

APPROVED
by the Annual General Meeting of Shareholders of RAO UESR on June 28, 2002
as amended by the Annual General Meeting of Shareholders of RAO UESR on May 30, 2003
as amended by the Annual General Meeting of Shareholders of RAO UESR on June 29, 2005
as amended by the Annual General Meeting of Shareholders of RAO UESR on June 28, 2006

**CHARTER
OF UNIFIED ENERGY SYSTEM OF RUSSIA**

(restated version)

**Moscow
2006**

Article 1. General

1.1. Unified Energy System of Russia is a Russian open joint-stock company established and existing in accordance with Decree of the President of the Russian Federation No. 922 of August 14, 1992, "On Particular Issues of Converting Government-Owned Enterprises, Associations, Organizations of the Fuel and Energy Industry into Joint-Stock Companies"; Decree of the President of the Russian Federation No. 923 of August 15, 1992, "On the Organization of Management of the Russian Federation Power Industry in a Privatization Environment"; Decree of the President of the Russian Federation No. 1334 of November 5, 1992, "On the Implementation of Decree of the President of the Russian Federation No. 922 of August 14, 1992, 'On Particular Issues of Converting Government-Owned Enterprises, Associations, Organizations of the Fuel and Energy Industry into Joint-Stock Companies'"; the Federal Law "On Joint-Stock Companies," the existing laws, and this Charter.

1.2. The Company was established by Resolution of the State Committee for Government Property Management of the Russian Federation No. 1013-r of December 3, 1992.

1.3. The full corporate name of the Company is:

- in Russian, "Российское открытое акционерное общество энергетики и электрификации "ЕЭС России"";
- in English, "Unified Energy System of Russia."
- The short corporate name of the Company is:
- in Russian, "ОАО ПАО "ЕЭС России"";
- in English, "RAO UESR."

1.4. The place of location of the Company is: 119526, Moscow, Pr. Vernadskogo, 101, bldg. 3.

Article 2. Legal Status and Liability of the Company

2.1. The Company is a legal entity whose rights and obligations arise as the date of its state registration, December 31, 1992.

2.2. The Company shall hold legal title to its separate assets accounted for in its own balance sheet; it may, on its own behalf, acquire and exercise property rights and personal non-property rights, perform duties, act as a claimant and respondent in court.

2.3. The Company shall have civil rights and obligations necessary to carry out any activities that are not forbidden by federal laws.

2.4. The Company shall have a round seal bearing its full name in Russian and specifying the address, stamps, letterheads bearing its name, its own emblem (logo), and duly registered trade mark and other visual identity means, a settlement account and other accounts in rubles and foreign currency opened with banking institutions within and outside the Russian Federation.

2.5. The Company shall be liable with respect to its liabilities with all of its property. The Company shall not be liable with respect to its shareholders' liabilities.

The shareholders shall not be liable with respect to the Company's liabilities and shall bear the risk of loss associated with its activities to the extent of the value of their shareholdings.

Shareholders who have not paid for their shareholdings in full shall be jointly and severally liable with respect to the Company's liabilities to the extent of the unpaid amount of the value of their shareholdings.

2.6. The Company shall not be liable with respect to the liabilities of the government or its bodies; the government or its bodies shall not be liable with respect to the Company's liabilities.

2.7. The Company shall be entitled to found (co-found), in accordance with the prescribed procedure, commercial and non-commercial organizations, establish representative offices, branches, operating under charters and regulations approved by the Company.

The Company shall include representative offices and branches pursuant to Annex 1, which is an integral part of this Charter.

The Company shall provide its branch and representative office with property to be accounted for in their relevant balance sheets and the balance sheet of the Company.

The manager of a branch and the manager of a representative office shall be appointed by the Company and shall act under the power of attorney issued by the Company.

The branch and representative office shall operate on behalf of the Company that establishes them. The Company shall be responsible for the activities of the branch and representative office.

Changes in the Company's Charter, resulting from changes in the information about its branches and representative offices, shall be communicated to the government body responsible for legal entity registration under a notification procedure. Said changes in the Company's Charter shall become effective for third parties upon notification of the government body responsible for legal entity registration of such changes.

The Company shall set up branches and representative offices outside the Russian Federation pursuant to the laws of their host country unless otherwise specified by any international treaty to which Russia is a party.

2.8. Within a period when over fifty (50) percent of the Company's shares is held by the government, transactions involving shares of joint-stock companies established by the Company on the base of the property contributed by the Russian State Committee for Government Property Management to the Company's Authorized Capital, listed in Annex 2 to this Charter, and shares of joint-stock companies, listed in Annex 3 to this Charter, contributed by the Russian State Committee for Government Property Management to the Company's Authorized Capital shall be made in accordance with the existing laws and subject to the specific features of the Company's legal status.

The management bodies of the said joint-stock companies shall be set up in accordance with the charters of such companies. Nominees to positions of sole management bodies and nominees of the Company's representatives in their boards of directors shall be approved, in accordance with this Charter, by the Company's management bodies and proposed for election to the relevant management bodies of the said companies in accordance with the prescribed procedure.

In the event that the government's share in the Authorized Capital of the Company goes below fifty (50) percent, the Company shall dispose of its shareholdings in the joint-stock companies in accordance with the existing laws.

Article 3. Purpose and Scope of Business of the Company

3.1. The Company is established for the following purposes:

- ensure reliable operation and development of the Unified Energy System of Russia, including stand-alone power systems (hereinafter the "UES");
- pursue a uniform investment policy and increase attracted funds, including attracted foreign investments;
- pursue a uniform scientific and technical policy and introduce new and up-to-date engineering facilities and technologies;
- exercise centralized operation and process management of the UES;
- organize and develop a federal competitive wholesale market of electricity and capacity through a system of contract relations;
- ensure a standard power frequency, voltage level at the key points of the grid, static and dynamic stability of the UES;
- generate profits;

- ensure power plant preparedness to carry demand throughout their working capacity to transmit power to the UES and to provide power transit in pursuant to the united power system's mode of operation and the charters of the wholesale power and capacity market operation;
- improve the efficiency of UES operation.

3.2. The Company's core business includes as follows:

- manage the UES;
- provide services in UES operation and development organization and other services on the federal (Russian) wholesale market of electric power (capacity);
- generate, transmit, distribute and sell electric power and heat;
- operate electric power plants, power transmission lines and substations of the UES;
- develop long-term forecasts, long-term and current plans of economic, social and technological development of the power industry, target-specific comprehensive scientific-technical, economic and social programs;
- develop current and long-term balances of electric power and capacity;
- enforcement of power industry reform programs approved by the government of the Russian Federation;
- implement a uniform investment and capital attraction strategy to resolve general system problems of UES development;
- develop current and long-term fuel balances, fuel supply and consumption organization and control within the UES framework;
- design, build, expand, upgrade, re-equip and repair UES facilities;
- carry out scientific research and development in the field of technology, engineering, environmental protection, power economics, and power construction;
- cooperate with international financial and economic organizations; pursue trade-economic and scientific-technical cooperation with foreign government and non-government organizations;
- provide technical monitoring of equipment, buildings and facilities of electric power plants and grids regardless of their ownership or industry affiliation;
- pursue an energy conservation policy and introduce unconventional renewable energy sources;
- provide environmental safety of UES energy facilities;
- pursue a personnel policy, including training and re-training, checks of personnel knowledge of operation rules, fire safety, labor safety, and other directives pursuant to the existing regulations at UES enterprises and detached power systems;
- develop communication facilities and provide communication services, including fiber optic and satellite system communications;
- perform publishing and printing activities;
- provide medical services, including sanatorium treatment;
- perform motor transport operation, maintain and repair motor transport vehicles;
- within the Company's competence, ensure the Company's economic and information security, provide antiterrorist and antisubversive protection of power facilities;
- organize and perform information protection, maintenance and dissemination of certified means of cryptographic protection of information, provide information coding services;
- organize and implement measures aimed at protecting information constituting a government secret, mobilization preparation, civil defense, prevention and remedy of emergency situations, pursuant to the laws and regulations of the Russian Federation;
- provide educational services, including additional education;
- perform any activities which are not forbidden by federal laws.

