balance at the end of the accounting period	510	6,747,165	754,749,
The magnitude of the impact of changes in foreign exchange rates against the ruble	520	(7)	(4)

Head	P.I. Okley
Chief Accountant	M.R. Yevdokimova
March 15, 2011	

**APPENDIX TO THE 2010 BALANCE SHEET  
(FORM NO. 5 OF OKUD 0710005)**

		CODES	
Date (year, month, day)			
Organization: The Open Joint-Stock Company "First Generating Company of Electric Power Wholesale Market"	by OKPO	76823425	
Taxpayer Identification Number	INN	7203158282	
Type of activity: Electric power production by thermal power plants	by OKVED	40.10.11	
Legal status / ownership Open Joint Stock Company / private property	by OKOPF/OKFS	47	16
Unit: thousand rubles.	By OKEI	384	

Intangible assets					
Index		Availability at the beginning of the reporting year	Received	Retired	Availability at the end of the reporting period
Name	Code				
1	2	3	4	5	6
Intellectual property (exclusive rights to intellectual property)	010	920	-	-	920
including: the patent holder for invention, industrial design, utility model	011	809	-	-	809
the copyright holder of computer program, database	012	80	-	-	80
the copyright holder of integrated circuit topographies	013	-	-	-	-
the owner of the trademark and service mark, appellation of origin of goods	014	31	-	-	31
Patent holder of selection achievements	015	-	-	-	-
Organizational costs	020	-	-	-	-
Business reputation of the agency	030	-	-	-	-
Other	040	-	-	-	-

Index			
Name	Code	At the beginning of the reporting year	At the end of the reporting period
1	2	3	4
Amortization of intangible assets - total	050	132	233

including: Trade marks	051	13	16
patents	052	110	205
	053		

Fixed assets					
Index		Availability at	Received	Retired	Availability at the
Name	Code	the beginning of			end of the reporting
		the reporting			period
1	2	year	4	5	6
Buildings	070	6,035,615	1,022,592	(817)	7,057,390
Construction and transmission devices	071	4,594,115	156,036	(4,620)	4,745,531
Machinery and equipment	072	15,633,088	2,027,206	(5,965)	17,654,329
Transport vehicles	073	105,838	29,810	(890)	134,758
Production and household equipment	074	68,459	5,264	(335)	73,388
Work stock	075	-	-	-	-
Productive livestock	076	-	-	-	-
Perennial plantings	077	159	-	-	159
Другие виды основных средств	078	358	-	-	358
Land and natural resources	079	37,515	30,496	-	68,011
Capital investments in fundamental improvement of lands	080	-	-	-	-
Total	090	26,475,147	3,271,404	(12,627)	29,733,924

Index			
Name	Code	At the beginning of the reporting year	At the end of the reporting period
1	2	3	4
Depreciation of fixed assets - total	140	4,260,576	6,392,384
including:	141	1,337,895	1,817,396
buildings and structures			
machinery, equipment, vehicles	142	2,892,475	4,535,048
other	143	30,206	39,940
Given for lease of fixed assets - total	150	244,452	263,640
including:		125,261	158,868
buildings	151		
structures	152	78,671	61,228
	153		
	154		
Translated fixed assets for conservation	155	82,517	94,311
Received Fixed Assets for rent - total	160	2,347,876	2,319,467
including:	161		
	162		
	163		
Real estate received in operation and been in the process of state registration		20,255	-

	165		
	Code	At the beginning of the reporting year	At the end of the reporting year
<b>Reference.</b>	2	3	4
The result from the revaluation of fixed assets:		-	-
initial (replacement) cost	171	-	-
Depreciation	172	-	-
Change the value of fixed assets as a result of completion, additional equipping, reconstruction, partial elimination	173	2,325,419	3,782,698

<b>Income-bearing investments in tangible assets</b>					
Index		Availability at the beginning of the reporting year	Received	retired	Availability at the end of the reporting period
Name	Code				
1	2	3	4	5	6
Property to be leased	200	-	-	-	
Property received under the leasing contract	210	-	-	-	-
Other	220	-	-	-	-
Total	230	-	-	-	-
	Code	At the beginning of the reporting year	At the end of the reporting period		
1	2	3	4		
Income-bearing investments in tangible assets	290	-	-		

<b>Expenditure on research, development and engineering works</b>					
Type of works		Availability at the beginning of the reporting year	Received	Written off	Availability at the end of the reporting period
Name	Code				
1	2	3	4	5	6
Total	310	-	9,834	(6,883)	2,951
including:	311				
<b>Reference.</b>			Code	At the beginning of the reporting year	At the end of the reporting year
The costs of unfinished research, development and engineering works			2	3	4
			320	-	2,951
Amount not yielded positive results of the cost of research,			Code	For the accounting	For the same period of the previous year

development and engineering works were classified under other expenses		period	
	2	3	4
	330	-	-

Expenses for the development of natural resources					
Index		Balance at the beginning of the reporting year	Received	Written off	Balance at the end of the year
Name	Code				
1	2	3	4	5	6
Expenses for the development of natural resources		-	-	-	-
Total	410				
в том числе:	411				
	412				
	413				
Reference.			Code	At the beginning of the reporting year	At the end of the reporting period
			2	3	4
The expenses for subsoil areas, incomplete deposit fields in terms of search and assessment, exploring, and/or hydrogeological surveys and other similar work			420	-	-
Cost of development of natural resources classified in the reporting period among other expenses as unsuccessful			430	-	-

Investments					
Index		Long-term		Short-term	
Name	Code	At the beginning of the reporting year	At the end of the reporting period	At the beginning of the reporting year	At the end of the reporting period
1	2	3	4	5	6
Deposits and authorized (share capital of other organizations)		5,971,801	5,971,846	-	-
Total	510				
including: Subsidiaries and dependent business entities		5,971,801	5,971,846	-	-
	511				
State and municipal securities		12,097	-	-	12,191
	515				
Securities of other agencies, Total	520	51 469	2,789,379	6,932	3,745,318
Including debt securities (bonds, bills of credit)	521	-	2,715,251	6,932	3,745,318
Loans granted	525	-	-	-	-
Deposites	530	-	3,000,000	800,000	6,550,000

others	535	-	-	-	-
Total	540	6,035,367	11,761,225	806,932	10,307,509
From total amount investments of current market value Deposits and authorized (share) capital of other organizations, Total	550	-	-	-	-
including subsidiary and dependent business entities	551	-	-	-	-
State and municipal securities	555	-	-	-	-
Securities of other agencies, Total	560	51,469	74,128	-	-
Including debt securities (bonds, bills of credit)	561	-	-	-	-
Other	565	-	-	-	-
Total	570	51,469	74,128	-	-
<b>Reference.</b>					
As for investments of current market value changes of value as a result of evaluation correction	580	24,152	22,659	-	-
As for debt securities difference between the initial and nominal values is included in the financial result of the reporting period	590	-	-	-	-

<b>Accounts receivable and accounts payable</b>			
Index		Balance at the beginning of the reporting year	Balance at the end of the reporting year
Name	Code		
1	2	3	4
<b>Accounts receivable:</b>			
short-term - total	610	6,249,823	5,889,620
including:			
accounts from customers and clients	611	2,034,499	2,200,368
advances issued	612	3,712,006	3,070,469
other	613	503,318	618,783
long-term - total	620	204,760	3,425,106
including:			
accounts from customers and clients	621	144,554	-
advances issued	622	-	3,298,380
other	623	60,206	126,726
Total	630	6,454,583	9,314,726
Accounts payable :			
short-term - total	650	5,590,959	5,420,691
including:			
payments to suppliers and contractors	651	1,597,564	1,909,358
advances received	652	50,515	79,630
accounts of Taxes and Levies	653	499,779	1,070,716

credits	654	2,712,842	1,705,807
loans	655	1,571	-
other	656	728,688	655,180
long-term - total	660	8,323,341	6,295,908
including:			
credits	661	7,083,333	5,516,667
loans	662	1,228,008	-
other	663	12,000	779,241
Total	670	13,914,300	11,716,599

<b>Expenses from ordinary activities (on the elements of costs)</b>			
Index		For the reporting year	For the previous year
Name	Code		
1	2	3	4
Material expenditures	710	41,182,635	29,797,148
Costs on remuneration of labour	720	2,714,530	2,641,678
Fringe benefit expenses	730	439,186	422,258
Depreciation	740	2,030,612	1,288,295
Other costs	750	5,450,951	4,417,301
Total cost elements	760	51,817,914	38,566,680
Change in balances (increase [+1], reduction [-1]) :			
work-in-process	765	-	-
Deferred expenses	766	(21,234)	(32,680)
reserves for future expenses	767	243,896	-

<b>Security</b>			
Index		Balance at the beginning of the reporting year	Balance at the end of the reporting year
Name	Code		
1	2	3	4
Received - total	810	206,828	8,624,218
including:			
Bills of credit	811	-	-
The property in pledge	820	206,828	8,624,218
from it:			
fixed assets objects	821	74,594	74,926
securities and other financial investments	822	-	-
other	823	132,234	8,549,292
Issued - total	830	9,278	8,959
including:			
Bills of credit	831	-	-
The property in pledge	840	-	-
from it:			
fixed assets objects	841	-	-
securities and other financial investments	842	-	-
other	843	-	-

State assistance					
Index		The reporting period		For the same period of the previous year	
Name	Code				
1	2	3		4	
Budget funds received in the reporting year - total	910	5,509		-	
including: subsidies	911	5,509		-	
Public budget loans - total		At the beginning of the reporting year	Received in the reporting period	Repaid in the reporting period	At the end of the reporting period
	920	-	-	-	-
including:	921	-	-	-	-
		-	-	-	-

Head	P.I. Okley
Chief Accountant	M.R. Yevdokimova
March 15, 2011	

You can find the explanatory note to the accounting records on the corporate site of JSC OGK-1 [www.ogk1.com](http://www.ogk1.com), Section "Accounting and Financial Records".

### **XIII. LIST OF MAJOR TRANSACTIONS AND RELATED PARTY TRANSACTIONS IN 2010.**

#### **MAJOR TRANSACTIONS**

Transaction (the transaction and its material terms)	Name of the Shareholder :	Price	Number of the Minutes of the Board of Directors where the transaction was approved
General contractor (the Contractor) undertakes to complete works on construction of the facility, namely the gas turbine unit with capacity 450 Mw (PGU-450 MW) (design (gross) capacity 491 Mw at average outside air temperature -7.8°C) on the site of JSC OGK-1 branch –	JSC Tehnopromekspor. – General contractor  JSC OGK-1 – the Customer	19,246,608,788 rubles, inclusive of VAT	Minutes of the Board of Directors  dated 18.06.2010  No. 147

<p>Urengoyskaya GRES, with all required and associated buildings, structures, equipment, technical resources, set of technical security equipment, inventory, tools, galleries, platforms, internal (within construction site) utility systems, and transfer to the Customer the facility completed in construction, fully equipped, mounted, tested, ready for connection to external infrastructure and putting into operation, ensuring achievement of "guaranteed parameters".</p> <p>Performance time – up to 28 (twenty eight) months from the commencement date. Herewith, works shall be completed the latest by 30.09.2012.</p>			
<p>Underwriting Agreement governed by English law and other transactions, agreements and documents contemplated by Underwriting Agreement or associated with it in any other way and/or affiliated parties thereunder and other persons that might be specified in Underwriting Agreement as underwriters or managers.</p> <p>Subject: Subject to performance of specific precedent conditions, underwriters purchase or cause to purchase from the Company, and the Company sells pursuant to the Underwriting Agreement the ordinary uncertificated registered shares of the Company with nominal value 0.57478 (zero point fifty seven four seven eight) rubles each (hereinafter the Shares) in the form of Shares and GDR in quantity determined by Transaction documentation. Herewith, the Shares can be transferred to depository bank which is The Bank of New York Mellon (hereinafter the Depository) or the person appointed by Depository for the purposes of issuing GDR.</p>	<p>Goldman Sachs International, Closed joint stock company Investment Company Troika Dialog TD Investments Limited – Underwriters,  JSC OGK-1 Company</p>	<p>The Price (estimated monetary value) of Company's property that may be disposed of by the Company, directly or indirectly (the amount of Company's obligations) under the Transaction was determined by decision made at this meeting of the Board of Directors and may amount to 25 (twenty five) percent or more of the book value of assets of the Company determined according to its financial statements as of the last reporting date, however no more than 50 (fifty) percent of the book value of assets of the Company determined according to its financial statements as of the last reporting date.</p>	<p>Minutes of the Board meeting dated 16.09.2010 No. 150</p>

