

**REGISTERED**

By the order of the head  
of administration of Kirovsky district  
of the city of Irkutsk  
dated 20 November 1992 No. 1493

**APPROVED**

By resolution of the General meeting of shareholders  
Of JSC Irkutskenergo  
The Minutes No.16 dated 25 June 2004  
Chairman of the General meeting of shareholders  
\_\_\_\_\_ S.B.Kosarev

Secretary of the General meeting of shareholders  
\_\_\_\_\_ K.B.Komarov

**ARTICLES OF ASSOCIATION**  
**OF IRKUTSK JOINT STOCK COMPANY**  
**OF ENERGETICS AND ELECTRIFICATION**  
  
**(JSC Irkutskenergo)**

**Irkutsk**

## **1. General provisions**

Irkutsk Joint Stock Company of Energetics and Electrification was founded in accordance with the Decree of the President of the Russian Federation dated 01 July 1992 No.721 “On arrangement of transformation of state-owned enterprises and voluntary associations of state-owned enterprises into joint-stock companies”.

1.1. Full trade name of the Company is as follows:

in Russian: “Иркутское открытое акционерное общество энергетики и электрификации”;

in English: "Irkutsk Joint Stock Company of Energetics and Electrification”.

Short trade name of the Company is as follows:

in Russian: “ОАО “Иркутскэнерго”;

in English: JSC Irkutskenergo.

1.2. Location of the Company is as follows: Sukhe-Batora str. 3, Irkutsk, Irkutsk region, 664025 Russian Federation.

The Company has been established to operate for unlimited term.

1.3. The Company has branches and representative offices, as described in the Appendices 1 and 2 forming an integral part hereof.

## **2. Legal status of the Company**

2.1. The Company is a legal entity incorporated in accordance with the procedure stipulated by legislation of the Russian Federation. The Company has round seal containing its full corporate name in Russian language and indicating its location. The Company also has its stamps and letterheads containing its name, as well as its own logotype and other visual identifiers. The Company is entitled to open current accounts and other accounts in roubles and foreign currencies with banks and other lending institutions in and outside the Russian Federation.

2.2. The Company shall operate in accordance with legislation of the Russian Federation and these Articles.

2.3. The Company shall be liable for its obligations with all its property.

2.4. The Company shall not be liable for obligations of its shareholders.

2.5. Shareholders shall not be liable for the Company’s obligations and shall bear the risk of losses arising from the Company’s business activities within the value of the shares they hold. The shareholders who have not fully paid for their shares shall bear joint liability for the Company’s obligations within the unpaid part of value of the shares they hold.

2.6. The Company shall be entitled to perform, in its own name, any activity not prohibited by legislation of the Russian Federation. The Company shall be entitled to acquire and exercise, in its own name, any interests and other rights, and appear in its own name in court.

2.7. The Company has its own several property recorded on its individual balance sheet. The Company shall own, use, and dispose of this property in accordance with purposes and types of its activities stipulated by these Articles.

2.8. The Company shall be entitled to act as a founder or a member of commercial partnerships and companies, non-commercial entities; to establish and own subsidiaries and affiliated companies, as well as to set up other legal entities in and outside the Russian Federation in accordance with legally prescribed procedure.

2.9. The Company can establish branches and open representative offices in accordance with these Articles, legislation of the Russian Federation, and legislation of the respective foreign countries, where these branches or representative offices reside.

## **3. Subject and purpose of the Company’s operation**

3.1. The Company exists to perform business activities.

3.2. The main objectives of the Company are as follows:

3.2.1. Profit-earning by means of providing efficient power supply to energy consumers of the Irkutsk region, electricity (power) deliveries outside the Irkutsk region, as well as reliable operation and well-balanced development of the Irkutsk energy system as a part of the Unified Energy System of Russia;

3.2.2. Realization of investment policy (including attraction of foreign investments) aimed at increasing operating efficiency and reliability of the Irkutsk energy system;

3.2.3. Realization of research-and-development policy aimed at implementation of advanced machinery and technologies, and application of power-saving technologies.