3.3. Certain activities, listed by federal laws, may only be available to the Company subject to a special permit (license).

The Company's right to pursue an activity requiring a license shall arise when such license is granted or on a date specified by such license and terminate upon expiration of the license term unless otherwise specified by the law.

Article 4. Authorized Capital and Shares of the Company

4.1. The Authorized Capital of the Company is Twenty-One Billion, Five Hundred Fifty-Eight Million, Four Hundred Fifty-One Thousand, Six Hundred Eighty-Four (21,558,451,684) Rubles.

4.2. The Company places the following types of shares with a par value of Fifty (50) Kopecks each:

1) A preference shares with the total par value of One Billion, Thirty-Seven Million, Five Hundred Seventy-Four Thousand, Six Hundred Ninety-Two (1,037,574,692) Rubles.

2) Ordinary shares with the total par value of Twenty Billion, Five Hundred Twenty Million, Eight Hundred Seventy-Six Thousand, Nine Hundred Ninety-Two (20,520,876,992) Rubles.

4.3. In addition to the outstanding shares, the Company announces placement of Six Billion, Four Hundred Sixty-Seven Million, Five Hundred Thirty-Five Thousand, Five Hundred Four (6,467,535,504) Ordinary Shares with a par value of Fifty (50) Kopecks each in the total amount of Three Billion, Two Hundred Thirty-Three Million, Seven Hundred Sixty-Seven Thousand, Seven Hundred Fifty-Two (3,233,767,752) Rubles.

The Company's additional shares may be placed only to the extent of the number of authorized shares.

4.4. The Authorized Capital of the Company may be increased by raising the par value of the shares or by placing additional shares.

The Company's Authorized Capital may be increased by placing additional shares against the Company's property. The Company's Authorized Capital may be increased by raising the par value of the shares only against the Company's property.

The amount of an increase in the Company's Authorized Capital against the Company's property may not exceed the difference between the Company's net asset value and the sum of the Company's Authorized Capital and reserve fund.

A decision to increase the Authorized Capital of the Company by raising the par value of the shares shall be adopted by the General Meeting of Shareholders of the Company.

The following may not be done unless by a decision of the Company's General Meeting of Shareholders on raising the Company's Authorized Capital, adopted by a majority of three fourths of the holders of voting shares participating in the General Meeting of Shareholders:

- place additional shares through a private offering;
- place, through a public offering, additional ordinary shares exceeding 25 percent of the previously placed ordinary shares.

In other cases, a decision to raise the Authorized Capital by placing additional shares may be adopted by the Company's Board of Directors. A decision of the Company's Board of Directors to raise the Authorized Capital by placing additional shares shall be adopted unanimously by all members of the Company's Board of Directors, disregarding the votes by retired members of the Company's Board of Directors. If there is no unanimity of the Board of Directors on raising the Authorized Capital by placing additional shares, the Board of Directors may decide to put such issue on the agenda of the General Meeting of Shareholders of the Company.

4.5. Within a period when the government owns a fixed shareholding exceeding twenty-five (25) percent of the Company's share votes, the Company's Authorized Capital may be increased by issuing additional shares only if such increase keeps the government's percentage intact.

4.6. Payment for acquired shares may be in the form of money, securities, other property or property rights or other rights having a money value.

4.7. Subject to a decision of the General Meeting of Shareholders, the Company's Authorized Capital may be reduced by decreasing the par value of the shares or their total number, including by buying and retiring some of the Company's treasury shares.

4.8. The Company shall ensure maintenance of the Company's shareholder register in accordance with the laws and regulations of the Russian Federation.

The Company's shareholder register shall be maintained by a professional securities market participant engaged in maintaining registered securities holder registers (hereinafter the "registrar").

The Company assigning a registrar with the maintenance and safekeeping of the shareholder register shall not be exempted from responsibility for its maintenance and safekeeping.

Entries shall be made in the Company's shareholder register at the request of a shareholder or nominee holder not later than three days after submission of the documents specified by the laws of the Russian Federation.

At the request of a shareholder or person acting on his behalf or nominee, the registrar shall issue a statement of the Company's shareholder register concerning his personal account within five business days.

A shareholder shall not be entitled to demand that information which is unrelated to him be included in the account statement of the Company's register, including information about other shareholders and their shareholdings.

A statement of the Company's shareholder register shall specify all restrictions or share encumbrances pertaining to the shares in question, reflected in the Company's shareholder register as of the statement issue date.

4.9. A person registered in the Company's shareholder register shall timely notify the registrar of any changes in such person's data. If any such person fails to provide information about changes in such person's data, the Company or the registrar shall not be held liable for any losses caused by that.

Article 5. Rights and Obligations of Shareholders

5.1. Each ordinary share of the Company shall have the same par value and provide its holder with the same scope of rights.

5.2. Any holders of the Company's ordinary shares shall have the following rights:

- take part in the Company's General Meeting of Shareholders with a right to vote on all issues falling within its competence in person or by proxy;
- elect and be elected to management bodies and control management bodies and management bodies of the Company in accordance with the procedure provided for in the laws of the Russian Federation and this Charter;
- dispose of the shares that they hold without the consent of the other shareholders or the Company;
- receive a portion of the net profit (dividends) to be distributed between shareholders in accordance with the procedure provided for in the laws of the Russian Federation and this Charter;
- access the Company's documents in accordance with the procedure provided for in the laws of the Russian Federation and this Charter;
- require the Company's buy-out of all or some of the shares that they hold where specified by the laws of the Russian Federation;
- enjoy the preemptive right if the Company makes a public placement of additional shares or issue-grade securities convertible into shares in proportion to the quantity of that category (type) shares that they hold;
- receive some of the Company's property (liquidation value) in accordance with the procedure provided for in the laws of the Russian Federation and this Charter;
- exercise other rights specified by the laws of the Russian Federation, this Charter, and decisions adopted by the General Meeting of Shareholders within its competence.

Conversion of ordinary shares into preference shares, bonds or other securities shall not be permitted.

5.3. The Company's preference shares of the same type shall grant their holders an equal amount of rights and have the same par value.

Holders of A preference shares shall be entitled to a fixed annual dividend. The total amount to be paid as a dividend on each A preference share shall be equal to ten (10) percent of the Company's net profit for the financial year divided by the number of shares constituting twenty-five (25) percent of the Company's Authorized Capital. If the amount of dividends payable by the Company on each ordinary share in a certain year exceeds the amount payable as a dividend on each A preference share, the size of the dividend payable on the latter shall be increased to the size of the dividend payable on ordinary shares.

Dividends shall be paid to A preference share holders annually within time periods specified by the Company's General Meeting of Shareholders, but not later than May 1 of the year following the year of the General Meeting of Shareholders which decided on dividend payment, and, additionally, on the date of dividend payment for ordinary shares if, subject to this paragraph, the size of the dividend on A preference shares shall be increased to the size of the dividend payable on ordinary shares.

5.4. The Company shall not be entitled to pay dividends on A preference shares following a procedure different from the procedure provided for in this Charter.

5.5. The Company shall not have the right to pay dividends on ordinary shares before it pays dividends on A preference shares.

5.6. Holders of A preference shares shall be entitled to attend General Meetings of Shareholders with a right to vote on all issues falling within its competence, starting from a meeting following the Annual General Meeting of Shareholders which, for any reason, does not decide to pay dividends or decides to pay partial dividends on preference shares of the said type. A preference share holders' right to attend General Meetings of Shareholders shall terminate from the date of the first full payment of dividends on such shares.