## RELATED PARTY TRANSACTIONS

Transaction (the transaction subject and its material terms)	Parties	Related parties	Price	Number of the Minutes of the management body meeting where the transaction was approved
Agency Agreement Agency Agreement for Rendering Services of Arranging Regulated Procurement Procedures Duration of the Agreement till 31.12.2010.	JSC OGK-1 – the Agent  JSC Lukomorye Sanatorium-Preventorium – the Principal	JSC OGK-1 is entitled to control over 20 percent of the total number of voices assigned to voting shares of JSC Lukomorye Sanatorium-Preventorium.	1,000.00 rubles, inc. VAT 18% per every regulated procedure conducted	Minutes of the Board of Directors dated 01.02.2010 No. 140
Services Agreement Subject of the Agreement: The Contractor undertakes to perform vibration checking and adjustment works on equipment of 1, 2, 3, 4, 5, 6 and 7 units of Kashirskaya GRES – branch of JSC OGK-1 in the scope agreed with the Customer, and the Customer undertakes to accept and pay for this work.	JSC OGK-1 – the Customer  JSC Mosenergo — (Central Repair and Engineering Works – branch of JSC Mosenergo) – the Contractor.	Member of the Board of Directors of JSC OGK-1 Schulginov N.G., also is the member of the Board of Directors of JSC Mosenergo.	5,979,970.02 rubles, inc. VAT 912,198.82 rubles.	Minutes of the Board of Directors dated 01.02.2010 No. 140
Contractor Agreement Subject of the Agreement: The Contractor undertakes to perform repair and manufacturing of spare parts for Kashirskaya GRES – branch of JSC OGK-1 in 2010 the scope agreed with the Customer, and the Customer undertakes to accept and pay for this work. Duration of the agreement: till 31.12.2010, and in terms of performing settlements – up to complete performance of obligations by parties.	JSC OGK-1 – the Customer  JSC Mosenergo — (Central Repair and Engineering Works – branch of JSC Mosenergo) – the Contractor.	Member of the Board of Directors of JSC OGK-1 N.G. Schulginov also is the Member of the Board of Directors of JSC Mosenergo.	8,304,668.91 rubles, inc. VAT -1,266,813.90 rubles.	Minutes of the Board meeting dated 01.02.2010 No. 140
Contractor Agreement Subject of the Agreement: The Contractor undertakes to perform the following works in scope agreed with the Customer: - conducting routine repair of turbines and TVO of units 2, 5, 7 for Kashirskaya GRES – branch	JSC OGK-1 – the Customer  JSC Mosenergo — (Central Repair and Engineering Works – branch of JSC Mosenergo) – the	Member of the Board of Directors of JSC OGK-1 N.G. Schulginov also is the Member of the Board of Directors of JSC Mosenergo.	33,000,733.66 rubles, inc. VAT 5,034,010.22 rubles.	Minutes of the Board meeting dated 01.02.2010 No. 140

<p>of JSC OGK-1 in 2010.</p> <ul style="list-style-type: none"> <li>- conducting interim overhaul of turbines and TVO of units 1, 3 for Kashirskaya GRES – branch of JSC OGK-1 in 2010.</li> <li>- conducting total overhaul of turbines and TVO of units 4, 6 for Kashirskaya GRES – branch of JSC OGK-1 in 2010.</li> <li>- conducting repair of turbines and TVO of units 1, 2, 3, 4, 5, 6, 7 in the course of equipment operation for Kashirskaya GRES – branch of JSC OGK-1 in 2010.</li> </ul> <p>and Customer undertakes to accept and pay for these works.</p> <p>Duration of the agreement: till 31.12.2010, and in terms of performing settlements and warranty obligations – up to complete performance of obligations by parties.</p>	Contractor.			
<p>Contractor Agreement</p> <p>Subject of the Agreement: The Contractor undertakes to perform the following works in scope agreed with the Customer:</p> <ul style="list-style-type: none"> <li>- routine repair of turbine generators of units No. 2, 5, 7;</li> <li>- interim overhaul of turbine generators of units No. 1, 3;</li> <li>- total overhaul of turbines and TVO of units 4, 6 for Kashirskaya GRES – branch of JSC OGK-1 in 2010.</li> </ul> <p>and Customer undertakes to accept and pay for these works.</p> <p>Duration of the agreement: till 31.12.2010, and in terms of performing settlements and warranty obligations – up to complete performance of obligations by parties.</p>	<p>JSC OGK-1 – the Customer</p> <p>JSC Mosenergo — (Central Repair and Engineering Works – branch of JSC Mosenergo) – the Contractor.</p>	<p>Member of the Board of Directors of JSC OGK-1 N.G. Schulginov, also is the member of the Board of Directors of JSC Mosenergo.</p>	<p>7,815,994.19 rubles, inc. VAT 1,192,270.30 rubles.</p>	<p>Minutes of the Board meeting dated 01.02.2010 No. 140</p>
<p>Contractor Agreement</p> <p>Subject of the Agreement: The Contractor undertakes to perform the following works in scope agreed with the Customer: repair of high-voltage (250 to 8,000 KW) motors and low-voltage (1-220 KW) motors for Kashirskaya GRES – branch of JSC OGK-1 in 2010 the scope agreed with the Customer, and the</p>	<p>JSC OGK-1 – the Customer</p> <p>JSC Mosenergo — (Central Repair and Engineering Works – branch of JSC Mosenergo) – the Contractor.</p>	<p>Member of the Board of Directors of JSC OGK-1 N.G. Schulginov also is the Member of the Board of Directors of JSC Mosenergo.</p>	<p>15,028,367.92 rubles, inc. VAT 2,292,462.90 rubles.</p>	<p>Minutes of the Board meeting dated 01.02.2010 No. 140</p>

<p>Customer undertakes to accept and pay for this work.</p> <p>Duration of the agreement: till 31.12.2010, and in terms of performing settlements and warranty obligations – up to complete performance of obligations by parties.</p>				
<p>Services Agreement</p> <p>Subject of the Agreement: The Contractor undertakes by order of the Customer to render recreational, general health, psychophysiological, cultural-entertainment and sports and fitness services, public catering services to employees of Iriklinkaya GRES – branch of JSC OGK-1, courtesy services as well as services on purchasing and providing milk or other equivalent food products according to established standards to employees of Iriklinkaya GRES – branch of JSC OGK-1 involved in works with harmful working conditions, using own means and efforts, and Customer undertakes to accept and pay for the same.</p> <p>Duration of the agreement: till 31.12.2010, and in terms of performing settlements – up to complete performance of obligations by parties.</p>	<p>JSC OGK-1 – the Customer</p> <p>JSC Lukomorye Sanatorium-Preventorium – the Contractor</p>	<p>JSC OGK-1 is entitled to control over 20 percent of the total number of voices assigned to voting shares of JSC Lukomorye Sanatorium-Preventorium.</p>	<p>21,621,638.00 rubles, ex- VAT</p>	<p>Minutes of the Board meeting dated 01.02.2010 No. 140</p>
<p>Services Agreement</p> <p>Subject of the Agreement: Contractor undertakes according to Customer's order to render medical services in JSC Lukomorye Sanatorium-Preventorium using its own means and efforts, for Verkhnetagilskaya GRES – branch of JSC OGK-1, and the Customer undertakes to accept and pay for the same.</p> <p>Duration of the agreement: till 31.12.2010, and in terms of performing settlements – up to complete performance of obligations by parties.</p>	<p>JSC OGK-1 – the Customer</p> <p>JSC Lukomorye Sanatorium-Preventorium – the Contractor</p>	<p>JSC OGK-1 is entitled to control over 20 percent of the total number of voices assigned to voting shares of JSC Lukomorye Sanatorium-Preventorium.</p>	<p>3,865,560.24 rubles. Not subject to VAT</p>	<p>Minutes of the Board meeting dated 01.02.2010 No. 140</p>
<p>Lease Agreement</p> <p>The Lessor grants, and the Lessee accepts the following property for short-term refundable use.</p>	<p>JSC OGK-1 – the Lessor</p> <p>JSC Lukomorye</p>	<p>JSC OGK-1 is entitled to control over 20 percent of the total number of voices assigned to</p>	<p>Montly lease payment for property lease is 1,512.67 rubles, inc. VAT</p>	<p>Minutes of the Board meeting dated 01.02.2010 No. 140</p>

Duration of the agreement: till December 31, 2010	Sanatorium-Preventorium – the Lessee	voting shares of JSC Lukomorye Sanatorium-Preventorium.	230.75 rubles.	
<p>Services Agreement</p> <p>Subject of the Agreement: Contractor undertakes according to Customer's order to render automobile transportation services (passenger and cargo transportation, other road transport services) for Permskaya GRES – branch of JSC OGK-1, and the Customer undertakes to accept and pay for the same.</p> <p>Duration of the agreement: till 31.12.2010, and in terms of performing settlements – up to complete performance of obligations by parties.</p>	<p>JSC OGK-1 – the Customer</p> <p>JSC Utility Vehicles Department – the Contractor</p>	JSC OGK-1 is entitled to control over 20 percent of the total number of voices assigned to voting shares of JSC Utility Vehicles Department – the Contractor..	64,910,738.00 rubles, inc. VAT 9,901,638.00 rubles.	Minutes of the Board meeting dated 01.02.2010 No. 140
<p>Lease Agreement</p> <p>Lessor undertakes to provide to the Lessee to temporary possession and use the movable property in accordance with Annex No. 7 to this Decision.</p> <p>Duration of the Agreement: from 01.02.2010 to 31.12.2010.</p>	<p>JSC OGK-1 (Verkhnetagilskaya GRES branch) – the Lessor</p> <p>JSC Lukomorye Sanatorium-Preventorium – the Lessee</p>	JSC OGK-1 is entitled to control over 20 percent of the total number of voices assigned to voting shares of JSC Lukomorye Sanatorium-Preventorium.	43,216.01 rubles per month, inc. VAT 6,592.27 rubles.	Minutes of the Board Meeting dated 30.03.2010 No. 142
<p>Lease Agreement</p> <p>Lessor undertakes to provide to the Lessee to temporary possession and use the real property located at: 83 Lenina street, Verkhniy Tagil, Sverdlovsk Region, 624162 for providing health resort and prophylaxis services to employees of JSC OGK-1.</p> <p>non-residential building, letter A, A1, A2 with total area 3,117.2 sq.m. owned by Lessor (Certificate of State Registration of Title No. 66 AB 697855 dated 23.06.2005, Inv. No. 21101200002),</p> <p>additional building to Sanatorium-Preventorium, letter A3 with total area 2,771.1 sq.m. owned by Lessor (Certificate of State Registration of Title No. 66 AB 904927 dated 10.10.2007, Inv. No. 21101200003).</p> <p>Duration of the Agreement: from</p>	<p>JSC OGK-1 (Verkhnetagilskaya GRES branch) – the Lessor</p> <p>JSC Lukomorye Sanatorium-Preventorium – the Lessee</p>	JSC OGK-1 is entitled to control over 20 percent of the total number of voices assigned to voting shares of JSC Lukomorye Sanatorium-Preventorium.	The total lease payment for all leased property is established in the amount of 149,659.01 rubles per month, inc. VAT 22,829.34 rubles.	Minutes of the Board Meeting dated 30.03.2010 No. 142

01.02.2010 to 31.12.2010.				
<p>Contractor Agreement</p> <p>The Contractor undertakes to perform works on repair, operation and maintenance of 500 kV outdoor switchgears (OS) of Iriklinskaya GRES – branch of JSC OGK-1 (hereinafter "the Facilities"), owned by Customer or possessed under any other right of possession or use, located at Orenburg Region, Novoorsky district, Energetik settlement, including associated equipment, buildings, structures, territory, utilities, instruments, communication channels and other property ensuring stability of specified operation parameters of Facilities, and Customer undertakes to accept and pay for the scope of the works performed.</p> <p>Duration of the agreement: till 31.12.2010, and in terms of performing settlements and warranty obligations – up to complete performance of obligations by parties.</p>	<p>JSC OGK-1 – the Contractor</p> <p>JSC FSK UES (Backbone Electric Grids of Ural branch) – the Customer</p>	<p>JSC FSK UES is the shareholder of JSC OGK-1 which owns more than 20% of voting shares of the Company; member of the Board of Directors E.V. Dod and members of the Management Board of JSC FSK UES A.A. Demin and M.Yu. Tuzov simultaneously are members of the Board of Directors of JSC OGK-1.</p>	<p>9,675,530.36 rubles, inc. VAT 1,475,928.36 rubles.</p>	<p>Minutes of the Board Meeting dated 30.03.2010 No. 142</p>
<p>Services Agreement</p> <p>Cooperation between Iriklinskaya GRES – branch of JSC OGK-1 and JSC Lukomorye Sanatorium-Preventorium in the field of civil defense, prevention and relief of emergency situations.</p> <p>Duration of the Agreement upon signature, effective till 31.12.2010.</p>	<p>JSC OGK-1 (represented by branch Iriklinskaya GRES),</p> <p>JSC Lukomorye Sanatorium-Preventorium</p>	<p>JSC OGK-1 is entitled to control over 20 percent of the total number of voices assigned to voting shares of JSC Lukomorye Sanatorium-Preventorium.</p>	<p>Shall not exceed 50,000.00 rubles.</p>	<p>Minutes of the Board Meeting dated 18.06.2010 No. 147</p>
<p>Agency Agreement</p> <p>Agent undertakes by order and at the expense of Principal to arrange and conduct in the interests of the latter regulated procurement procedures for the right of concluding agreements for supplying products, performing works, rendering services between Principal and third parties, and Principal undertakes to accept all works performed under the Agreement and pay agency fee to Principal.</p> <p>Duration of the Agreement till 31.12.2010, and in terms of performing settlements – up to</p>	<p>JSC OGK-1 – the Agent</p> <p>JSC Lukomorye Sanatorium-Preventorium – the Principal</p>	<p>JSC OGK-1 is entitled to control over 20 percent of the total number of voices assigned to voting shares of JSC Lukomorye Sanatorium-Preventorium.</p>	<p>1,000.00 rubles, inc. VAT 18% per every regulated procedure conducted.</p>	<p>Minutes of the Board Meeting dated 18.06.2010 No. 147</p>

