

Appendix No. 6

Glossary

For the purposes of the Annual report the following terms, definitions and acronyms shall be used.

ABBREVIATIONS

EBITDA – Earnings before Interest, Taxes, Depreciation and Amortization

RAB – Regulatory Asset Base (regulated base of capital employed), return on invested capital method

JSC – joint stock company

GDP – gross domestic product

HVL – high voltage line

OPL – overhead power lines

HV – high voltage

HEI – higher educational institution

GAPG – hydroelectric pumped storage power plant / branch of Gorno-Altay Power Grids (depends on context)

GS – guarantee supplier

HPS – hydro-electric power station / city power grids (depends on context)

S&A – affiliated/associated company

Ut. – unit

UES of Russia – Unified Energy System

HUI – housing and utilities infrastructure

CJSC – Closed -Joint Stock Company

nm. – named

TIN – taxpayer's identification number

PAT – processing technology, automatization and telecommunication

CL – cable line

km – kilometer

kop. – kopeck

KPI – key performance indicators

CDTN – corporate data transfer network

MIA of Russia – Ministry of Internal Affairs of the Russian Federation

mln – million

bln – billion

MOEX – PJSC MOEX

IDGC – interregional distribution grid company

SMB – small and medium business

IFRS – International financial reporting standards

MUE – municipal unitary enterprise

RGP – required gross proceeds

VAT – value-added tax

R&D – research, development and design work

NP – non-profit partnership

NC – new construction

OJSC – Open-Joint Stock Company

LLC – limited liability company

WMEP – wholesale market for electricity and power

PJSC – public joint stock company

ICC – industrial civil engineering

CSP – customer service point

SS – substations

RAS – Russian Accounting Standards

RTS – regional tariff service

rub . – ruble

RF – Russian Federation

REG – regional electric grids

ICS – internal control system

MM – mass media

p. – page

RMS – risk management system

TV – television

TS – transformer substation / technological connection (depends on context)

TGO – territorial grid organization

Incl . – including

thsd – thousand

F. – accounting form

FSMC of Russia – Federal Securities Market Commission

pcs. – pieces

UNITS OF MEASUREMENT

Ampere (A) – unit of measurement of electricity current intensity in international system of units (SI).

Watt (W) – unit of measurement of electricity current capacity in international system of units (SI).

Watt-hour (Wh) – off-system unit of work or produced electricity. Used predominantly for use of administrative use of electricity, national economy and for measurement of electricity production in power industry.

Volt (V) – unit of measurement of electrical voltage in international system of units (SI). Equal to electric tension that cause a direct current in power chain of 1 Ampere under capacity of 1 W.

Volt-ampere (VA) – off-system measurement unit of full current capacity.

Litre (l) – metrical unit of volume measurement.

TERMS

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) – analytic indicator equal to volume of proceeds before interest, taxes, depreciation and amortization.

Gross Domestic Product (GDP) – market value of all end products and services (created for direct consumption) produced within one year in all fields of economics on the territory of a state for consumption, export and accumulation, regardless of national identity of used production factors.

Dividend Policy – set of principles and methods for determining proportions between a capitalized part of Company profits and part of Company profits paid in the form of dividends, as well as a system of relations and principles for determining the procedure and terms of dividend payment, establishing Company liability in case of failure to fulfill its obligation to pay dividends.

Subsidiary/associated company (S&A) – economic entity when 20% of its voting shares are owned by another company.

Unified national (all-Russian) power grid – set of power grids and other power grid facilities, owned on the basis of title or under other ground provided by federal laws, by power grid subjects and ensuring stable power supply of customers, functioning of a wholesale market and a parallel work of Russian power grid system and power grid systems of other states.

Unified Energy System (UES of Russia) – an aggregate of production and other property power facilities connected in the unified production process (including production in a form of combined power and heat generation) and power transfer under condition of centralized operational-dispatching management.