3.3. In order to achieve its objectives, the Company shall be entitled to perform any activities not prohibited by law, including:

- Production, transmission, distribution, and sale of electricity and heat energy to consumers (buyers);

- Supervisory control and maintenance of power consumption modes, participation in efficient-dispatch management inside the energy zones of Siberia and UESR;

- Operation, assembly, setup, technical re-equipment and reconstruction of energy-system facilities, electric-power equipment and heat-power equipment;

- Research and development works, creation and adaptation of new machinery and technologies;

- Provision of energy-sales services;

- Maintenance of electric and heat networks;

- Engineering survey for construction of buildings and installations, including those of the 1st and 2nd levels of responsibility in accordance with the state standard;

- Design and construction of buildings and installations, including those of the 1st and 2nd levels of responsibility in accordance with the state standard;

- Passenger transportation by road vehicles, including those fitted for transportation of more than 8 passengers;

- Cargo transportation by road vehicles, including those with maximum load capacity of over 3.5 tons;

- Cargo transportation by railway;

- Medical activities;

- Foreign trade;

- Development of the means of communication and provision of communication services;

- Educational activities, including personnel development;

- Geodesic activities;

- Storage of oil and oil products;

- Operation, assembly, setup, maintenance, and design of explosive production facilities;

- Operation, assembly, setup, maintenance, and design of fire-risk production facilities;

- Operation, assembly, setup, maintenance, and design of chemically unsafe production facilities;

- Operation and maintenance of facilities that are subject to regulation by the State technical supervision committee;

- Handling of hazardous waste;

- Use of precious metals and jewels for performance of repairs and laboratory works;

- Manufacture and maintenance of measuring tools;

- Guard activities for the purpose of providing the Company's security.

- Arrangement and performance of defensive actions related to mobilization, civil protection, emergency situations, and protection of state secrets in accordance with effective legislation.

3.4. The Company's special tasks are as follows:

3.4.1. To secure the prescribed frequency of electric current, as well as the prescribed level of voltage, static and dynamic stability at the power transmission lines;

3.4.2. To ensure preparedness of the generating stations for supply of electric energy to own consumers, and transmission of electric energy and power to UESR in accordance with the concluded contracts for operation on the federal (national) wholesale market for electric energy (power);

3.4.3. Fulfilment of the industry's standards and regulations related to setup and safe operation of energy-sector facilities, electricity- and heat-producing plants.

3.5. The Company shall have such rights and incur such obligations as may be required for performance of any other activities not prohibited by law. The right to perform certain activities, as listed in the federal legislation, shall be accorded to the Company solely by a special license (permit).

3.6 The Company shall perform activities related to handling of state secrets, mobilization, civil protection, and emergency situations in accordance with special legislation of the Russian Federation.

3.7 The Company is obliged to arrange and perform defensive actions related to mobilization, civil protection, emergency situations, and protection of state secrets in accordance with laws and regulations of the Russian Federation.

#### **4. Authorized capital and shares**

4.1. The Company's authorized capital amounts to 4,766,807,700 (Four billion seven hundred sixty six million eight hundred and seven thousand seven hundred) roubles.

4.2. The Company's authorized capital is divided into 4,766,807,700 (Four billion seven hundred sixty six million eight hundred and seven thousand seven hundred) common nominal shares with the face value of 1 (one) rouble per share (allocated shares).

4.3. Each common nominal share of the Company shall accord the shareholders an equal measure of rights. The Company shall not be subject to the special right of the Russian Federation and Irkutsk region (the "Golden share") for participation in management of the open joint-stock company.

4.4. All allocated shares of the Company are nominal shares and are issued in non-documentary form, by way of account entries made in the system controlling the register of shareholders of the Company.

4.5. The Company shall be entitled to make decisions about increase of its authorized capital. The Company's authorized capital can be increased by raising the nominal share value or allocating additional shares.

4.6. The decisions about increase of the Company's authorized capital by raising the nominal share value shall be made by the General meeting of shareholders.

The decisions about increase of the Company's authorized capital by means of allocating additional shares by public subscription, within the limits of the stated capital and share categories, and not exceeding 25% of the previously allocated common shares, shall be taken by unanimous resolution of the Company's Supervisory Board, however the votes of withdrawn members of the Company's Supervisory Board shall not be accounted for.

4.7. The resolution on increase of the Company's authorized capital by means of allocating additional shares shall contain the following information:

- quantity of additionally allocated shares, within limits of the quantity of the stated shares;
- starting date for allocation of additional shares, as stipulated by legislation of the Russian Federation;
- subscription value of additional shares;
- method of allocation of additional shares (either by open or by close subscription);
- time and procedure for payment for the additionally allocated shares;
- form of payment for the additionally allocated shares;
- other terms of allocation of additional shares, not contravening legislation of the Russian Federation, as well as these Articles.

4.8. Additional shares of the Company shall be paid for within the time period set forth by the resolution on allocation of such shares, however within one year after their purchase (allocation).

4.9. Either upon expiration of the time period set for allocation additional shares, or upon allocation of the last additional share, the Company's Supervisory Board shall adopt resolution about approval of the report on the results of allocation of additional shares.