complete performance of obligations by parties.				
<p>Services Agreement</p> <p>Rendering services on freight and passenger transportation by road transport, special machinery and vehicle services to the Customer.</p> <p>Duration of the agreement: The Agreement becomes effective upon signature and is effective till 31.12.2010.</p>	<p>JSC OGK-1 – the Contractor</p> <p>JSC Lukomorye Sanatorium-Preventorium – the Customer</p>	<p>JSC OGK-1 is entitled to control over 20 percent of the total number of voices assigned to voting shares of JSC Lukomorye Sanatorium-Preventorium.</p>	<p>Determined in accordance with cost calculation for 1 hour of special machinery operation and cost calculation for 1 operating hour of the vehicle, according to Annex No. 8.</p>	<p>Minutes of the Board Meeting dated 18.06.2010 No. 147</p>
<p>Services Agreement</p> <p>Providing services to children of employees of the Company in number of 105 persons in out-of-town children's all-day recreation camp at Yubileiny facility – branch of JSC Lukomorye Sanatorium-Preventorium.</p> <p>Duration of the Agreement The Agreement becomes effective upon signature and is effective till 31.12.2010, an in terms of performing settlements – up to complete performance of obligations by parties.</p>	<p>JSC OGK-1 – the Customer</p> <p>JSC Lukomorye Sanatorium-Preventorium – the Contractor</p>	<p>JSC OGK-1 is entitled to control over 20 percent of the total number of voices assigned to voting shares of JSC Lukomorye Sanatorium-Preventorium.</p>	<p>The total cost of services under the Agreement is 1,207,899.00 rubles. Not subject to VAT</p>	<p>Minutes of the Board Meeting dated 18.06.2010 No. 147</p>
<p>Services Agreement</p> <p>The Customer orders and undertakes to pay, and the Contractor assumes obligations on rendering services in the field of state secret protection in the scope and on conditions contemplated by the Agreement.</p> <p>The Agreement becomes effective from the date when all of the following conditions are met: obtaining by JSC OGK-1 the license for performing works involving use of information classified as state secret and obtaining by JSC INTER RAO UES the license for implementing measures and/or rendering services on protection of state secret (in accordance with Ordinance No. 333 of the Government of the Russian Federation dated 15.04.1995) and is effective during one year with annual extension for the next year</p>	<p>JSC INTER RAO UES – the Contractor</p> <p>JSC OGK-1 – the Customer</p>	<p>JSC INTER RAO UES carries out functions of sole executive authority of JSC OGK-1.</p> <p>Member of the Board of Directors of JSC OGK-1 B. Yu. Kovalchuk, also is the Chairman of the Management Board of JSC INTER RAO UES.</p> <p>Members of the Management Board of JSC OGK-1 S.Y. Rumyantsev, S.N. Tolstoguzov and U.V. Sharov are also members of the Management Board of JSC INTER RAO UES.</p>	<p>2,547,861.12 rubles, inclusive of VAT</p>	<p>Minutes of the Board Meeting dated 05.08.2010 No. 149</p>

<p>on the same terms, unless any of the Parties informs the other Party about its termination in writing not later than one month before expiration of the Agreement.</p>				
<p><b>Agency Agreement</b></p> <p>The Principal orders to the Agent, and Agent undertakes in the interests of Principal, in Principal's name and at its expense during Agreement term to conclude capacity supply contracts at the wholesale market according to the standard form annexed to the Agreement for Connection to the Wholesale Market Trading System (hereinafter the Connection Agreement) with purchasers of electric energy (capacity) – wholesale market entities, participants of electric energy circulation at the wholesale market determined by ATS in accordance with Wholesale Market Regulations and Connection Agreement, group of points of supply of which are located in the same price zone as corresponding generation facilities.</p> <p>The Agreement duration shall correspond with capacity supply period under all capacity supply contracts (hereinafter the CSC) concluded by Agent in relation to Principal</p>	<p>JSC OGK-1 – the Principal CJSC CFR — Agent. CJSC SO UES – System Operator; OJSC ATS – ATS, Commercial operator. NP Market Council – Market Council.</p>	<p>Member of the Board of Directors of JSC OGK-1 B. Yu. Kovalchuk also is the member of the Board of Directors of JSC ATS.</p> <p>Member of the Board of Directors of JSC OGK-1 N.G. Schulginov also is the First Deputy Chairman of the Management Board of JSC SO UES.</p>	<p>Aggregate liability of Principal under Agreements and aggregate amount of forfeits payable or paid by the latter over the effective period of Agreements cannot exceed 800,000,000 rubles.</p>	<p>Minutes of the Board Meeting dated 05.08.2010 No. 149</p>
<p><b>Additional agreement to contract.</b></p> <p>Additional Agreement to the Contract for transfer of the authority of the sole executive body of JSC OGK-1 to the management company dated July 6, 2009 between JSC INTER RAO UES and JSC OGK-1.</p>	<p>JSC INTER RAO UES – the Management Company JSC OGK-1 – the Company</p>	<p>JSC INTER RAO UES carries out functions of sole executive authority of JSC OGK-1.</p> <p>Member of the Board of Directors of JSC OGK-1 B.Yu. Kovalchuk, also is the Chairman of the Management Board of JSC INTER RAO UES.</p> <p>members of the Management Board of JSC OGK-1</p>	<p>To establish a Fixed Part of the Management Company Fee for the remaining effective period of the Agreement in the amount of 60,000,000 rubles per month plus VAT according to the rate effective for the moment of fee accrual.</p>	<p>Minutes of the Extraordinary General Shareholders Meeting dated 10.09.2010 no number</p>

		S.Yu. Rumyantsev S.N. Tolstoguzov Yu.V. Sharov are also members of the Management Board of JSC INTER RAO UES.		
<p>Additional agreement to the agreement.</p> <p>Additional Agreement to Loan Agreement of 24.11.2009, concluded between JSC INTER RAO UES and JSC OGK-1 No. ИИТК-005154.</p> <p>Subject of the agreement: for early repayment of loan under the Agreement, the Borrower shall pay the Lender a fee in amount of 40,000,000 (forty million) rubles.</p>	<p>JSC INTER RAO UES – the Lender</p> <p>JSC OGK-1 – the Borrower</p>	<p>JSC INTER RAO UES carries out functions of sole executive authority of JSC OGK-1.</p> <p>Member of the Board of Directors of JSC OGK-1 B.Yu. Kovalchuk, also is the Chariman of the Management Board of JSC INTER RAO UES.</p> <p>Members of the Management Board of JSC OGK-1 S.Y. Rumyantsev, S.N. Tolstoguzov and U.V. Sharov are also members of the Management Board of JSC INTER RAO UES.</p>	<p>Fee in the amount of 40,000,000 rubles</p>	<p>Minutes of the Extraordinary General Shareholders Meeting dated 10.09.2010 no number</p>
<p>Subject of the Agreements: The Customer, in order to secure the obligations of Lender under the loan agreement No. ИИТК-005154 of 24.11.2009 concluded between JSC INTER RAO UES and JSC OGK-1 (hereinafter: "the Agreement") orders the Bank to carry out direct debiting of funds from settlement accounts of the Customer in the relevant Bank without any further instructions from the Customer, and the Bank undertakes to accept the payment orders issued by the Lender and transfer the funds to the account designated by the latter.</p> <p>Effective period of the Agreements: each of the Agreements shall come in effect upon execution by the parties and terminate upon the termination of all obligations of JSC OGK-1 to JSC INTER RAO UES stipulated</p>	<p>JSC OGK-1 – the Customer</p> <p>JSC INTER RAO UES – the Lender</p> <p>JSCB PERESVET (CJSC) – the Bank</p> <p>JSC OGK-1 – the Customer,</p> <p>JSC INTER RAO UES – the Lender;</p> <p>JSC Sberbank of Russia – the Bank</p> <p>JSC OGK-1 – the Customer,</p> <p>Vnesheconombank – the Bank;</p> <p>JSC OGK-1 – the Customer, OJSC</p>	<p>JSC INTER RAO UES carries out functions of sole executive authority of JSC OGK-1.</p> <p>Member of the Board of Directors of JSC OGK-1 B.Yu. Kovalchuk, also is the Chariman of the Management Board of JSC INTER RAO UES.</p> <p>Members of the Management Board of JSC OGK-1 S.Y. Rumyantsev, S.N. Tolstoguzov and U.V. Sharov are also members of the Management Board of JSC</p>	<p>No more than 8,000,000,000 rubles and the amount of interest payments and fees, up to 20% p.a. in aggregate.</p>	<p>Minutes of the Extraordinary General Shareholders Meeting dated 10.09.2010 no number</p>

under the Agreement.	Alfa-Bank – the Bank.	INTER RAO UES.		
<p>Services Agreement</p> <p>Insurance of real and movable property pledged to JSC INTER RAO UES, with nomination of JSC INTER RAO UES as a beneficiary in respect of the material damage risks with indemnification of at least 5% of the market value of real property, and the same amount of the book value of movable property.</p> <p>Term of the transactions: each of the transactions shall come in effect upon execution by the parties and terminate upon the termination of all obligations of JSC OGK-1 to JSC INTER RAO UES stipulated under the Loan Agreement of 24.11.2009 No. IIIJK-005154 in the amount of 8,000,000,000 rubles for the financing of the investment program of JSC OGK-1 assuming construction of power-generating unit on the basis of PGU-450 combined cycle power unit at Urengojkaya GRES.</p>	<p>JSC OGK-1 – the Insured</p> <p>JSC Insurance – the Insurer</p> <p>Capital – the Insurer</p>	<p>JSC INTER RAO UES carries out functions of sole executive authority of JSC OGK-1.</p> <p>Member of the Board of Directors of JSC OGK-1 B.Yu. Kovalchuk, also is the Chariman of the Management Board of JSC INTER RAO UES.</p> <p>members of the Management Board of JSC OGK-1 S.Yu. Rumyantsev, S.N. Tolstoguzov Yu.V. Sharov are also members of the Management Board of JSC INTER RAO UES.</p>	<p>Aggregate amount of transactions (the sum insured, which can be claimed by JSC INTER RAO UES as the beneficiary in respect of the pledged property) shall not exceed 8,000,000,000 rubles and the amount of interest payments and fees up to 20% p.a. in aggregate.</p>	<p>Minutes of the Extraordinary General Shareholders Meeting dated 10.09.2010 no number</p>
<p>Purchase Agreement</p> <p>The Seller shall undertake to deliver (supply) capacity to the Buyer, and the Buyer shall undertake to accept and pay for the same.</p>	<p>JSC OGK-1 – The Seller or the Buyer.</p> <p>Wholesale capacity market participant – the Buyer or the Seller;</p> <p>CJSC SO UES – System Operator;</p> <p>JSC ATS – ATS</p> <p>NP Market Council – Market Council.</p>	<p>JSC INTER RAO UES carries out functions of sole executive authority of JSC OGK-1.</p> <p>Member of the Board of Directors of JSC OGK-1 B.Yu. Kovalchuk also is the member of the Board of Directors of JSC ATS.</p> <p>Member of the Board of Directors of JSC OGK-1 N.G. Schulginov also is the First Deputy Chairman of the Management Board of JSC SO UES.</p>	<p>Price for the power supplied under each transaction shall be defined on the basis of prices determined according to the Rules of Electrical Power (Capacity) Wholesale Market During Transition Period approved by the Resolution No. 643 of the Russian Government dated 24 October 2003, as effective for the date of relevant transaction.</p> <p>Limit amount of the transactions</p>	<p>Minutes of the Extraordinary General Shareholders Meeting dated 10.09.2010 no number</p>