5.6.1. A preference share holders shall attend the Company's General Meeting of Shareholders with a right to vote in deciding issues pertaining to the Company's reorganization and liquidation.

A preference share holders shall acquire a right to vote when the Company's General Meeting of Shareholders discusses amendments to the Company's Charter restricting the rights of A preference share holders and giving other type preference share holders advantages in terms of dividend payment priority and/or liquidation value of shares. Any decision on such amendments shall be deemed adopted if supported by at least three fourths of the voting share holders' votes participating in the General Meeting of Shareholders, except for the votes of A preference share holders, and three fourths of the votes of all A preference share holders.

5.7. The Company's shareholders shall have the preemptive right to acquire publicly placed additional shares of the Company and issue-grade securities convertible into the Company's shares in proportion to the number of the category (type) shares that they hold.

The Company's shareholders who vote against or do not participate in the voting on any private placement of the Company's shares or issue-grade securities convertible into the Company's shares shall have the preemptive right to acquire additional shares and issue-grade securities convertible into the Company's shares and placed privately in proportion to the number of the category (type) of shares that they hold. The said right shall not extend to the placement of shares and other issue-grade securities convertible into shares made privately among the existing shareholders only if the shareholders may acquire a whole number of such shares or other issue-grade securities convertible into shares in proportion to the number of shares of the said category (type) that they hold.

5.8. In the event that the Company is liquidated, the Company's property remaining after the creditors' claims are met shall be used for payments in the following order of priority:

- first, payments for shares which shall be bought out pursuant to Article 75 of the Federal Law "On Joint-Stock Companies,"
- second, payment of accrued and unpaid dividends on preference shares and the liquidation value payable in relation to preference shares as specified by the Company Charter,
- third, distribution of the property between ordinary share holders and all types of preference share holders.

Article 6. Bonds and Other Issue-Grade Securities of the Company

6.1. The Company shall have the right to place bonds or other issue-grade securities of the Company convertible into the Company's shares through a public or private offering.

6.2. Placement of issue-grade securities of the Company convertible into shares through a private offering shall require a decision of the Company's General Meeting of Shareholders adopted by a majority of three fourths of votes of the voting share holders participating in the General Meeting of Shareholders.

Placement of issue-grade securities convertible into ordinary shares exceeding 25 percent of the previously placed ordinary shares through a public offering shall require a decision by the Company's General Meeting of Shareholders adopted by a majority of three fourths of votes of voting share holders participating in the General Meeting of Shareholders.

In other cases, the decision to place bonds and other issue-grade securities of the Company convertible into the Company's shares shall be adopted by the Company's Board of Directors.

6.3. Additional shares and other issue-grade securities of the Company placed through a subscription shall be placed on condition that they are fully paid.

Article 7. Funds of the Company

7.1. The Company shall set up a reserve fund, a special share ownership fund of the Company's employees and, subject to a decision by the Board of Directors, other funds which are necessary for its activities.

7.2. The Company shall have a reserve fund equal to 15 percent of its Authorized Capital.

The reserve fund of the Company shall be designed to cover its losses and redeem the Company's bonds and buy out the Company's shares if there are no other funds available for these purposes, and it may not be used for any other purposes.

7.3. Out of its net profit, the Company shall set up a share ownership fund of the Company's employees solely to buy the Company's shares sold by shareholders to be later placed with the Company's employees.

In the event that any shares bought for money of the Company's employees share ownership fund are sold to the Company's employees, money so raised shall be used to establish the said fund.

7.4. The procedure of forming and using the Company's funds shall be defined by the Company's Board of Directors.

Article 8. Dividends of the Company

8.1. The Company shall be entitled, once a year, to decide on (announce) payment of dividends on the Company's outstanding and fully paid shares.

Dividends shall be paid out of the net profit for the current year.

The decision on the payment of annual dividends, the size of the dividends on each category of shares shall be adopted by the Company's General Meeting of Shareholders upon the recommendation of the Company's Board of Directors.

The size of annual dividends may not be higher than that recommended by the Company's Board of Directors.

8.2. The General Meeting of Shareholders shall be entitled to decide to not pay dividends on shares of a certain category and not to pay dividends on A preference shares in full.

8.3. The Company may not decide on (declare) payment of dividends on shares:

until the Company's Authorized Capital is paid in full;

until all shares to be bought out under Article 76 of the Federal Law "On Joint-Stock Companies" have been bought out;

if, on the date of such decision, the Company meets the insolvency (bankruptcy) criteria under the laws of the Russian Federation on insolvency (bankruptcy) or if said criteria are met as a result of dividend payment;

if, on the date of such decision, the net asset value of the Company is less than its Authorized Capital and reserve fund and the excess of the Charter-defined liquidation value of outstanding preference shares over the par value or becomes so following such decision;

otherwise as provided for in the federal laws.

8.4. The Company may not pay declared dividends on shares:

if, on the date of such decision, the Company meets the insolvency (bankruptcy) criteria under the laws of the Russian Federation on insolvency (bankruptcy) or if said criteria are met as a result of dividend payment;

if, on the date of payment, the net asset value of the Company is less than its Authorized Capital and reserve fund and the excess of the Charter-defined liquidation value of outstanding preference shares over the par value or becomes so following dividend payment;

otherwise as provided for in the federal laws.

Upon cessation of the circumstances specified in this paragraph, the Company shall pay the declared dividends to the shareholders.

8.5. The time to pay annual dividends shall be determined by a decision of the Company's General Meeting of Shareholders on annual dividend payment. If the Company's General Meeting of Shareholders does not decide on the date of annual dividend payment, the time for payment may not exceed 60 days from the date of the decision to pay annual dividends.

A list of persons entitled to annual dividends shall be compiled as of the date of making a list of persons entitled to take part in the Annual General Meeting of Shareholders. For a list of persons entitled to receive annual dividends the nominee shareholder shall provide information about persons on whose behalf he holds the shares.

Article 9. Management Bodies of the Company

9.1. The Company's management bodies shall include:

- General Meeting of Shareholders;
- Board of Directors of the Company;
- Management Board of the Company (collective executive body);
- Chairman of the Management Board performing the functions of the sole management body of the Company.

9.2. The Company's Auditing Commission shall control the Company's financial and economic activities.

Article 10. General Meeting of Shareholders

10.1. The Company's highest management body is the General Meeting of Shareholders.

Once a year, the Annual General Meeting of Shareholders shall be held, not earlier than two months and not later than six months after the end of the financial year.

The Annual General Meeting of Shareholders shall elect the Company's Board of Directors, the Company's Auditing Commission, approve the Company's Auditor, resolve issues specified by paragraph 10.2.11 of this Charter, and it may resolve other issues falling within the competence of the Company's General Meeting of Shareholders.

Any General Meeting of Shareholders other than the Annual General Meeting of Shareholders shall be extraordinary.

The date and procedure of the General Meeting of Shareholders, the list of materials (information) provided for shareholders during preparations for the General Meeting of Shareholders shall be determined by the Company's Board of Directors in accordance with the provisions of the Federal Law "On Joint-Stock Companies," other laws and regulations, and this Charter.