4.10. Following the results of allocation of the Company's additional shares, these Articles can be amended or supplemented solely by resolution of the General meeting of shareholders of the

Company on increase of the Company's authorized capital by means of raising the nominal share value, or by resolution of the Company's Supervisory Board on increase of the Company's authorized capital by means of allocating additional shares, except when the Federal law "On joint-stock companies" or these Articles establish that the Company shall be entitled to increase its authorized capital by allocation of additional shares solely by resolution of the General meeting of shareholders, and finally on the basis of the registered report on the results of the share issue.

4.11. The Company's authorized capital can be decreased either by decreasing the nominal share value or by reducing the total quantity of shares, including but not limited to repurchasing certain share portions in cases stipulated by these Articles.

4.12. The Company shall be entitled to redeem its shares on the basis of the following documents:

- resolution of the General meeting of shareholders on decrease of the Company's authorized capital by partial share repurchase aiming to reduce the total quantity of the shares;
- resolution of the Company's Supervisory Board in other cases, provided that the Company's aggregate nominal value of circulating shares accounts for at least 90% of the authorized capital.

4.13. The shares repurchased by the Company on the basis of resolution adopted by the General meeting of shareholders regarding decrease of the Company's authorized capital by partial share repurchase, aiming to reduce the total quantity of the shares, shall be redeemed upon their repurchase.

The shares repurchased by the Company on the basis of resolution of the Supervisory Board shall neither grant voting rights, nor be accounted for in course of quorum determination and vote-counting, and shall not carry dividends. The Company shall sell such shares at their market value within one year after their repurchase date. Should any shares not be sold within the abovementioned time period, such shares shall be redeemed on the basis of resolution of the General meeting of shareholders on decrease of the Company's authorized capital by redemption of the specified shares.

4.14. Within 30 days after the date of resolution on decrease of its authorized capital, the Company shall notify its creditors in writing about the decrease of its authorized capital and its new amount, as well as publish the announcement of such resolution in the printed media assigned for publication of information regarding public registration of legal entities.

## **5. Shareholders' rights and obligations**

5.1. The shareholders owning common shares of the Company shall be entitled to:

- Participate in the General meeting of shareholders and vote on all issues referred to the meeting's jurisdiction;
- Dispose of their shares without consent of other shareholders or the Company;
- Have unlimited access to the Company's documents in accordance with procedure stipulated by the Article 13 hereof;
- Have the preemptive right to purchase the Company's additional shares and issuable convertible securities sold by by means of public subscription, such preemptive right being applicable to the quantity proportionate to the quantity of the Company's shares of this category (type) already owned by them;
- Have the preemptive right to purchase the Company's additional shares and issuable convertible securities sold by by means of closed subscription, such preemptive right being applicable to the quantity proportionate to the quantity of the Company's shares of this category (type) already owned by them and only in cases provided for by legislation of the Russian Federation on joint-stock companies;
- Receive dividends on their shares;
- Receive a portion of the Company's property in case of its liquidation;
- Appeal in court against resolution adopted by the General meeting of shareholders, in case of such resolution being in breach of any provision set forth by legislation of the Russian Federation or the Company's Articles, or violating their rights and legal interests, and provided that such shareholders either had not participated in this specific General meeting of shareholders or had

voted against such resolution. Such appeal shall be submitted to court within six month after the day when such shareholders had learned or should have learned about the adopted resolution;

– Within 60 days after the end of the financial year, propose issues for the agenda of the annual General meeting of shareholders, and nominate candidates for membership in the Company's Supervisory Board and audit commission, whose number shall not exceed the total number of members in these respective bodies, and provided that these shareholders (or shareholder) own in total not less than 2 percent of the Company's voting shares;

– Demand summoning of the extraordinary General meeting of shareholders, provided that on the date of presentation of such demand they own not less than 10 percent of the Company's voting shares;

– Request redemption by the Company of the shares they hold, fully or partially, in accordance with legislation of the Russian Federation and the Company's Articles, including the following cases:

- reorganization of the Company or execution of a large transaction, which shall be approved by the General meeting of shareholders in accordance with the clause 2 of the article 79 of the Federal law "On joint-stock companies", provided that such shareholders either had voted against resolution on its reorganization or approval of the abovementioned transaction, or had abstained from voting on these issues;
- introduction of amendments or supplements to the Company's Articles (or approval of the amended Articles), should such amendments or supplements limiting their rights, provided that such shareholders either had voted against the respective resolution, or had abstained from voting;
- adoption of resolution on allocation of the Company's additional shares by means of closed subscription, except for the case when such shares are allocated solely among the shareholders, and such shareholders are entitled to purchase shares in the amount proportionate to their already-owned shares;
- in other cases stipulated by legislation of the Russian Federation.