			shall be: 120,000,000,000 rubles	
<p>Purchase Agreement</p> <p>The Seller undertakes to deliver (supply) electric power or electric power and capacity to the Buyer, and the Buyer shall undertake to accept and pay for the same.</p>	<p>JSC O GK-1 – The Seller or the Buyer.</p> <p>JSC INTER RAO UES – The Buyer or the Seller.</p>	<p>JSC INTER RAO UES carries out functions of sole executive authority of JSC O GK-1.</p> <p>Member of the Board of Directors of JSC O GK-1</p> <p>B.Yu. Kovalchuk also is the Member of the Board of Directors of JSC ATS.</p> <p>Member of the Board of Directors of JSC O GK-1</p> <p>N.G. Schulginov also is the First Deputy Chairman of the Management Board of JSC SO UES.</p>	<p>Sale and purchase price of electric power or electric power and capacity under each transaction shall be defined on the basis of prevailing prices at the electric power and capacity market, as effective for the date of relevant transaction.</p> <p>Limit amount of the transactions shall be: 3,504,000,000 rubles, inclusive of VAT</p>	<p>Minutes of the Extraordinary General Shareholders Meeting dated 10.09.2010 no number</p>
<p>Purchase Agreement</p> <p>The Seller undertakes to transfer to Buyer's ownership, and the Buyer undertakes to accept and pay for 200 (two hundred) ordinary registered uncertificated shares of JSC Utility Vehicles Department (issue state registration number: 1-01-11419-E, registered on 14.05.2003 with regional branch of FCSM for Volga Federal District, the nominal value is 100 (one hundred) rubles).</p> <p>Duration of the agreement: the agreement becomes effective upon signature and shall be effective until all obligations of Parties are discharged in full.</p>	<p>JSC O GK-1 – the Buyer</p> <p>Burakov Nikolay Aleksandrovich – the Seller.</p>	<p>JSC O GK-1 is entitled to control over 20 percent of the total number of voices assigned to voting shares of JSC Utility Vehicles Department – the Contractor.</p> <p>N.A. Burakov also is the Member of the Board of Directors and General Director of JSC Utility Vehicles Department.</p>	<p>22,768 rubles</p> <p>Not subject to VAT</p>	<p>Minutes of the Board meeting dated 16.09.2010 No. 150</p>
<p>Overdraft Credit Agreement</p> <p>Duration of credit agreements till July 20, 2013</p>	<p>JSC Gazprombank – the Creditor</p> <p>JSC O GK-1 – the Borrower</p>	<p>Member of the Board of Directors of JSC Gazprombank K.G. Seleznev also is the member of the Board of Directors of JSC INTER RAO UES – the management</p>	<p>600,000,000 rubles</p>	<p>Minutes of the Board meeting dated 16.09.2010 No. 150</p>

		company for JSC OGK-1.		
Additional agreement to the agreement.  Additional Agreement No. 4 to the Agreement No. BTF-004410 on maintenance services for buildings, structures and utilities located in the territory of industrial site and external facilities of Verkhnetagilsaya GRES – branch of JSC OGK-1.	JSC OGK-1 – the Customer  LLC Verkhnetagilskaya Public Utility Company – the Contractor.	LLC OGK-1 Finance belongs to JSC OGK-1 group of entities.  LLC OGK-1 Finance owns 99.9% of LLC Verkhnetagilskaya Public Utility Company	20,039,029.51 rubles, inc. VAT 18% – 3,056,801.11 rubles.	Minutes of the Board Meeting dated 16.09.2010 No. 150
Purchase Agreement  The Seller undertakes to deliver (supply) to the Buyer electric power, and the Buyer undertakes to accept and pay for the same.  Duration of the Agreements Agreements become effective upon signature and extend their effect to legal relationship of Parties emerged from 10.03.2010.	JSC OGK-1 – The Seller or the Buyer.  JSC INTER RAO UES – The Buyer or the Seller.	JSC INTER RAO UES carries out functions of sole executive authority of JSC OGK-1.  Member of the Board of Directors of JSC OGK-1 B.Yu. Kovalchuk also is the Chariman of the Management Board of JSC INTER RAO UES.  Members of the Management Board of JSC OGK-1 S.Y. Rumyantsev, S.N. Tolstoguzov and U.V. Sharov are also members of the Management Board of JSC INTER RAO UES.	No more than 900,000,000 rubles inclusive of VAT, which equals to the price of delivered (supplied) electric power over the whole duration periods at the price determined on the basis of prevailing prices at the electric power market, as effective on the date of the relevant transaction. Herewith, the maximum price of 1 MWh of electric power shall amount at least to the established 2010 tariff rate of the station when sold by JSC OGK-1 and no more than 1,000 rubles ex-VAT when purchased by JSC OGK-1.	Minutes of the Board Meeting dated 16.09.2010 No. 150
Services Agreement  Contractor undertakes to render services on arranging conditions for performing periodical medical	JSC OGK-1 – the Customer  JSC Lukomor'ye	JSC OGK-1 is entitled to control over 20 percent of the total number of	The total cost of services under the Agreement is no more than	Minutes of the Board Meeting dated 06.10.2010

<p>examination of Verkhnetagilskaya GRES (branch of JSC OGK-1) employees in number of 903 persons, and Customer undertakes to pay for the same.</p> <p>Duration of the Agreement The Agreement becomes effective upon signature by parties and remains effective till 31.12.2010.</p>	Sanatorium-Preventorium – the Contractor	voices assigned to voting shares of JSC Lukomorye Sanatorium-Preventorium.	429,241.05 rubles, plus VAT 18% – 77,263.39 rubles.	No. 151
<p>Services Agreement</p> <p>Contractor assumes obligations on delivering oxygen using own vehicles (including driver services) to the Customer according to his requests and within terms agreed with the Customer.</p> <p>Duration of the Agreement The Agreement becomes effective upon signature and is effective till 30.09.2010.</p>	JSC OGK-1 – the Contractor  JSC Lukomorye Sanatorium-Preventorium – the Customer	JSC OGK-1 is entitled to control over 20 percent of the total number of voices assigned to voting shares of JSC Lukomorye Sanatorium-Preventorium.	Up to 5,023.40 rubles, inc. VAT 18% – 766.28 rubles.	Minutes of the Board Meeting dated 06.10.2010  No. 151
<p>Supply Agreement</p> <p>The Supplier undertakes to supply for the Customer according to his requests and within terms agreed by Parties the oxygen in agreed amount, in total amount not exceeding 600 cubic meters.</p> <p>Duration of the Agreement The agreement becomes effective upon signature and shall be effective until all obligations of Parties are discharged in full.</p>	JSC OGK-1 – the Supplier  JSC Lukomorye Sanatorium-Preventorium – the Buyer	JSC OGK-1 is entitled to control over 20 percent of the total number of voices assigned to voting shares of JSC Lukomorye Sanatorium-Preventorium.	Up to 22,181.64 rubles, inc. VAT 18% – 3,383.64 rubles.	Minutes of the Board Meeting dated 06.10.2010  No. 151
<p>Services Agreement</p> <p>Contractor undertakes to provide MPLS L2/L3 VPN services based on MPLS technology on arrangement and support of universal multiservice corporate data transfer network and User undertakes to pay for the Services on terms and according to the procedure specified in the Agreement.</p> <p>Duration of the Agreement The Agreement is effective during 11 month from the date of signing thereof, and in terms of settlements – until all obligations of Parties are discharged in full.</p>	JSC OGK-1 – the User  JSC Rostelecom – the Customer	Member of the Board of Directors of JSC OGK-1 A.B. Ballo also is the member of the Board of Directors of JSC Rostelecom.	4,988,791.07 rubles, inc. VAT 761,002.03 rubles.	Minutes of the Board Meeting dated 06.10.2010  No. 151
<p>Lease Agreement</p> <p>The Lessor transfers and the Lessee accepts for temporary use the non-residential premises with</p>	JSC OGK-1 – the Lessor	JSC OGK-1 is entitled to control over 20 percent of the total number of	5,942.57 rubles per month, inc. VAT 18% – 906.49 rubles.	Minutes of the Board Meeting dated 15.11.2010

total area of 188.30 sq.m. located in office and residential building with built-in canteen and building extension (with heatd passage to boiler-and-turbine department No. 1, leter 3, 3A, 3B).  Duration of the agreement: till August 31, 2011.	JSC Lukomorye Sanatorium-Preventorium – the Lessee	voices assigned to voting shares of JSC Lukomorye Sanatorium-Preventorium.		No. 152
Lease Agreement  The Lessor grants, and the Lessee accepts for temporary use the area No. 7 according to 1st floor plan of the building 301A, 301B, 301B with total area of 11.6 sq.m. letter 301, inv. No. 1110110000145, located at: 28 Mayakovskogo Street, Verkhny Tagil, Sverdlovsk Region, 624162  Duration of the agreement: The agreement become effective upon signature, extends its effect to legal relationship of Parties emerged from 01.11.2010 and is effective till 30.09.2011.	JSC OGK-1 – the Lessor  JSC Lukomorye Sanatorium-Preventorium – the Lessee	JSC OGK-1 is entitled to control over 20 percent of the total number of voices assigned to voting shares of JSC Lukomorye Sanatorium-Preventorium.	682.85 rubles per month, inc. VAT 18% – 104.16 rubles.	Minutes of the Board Meeting dated 15.11.2010  No. 152
Contractor Agreement  Performance of works within the framework of preliminary and preparatory stages of reconstruction of ash dump for Kashirskaya GRES – branch JSC OGK-1.  The agreement become effective upon signature, extends its effect to legal relationship of Parties emerged from 20.10.2010 and is effective till 31.12.2010.	JSC OGK-1 – the Customer  LLC Remenergomontazh – the Contractor	JSC OGK-1 belongs to the same group of entities as LLC Remenergomontazh	149,997,944.15 rubles, inc. VAT 18% – 22,881,042.33 rubles.	Minutes of the Board Meeting dated 15.11.2010  No. 152
Additional agreement to the agreement.  Additional Agreement to Paid Services Agreement for Operational Dispatch Management in Electric Power Industry No. ОДУ-176 dated 01.06.2008, concluded between JSC SO UES and JSC OGK-1.	JSC OGK-1 – the Customer  JSC SO UES – the Contractor	Member of the Board of Directors of JSC OGK-1 N.G. Schulginov also is the First Deputy Chairman of the Management Board of JSC SO UES.	-	Minutes of the Board Meeting dated 15.11.2010  No. 152
Agency Agreement (with respect to future generation facilities):  1. Subject of the Agreement JSC OGK-1 (the Principal) ordering to CJSC CFR (the Agent) to	1. JSC OGK-1 – the Principal  CJSC CFR –	Member of the Board of Directors of JSC OGK-1 B.Yu Kovalchuk also is the member of the Board of	1. Fee paid by principal to the agen on a quarterly basis during the whole term of the	Minutes of the Board Meeting dated 30.11.2010  No. 153

<p>conclude Capacity Supply Contracts with capacity buyers at the wholesale market, in the name and at the expense of the Principal.</p> <p>2. Purchase Agreement</p> <p>Subject of the Agreement: sale (supply) of capacity by JSC OGK-1 (the Seller) to all capacity buyers – participants of the wholesale market by parties of relationships on capacity sale and purchase at the wholesale market as of the date of taking this decision by the Board of Directors of JSC OGK-1.</p>	<p>the Agent.</p> <p>2. JSC OGK-1, represented by Agent CJSC CFR, buyer of capacity at the wholesale market, in accordance with the List (Annex No. 3 hereto), NP Market Council, JSC SO UES, JSC ATS.</p>	<p>Directors of JSC ATS.</p> <p>Member of the Board of Directors of JSC OGK-1 N.G. Schulginov also is the First Deputy Chairman of the Management Board of JSC SO UES.</p>	<p>agreement in the amount of 100,000 rubles per quarter, including VAT (18 percent).</p> <p>2. Agreement price for JSC OGK-1 (capacity seller): is determined in accordance with the procedure specified by Annex No. 4 and Annex No. 4.1. to the Capacity Supply Contract</p>	
<p>Agency Agreement (with respect to currently active generation facilities):</p> <p>1. Subject of the Agreement JSC OGK-1 (the Principal) ordering to CJSC CFR (the Agent) to conclude Capacity Supply Contracts with capacity buyers at the wholesale market, in the name and at the expense of the Principal.</p> <p>2. Subject of the Agreement sale (supply) of capacity by JSC OGK-1 (the Seller) to all capacity buyers – participants of the wholesale market by parties of relationships on capacity sale and purchase at the wholesale market as of the date of taking this decision by the Board of Directors of JSC OGK-1.</p>	<p>1. JSC OGK-1 – the Principal</p> <p>CJSC CFR – the Agent.</p> <p>2. JSC OGK-1, represented by Agent CJSC CFR, buyer of capacity at the wholesale market, in accordance with the List (Annex No. 3 hereto), NP Market Council, JSC SO UES, JSC ATS.</p>	<p>Member of the Board of Directors of JSC OGK-1 B.Yu Kovalchuk also is the member of the Board of Directors of JSC ATS.</p> <p>Member of the Board of Directors of JSC OGK-1 N.G. Schulginov also is the First Deputy Chairman of the Management Board of JSC SO UES.</p>	<p>1. Fee paid by principal to the agen on a quarterly basis during the whole term of the agreement in the amount of 100,000 rubles per quarter, including VAT (18 percent).</p> <p>2. Agreement price for JSC OGK-1 (capacity seller): is determined in accordance with the procedure specified by Annex No. 4 and Annex No. 4.1. to the Capacity Supply Contract.</p>	<p>Minutes of the Board Meeting dated 30.11.2010 No. 153</p>
<p>Capacity Supply Contracts</p> <p>Capacity Supply Contracts are concluded with market participant – capacity buyer by Closed Joint-Stock Company CFR operating as agent of capacity sellers based on the agency agreements concluded</p>	<p>JSC OGK-1</p> <p>Buyer</p> <p>Seller -wholesale market participant – capacity supplier in accordance with the</p>	<p>Member of the Board of Directors of JSC OGK-1 B.Yu. Kovalchuk also is the member of the Board of Directors of JSC</p>	<p>Agreement price for the buyer: is determined according to the procedure specified by Annex No. 4 and Annex No. 4.1.</p>	<p>Minutes of the Board Meeting dated 30.11.2010 No. 153</p>