10.2. The competence of the General Meeting of Shareholders shall include the following issues:

- 1) amendments and supplements to the Company's Charter or approval of a restated version of the Company's Charter;
- 2) reorganization of the Company in accordance with the procedure provided for in federal law and this Charter;
- 3) liquidation of the Company, appointment of a liquidation commission, and approval of an interim and final liquidation balance sheets;
- 4) election of the Company's Board of Directors members and early termination of their powers, setting the size of remuneration and compensation for the Company's directors;
- 5) determination of the quantity, par value, category (type) of authorized shares and rights attaching thereto;
- 6) increase in the Company's Authorized Capital by raising the par value of the shares or by placing additional shares of the Company where specified by this Charter;

7) decrease in the Company's Authorized Capital by decreasing the par value of the shares, by the Company's purchase of some shares in order to reduce their overall number, and by redemption of the shares acquired or bought out by the Company;

8) election (appointment) of the Chairman of the Company's Management Board and early termination of his powers;

9) election of members of the Company's Auditing Commission and early termination of their powers, determination of the size of remuneration and compensation for members of the Company's Auditing Commission;

10) approval of the Company's Auditor;

11) approval of annual reports, annual financial statements, including profit and loss statements (profit and loss accounts) of the Company. profit distribution, including payment (declaration) of dividends, and losses of the Company for the financial year;

12) determination of the procedure for holding the General Meeting of Shareholders;

13) share splitting and consolidation;

14) decisions to authorize transactions as specified by Article 83 of the Federal Law "On Joint-Stock Companies";

15) decisions to authorize material transactions as specified by Article 79 of the Federal Law "On Joint-Stock Companies";

16) decisions on participation in holding companies, financial industrial groups, associations, and other groupings of commercial entities;

17) approval of internal documents governing the activities of the Company's bodies;

18) other issues specified by the Federal Law "On Joint-Stock Companies."

10.3. Issues falling within the competence of the General Meeting of Shareholders may not be delegated to the Board of Directors, Chairman of the Management Board, or the Management Board of the Company.

The General Meeting of Shareholders of the Company shall not be entitled to discuss or adopt decisions on any issues falling beyond its competence as specified by the Federal Law "On Joint-Stock Companies."

Decisions on the issues specified by subparagraphs 1–3, 5 and 15 of paragraph 10.2 of this Charter shall be made by the General Meeting of Shareholders by a majority of three fourths of the holders of voting shares attending the General Meeting of Shareholders unless a different number of votes is specified by the Federal Law.

In other matters, decisions shall be adopted by a majority of votes of the Company's voting shareholders attending the General Meeting of Shareholders unless otherwise provided for in the Federal Law or this Charter.

Decisions on the issues specified by subparagraphs 2, 6, 13–17 of paragraph 10.2 of the Company's Charter shall be adopted by the General Meeting of Shareholders only subject to a proposal by the Company's Board of Directors.

The General Meeting of Shareholders shall not be entitled to adopt decisions on matters which are not included in the agenda or change the agenda.

A decision may be adopted by the General Meeting of Shareholders without holding a meeting (joint presence of shareholders for the purposes of discussing the agenda and adopting decisions on issues put to a vote) by absentee voting.

The General Meeting of Shareholders whose agenda includes election of the Board of Directors, Auditing Commission, approval of the Company's Auditor, and issues specified by paragraph 10.2.11 of this Charter may not be held in absentee voting format.

The following persons shall have a right to vote on issues put to a vote at the General Meeting of Shareholders:

- holders of the Company's ordinary shares;
- holders of the Company's preference shares where specified by the Federal Law "On Joint-Stock Companies" and this Charter.

10.4. The list of persons entitled to attend the General Meeting of Shareholders shall be made according to the information in the Company's shareholder register.

The date of compiling a list of persons entitled to attend the General Meeting of Shareholders may not be earlier than the date of adopting a decision to hold the General Meeting of Shareholders or more than 50 days before the date of the General Meeting of Shareholders or, in the event specified by paragraph 10.6.2 of this Charter, more than 65 days before the date of the General Meeting of Shareholders.

At the request of persons included in the list and holding no less than 1 percent of the votes, the Company shall provide access to the list for persons entitled to attend the General Meeting of Shareholders. The document details and postal addresses of the individuals on that list shall be provided only with the consent of the persons concerned.

10.5. Notices of the holding of the General Meeting of Shareholders shall be published in the *Izvestia* newspaper not later than 30 days before the date of the General Meeting of Shareholders.

In the event specified by paragraph 10.6.2 of this Charter, the date of the Extraordinary General Meeting of Shareholders shall be announced not later than 50 days before the scheduled date.

Any notice of the General Meeting of Shareholders shall specify as follows:

- full corporate name of the Company and the place of location of the Company;
- format of the General Meeting of Shareholders (actual meeting or absentee voting);
- date, place, time of the General Meeting of Shareholders and the postal address to which completed ballots may be sent or, if the General Meeting of Shareholders is held in absentee voting format, the deadline for receipt of ballots and the postal address to which completed ballots shall be sent;
- date of the list of persons entitled to attend the General Meeting of Shareholders;
- agenda of the General Meeting of Shareholders;
- procedure of access to information (materials) to be provided during preparations for the General Meeting of Shareholders, and the address (addresses) where it is available.

10.6. Proposals for the agenda of the Company's General Meeting of Shareholders

10.6.1. Shareholder(s) of the Company owning an aggregate of at least 2 percent of the Company's voting shares shall have the right to include items in the agenda of the Annual General Meeting of Shareholders, nominate persons for the Board of Directors of the Company, Auditing Commission of the Company, the number of such nominees not to exceed the number of members of the relevant body, and nominate a person for a Chairman of the Management Board of the Company. Such proposals shall arrive at the Company not later than 60 days after the end of the financial year.

10.6.2. If the proposed agenda of the Extraordinary General Meeting of Shareholders includes election of the Company's Board of Directors to be carried out by a cumulative vote, shareholder(s) of the Company owning an aggregate of at least 2 percent of the Company's voting shares shall be entitled to nominate up to as many directors as there are on the Board of Directors of the Company. Such proposals shall arrive at the Company not later than 30 days before the date of the Extraordinary General Meeting of Shareholders.

10.6.3. Proposals to include items on the agenda of the Company's General Meeting of Shareholders and nomination proposals shall be in writing, specifying the name of the proposal-making shareholder(s), the quantity and category (type) of shares that they hold, and shall be signed by the shareholder(s).

10.6.4. A proposal to include items on the agenda of the Company's General Meeting of Shareholders shall include the wording for each proposed item, and a nomination proposal shall include the name of each nominee, the name of the body for which he is nominated. A proposal to include items on the agenda of the Company's General Meeting of Shareholders may include the wording of a resolution on each proposed item.

10.6.5. The Company's Board of Directors shall consider all incoming proposals and decide either to include them in the agenda of the General Meeting of Shareholders or to refuse to do so not later than five days after the end of the periods specified by paragraphs 10.6.1 and 10.6.2 of this Charter. An item proposed by shareholder(s) shall be included in the agenda of the General Meeting of Shareholders and nominees shall be included in the list of nominees for the relevant body of the Company to be put to a vote, unless:

- the shareholder(s) does not meet the deadlines specified by paragraphs 10.6.1 and 10.6.2 of this Charter;
- the shareholder(s) does not hold the required number of voting shares of the Company as specified by paragraphs 10.6.1 and 10.6.2 of this Charter;
- the proposal does not meet the requirements specified by paragraphs 10.6.3 and 10.6.4 of this Charter;
- the proposed item on the agenda for the Company's General Meeting of Shareholders falls beyond its competence and/or does not comply with the Federal Law "On Joint-Stock Companies" and other laws and regulations of the Russian Federation.

10.6.6. A substantiated decision of the Company's Board of Directors to refuse to include any proposed item in the agenda of the General Meeting of Shareholders or a nominee in the list of nominees for the Company's Board of Directors, Auditing Commission, Chairman of the Management Board shall be passed to the shareholder(s) who make the proposal or nomination within three days from the date of the decision.

10.6.7. Apart from items proposed by shareholders for the agenda of the General Meeting of Shareholders, and if there are no such proposals, or none or an insufficient number of the nominees are proposed by shareholders for the relevant body, the Board of Directors shall be entitled to include items on the agenda of the Company's General Meeting of Shareholders or nominees in the list of nominees at its discretion.