Sole executive body – an official acting on behalf of a company on the basis of company charter and entitled to exercise legal capacity of this company regarding on issues not covered by other company bodies.

Investment association – investors, value fund, rating agency, stock exchange, investment banks, investment analytics and experts.

Interregional distribution grid company (IDGC) – open joint stock companies established during restructurization of the power field and formed as operational (or operational and holding) companies in terms of reorganization of IDGC and RGC in a form of affiliation.

Return on invested capital method (RAB, Regulatory Asset Base – regulatory base of capital employed) – system of tariff-making on the basis of long-term tariff control aimed at attraction of large-scale investments to construction and modernization of grid infrastructure and stimulation of efficient expenses of grid organizations. Main principle of methodology is ensuring return of funds invested to company assets for determined period that comply with asset service term and receipt of justified rate of return to engaged capital. Therewith, borrowed funds are returned within a period of 20 years and more. Tariffs are determined for a period from three to five years which ensures stability and forecastability of situations for investors and decreases their risks. Customers, in their turn, receive quality guarantee of supplied services, possibility to predict power expenses and, ultimately, possibility of price reduction.

Required Gross Revenue (RGR) – economically justified volume of financial means required by company in order to perform regulated activity within the control period.

Distribution grid companies – open joint stock companies formed in result of division of AO-energo by types of activity on the basis of power grid facilities not related to the uniform national (all-Russian) power grid.

Registrar – legal persons being a professional market participant that provide shareholder register maintenance, registration of title transfer and distribution of materials to shareholders and other services to company.

Market capitalization – aggregate market value of all offered shares of an issuer determined by market quotations. Market capitalization is calculated as a result of the number of shares of an appropriate category (type) to a market price of one share disclosed by the trade organizer on the securities market and determined in accordance with the Procedure for Calculating Market Price of Equity Securities and Investment Shares of Mutual Investment Funds admitted to circulation through trade organizers, approved by a resolution of the Federal Commission for the Securities Market of Russia on December 24, 2003 No. 03-52/ps.

EDITOR'S REMARKS IN THE TEXT OF THE REPORT

Interested persons – shareholders, customers, contractors and business partners, investors, state bodies, employees of JSC IDGC of Siberia and other natural and legal persons interested in administrative activity of PJSC IDGC of Siberia (definition "Interested persons" complies with stakeholders used in international practice in order to specify the mentioned category of persons).

Executive body (Management apparatus) – management body (central office) of PJSC IDGC of Siberia that exercises functions of financial control and accounting, general system coordination and administrative control of the branches and S&A.

Key Performance Indicators (KPI) – system of financial and non-financial indicators that influence qualitative or quantitative change of results in regard to strategic goal of PJSC IDGC of Siberia.

Company, IDGC of Siberia – PJSC IDGC of Siberia / JSC IDGC of Siberia.

Corporate management – a set of processes ensuring management and control over its activities and including relations between shareholders, Board of Directors and executive bodies of PJSC IDGC of Siberia in the interests of shareholders.

Independent director – In accordance with the Corporate Governance Code (recommended by the Bank of Russia in accordance with letter No. 06-52/2463 dated April 10, 2014), an independent director is a person who has enough professionalism, experience and independence to form his/her own position, can make objective and honest judgments free from an influence of executive bodies, certain groups of shareholders or other interested persons. Therewith, under normal circumstances, a candidate (elected member of Board of Directors) who is associated with a company, its significant shareholder, an essential counterparty or a competitor of the company or associated with the state, cannot be considered independent. Additional conditions are contained in paragraphs 103-107 of the Code.

Non-executive director – member of Board of Directors, not being a member of executive bodies of a joint company and not complying with all requirements made to an independent director.

Controlled company – legal person controlled by PJSC IDGC of Siberia under agreement on transfer of authorities attributed to a sole executive body. As of 2017 such company controlled by PJSC IDGC of Siberia is Tyvaenergo JSC.