<p>with capacity sellers, standard forms of which are provided in Annex No. Д. 15 and Annex No. Д. 15.1 to the Connection Agreement as approved by the decision of the Supervisory Council of NP Market Council on 20.09.2010.</p> <p>Capacity Supply Agreements are concluded with market participant – capacity buyer in conformance with standard forms of said agreements being Annex No. Д.16 and Annex No. Д. 16.1 to the Agreement on Connection to the Wholesale Market Trading System as approved by the decision of the Supervisory Council of NP Market Council on 20.09.2010.</p>	<p>List (Annex No. 4 hereto) represented by agent CJSC CFR, NP Market Council, JSC SO UES, JSC ATS.</p>	<p>ATS. Member of the Board of Directors of JSC OGK-1 N.G. Schulginov also is the First Deputy Chairman of the Management Board of JSC SO UES.</p>	<p>to the Capacity Supply Contract concluded according to the standard form being Annex No. Д. 16 to the Connection Agreement (as approved by the decision of the Supervisory Council of NP Market Council on September 20, 2010), and concluded according to the standard form being Annex No. Д. 16.1 to the Connection Agreement (as approved by the decision of the Supervisory Council of NP Market Council on September 20, 2010).</p>	
<p>Supply Agreement</p> <p>The Supplier undertakes to deliver to the Buyer products according to the Annex No. _ hereto based on supply conditions approved by Parties, and the Buyer undertakes to accept and pay for these products.</p> <p>The Agreement becomes effective upon signature and remains in force till 31.12.2010, and in terms of settlements and fulfillment of warranty obligations- up to complete performance of obligations by parties.</p>	<p>JSC OGK-1 – the Buyer</p> <p>ZAO Quartz-Western Siberia – the Seller</p>	<p>JSC OGK-1 belongs to the same group of entities as ZAO Quartz-Western Siberia.</p>	<p>The price of products under the agreement shall not exceed 13,676,637.71 rubles, inc. VAT 18% in the amount of 2,086,266.77 rubles.</p>	<p>Minutes of the Board Meeting dated 28.12.2010 No. 155</p>
<p>Services Agreement</p> <p>Rendering Owner's engineer services during construction of PGU 450 Mw at Urengoyskaya GRES -branch of JSC OGK-1.</p> <p>Duration period from signing the agreement till the date of signing Facility Commissioning Certificate.</p>	<p>JSC OGK-1 – the Customer</p> <p>LLC InterRAO-WorleyParsons – the Contractor</p>	<p>JSC OGK-1 belongs to the same group of entities as ZAO Quartz-Western Siberia.</p>	<p>254,237,288.14 rubles, ex- VAT</p>	<p>Minutes of the Board Meeting dated 28.12.2010 No. 155</p>

<p>Services Agreement</p> <p>The Customer orders and Energy Auditor assumes obligations to perform energy survey of the Customer (hereinafter the "energy audit") according to Technical Assignment approved by Customer.</p> <p>Energy audit is performed in accordance with the Program of Energy Survey (hereinafter the "Energy Audit Program" provided by Energy Auditor to the Customer within 7 (seven) days from the commencement of works</p> <p>The Agreement becomes effective upon signature and is effective till 30.09.2011, an in terms of performing settlements – until all obligations of Parties are discharged in full.</p> <p>Duration of works (survey) under the Agreement: the date of commencement of works (survey) – 31.01.2011, survey completion date – 30.09.2011.</p>	<p>JSC OGK-1 – the Customer</p> <p>LLC INTER RAO UES Energy Efficiency Center – "the Energy Auditor"</p>	<p>JSC OGK-1 belongs to the same group of entities as LLC INTER RAO UES Energy Efficiency Center.</p>	<p>Up to 87,999,680 rubles inclusive of VAT 18% – 13,423,680 rubles, determined in accordance with cost sheet approved by Customer.</p>	<p>Minutes of the Board Meeting dated 28.12.2010</p> <p>No. 155</p>
<p>Contractor Agreement</p> <p>The customer orders, and Contractor assumes obligations on performance of the following Works:</p> <ul style="list-style-type: none"> <li>-expert review and calculation of process losses during heat energy transmission;</li> <li>- expert review and calculation of specific fuel consumption in terms of electric and heat energy supplied;</li> <li>- expert review and calculation of fuel reserve standard;</li> <li>- verification of substantiation of data used in calculations, advisory support in the course of procedure of approving standard parameters in the Ministry of Energy of the Russian Federation until positive results for objects specified in the Agreement are obtained;</li> </ul> <p>The Agreement becomes effective upon signature and is effective till 30.04.2011, an in terms of performing settlements – until all</p>	<p>JSC OGK-1 – the Customer</p> <p>LLC INTER RAO UES Energy Efficiency Center – the Contractor</p>	<p>JSC OGK-1 belongs to the same group of entities as JSC INTER RAO UES Energy Efficiency Center.</p>	<p>11,939,000 rubles inclusive of VAT 18% – 1,821,000 rubles, determined in accordance with cost sheet approved by Customer.</p>	<p>Minutes of the Board Meeting dated 28.12.2010</p> <p>No. 155</p>

obligations of Parties are discharged in full. Duration of works: the date of commencement of works – 31.01.2011, works completion date – 30.04.2011.				
Purchase Agreement Purchase of JSC OGK-1 shares through public offering.	JSC OGK-1 – the Issuer JSC INTER RAO UES – the Purchaser	JSC INTER RAO UES carries out functions of sole executive authority of JSC OGK-1.  Member of the Board of Directors of JSC OGK-1 B.Yu. Kovalchuk also is the Chariman of the Management Board of JSC INTER RAO UES.  members of the Management Board of JSC OGK-1 S.Yu. Rumyantsev, S.N. Tolstoguzov Yu.V. Sharov are also members of the Management Board of JSC INTER RAO UES.	21,278,000,000.32 rubles	Minutes of the Extraordinary General Shareholders Meeting dated 23.12.2010 no number

#### **XIV. Information about observance of the Corporate Conduct Code by JSC OGK-1**

Prepared in accordance with the Decree No. 03-849/p "On Guidelines on the Composition and Way of Presentation of Information on Obsevanse of Corporate Conduct Code in Annual Reports of Joint-Stock Companies" dated April 30, 2003

No.	Corporate Conduct Code Provisions	Observed / not observed	Note:
1	2	3	4
1	Notification of shareholders on conducting General Meeting of	Observed	Paragraph 10.14. of the Charter of the Company, "The Notice of the General Meeting of Shareholders shall be published by the

	Shareholders at least 30 days prior to the meeting date regardless of items of the agenda, unless greater term is provided for by the law.		Company in the <b>Izvestia</b> newspaper, as well as posted on the Company's website on the Internet no later than thirty (30) days prior to the scheduled date.
2	Providing to shareholders the possibility to familiarize themselves with the list of persons entitled to take part in the General Meeting of Shareholders, beginning with the day of notice on holding General Meeting of Shareholders and up to closing the "in presentio" General Meeting of Shareholders, and in case of absentee General Meeting of Shareholders – up to the final date for receiving voting bulletins.	Observed	In accordance with clause 4, Article 51 of the Federal Law "On Joint-Stock Companies" the list of persons entitled to participate in the General shareholders' meeting is provided by the Company for examination on request of persons included to this list and owning at least 1% of votes.
3	Providing shareholders the possibility to familiarize with information (materials) for the meeting of shareholders via electronic communication means, including Internet	Observed	In accordance with paragraph 10.15 of the Charter, "the Information (materials) on the agenda of General Meeting of shareholders should be available for information to persons entitled to attend the General Meeting of shareholders within 20 (Twenty) days and in the case of General Meeting of Shareholders whose agenda includes restructuring of the Company, within 30 (Thirty) days prior to the General Meeting of Shareholders, at the localities, whose addresses are listed in the notice of the General Meeting of shareholders, as well as posted on the website of the Company on the Internet.
4	Providing shareholders the possibility to add items to the agenda of the General Meeting of Shareholders, or demand convocation of the General Meeting of Shareholders without providing extract from the	Observed In practice	In case when rights of the shareholder for his shares are accounted on depository account, the statement from depository account is sufficient for exercising shareholder's rights.

	Shareholder register, in case their rights for the shares are accounted in the share registry system, and in case when their rights for the shares are accounted on depository account – the adequacy of statement from depository account for exercising above specified rights.		
5	The requirement on mandatory presence of General Director, members of the Management Board, members of the Board of Directors, members of the Audit Commission and Company's Auditor at the General Meeting of Shareholders shall be specified in the charter or internal documents of the company.	Observed partially	Pursuant to 3rd paragraph, clause 5.2.2. of the Corporate Governance Code "Whenever possible, the Company ensures the presence of members of the Board of Directors, executive bodies, Audit Commission and Company's Auditor at the General Meeting of Shareholders and empowers them to answer the questions of shareholders";
6	Mandatory presence of corresponding candidates at the General Meeting of Shareholders during consideration of questions on electing members of the Board of Directors, General Director, members of the Management Board, members of the Audit Commission as well as question on appointing Company's Auditor.	Not observed	There're no provisions stipulating obligation of such persons to be present at General Meeting of Shareholders in the Charter and internal documents of the Company.
7	The procedure of registration of participants of the General Meeting of Shareholders shall be determined by internal documents of the joint-stock company.	Observed	In accordance with paragraph 3.1.1. of the Regulation on the Procedure of Convocation and Holding the General Meeting of Shareholders" "Registration of persons entitled to participate in General Meeting of Shareholders is carried out by Counting Board or other person, exercising functions of counting board, at the place of General

			<p>Meeting of Shareholders, specified in notification about the Meeting".</p> <p>The procedure of registration of participants of the General Meeting of Shareholders is specified in detail in paragraphs 3.1.2- 3.1.6. of the Regulation .</p>
	<b>The Board of Directors</b>		
8	The power of the Board of Directors to approve the financial and economic plan of the joint-stock company on an annual basis shall be specified in the Charter of the joint-stock company.	Observed	<p>In accordance with p. 12.1. of the Company Charter, following is included to the competence of the Board of Directors :</p> <p>"17) approval of business plan (revised business plan) and report of the results of implementation thereof;</p> <p>18) approval of target values (adjusted values) of key performance indicators (KPIs) of the Company and performance results thereof."</p>
9	Presence of risk management procedure in the framework of joint-stock company, approved by the Board of Directors.	Observed	The Regulation on Company Risk Management was approved by the Board of Directors on 15.11.2010 (Minutes No.-152 dated 15.11.2010).
10	The power of the Board of Directors to suspend powers of the General Director appointed by the General Meeting of Shareholders shall be specified in the Charter of the joint-stock company.	Observed	<p>In accordance with clause 17.7 of Company Charter:</p> <p>"The Board of Directors of the Company is entitled to decide to terminate the powers of the General Director of the Company and members of the Management Board of the Company at any time and form new executive bodies.</p> <p>Termination of powers of the General Director and members of the Management Board is made on the grounds established by the legislation of the Russian Federation and the employment agreement concluded between each of them and the Company.</p>
11	The power of the Board of Directors to specify requirements to qualification and amount of remuneration of General Director, members of the Management Board, heads	Observed partially	In accordance with p. 12.1. of Company Charter, the competence of the Board of Directors include "stipulation of conditions of employment agreement with General Director, bringing him to disciplinary liability as well as providing incentives in accordance with labor law of the Russian Federation...".