10.7. Extraordinary General Meeting of Shareholders

10.7.1. The Extraordinary General Meeting of Shareholders shall be held pursuant to a decision of the Board of Directors on its own initiative, a request by the Company's Auditing Commission, the Company's Auditor, and shareholder(s) holding no less than 10 percent of the Company's voting shares as of the date of the request.

The Extraordinary General Meeting of Shareholders requested by the Company's Auditing Commission, the Company's Auditor or shareholder(s) holding no less than 10 percent of the Company's voting shares, shall be convened by the Company's Board of Directors.

10.7.2. The Extraordinary General Meeting of Shareholders requested by the Company's Auditing Commission, the Company's Auditor or shareholder(s) holding no less than 10 percent of the Company's voting shares, shall be held within 40 days from the date of the request to hold the Extraordinary General Meeting of Shareholders.

If the proposed agenda of the Extraordinary General Meeting of Shareholders includes election of the Company's Board of Directors, such General Meeting of Shareholders shall be held within 70 days from the date of the request to hold the Extraordinary General Meeting of Shareholders.

10.7.3. In the event that the Company's Board of Directors shall be obliged to decide to hold the Extraordinary General Meeting of Shareholders to elect members of the Company's Board of Directors pursuant to the Federal Law "On Joint-Stock Companies," such General Meeting of Shareholders shall be held within 70 days from the date of the relevant decision of the Company's Board of Directors.

10.7.4. Any request to hold the Extraordinary General Meeting of Shareholders shall formulate items to be included in the agenda. The request to hold the Extraordinary General Meeting of Shareholders may include worded decisions on each of the items and a proposal on the format of the General Meeting of Shareholders.

The Company's Board of Directors may not make changes in the formulated items on the agenda, formulated decisions on such items or change the proposed format of the Extraordinary General Meeting of Shareholders convened at the request of the Company's Auditing Commission, the Company's Auditor or shareholder(s) holding no less than 10 percent of the Company's voting shares.

10.7.5. In the event that the convocation of the Extraordinary General Meeting of Shareholders is requested by shareholder(s), the request shall include the names of the shareholder(s) requesting such convocation, and the number and category (type) of shares that they hold.

Any request to convene the Extraordinary General Meeting of Shareholders shall be signed by the person(s) requesting the convocation of such Extraordinary General Meeting of Shareholders.

10.7.6. Within five days from the date of the request by the Company's Auditing Commission (Internal Auditor), the Company's Auditor, or the shareholder(s) holding no less than 10 percent of the Company's voting shares to convene the Extraordinary General Meeting of Shareholders, the Company's Board of Directors shall decide to convene the Extraordinary General Meeting of Shareholders or refuse to do so.

A decision to refuse to convene the Extraordinary General Meeting of Shareholders requested by the Company's Auditing Commission, the Company's Auditor or shareholder(s) holding no less than 10 percent of the Company's voting shares may be adopted if:

- the procedure of submitting a request to convene the Extraordinary General Meeting of Shareholders fails to comply with the requirements of this paragraph;
- the shareholder(s) requesting the Extraordinary General Meeting of Shareholders do not hold the number of the Company's voting shares as specified by paragraph 10.7.1 of this Charter;
- none of the items on the agenda proposed for the Extraordinary General Meeting of Shareholders falls within its competence and/or fails to comply with the requirements of the Federal Law "On Joint-Stock Companies" and other laws and regulations of the Russian Federation.

10.7.7. Any decision of the Company's Board of Directors to convene the Extraordinary General Meeting of Shareholders or substantiated refusal to convene it shall be communicated to the persons requesting such meeting within three days from the date of such decision/refusal.

Any decision of the Company's Board of Directors to refuse to convene the Extraordinary General Meeting of Shareholders may be appealed against in court.

10.7.8. In the event that the Board of Directors fails to adopt a decision to convene the Extraordinary General Meeting of Shareholders or refuses to do so within the time period specified by this Charter, the Extraordinary General Meeting of Shareholders may be convened by bodies and persons who request it. The bodies and persons convening the Extraordinary General Meeting of Shareholders shall have the powers necessary to convene and hold the Extraordinary General Meeting of Shareholders as specified by the Federal Law "On Joint-Stock Companies."

In such event, the costs of preparing and holding the General Meeting of Shareholders may be reimbursable at the Company's expense pursuant to a decision by the General Meeting of Shareholders.

10.8. Any shareholder shall exercise his right to attend the General Meeting of Shareholders either in person or by proxy.

Any shareholder shall at any time be entitled to replace his representative at the General Meeting of Shareholders or attend the General Meeting of Shareholders in person.

A shareholder's representative at the General Meeting of Shareholders shall act to the extent of the powers based on federal laws or regulations of authorized government bodies or under a written power of attorney. The power of attorney shall include information about the represented person and the representative (name, place of residence or stay, passport details). The proxy-voting card shall comply with paragraphs 4 and 5 of Article 185 of the Civil Code of the Russian Federation or shall be notarized.

In the event that any share is transferred after the date of the list of persons entitled to attend the General Meeting of Shareholders before the date of the General Meeting of Shareholders, the person included in the list shall give to the transferee a proxy-voting card or vote at the General Meeting of Shareholders as instructed by such transferee. The said rule shall also apply to each subsequent transfer of the share.

In the event that any share of the Company is jointly owned by several persons, the voting right shall be exercised at the General Meeting of Shareholders at their discretion either by one of the co-owners or by their joint representative. The powers of each of the said persons shall be properly formalized.

10.9. Quorum of the General Meeting of Shareholders

10.9.1. The General Meeting of Shareholders shall be legally qualified (shall have a quorum) if attended by shareholders owning an aggregate of more than half the votes of the Company's outstanding voting shares.

Shareholders who are registered as attendees of the General Meeting of Shareholders and shareholders whose ballots are received not later than two days before the date of the General Meeting of Shareholders shall be deemed to be attendees of the General Meeting of Shareholders. Shareholders whose ballots are received prior to the ballot receipt end date shall be deemed attendees in the General Meeting of Shareholders held in absentee voting format.

10.9.2. If the agenda of the General Meeting of Shareholders includes items to be voted on by different sets of voters, the decision-making quorums for those items shall be defined separately. Lack of a quorum to resolve issues to be voted on by one set of voters shall not prevent decision-making on issues to be voted on by a different set of voters for which there is a quorum.

10.9.3. If any Annual General Meeting of Shareholders fails to have a quorum, the General Meeting of Shareholders shall be held again to discuss the same agenda. If any Extraordinary General Meeting of Shareholders fails to have a quorum, the General Meeting of Shareholders may be held again to discuss the same agenda.

The General Meeting of Shareholders held again shall be legally qualified (shall have a quorum) if attended by shareholders owning an aggregate of no less than 30 percent of votes of the Company's outstanding voting shares.

10.9.4. In the event that the General Meeting of Shareholders is held again less than 40 days after the failed General Meeting of Shareholders, persons entitled to attend the General Meeting of Shareholders shall be defined in accordance with the list of persons entitled to attend the failed General Meeting of Shareholders.

10.10. Voting on items on the agenda of the General Meeting of Shareholders shall be only by ballot.

Any ballot shall be sent by registered mail or delivered, against a signed acknowledgement of receipt, to each person specified in the list of persons entitled to attend the General Meeting of Shareholders not later than 20 days before the date of the General Meeting of Shareholders.

10.11. Voting at the General Meeting of Shareholders shall comply with the principle "one voting share equals one vote," except for cumulative voting related to the election of members of the Company's Board of Directors.

10.12. The functions of the counting commission at the General Meeting of Shareholders shall be performed by the Company's registrar.

10.13. A voting summary report shall be made and signed by the Company's registrar not later than 15 days after the adjournment of the General Meeting of Shareholders or the date of receipt of ballots if the General Meeting of Shareholders is held in absentee voting format.