– exercise other rights accorded to them by legislation of the Russian Federation and these Articles.

5.2. The right for participation in the General meeting of shareholders shall be exercised by shareholders either personally, or via their proxies.

5.3. A shareholder's proxy at the General meeting of shareholders shall act in accordance with his/her powers based upon provisions of the federal legislation, the acts of the duly authorized government agencies, or the power of attorney. The power of attorney for voting shall contain information about the represented shareholder and his/her proxy (name of the individual or the company, place of residence or location, passport data). The power of attorney for voting shall be executed in accordance with requirements of the Civil Code of the Russian Federation.

5.4. A shareholder shall be entitled at any time to replace his or her proxy at the General meeting of shareholders or personally attend the General meeting of shareholders.

5.5. Should any shares be transferred after the date of compilation of the list of persons entitled to attend General meeting of shareholders and before the date of the General meeting of shareholders, the person included into such list shall either issue to the transferee a voting proxy, or vote at the General meeting in accordance with the transferee's instructions.

5.6. Should any share in the Company be jointly held by more than one person, the voting powers provided by such share shall be exercised at the General meeting of shareholders at such persons' discretion by one of them or by their joint proxy. The powers of each of the above persons shall be properly executed.

5.7. The Company's shareholders shall observe legislation of the Russian Federation, the Company's Articles, and the Company's internal documents approved by the General meeting of shareholders.

5.8. The holder of the Company's shares shall acquire rights and incur obligations of a shareholder as from the moment of transfer of ownership title for the respective shares, provided that legislation of the Russian Federation or these Articles do not stipulate otherwise.

## **6. Register of shareholders. Procedure for registration of shareholders**

6.1. The Company shall ensure keeping and storage of its register of shareholders in accordance with regulations of the Russian Federation.

6.2. The Company's register of shareholders shall contain information about each registered person, the quantity and categories (types) of shares assigned to the name of each registered person; and other information stipulated by regulations of the Russian Federation.

6.3. Should the number of the Company's shareholders exceed 50, then the Company's register of shareholders shall be kept by a professional member of the securities market performing activities related to keeping registers of registered-security holders (a registrar).

6.4. The contract with the registrar for keeping and storage of the Company's register of shareholders shall be concluded by the General Director of the Company on the basis of resolution of the Supervisory Board on approval of candidature of the Company's registrar and the terms and conditions of such contract. The contract with the registrar for keeping and storage of the register of shareholders shall provide for the following:

- procedure for coordination between the Company and its registrar, as well as procedure for submitting of information by the registrar to the Company.

- the registrar's liability to the Company for infliction of losses;

- grounds and procedure for termination of such contract;

- other provisions stipulated by legislation of the Russian Federation and these Articles.

6.5. The Company shall not be released of its liability for keeping and storage of its register of shareholders upon transfer of the respective obligations to the registrar.

6.6. A person registered in the Company's register of shareholders shall timely inform the registrar of any changes in his or her personal details. Should any registered person fail to provide information on changes in his or her details, or instead provide incomplete or incorrect information, the Company and the registrar shall not be liable for any losses arising therefrom.

6.7. An entry into the Company's register of shareholders shall be made upon request of a shareholder or a nominal shareholder within three days after presentation of the documents stipulated by legislation of the Russian Federation.

6.8. The registrar is prohibited from refusing to make entries into the Company's register of shareholders, save for the cases stipulated by legislation of the Russian Federation. Should the registrar refuse to make any entry into the Company's register of shareholders, the former will, within five days from the date of presentation of the respective request about making entry into the Company's register of shareholders, furnish the requesting person with notification of refusal to make such entry, containing reasons for the refusal.

6.9. The refusal to make any entry into the Company's register of shareholders can be appealed. The court decision will bind the registrar to make a respective entry.

6.10. Upon request of a shareholder or a nominal shareholder, the registrar shall certify his/her rights for the shares by issuing an abstract from the register, which abstract shall not constitute a security.

## **7. Bonds and Other Issuable Securities of the Company**

7.1. The Company may allocate the bonds and other issuable securities, among them those that are convertible into the shares of the Company, in accordance with legislation of the Russian Federation.

7.2. The allocation of the bonds and other issuable securities, among them the bonds and other issuable securities convertible into shares, is made by resolution of the Company's Supervisory Board.