	of main structural subdivisions of joint-stock company shall be specified in the Charter of the joint-stock company.		No power of the Board of Directors to specify requirements to qualification and amount of remuneration of heads of main structural subdivisions of the joint-stock company is specified in the Charter of the joint-stock company.
12	The power of the Board of Directors to approve conditions of the agreement with General Director and members of the Management Board shall be specified in the Charter of the joint-stock company.	Observed partially	<p>In accordance with paragraph 17.5 of the Charter, "The employment agreement with General Director shall be signed on behalf of the Company by the Chairman of the Board of Directors of the Company or a person duly authorized by the Board of Directors of the Company.</p> <p>Terms of the employment agreement with General Director of the Company, including as related to the term of appointment shall be determined by the Board of Directors of the Company.</p> <p>Rights and obligations of the employer on behalf of the Company in respect of the General Director and members of the Management Board of the Company shall be exercised by the Chairman of the Board of Directors or a person duly authorized by the Board of Directors of the Company".</p>
13	The Charter or internal documents of joint-stock company shall include the requirement on excluding votes of members of the Board of Directors being General Director and members of the Management board from counting of votes when approving conditions of agreements with General Director (management company, manager) and members of the Management Board.	Not observed	No such requirements are specified in the Charter or internal documents of the Company.
14	At least three independent directors complying with requirements of Corporate	Observed	<p>Independent directors are:</p> <p>Ballo, Anatoly Borisovich</p> <p>Troshenkov, Dmitry Aleksandrovich</p>

	Conduct Code shall be included to the Board of Directors of joint-stock company.		Shtykov, Dmitry Viktorovich Shulginov, Nikolay Grigoryevich
15	No persons that were adjudged guilty in crimes committed in economic activity area or crimes against the state power, interests of civil service and service in local government bodies or those that undergone administrative punishment for offences in the field of entrepreneurship or in the field of finances, taxes, levies, securities market may be included to the Board of Directors of joint-stock company.	Observed	Realized in practice
16	No persons being owners, General Directors (managers), members of management bodies or employee of the legal entity competing with joint-stock company may be included to the Board of Directors of joint-stock company	Not observed	Member of the Board of Director D.A. Panchenko is the Legislative Director of JSC RusHydro
17	The Charter of joint-stock company shall include the requirement on electing board of directors through cumulative voting procedure.	Observed	The Board of Directors is elected by cucumulative voting by virtue of the Federal Law "On Joint-Stock Companies".
18	Internal documents of the joint-stock company shall include the obligation for members of the Board of Directors to refrain from actions that will lead or potentially may lead to conflict between their	Observed	Paragraph 4.1.6. of the Corporate Conduct Code of JSC OGC-1: "...Members of the Board of Directors shall refrain from actions that may lead to conflict between their interests and interests of the Company. In case such conflic arises, the member of the Board of Directors shall inform other members of the Board of Directors shall inform other members of the Board about this and abstain from voting on

	interests and interests of joint-stock company, and in case such conflict arises, to disclose information about this conflict to the board of directors.		corresponding items".
19	Internal documents of the joint-stock company shall include the obligation of members of the board of directors to inform the board of directors in writing on their intention to conclude transactions with securities of the joint-stock company members of the board of directors of which they are at the moment, or with securities of its subsidiaries (affiliates) as well as to disclose information about concluded transactions with such securities.	Observed	<p>In accordance with clause 4.1. of the Company's Insider Information Regulations the members of the Board of the Company shall disclose the information on owning securities of the Company to Auditing Commission under the Board of Directors of the Company.</p> <p>In accordance with clause 4.2. of the Company's Insider Information Regulations, all insiders shall provide the written declaration on transactions with securities of the Company and (or) its subsidiaries and affiliates concluded during the reported month to the Department exercising control over the use of insider information not later than 3rd day of the month following the reported month.</p>
20	Internal documents of the joint-stock company shall include the requirement on holding meetings of the Board of Directors of the company at least once per six weeks.	Observed	In accordance with clause 5.1. of the Regulations on Procedure of Convocation and Holding the Meeting of the Board of Directors: "Meetings of the Board of Directors shall be held in accordance with the approved Activity Plan of the Board of Directors, or when necessary, however at least once per quarter, unless otherwise provided in these Regulations."
21	Holding meetings of the board of directors of joint-stock company during the year followed by annual report of joint-stock company at least once per six weeks.	Observed	16 meetings of the Board of Directors of the Company were held from 01.01.2010 to 31.12.2010.
22	The procedure of holding meetings of the Board of Directors shall be determined by internal	Observed	The procedure of holding meetings of the Board of Directors of the Company is regulated by Article 15 of the Charter of the Company as well as Regulations on Procedure

	documents of the joint-stock company.		of Convocation and Holding Meetings of the Board of Directors of the Company.
23	Internal documents of joint-stock company shall include provision on necessary approval of all transactions for the amount of 10 percent of value of assets of the company by the board of directors of joint-stock company, aside from transactions concluded in the course of normal normal course of business.	Observed	In accordance with subparagraph 25, paragraph 12.1 of the Charter, the competences of the Board of Directors include preliminary approval of: "Transactions (including several interconnected transactions), related to the property the value of which exceeds 10 percent of book value of assets of the Company as of the date of the decision to conclude such transaction.
24	Internal documents of the joint-stock company shall include the right of members of the board of directors for obtaining the information required for exercising their functions from executive bodies and heads of main structural subdivisions of the joint-stock company of as well as their responsibility for non-providing such information.	Observed	In accordance with paragraph 3.1 of the Regulations on Procedure of Convocation and Holding the Meeting of the Board of Directors of JSC OGK-1: "Members of the Board of Directors under the authority of the Board of Directors are entitled:  1) to obtain information about Company's activities, including information classified as commercial secrets of the Company; familiarize themselves with all statutory, regulatory, accounting, reporting, contractual and other documentation of the Company in accordance with applicable laws of the Russian Federation and internal documents of the Company".  In accordance with paragraph 3.2 of the Regulations on Procedure of Convocation and Holding the Meeting of the Board of Directors: "The Member of the Board of Directors is entitled to request in writing documents and information required for taking decisions on questions within the competence of the Board of Directors...".
25	Presence of Strategic Planning Committee the Board of Directors or assigning functions of such committee to any other committee (other than audit committee and	Observed	On 22.07.2009 (Minutes No. 133) the Board of Directors of the Company took a decision on establishing the Strategy and Investment Committee of the Board of Directors.  Membership of the Strategy and Investment Committee of the Board of Directors was

	appointment and remuneration committee).		determined by the decision of the Board of Directors on 28.07.2010 (Minutes No. 148): N.G. Schulginov – Chairman of the Committee S.N.Ivanov I.I.Mirsiyapov D.I. Rizhinashvili Yu.V.Surkov M.G. Tikhonova
26	Presence of the committee of the board of directors (audit committee) which recommends to the board of directors the auditor of joint-stock company and interacts with the auditor and audit commission of joint-stock company.	Observed	On 09.11.2007 (Minutes No. 82) the Board of Directors of the Company took a decision on establishing the Audit Committee of the Board of Directors of JSC OGK-1.
27	Only independent and non-executive directors can be the members of the audit committee.	Observed	Membership of Audit Committee of the Board of Directors of JSC OGK-1 was determined by the decision of the Board of Directors on 28.07.2019 (Minutes No. 148): D.V. Shtykov– Chairman of the Audit Committee (independent and non-executive director): D.A. Troshenkov (independent and non-executive director); N.G. Shulginov (independent and non-executive director);
28	The audit committee shall be managed by independent director.	Observed	Chairman of the Audit Committee of the Board of Directors of JSC OGK-1 Dmitry Viktorovich Shtykov is independent director.
29	Internal documents of joint-stock company shall include the right of all audit committee members to access any documents and information of the joint-stock company subject to non-disclosure of confidential information by them.	Observed	Regulation on Audit Committee of the Board of Directors of JSC OGK-1 was approved on 30.09.2008 (Minutes No. 114):  In accordance with subparagraph 2, paragraph 4.1. of the Regulations, the Committee is vested with rights "to request and obtain all information, documents and relevant comments required for carrying out its activities from the Chairman and members of the Management Board of the Company..."

			In accordance with subparagraph 4 p. 5.1. of Regulation on Audit Committee of the Board of Directors the Committee shall comply with confidentiality requirements.
30	Establishment of the committee of the board of directors (appointment and remuneration committee) whose functions include determination of criteria for selection of candidates to members of the board of directors and development of remuneration strategy of the joint stock company.	Observed	On 09.11.2007 (Minutes No. 82) the Board of Directors of the Company took a decision on establishing the Appointment and Remuneration Committee of the Board of Directors of JSC OGK-1.  Membership of Appointment and Remuneration Committee of the Board of Directors of JSC OGK-1 was determined by the decision of the Board of Directors on 28.07.2010 (Minutes No. 148):  D.V. Shtykov– Chairman of the Committee D.A.Troshenkov N.G.Schulginov
31	The appointment and remuneration committee shall be managed by independent director	Observed	Chairman of the Appointment and Remuneration Committee of the Board of Directors of JSC OGK-1 Dmitry Viktorovich Shtykov is independent director
32	No officers of the joint-stock company may be included to the appointment and remuneration committee	Observed	Members of Appointment and Remuneration Committee of the Board of Directors of JSC OGK-1 are not officers of the Company.
33	Creation of risk committee of the board of directors or assigning functions of such committee to any other committee (other than audit committee and human resources and remuneration committee).	Not observed	No Risk Committee of the Board of Directors has been created in the Company.
34	Creation of corporate conflict resolution committee of the board of directors or assigning functions of such committee to any other committee (other than audit committee and human resources and	Not observed	No Corporate Conflict Resolution Committee of the Board of Directors has been created in the Company.

	remuneration committee).		
35	No officers of the joint-stock company may be included to the corporate conflict resolution committee	Not observed	No Corporate Conflict Resolution Committee of the Board of Directors has been created in the Company.
36	The corporate conflict resolution committee shall be managed by independent director	Not observed	No Corporate Conflict Resolution Committee of the Board of Directors has been created in the Company.
37	Presence of internal documents of the joint-stock company approved by the board of directors describing the procedure and operation of committees of the board of directors.	Observed	Regulation on Audit Committee was approved by Decision of the Board of Directors on 30.09.2008 (Minutes No. 114); Regulation on Appointment and Remuneration Committee was approved by Decision of the Board of Directors on 30.09.2008 (Minutes No. 114); Regulation on Strategy and Investment Committee was approved by Decision of the Board of Directors on 22.07.2009 (Minutes No. 133).
38	The procedure of determining quorum of the board of directors which allows ensuring obligatory participation of independent directors in meetings of the board of directors shall be determined in the Charter of the joint-stock company.	Not observed	Paragraph 15.11 of the Charter "The quorum for a meeting of the Board of Directors shall be constituted by not less than one half of the elected members of the Board of Directors of the Company".
<b>Executive bodies</b>			
39	Presence of collegial executive (management) body of joint-stock company	Observed	Article 18 of the Charter of the Company "Management Board of the Company"
40	The charter or internal documents of joint-stock company shall include the provision on obligatory approval of transactions with real property and	Observed	In accordance with subparagraphs 3, 9, paragraphs 18.2 of Company Charter, competence of the Management Board includes "making decisions on transactions the subject of which is property, works and services whose value ranges from 1 to 10

	<p>obtainment of credits by the company by the management board in case such transactions are not classified as major transactions and conclusion thereof is not related to the normal course of business of the company.</p>		<p>percent of book value of assets of the Company determined as of the date of the decision to conclude the transaction; solving other questions related to administration of current activities of the Company in accordance with decisions of the General Meeting of Shareholders, Board of Directors of the Company as well as questions submitted for consideration of the Management Board by General Director of the Company".</p>
41	<p>Internal documents of the joint-stock company shall include the procedure for approval of operations going beyond the financial and economic plan of the joint-stock company.</p>	Observed	<p>In accordance with subparagraph. 16, paragraph 12.1. of the Company Charter, the competence of the Board of Directors: includes "taking decisions on participation (membership in the existing organization or creation of a new organization), as well as termination of participation of the Company in other organizations, as well as acquisition, alienation and encumbrance of stock and shares of authorized capital of organizations in which the Company participates, changes of participating interest in authorized capital of the the corresponding organization".</p>
42	<p>No persons being owners, General Directors (managers), members of management bodies or employee of the legal entity competing with joint-stock company may be included to membership of executive bodies.</p>	Observed	Realized in practice
43	<p>No persons that were adjudged guilty in crimes committed in economic activity area or crimes against the state power, interests of civil service and service in local government bodies or those that undergone administrative punishment for offences in the field of</p>	Observed	Realized in practice