Decisions adopted by the General Meeting of Shareholders and the vote results shall be announced at the General Meeting of Shareholders. The vote results report shall be published in the *Izvestia* newspaper not later than 10 days after the voting summary report is made.

Article 11. Board of Directors

11.1. The competence of the Company's Board of Directors shall include general management of the Company's activities except for any issues that, in accordance with the Charter of the Company, fall within the competence of the General Meeting of Shareholders.

The competence of the Board of Directors shall include the following issues:

1. determine the priority areas of the Company's activities;
2. convene the Annual and Extraordinary General Meetings of Shareholders, except where otherwise specified in paragraph 10.7.8 of this Charter;
3. approve the agenda of the General Meeting of Shareholders;
4. determine the date of making a list of persons entitled to attend the General Meeting of Shareholders, and other matters falling within the competence of the Company's Board of Directors in accordance with the provisions of Chapter VII of the Federal Law "On Joint-Stock Companies" and associated with the preparation and holding of the General Meeting of Shareholders;
5. submit the issues specified by subparagraphs 2, 6, and 13–18 of paragraph 10.2 of this Charter for review by the General Meeting of Shareholders;
6. raise the Authorized Capital of the Company by means of the Company's placement of additional shares in cases specified by this Charter;
7. approve decisions on the issue of issue-grade securities, prospectuses of issue-grade securities, reports on the issue of issue-grade securities; approve a share acquisition summary report in cases specified by paragraph 3 of Article 12 of the Federal Law "On Joint-Stock Companies";

8. make the Company's placement of bonds and other issue-grade securities where specified by the Federal Law "On Joint-Stock Companies" and this Charter;

9. determine the value (money value) of the property, placement and buy-out price of issue-grade securities in cases specified by the Federal Law "On Joint-Stock Companies";

10. acquire shares, bonds and other issue-grade securities placed by the Company in cases specified by the Federal Law "On Joint-Stock Companies";

11. appoint and earlier dismiss members of the Company's Management Board, except for the Chairman of the Management Board;

On behalf of the Company, contracts with members of the Company's Management Board shall be signed by the Chairman of the Company's Board of Directors or by a person authorized by the Company's Board of Directors;

12. approve the terms and conditions of contracts with the Chairman and members of the Company's Management Board, set the size of remuneration and compensation payable to the Chairman and members of the Company's Management Board;

13. make recommendations concerning the size of remuneration and compensation payable to members of the Company's Auditing Commission; set the size of the Auditor's fees;

14. make recommendations as to the size of dividends on shares and the procedure for dividend payment;

15. determine a procedure of forming and using the Company's funds,

16. approve the Company's internal documents, except for internal documents that, in accordance with this Charter, shall be approved by the General Meeting of Shareholders or the Company's executive bodies; approve the budget of the Company's executive staff, taking account of the Company's Board of Directors' staff costs;

17. set up (liquidate) branches and open (liquidate) representative offices of the Company; amend the Company's Charter accordingly;

18. decide on the Company's participation in other organizations except for those specified by subparagraph 10.2.16 of this Charter (on joining an operating organization or establishing a new organization), acquisition, disposal and encumbrance of their shares and equities and changing the shares in the capital of the said organizations;

19. authorize material transactions as specified by Chapter X of the Federal Law "On Joint-Stock Companies";

20. authorize transactions specified by Chapter XI of the Federal Law "On Joint-Stock Companies";

21. define a policy and adopt decisions concerning the obtaining and granting (extension) of loans, credits, guarantees, pledges and suretyship in accordance with the procedure defined by the Company's Board of Directors;

22. approve a procedure of the Company's cooperation with economic entities whose shares and equities are owned by the Company; adopt decisions falling within its competence in accordance therewith;

23. define the Company's attitude (representatives of the Company), including instructions to participate or not participate in voting on items on the agenda, vote for or against or abstain from voting, toward the following items on the agenda of general meetings of shareholders (members) of subsidiaries and dependent companies ("SDCs") (except where the functions of general meetings of shareholders of SDCs are performed by the Company's Board of Directors) and meetings of boards of directors of SDCs (except for approval of agendas of general meetings of shareholders of SDCs when the functions of general meetings of shareholders of SDCs are performed by the Company's Board of Directors), including for the purposes of the Company monitoring the resolutions passed by subsidiaries and dependent companies of SDCs:

a) determine agendas of general meeting of shareholders (members) of SDCs;

b) reorganize or liquidate SDCs;

- c) determine the number of members of the boards of directors of SDCs, nominate and elect such members and decide on early termination of their powers;
- d) determine the quantity, par value, class (type) of the authorized shares of SDCs and rights attaching thereto;
- e) increase the authorized capital of SDCs by increasing the par value of shares or placing additional shares;
- f) placing SDCs' securities convertible into ordinary shares;
- g) decide on the splitting and consolidation of SDCs' shares;
- h) approve material transactions entered into by SDCs;
- i) decide on participation of SDCs in other organizations (on joining an operating organization or establishing a new organization) as well as (subject to the provisions of subparagraphs "j" and "k") on acquiring, disposing of or encumbering shares and equities in the authorized capital of organizations in which SDCs participate, and on changing the share in the authorized capital of the relevant organization;
- j) decide on entering into transactions by a SDCs (including acquiring, disposing of, pledging or otherwise encumbering by entering into one or more associated transactions) in relation to shares and equities of subsidiaries and dependent companies of SDCs which are engaged in the production, transmission, dispatching, distribution, and sale of electricity and heat, irrespective of the number of shares (amount of equities in the authorized capital) of such companies;
- k) decide on entering into transactions by a SDCs (including acquiring, disposing of, pledging or otherwise encumbering by entering into one or more associated transactions) in relation to shares and equities of subsidiaries and dependent companies of SDCs which are not engaged in the production, transmission, dispatching, distribution, or sale of electricity and heat;
- l) decide on entering into transactions by a SDCs (including several associated transactions) in relation to the disposal or a possibility of disposal of the property that constitutes fixed assets, intangible assets, and construction-in-progress intended for the production, transmission, dispatching, and distribution of electricity and heat;
- m) decide on entering into transactions by a SDCs (including several associated transactions) in relation to the disposal or a possibility of disposal of the property that constitutes fixed assets, intangible assets, and construction-in-progress not intended for the production, transmission, dispatching, or distribution of electricity and heat;
- n) define the attitude of SDCs' representatives toward items on the agendas of general meeting of shareholders (members) and meetings of the boards of directors of subsidiaries and dependent companies of SDCs in relation to entering into (approving) transactions (including several associated transactions) connected with the disposal or a possibility of disposal of the property that constitutes fixed assets, intangible assets, and construction-in-progress intended for the production, transmission, dispatching, and distribution of electricity and heat;
- n) define the attitude of SDCs' representatives toward items on the agendas of general meetings of shareholders of (members) and meetings of the boards of directors of subsidiaries and dependent companies of SDCs engaged in the production, transmission, dispatching, distribution, and sale of electricity and heat with respect to the reorganization of, liquidation of, and increase in the authorized capital of such companies by increasing the par value of the shares or by placing additional shares, and placing of securities convertible in ordinary shares.

The Board of Directors of the Company shall adopt decisions on issues provided for in subparagraphs "i," "k," "l," and "n" of subparagraph 11.1.23 in the cases (to the extent) defined by the procedure for the Company's interaction with business companies whose shares and equities are held by the Company as approved by the Board of Directors of the Company in accordance with subparagraph 11.1.22 of this Charter.