	<p>entrepreneurship or in the field of finances, taxes, levies, securities market may be included to membership of executive bodies of joint-stock company. In case functions of sole executive body are performed by management company or manager, the General Director and members of the management board of the management company or manager shall comply with requirements specified to General Director and members of the management board of the joint-stock company.</p>		
44	<p>Charter or internal documents of the joint stock company shall include the prohibition for management company (manager) to carry out similar functions in the competing company as well as be in any property relations with joint-stock company aside from rendering management company (manager) services.</p>	Not observed	<p>No prohibition for management company (manager) to carry out similar functions in the competing company is specified in the Charter or internal documents of the Company.</p>
45	<p>Internal documents of the joint-stock company shall include the obligation for executive bodies to refrain from actions that will lead or potentially may lead to conflict between their interests and interests of joint-stock company, and in case such conflict arises, to disclose information about this</p>	Observed	<p>Paragraph 4.2.7. of the Corporate Conduct Code: "Chairman and members of the Management Board shall refrain from actions that may lead to conflict between their interests and interests of the Company. In case such conflict arises, the Chairman and members of the Management Board shall inform the Board of Directors about this and abstain from discussing and voting on corresponding items".</p>

	conflict to the board of directors.		
46	The charter or internal documents of the joint-stock company shall contain criteria for the selection of the management company (manager).	Not observed	No criteria for the selection of the management company (manager) are contained in the charter or internal documents of the Company.
47	Executive bodies of joint-stock company shall provide monthly reports on their performance to the Board of Directors of the Company.	Partially observed	<p>Reports of General Director (management company) on Company's performance are submitted to the Board of Directors on quarterly basis.</p> <p>In accordance with paragraph 4.3 of the Corporate Governance Code "Management board of the Company provides the Board of Directors quarterly reports on activities of the Management Board in accordance with Regulation on Management Board".</p>
48	Establishing liability for breaching provisions related to use of confidential and proprietary information in agreements concluded by joint-stock company with General Director (management company, manager).	Observed	<p>In accordance with clause 31.5. of Regulation on Management: "Members of the Board of Directors shall be liable to the Company for damage caused to the Company by their wrongful acts (failure to act) ..."</p> <p>In accordance with clause 5.1. of Insider Information Regulation: "Insiders of the Company may be brought to disciplinary and/or civil liability in accordance with terms of agreements with the Company and current legislation, and to civil and criminal liability in accordance with the current legislation for unlawful distribution and/or use of insider information".</p>
<b>Secretary of the Company</b>			
49	Presence of special officer in joint-stock company (secretary of the company) who is assigned with the task of ensuring compliance of joint-stock company bodies and officers with procedural requirements guaranteeing	Not observed	No such person (corporate secretary) is contemplated in the structure of joint-stock company by the charter and internal documents of the Company.

	exercising of rights and legitimate interests of company shareholders.		
50	The charter or internal documents of the joint-stock company shall contain procedure for appointment (election) of secretary of the company.	Not observed	No such requirements are specified in the Charter or internal documents of the Company.
51	The charter or internal documents of the joint-stock company shall contain requirements to candidature of the secretary of the company.	Not observed	No such requirements are specified in the Charter.
<b>Material corporate actions</b>			
52	The charter or internal documents of the joint-stock company shall contain requirement for prior approval of any major transaction.	Not observed	No such requirements are specified in the Charter or internal documents of the Company.
53	Obligatory involvement of an independent appraiser for appraising market value of the property being subject of a major transaction.	Observed in practice	Company hires independent appraiser when concluding major transactions or concludes transactions based on the results of competitive procedures.
54	The charter of joint-stock company shall contain prohibition for any actions directed toward protection of executive bodies (members of such bodies) and members of the board of directors of the joint-stock company when purchasing large block of shares of joint-stock company (acquisition), as well as impairing status of the shareholders as compared with the current status (specifically, the	Not observed	No specified prohibition is contained in the Charter of the Company

	prohibition for decision of the board of directors to issue additional shares prior to the end of suggested period for purchasing shares, the prohibition for decision to issue securities convertible to shares or securities granting the right to purchase shares of the company, even if the right for such decision is provided by the Charter).		
55	Charter of the joint-stock company shall contain the requirement for obligatory involvement of an independent appraiser for appraising current market value of shares and eventual change of their market price as a result of acquisition.	Not observed	Company shares have been traded since November 2006 at the leading stock exchanges of Russia: JSC RTS and CJSC MICEX Stock Exchange, where their market value is determined.
56	The charter of the joint-stock company shall not contain provisions releasing the purchaser from obligation to offer shareholders to sell owned by them ordinary shares of the company (equity security convertible to ordinary shares) in the course of acquisition	Observed	No specified requirement is contained in the Charter of the Company
57	The charter or internal documents of the joint-stock company shall contain requirement of obligatory involvement of independent appraiser for determining shares conversion ratio during restructuring.	Observed in practice	No such requirement is specified in the Charter or internal documents of the Company. However in practice an independent appraiser was hired to determine conversion ratios.
<b>Information disclosure</b>			

58	Presence of internal document approved by the board of directors describing the regulations and procedure of the joint-stock company for information disclosure.	Observed	The Information Policy Regulations of JSC OGK-1 were approved with the decision of the Board of Directors (Minutes No. 150 dated 20.09.2010).
59	Internal documents of the joint-stock company shall contain the requirement on disclosure of information with the purpose of share placement about persons who intend to purchase placed shares, including large blocks of shares as well as if executives of the joint-stock company are going to participate in purchase of placed shares of the company.	Not observed	Information disclosure is carried out in accordance with the requirements of legislation of the Russian Federation and Information Policy Regulations of JSC OGK-1.
60	Internal documents of joint-stock company shall include the list of information, documents and materials which shall be provided to shareholders with the purpose to solve questions introduced to general meeting of shareholders.	Not observed	<p>The complete list of information, documents and materials provided to shareholders with the purpose to solve questions introduced to general meeting of shareholders is not specified in any of the documents of the Company.</p> <p>In accordance with clause 10.15. of the Charter "The procedure for examining the information (materials) on the agenda of the General Meeting of Shareholders and list of the information (materials) by the persons entitled to attend the General Meeting of Shareholders, shall be determined by the Board of Directors of the Company."</p> <p>In accordance with paragraph 2.2 of the Regulations on preparation and holding of General Meeting of shareholders of the Company, during the preparation of General Meeting of Shareholders, Board of Directors or other persons, as specified in cases set forth in item 2, paragraph 2.1 of the Regulations, are making decisions on determining the list of information provided to the shareholders.</p>

61	Presence of web-site of the Company in the Internet and regular disclosure of information on joint-stock company on this web-site.	Observed	Corporate website: <a href="http://www.ogk1.com">www.ogk1.com</a>  In accordance with p.6 of Information Policy Regulations the Company published on its corporate web-site the information about its activities, activities of subsidiary and affiliated companies as well as documents, press-releases, notices, articles, interviews, advertizing and other information.
62	Internal documents of the joint-stock company shall contain requirement on disclosure of information on transactions of the joint-stock company with persons being the executives of the joint-stock company according to its charter as well as on transactions of joint-stock company with companies where executives of the joint-stock company own, directly or indirectly, at least 20 percent of authorized capital of the joint-stock company or with companies that might be seriously influenced in any other way by such persons.	Observed	In accordance with p. 7.1.1.4 of Information Policy Regulations the Company discloses on its corporate web-site the information on ownership of shares of the Company and its subsidiaries and affiliates by executives and persons affiliated with them, stating the quantity and category (type) of shares.  The information on transactions between specified persons and the Company.
63	Internal documents of the joint-stock company shall include the requirement on disclosure of information about all transactions that may affect the market value of shares of the joint-stock company.	Observed	Paragraph 6.3 of the Information Policy Regulations (disclosure of information in securities prospectus, quarterly report in the form of corporate action notices).
64	Presence of internal document approved by the Board of Directors governing use of material information on activities of the joint-stock company, shares and other	Observed	Insider Information Regulations of JSC OGK-1 was approved with the decision of the Board of Directors on 15.06.2007 (Minutes No. 64).

	securities and transactions therewith which is not publicly available and disclosure of which may affect considerably the market value of shares and other securities of the joint-stock company.		
<b>Control over financial and economic activities</b>			
65	Presence of approved by the Board of Directors procedures of internal control over financial and economic activities of the joint-stock company.	Observed	Regulation on Internal Audit Department of the Company was approved by Decision of the Board of Directors on 28.08.2009 (Minutes No. 112):
66	Presence of special department of joint-stock company ensuring compliance with internal control procedures (control and audit service).	Observed	Internal Audit Department is a structural department of the Company. Its structure and staff list are approved by General Director of the company.
67	Internal documents of the joint-stock company shall include the requirement on determination of structure and membership of control and audit service of joint-stock company by the Board of Directors.	Not observed	No such requirement is specified in internal documents of the Company.
68	No persons that were adjudged guilty in crimes committed in economic activity area or crimes against the state power, interests of civil service and service in local government bodies or those that undergone administrative punishment for offences in the field of entrepreneurship or in the field of finances, taxes, levies, securities market may be included to	Observed in practice	No such persons are included to the membership of control and audit service of the Company.

	membership of control and audit service of the Company.		
69	No persons being members of executive bodies of the joint-stock companies as well as persons being shareholders, General Director (manager), members of management bodies or employees of the legal entity competing with joint-stock company may be included to membership of control and audit service.	Observed in practice	No such persons are included to the membership of control and audit service of the Company.
70	The term for providing documents and materials to control and audit service for conducting estimation of the carried out financial and economic operation as well as responsibility of officers and employees of the joint-stock company for failure to provide such information within prescribed term shall be specified in internal documents of the joint-stock company.	Not observed	
71	Internal documents of the joint-stock company shall include the obligation of control and audit service to inform about revealed violations the audit committee, and in case there're no such committee, the board of directors of the joint-stock company.	Observed	Paragraph 4.4.5 of the Regulations on Internal Audit Department approved by the Board of Directors on 28.08.2008 (Minutes No. 112 dated 29.08.2008).
72.	The charter of the Board of Directors shall include	Not observed	No specified requirement is contained in the Charter of the Company

	the requirement on preliminary estimation of practicability of operations not contemplated by financial and economic plan of the joint-stock company (non-standard solutions) by control and audit service.		
73.	The procedure for approval of non-standard operation with the board of directors shall be determined by internal documents of the joint-stock company.	Observed	<p>Pursuant to subparagraph 25 and 26, paragraph 12.1. of the Company Charter, the competence of the Board of Directors includes preliminary approval of the following transactions:</p> <p>25.1.) Transactions (including several interconnected transactions), as relates to the property whose value exceeds 10 percent of book value of assets of the Company on the date of the decision on concluding such transactions;</p> <p>25.2.) Transactions (including several interconnected transactions) with the property that constitutes fixed assets, intangible assets, incomplete construction, the purpose of which is the production, transmission, dispatching, and distribution of electrical and heat energy;</p> <p>26.1.) Transactions related to with the transfer of property without compensation or transfer of property rights of the Company, or the claims of the Company to a third party;</p> <p>26.2.) Transactions involving release of third parties from property obligations to the Company or the Company to a third person;</p> <p>26.3.) Transactions related to provision of gratuitous services by the Company (performance of gratuitous works) to third parties.</p>
74.	Presence of approved by the Board of Directors internal document determining the procedure of conducting inspections of financial and economic activities of the joint-stock company by audit	Observed	The Regulation on Audit Commission of JSC OGK-1 approved by the General Meeting of Shareholders of the Company on 29.07.2005 (Minutes No. 200) is effective in the Company.

	commission.		
75.	The audit committee shall estimate the audit opinion prior to presentation of the opinion to shareholders at the General Meeting of Shareholders.	Observed	Paragraph 13.8 of the Regulation on Audit Committee of the Board of Directors approved by the Board of Directors on 13.09.2008 (Minutes No. 114).
<b>Dividends</b>			
76.	Presence of internal document approved by the board of directors governing the procedure of adopting recommendations on the dividend amount by the board of directors (Dividend Policy Regulations).	Observed	Dividend Policy Regulations was approved by the Board of Directors of JSC OGK-1 on 28.04.2008 (Minutes No. 104).
77.	The Dividend Policy Regulations shall include the procedure for determination of the minimal share of the net profit of the joint-stock company directed towards dividends payment, and conditions when dividends on preferred shares (the dividend amount on which is determined in the charter of the joint-stock company) are not paid or not paid in full.	Not observed	Not provided by Dividend Policy Regulations approved by the Board of Directors of JSC OGK-1 on 28.04.2008 (Minutes No. 104):
78.	Publishing information on dividend policy of the joint-stock company and changes introduced hereto in the periodical specified by the charter of the joint-stock company for publishing notices on holding general meetings of shareholders, as well as posting this information on the website of the joint-	Observed partially	Dividend Policy Regulations of JSC OGK-1 approved by the Board of Directors of JSC OGK-1 on 28.04.2008 (Minutes No. 104) is placed on the website of the Company: <a href="http://www.ogk1.com">www.ogk1.com</a>

stock company in the Internet.		
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### SUBSIDIARIES AND AFFILIATES OF JSC OGK-1