24. tentatively approve (in accordance with the procedure defined by the Regulations for Meetings of the Board of Directors) decisions to enter into transactions involving the Company's non-circulating assets constituting from 10 percent to 25 percent of the balance sheet value of such assets as of the date of the decision to enter into such transaction;

25. agree upon the appointment of the head and members of a collective executive body of the federal grid company and system operator, perform the functions of general meetings of shareholders of the federal grid company, generation companies of the wholesale energy market and system operator within the period when 100 percent of shares in them are owned by the Company;

26. tentatively approve (in accordance with the procedure defined by the Regulations for Meetings of the Board of Directors) decisions on the Company entering into transactions (including several associated transactions) in relation to the disposal or a possibility of disposal of the property that constitutes fixed assets, intangible assets, and construction-in-progress intended for the production, transmission, dispatching, and distribution of electricity and heat in the cases (to the extent) defined by a separate procedure established by the Board of Directors of the Company;

27. approve decisions on the Company entering into transactions (including several associated transactions) in relation to the disposal or a possibility of disposal of the property that constitutes fixed assets, intangible assets, and construction-in-progress not intended for the production, transmission, dispatching, or distribution of electricity and heat;

28. approve the Company's registrar and the terms of the contract therewith and the termination thereof;

29. resolve other issues specified by the Federal Law "On Joint-Stock Companies" and the Company's Charter.

Issues falling within the competence of the Board of Directors may not be delegated to executive bodies. In accordance with the procedure established by the Board of Directors, with respect to the issues specified by paragraph 11.1 of this Charter, the procedure and conditions of exercising the powers of the Board of Directors and executive bodies of the Company in relation to entering into transactions and making individual decisions may be defined.

11.2. The Board of Directors shall consist of 15 members. Members of the Company's Board of Directors shall be elected by the General Meeting of Shareholders by cumulative vote for a term until the next Annual General Meeting of Shareholders. The General Meeting of Shareholders may decide on early termination of their powers only with regard for all members of the Board of Directors.

If any Annual General Meeting of Shareholders is not held within the period specified by paragraph 10.1 of this Charter, the powers of the Company's Board of Directors shall terminate except for the powers to prepare, convene, and hold the Annual General Meeting of Shareholders.

Only an individual may be a member of the Board of Directors.

Members of the Management Board may not constitute more than one fourth of the Board of Directors. The Chairman of the Management Board may not be Chairman of the Board of Directors at the same time.

Persons elected to the Board of Directors may be reelected for any number of successive terms.

The Chairman of the Board of Directors shall be elected by members of the Board of Directors from among themselves by a majority of votes of all members of the Board of Directors.

The Board of Directors shall be entitled to reelect its Chairman at any time by a majority of votes of all members of the Board of Directors.

11.3. Decisions by the Company's Board of Directors shall be legally qualified if their discussion involved no less than half the members of the Company's Board of Directors.

The procedure of Board of Directors' decision-making shall be governed by the Regulations for Meetings of the Board of Directors, with decisions related to paragraphs 11.1.6 and 11.1.19 to be adopted unanimously.

Decisions related to paragraphs 11.1.18, 11.1.21–11.1.24, and 11.1.26 of this Charter shall be adopted by a majority of two thirds of votes (including where the relevant transactions meet the description of transactions defined by Chapter IX of the Federal Law "On Joint-Stock Companies").

In making decisions related to paragraphs 11.1.18 and 11.1.24 of this Charter, the Board of Directors shall, pursuant to Article 77 of the Federal Law "On Joint-Stock Companies," also determine the value (money value) of the property that is the subject of such transactions.

Decisions of the Board of Directors may also be adopted by absentee voting (by ballot).

In determining a quorum and the vote results related to an item on the agenda of a meeting of the Board of Directors, written opinions of members of the Board of Directors who are absent from the meeting shall be taken into account, provided that such opinions are received before the vote results are obtained in relation to the relevant item on the agenda.

In the event of equality of votes, the Chairman of the Board of Directors shall have the decisive vote.

11.4. Board of Directors meetings shall be held on an as needed basis, but no less than once a quarter.

11.5. The Chairman of the Company's Board of Directors shall organize the work of the Board of Directors, convene and chair meetings of the Company's Board of Directors, arrange for minutes of meetings of the Board of Directors to be kept, chair the Company's General Meeting of Shareholders.

If the Chairman of the Company's Board of Directors is unavailable, his functions shall be performed by a member of the Board of Directors as decided by the Board of Directors.

11.6. Members of the Board of Directors shall act to the benefit of the Company, exercise their rights and perform their obligations in good faith, reasonably, and in the best way to the benefit of the Company.

Members of the Board of Directors shall be liable to the Company for losses incurred by the Company due to their faulty acts (omissions) unless any other grounds for or scope of liability is specified by federal laws.

Article 12. Management Board of the Company

12.1. The Management Board shall be the Company's collective executive body headed by the Chairman of the Management Board. Members of the Company's Management Board shall be appointed by the Company's Board of Directors for a term of five years, except for the Chairman of the Management Board.

The number of members of the Management Board shall be determined by the Company's Board of Directors at the suggestion of the Chairman of the Management Board.

The time and procedure for convening and holding meetings of the Management Board, a quorum of meetings of the Management Board, and the procedure for adopting of the Management Board's decisions shall be governed by the Company's internal document approved by the General Meeting of Shareholders.

12.2. The competence of the Management Board shall include the following issues:

12.2.1. develop the priority areas of the Company's activities and long-term implementation plans and submit them for approval by the Board of Directors;

12.2.2. develop a quarterly plan of activities and submit it for approval by the Board of Directors;

12.2.3. prepare a report on the Company's financial and economic activities;

12.2.4. submit prospectuses of the Company's securities for approval by the Board of Directors;

12.2.5. exercise (subject to paragraphs 11.1.23 and 11.1.25 of this Charter) the powers of general meetings of shareholders (members) of the Company's wholly-owned subsidiaries pursuant to their constitutive documents;

12.2.6. nominate persons for the sole executive bodies (subject to paragraph 11.1.25 of this Charter) and (subject to paragraph 11.1.23 of this Charter) the Company's representatives on boards of directors and chairmen of boards of directors of organizations of any legal form of ownership in which the Company participates;

12.2.9. resolve other issues related to the Company's activities in accordance with decisions adopted by the General Meeting of Shareholders or the Board of Directors, and other issues submitted by the Chairman of the Management Board for its review.

12.3. Decisions by the Company's Management Board shall be recorded, with records to be signed by the Chairman of the Management Board.

12.4. Members of the Management Board shall act to the benefit of the Company, exercise their rights and perform their obligations in good faith, reasonably, and in the best way to the benefit of the Company.

Members of the Management Board shall be liable to the Company for losses incurred by the Company due to their faulty acts (omissions) unless any other grounds for or scope of liability is specified by federal laws.

Article 13. Chairman of the Management Board of Company

13.1. The Chairman of the Management Board shall be the sole executive body of the Company.

13.2. The Chairman of the Company's Management Board shall be elected (appointed) and his powers earlier terminated by the General Meeting of Shareholders.

A contract with the Chairman of the Management Board shall be signed by the Chairman of the Company's Board of Directors or a person authorized by the Company's Board of Directors on behalf of the Company.

13.3. The competence of the Chairman of the Company's Management Board shall include all matters related to the management of the Company's day-to-day activities, except for any issues falling within the competence of the General Meeting of Shareholders, the Board of Directors, or the Management Board of the Company.

13.4. The Chairman of the Company's Management Board shall act on behalf of the Company without a power of attorney, including as follows:

13.4.1. enter into transactions on behalf of the Company, issue powers of attorney, open the Company's settlement and other accounts with banks;

13.4.2. dispose of the Company's property at his discretion subject to restrictions specified by the existing laws and this Charter;

13.4.3. exercise the rights of an employer in labor relations within the Company, vest said powers in the Company's officers in accordance with the procedure provided for in laws, regulations and the Company's local regulations, including approving the organizational structure and manning table of the Company, entering into, terminating, and amending and supplementing labor agreements (contracts), and apply incentives and disciplinary penalties to the Company's employees;

13.4.4. organize the work of the Company's Management Board and chair its meetings;

13.4.5. submit proposals to appoint and dismiss members of the Management Board for review by the Board of Directors;

13.4.6. distribute duties among the deputies of the Chairman of the Management Board and members of the Management Board;

13.4.7. ensure the implementation of the Company's action plans necessary to reach its objectives;

13.4.8. approve regulations for the Company's branches and representative offices;

13.4.9. approve the Company's regulations for issues falling within the competence of the Chairman of the Management Board;

13.4.10. arrange for keeping the Company's records and accounts;

13.4.11. issue orders, approve directives and other internal documents of the Company, give instructions which shall be binding upon all employees of the Company;

13.4.12. not later than thirty-five (35) days before the date of the Annual General Meeting of Shareholders of the Company, submit the Company's annual report, balance sheet, profit and loss statement, profit and loss distribution for review by the Company's Board of Directors;

13.4.13. on a quarterly basis, submit for review by the Board of Directors the Company's Management Board activity plans (including plans for transactions specified by subparagraph 24 of paragraph 11.1 of this Charter and similar transactions entered into by subsidiaries and dependent companies) and reports on the implementation of such plans (including reports on transactions specified by subparagraph 24 of paragraph 11.1 of this Charter and similar transactions entered into by subsidiaries and dependent companies). The format of said plans and reports on the Company's Management Board activities shall be approved by the Board of Directors;

13.4.14. appoint persons to represent the Company at meetings of members of business entities whose shares and equities are owned by the Company;

13.4.15. resolve other issues related to the Company's day-to-day activities, except for any issues falling within the competence of the Company's General Meeting of Shareholders, the Board of Directors, and the Management Board.

13.5. The Chairman of the Company's Management Board shall manage the Company's day-to-day activities pursuant to decisions of the Company's General Meetings of Shareholders, the Board of Directors, and the Management Board adopted within their respective competence.

13.6. At meetings of the Board of Directors and at the General Meetings of Shareholders, the Management Board's opinion shall be expressed by the Chairman of the Management Board.

The Chairman of the Company's Management Board shall act to the benefit of the Company, exercise his rights and perform his obligations in good faith, reasonably, and in the best way to the benefit of the Company.

The Chairman of the Management Board shall be liable to the Company for losses incurred by the Company due to his faulty acts (omissions) unless any other grounds for or scope of liability is specified by federal laws.

Article 14. Control of the Company's Financial and Economic Activities

14.1. The Company's Auditing Commission shall be elected annually by the General Meeting of Shareholders of the Company and shall consist of five members. The Auditing Commission shall adopt decisions by a majority of votes of its members.

The Company's Auditing Commission shall act within the limits of the powers specified by the Federal Law "On Joint-Stock Companies."

The procedure for the Company's Auditing Commission operation shall be governed by an internal document of the Company approved by the General Meeting of Shareholders.

Audits of the financial and economic activities of the Company shall be carried out after the end of the Company's annual performance, and at any time on the initiative of the Company's Auditing Commission, following a decision by the General Meeting of Shareholders, the Company's Board of Directors, or at the request of the Company's shareholder(s) owning an aggregate of no less than 10 percent of the Company's voting shares.

At the request of the Company's Auditing Commission, officers of the Company's management bodies shall provide documents about the Company's financial and economic activities.

The Company's Auditing Commission shall be entitled to request the convocation of the Extraordinary General Meeting of Shareholders in accordance with paragraph 10.7.1 of this Charter of the Company.

Members of the Company's Auditing Commission may not be members of the Company's Board of Directors or hold other positions in the Company's management bodies at the same time.

Shares held by members of the Company's Board of Directors or officers of the Company's management bodies may not participate in voting on the election of members of the Company's Auditing Commission.

Subject to a decision by the General Meeting of Shareholders, remuneration and/or reimbursement for expenses associated with the performance of their duties may be paid to members of the Company's Auditing Commission during their office. The size of such remuneration and reimbursement shall be determined by the General Meeting of Shareholders.

14.2. The Company's Auditor shall audit the Company's financial and economic activities in accordance with the laws and regulations of the Russian Federation under a contract with the Auditor.

The Auditor of the Company shall be recommended to the General Meeting of Shareholders by the Board of Directors of the Company according to the results of a competitive selection of the auditing organization for the mandatory audit of RAO UESR, which selection is conducted in accordance with the procedure prescribed by the Board of Directors of the Company.

The General Meeting of Shareholders shall approve the Auditor (Auditing Organization) of the Company. The size of the Auditor's fee shall be defined by the Company's Board of Directors.

Article 15. Accounting and Reporting. Documents of the Company. Information about the Company

15.1. The Company shall keep accounts and submit financial statements in accordance with the procedure provided for in the Federal Law "On Joint-Stock Companies" and other laws and regulations of the Russian Federation.

The Chairman of the Company's Management Board shall be responsible for the organization, maintenance, and reliability of the Company's records and accounts, the timely submission of the annual report and other financial statements to the relevant authorities, and the provision of information about the Company's activities for shareholders, creditors and the mass media pursuant to the Federal Law "On Joint-Stock Companies," other laws and regulations of the Russian Federation, and the Company's Charter.

The reliability of data contained in the Company's annual report and annual financial statements shall be confirmed by the Company's Auditing Commission.

Before making the said documents public, the Company shall engage an auditing organization that does not share property interests with the Company or its shareholders to conduct an annual audit of and confirm the annual financial statements.

The Company's annual report shall be pre-approved by the Company's Board of Directors not later than 30 days before the date of the General Meeting of Shareholders.

15.2. The Company shall keep the following documents:

- Charter of the Company, amendments and supplements to the Charter of the Company registered in accordance with the prescribed procedure, the resolution to establish the Company, the certificate of the Company's state registration;
- documents confirming the Company's right to the property accounted for in its balance sheet;
- internal documents of the Company;
- regulations for the Company's branches and representative offices;
- annual reports;
- accounting documents;
- records and accounts;
- minutes of General Meetings of Shareholders, meetings of the Company's Board of Directors, meetings of the Company's Auditing Commission, and meetings of the Company's Management Board;
- ballots for voting and powers of attorney (copies thereof) to participate in the General Meeting of Shareholders;
- independent appraisers' reports;
- lists of the Company's affiliates;
- lists of persons entitled to attend the General Meeting of Shareholders, receive dividends, and other lists made by the Company for the exercise by shareholders of their rights pursuant to the Federal Law "On Joint-Stock Companies";
- statements by the Company's Auditing Commission, the Company's Auditor, governmental and municipal financial supervision authorities;
- decisions on the issue of issue-grade securities, prospectuses of issue-grade securities, reports on the issue of issue-grade securities, quarterly reports of the issuer of issue-grade securities, and other documents containing information to be published or otherwise disclosed pursuant to the current Federal Law "On Joint-Stock Companies" and other federal laws;
- plan of the Company's privatization;
- other documents required by the Federal Law "On Joint-Stock Companies," the Company's Charter, the Company's internal documents, decisions of the General Meetings of Shareholders, the Board of Directors, the Management Board, the Chairman of the Management Board of the Company, and documents required by laws and regulations of the Russian Federation.

The Company shall keep the above-specified documents at the Company's address in accordance with the procedure and within the period required by the federal executive authority regulating the securities market.

15.3. Information about the Company shall be provided for them pursuant to the Federal Law "On Joint-Stock Companies" and other laws and regulations of the Russian Federation.

15.4. The Company shall provide shareholders with access to documents specified by paragraph 15.2 of this Charter. Accounting documents and minutes of meetings of the Company's Management Board shall be made available to the shareholder(s) owning an aggregate of no less than 25 percent of the Company's voting shares.

Article 16. Liquidation and Reorganization of the Company

The Company may be dissolved by way of liquidation or reorganization:

- subject to a decision adopted by the General Meeting of Shareholders;
- pursuant to a court decision in accordance with the laws of the Russian Federation.