Name of the company:	Registration country:	Location address:	Main area of activity	Share in the authorized capital
JSC Utility Vehicles Department	Russia	618740, Russian Federation, Perm Region, Dobryanka, industrial base	<p>Passenger transportation;</p> <ul style="list-style-type: none"> <li>- Cargo transportation;</li> <li>- arrangement of operation of special-purpose vehicles and lifting equipment;</li> <li>- providing services on repair and maintenance of motor transport;</li> <li>- manufacturing goods and products of technical industrial purpose</li> </ul>	100.00%
JSC Lukomorye Sanatorium-Preventorium	Russia	462803, Russian Federation, Orenburg region, Novoorskiy district, 49 Energetik village	<p>Medical and consultation services;</p> <ul style="list-style-type: none"> <li>- arrangement of outdoor recreational activities and cultural events for campers;</li> <li>conducting recreational events measures using curative and health-conditioning influence of the climate, physical training sports and tourstic activities.</li> </ul>	100.00%
NVGRES Holding Limited	Cyprus	1065 Cyprus, Nicosia, Makariou III, bld. 2-4	Holding Company created with the purposes of financing	75%-1 share

		CAPITAL CENTER office 9th floor	construction of 3rd power generating unit of Nizhnevartovskaya GRES.	
LLC OGK-1 Finance	Russia	117447, Russian Federation, Moscow . 13/17 Bolshaya Cheremushkinskaya Street	Securities investments	100%

### CREDIT HISTORY

Liability:	Name of the creditor (lender):	Principal amount	Currency	Credit (loan) term/ repayment period	Overdue principal payment and/or accrued interests liability, overdue time period, days
Short-term credit	JSC Sberbank of Russia – (Srednerussky Bank branch)	700,000	RUR thousand	09.04.2009	None
		100,000	RUR thousand	20.10.2009	
		300,000	RUR thousand	01.10.2009	
		200,000	RUR thousand	30.10.2009	
		500,000	RUR thousand	27.11.2009	
		550,000	RUR thousand	07.12.2009	
		1,100,000	RUR thousand	11.12.2009	
		350,000	RUR thousand	23.09.2010	
Short-term credit	JSC UniCredit Bank	700,000	RUR thousand	22.03.2010	None
		300,000	RUR thousand	24.09.2010	
		200,000	RUR thousand	25.09.2010	
		500,000	RUR thousand	01.11.2010	
Long-term credit	State Corporation Vnesheconombank	1,300,000	RUR thousand	20.12.2013**	None
Long-term credit	JSC COMMERZBANK EURASIA	100,000	RUR thousand	26.06.2009	
		600,000	RUR thousand	30.06.2009	
		700,000	RUR thousand	11.03.2009	
		200,000	RUR thousand	31.03.2009	
		70,000	RUR thousand	18.08.2009	
		280,000	RUR thousand	05.08.2009	
100,000	RUR thousand	06.08.2009			
Long-term credit	JSC COMMERZBANK EURASIA	1,000,000	RUR thousand	12.04.2012	None
Long-term credit	JSC ING-BANK (EURASIA)	1,500,000	RUR thousand	22.11.2012	None
Long-term credit	JSC ING-BANK (EURASIA)	1,500,000	RUR thousand	04.05.2013	None
Short-term credit	JSC INTER RAO UES	1,700,000	RUR thousand	25.12.2009	None

Long-term credit	JSC Transcreditbank	1,600,000	RUR thousand	11.12.2012	None
Long-term loan	JSC INTER RAO UES	5,317,668	RUR thousand	15.10.2009*	None
Long-term credit	JSC Alpha-bank	500,000	RUR thousand	26.10.2012	None
		600,000	RUR thousand	09.04.2013	
		900,000	RUR thousand	12.07.2013	

\* Loan repaid prematurely on 20.12.2010.

\*\* Credit repaid prematurely on 12.07.2010.

## GLOSSARY

OS	Ordinary shares
ATS	Administrator of trade system of the electric power wholesale market
BM	Balancing market
GRES	State district power plant (in Russia – thermal power plants)
GS	Guaranteeing supplier
GTU (GTE)	GTU (GTE)– gas turbine unit (gas turbine power plant)
GES	Hydraulic power plant
SAC	Subsidiary and affiliated companies
CSC	Capacity Supply Contract
CCT	Competitive capacity takeoff
KPI	Key performance indicators
IFRS	International financial reporting standards
MRSK	Multi-regional distribution network companies
NP	Nonprofit partnership
OGK	Generating companies of wholesale market
UCD	Unified control departments
AWP	Autumn-winter period
EPCM	Electric power (capacity) wholesale market
UES	Unified energy systems
PGU	Combined cycle power unit
RA	Regulated agreements
RCD	Regional control departments
RGC	Regional generating companies

RAS	Russian accounting standards
DAM	Day-ahead market
EPCSA	Electric power and capacity purchase agreement
SO UES	System operator of unified energy system
TS	Trading schedule
TGC	Territorial generating companies
TES	Thermal power plant
TETs	Combined heat and power plant
FSK UES	Federal Grid Company of Unified Energy System
FTS	Federal tariff service

## TERMS

Gcal	Gigacalorie	Unit of measurement of thermal energy
Gcal/hour	Gigacalorie/hour	Unit of measurement of thermal capacity
Hz	Hertz	Electric current frequency
kV	Kilovolt	Unit of measurement of voltage
kVA	Kilovolt-Ampere	Unit of measurement of aggregate capacity
kWh	Kilowatt-hour	Unit of measurement of produced electric power
kWh	Kilowatt	Unit of measurement of electric capacity
MW	Megawatt	Unit of measurement of electric capacity
GW	Gigawatt	Unit of measurement of electric capacity
Ton/h	Tons per hour	Unit of measurement of steam-generating capacity
t.f.o.e	tonns of fuel oil equivalent	Unit of measurement
t..n.f	ton of natural fuel	Unit of measurement

## JSC OGC-1 CONTACT INFORMATION

<b>The Open Joint-stock Company First Generating Company of Electric Power Wholesale Market</b>	
Legal address:	Russian Federation, Moscow, 27 Bolshaya Pirogovskaya, bld. 1
Mail address:	Russian Federation, 117447 Moscow, 13/17 Bolshaya Cheremushkinskaya Street
Phone:	(495) 225-40-00
Fax:	(495) 225-40-90
e-mail:	<a href="mailto:office@ogk1.ru">office@ogk1.ru</a>
Corporate website:	<a href="http://www.ogk1.com">www.ogk1.com</a>
Contact information for shareholders:	(495) 967-0527
PR Division	Phone: (495) 967-0527 Fax: (495) 967-0526

**COMPANY BRANCHES:**

	Name	Location address:
1.	Verkhnetagilskaya GRES – JSC OGK-1 branch	624334 Russian Federation, Sverdlovsk Region, Verkhniy Tagil, sector of Promyshlenniy proezd, Prompleshchadka No. 4 (Industrial site No. 4)
2.	Irikliinskaya GRES – JSC OGK-1 branch	462803, Russian Federation, Orenburg region, Novoorskiy district, Energetik village
3.	Kashirskaya GRES– JSC OGK-1 branch	142900, Russian Federation, Moscow Region Kashira-2 town,
4.	Nizhnevartovskaya GRES – JSC OGK-1 branch	628634, Russian Federation, Tyumen region, Khanty-Mansiysky Autonomous Okrug, Nizhnevartovskiy district, Izluchinsk village
5.	Permskaya GRES- JSC OGK-1 branch	618740 Russian Federation, the Perm Territory Dobryanka, Permskaya GRES
6.	Urengoyskaya GRES- JSC OGK-1 branch	629325, Russian Federation, Tyumen region, Yamalo-Nenetsky Autonomous District, Noviy Urengoy, Limbyayakha district
7.	Moscow Branch	Russian Federation, 117447 Moscow, 13/17 Bolshaya Cheremushkinskaya Street

**AUDITOR**

<b>Closed Joint-Stock Company KPMG</b>	
Address	Naberezhnaya Tower, Block C 10 Presnenskaya Embankment 123317 Moscow
Phone:	(495) 937 44 77
e-mail:	moscow@kpmg.ru

**REGISTER HOLDER**

<b>Open Joint-Stock Company Registrar R.O.S.T.</b>	
Mail address:	105082, Moscow, 18 Stromynka street, bldg. 13
Phone:	(495) 771-73-35
Phone for shareholders:	8 800 700 03 44
e-mail:	rost@rost.ru

**JSC REGISTRAR R.O.S.T BRANCHES:**

Name	Mail address:	Phone:
Arkhangelsk Branch	163061, Arkhangelsk, 64 Lomonosova prospect	(8182) 63-31-62, 63-31-68

Oktyabrsky Branch	656011, Barnaul, 127A, Lenina prospect	(3852) 77-78-35, 77-64-58
Separate subdivision in Bratsk town	665712 Bratsk-12 town, PO Box 1071	(3953) 35-95-82
Vladivostok Branch	690001, Vladivostok city, 82 Svetlanskaya street	(4232) 22-89-38, 21-17-95
Separate subdivision in Volgograd city	400033, Volgograd 9 Ak. Bogomoltsa street, 3rd floor	(8442) 79-82-80
Separate subdivision in Vologda town	55 Komsomolskaya street, office 103, Vologda 160019	(8172) 54-30-40
Voronezh Regional Branch	394006, Voronezh, 68 Karla Marksa street	(473) 253-11-61
Separate subdivision in Gorno-Altaysk town	649002 the Republic of Altai Gorno-Altaysk town, 139 Kommunistichesky prospect.	(38822) 6-40-90
Zheleznogorsk Branch	307170, Kursk Region Zheleznogorsk, 27 Gornyakov street	(47148) 4-70-26
Separate subdivision in Ivanovo town	153012 Russian Federation, 52 Bubnova street	(4932) 32-65-80
Irkutsk Branch	664000 Irkutsk, 6 Lenina street, office 302-A	(3952) 20-33-40
Kaluga Regional Branch	248600, Kaluga, 4 Smolensky per, office 7	(4842) 58-08-65
Kemerovo Branch Alpari	650004, Kemerovo, 6a Sobornaya street	(3842) 35-30-78, 35-26-97
Komsomolsk-on-Amur branch	681016, Komsomolsk-on-Amur, 13 Mira prospect, bld. 3 681016, the Khabarovsk Territory, Komsomolsk-on-Amur, PO Box 7	(4217) 25-27-17, 59-16-13, 25-26-10
Kostroma Regional Branch	156002, Kostroma, 4 Komsomolskaya street, office 39	(4942) 31-02-05
Krasnodar Branch	350020, Krasnodar, 176 Krasnaya street, 4th floor	(861) 255-21-01, 2-100-328
Krasnoyarsk Branch	660017, Krasnoyarsk 117 Urtskogo street, office 504	(391) 212-08-21
Kurgan Regional Branch	640006, Kurgan 144 Kuibisheva street, PO Box 1098 Express delivery: 144 Kuibisheva street, 3rd floor, Kurgan 640006	(3522) 46-65-80
Nizhnny Novgorod Branch	4/2 M. Gorkogo square, office 9, Nizhniy Novgorod, 603000	(831) 434-11-19

Novosibirsk Branch	630007 Russian Federation, Novosibirsk 50 Kommunisticheckaya street	(383) 218-76-77, 218-76-79
Omsk Branch	644007, Omsk, Frunze – 80/18 Gertsena street, office 726/9	(381-2) 433-156
Separate subdivision in Perm city	614000, Perm, 24 Kirova street	(342) 259-10-36, 259-10-46
Kamchatka Branch	683000, Kamchatka Region Petropavlovsk-Kamchatsky city, 35 Karla Marksa prospect	(4152) 25-24-70
Podolsk Branch	142100 Moscow region, Podolsk, 57 Fevral'skaya street, bldg. 1	(4967)55-77-01
Samara Branch	443110 Russian Federation, Samara 44 Novo-Sadovaya street	(846) 273-84-48, 273-84-28
Separate subdivision in Saint-Petersburg	199026, St. Petersburg 26 line of Vasilievsky Island 15, bldg 2, letter A	(812) 322-76-27, 322-48-91
Mordova Republican Branch	430003, Republic of Mordovia, Saransk, 100 Lenina prospect	(834-2) 27-01-54
Stavropol Branch	355037 Stavropol, 36 Dovator'tsev street	(865-2) 77-07-13
Separate subdivision in Syktyvkar	167000, Komi Republic Syktyvkar, 9 Garazhnaya street	(8212) 29-33-84
Tambov Regional Branch	392000, Tambov, 16a Derzhavinskaya street office, 40, cabinet 416 392000, Tambov, PO Box 67	(4752) 71-43-68, 72-71-41
Ulyanovsk Regional Branch	432011, Ulyanovsk, 5 Sovetskaya street, room 72	(8422) 41-25-26
Chelyabinsk Regional Branch	454078, Chelyabinsk, 93/B Dzerzhinskogo street, office 601, 602	(351) 239-02-25, 239-02-26
Elektrostal Branch	144002, Moscow Region Elektrostal town, 1 Zheleznodorozhnaya street	(49657) 2-95-54, 7-13-76
Yuzhno-Sakhalinsk branch Aktsiya – Reestr	693000, Yuzhno-Sakhalinsk, 20 K.Marksa street, office 210	(4242) 42-32-43
Yaroslavl Regional Branch	150000, Yaroslavl, 17/14 Trefoleva street	(4852) 32-83-15, 32-89-49