7.3. The Company cannot allocate the bonds and other issuable securities convertible into shares of the Company if the amount of the declared shares of the Company of particular categories and types is smaller than the amount of shares of these categories and types, which can be acquired via these securities.

7.4. A lost registered bond can be renewed for a reasonable payment, the amount of which is determined by the General Director of the Company. The rights of the owner of the lost bearer bond are restored by court in the order provided by the procedural law of the Russian Federation.

7.5. The prospectuses for the issued bonds and other issuable securities, as well as the results of their allocation are approved by the Company's Supervisory Board.

## **8. Distribution of Profit and Funds of the Company**

8.1. The reserve fund of the Company is made in the amount of 25% of the authorized capital by monthly payments of 5% of net profit until the necessary amount is achieved.

8.2. The reserve fund of the Company is designated to cover its losses, as well as to pay off shares of the Company and for redemption of stock in the cases foreseen by the present Articles, if there are no other funds.

8.3. In case the reserve fund is too small, the losses of the Company are covered out of the profit.

8.4. The reserve fund of the Company cannot be used for other purposes.

8.5. At the end of the first quarter, half year, nine months of the financial year and (or) at the end of the year the Company may take a decision on (declare) dividend payments for the allocated shares.

8.6. The decision on the dividend payments at the end of the first quarter, half year, and nine months of the financial year can be taken within three months after the end of the periods.

8.7. The Company must pay all the declared dividends. The dividends shall be paid in cash.

8.8. The decision on (declaration of) dividend payments, as well as the decision on the amount of dividend payments for the shares, is made by the General meeting of shareholders. The amount of the dividends can not exceed the amount suggested by the Company's Supervisory Board of the Company.

8.9. The Company must pay all the declared dividends timely and before December, 31 of the year of taking the decision.

8.10. The list of persons entitled to receive dividends is made on the date of making the list of the persons who may participate in the general meeting of shareholders, where the decision on payment of the corresponding dividends is taken.

8.11. The Company may not make decisions on (declare about) dividend payments for the shares or pay the declared dividends for the shares in the cases stipulated by federal laws.

## **9. Management bodies of the Company.**

The Company's management bodies are as follows:

- General meeting of shareholders;
- Supervisory Board;
- Board of Directors (collective executive body);
- General director (individual executive body).

### **9.1. General meeting of shareholders of the Company.**

The supreme management body in the Company is the General meeting of shareholders.

9.2. The competence of the General meeting of shareholders shall include the following issues:

1) amendments and supplements to the Company's Articles of Association and approval of a new wording of the Articles of Association.

2) reorganization of the Company;

3) liquidation of the Company, appointment of liquidation commission, and approval of the interim and final liquidation balance sheets;

4) election of members of the Company's Supervisory Board and early termination of their powers;



- 5) determination of the number, nominal value, class (type) of stated shares and the rights accorded by such shares;
- 6) increase of the Company's authorized capital by raising the nominal value of shares or allocation of additional shares by closed subscription, as well as by allocation of common shares by public subscription in case of such shares accounting for more than 25% of the previously allocated common shares;
- 7) decrease of the Company's authorized capital by reducing the nominal value of shares or by means of repurchase by the Company of certain share portions aiming to decrease their total quantity, as well as by means of redemption by the Company of its purchased or repurchased shares in accordance with the Federal law "On joint-stock companies";
- 8) election of members of the Company's Audit Commission and early termination of their powers;
- 9) approval of the Company's external auditor;
- 10) approval of annual reports, annual statements, including the Company's profit-and-loss statements (profit-and-loss accounts), as well as distribution of the Company's profit, including payment (announcement) of dividends, and losses, based on the results of the respective financial year;
- 11) determination of procedure for holding the General meeting of shareholders;
- 12) election of members of the Company's counting commission and early termination of their powers;
- 13) splitting and consolidation of shares;
- 14) resolutions on approval of transactions in the cases provided for by the Article 83 of the Federal law "On joint-stock companies";
- 15) resolutions on approval of major transactions in the cases provided for by the Article 79 of the Federal law "On joint-stock companies";
- 16) resolutions on participation in holding companies, financial and industrial groups, associations, and other alliances of business entities;
- 17) repurchase by the Company of its previously allocated shares in cases stipulated by these Articles;
- 18) approval of internal documents governing operation of the Company's managerial and supervisory bodies;
- 19) resolutions on transfer of powers of the individual executive body to a managing entity or a manager;
- 20) resolutions on payment (announcement) of dividends, based on the results of the first quarter, six months, or nine months of the respective financial year;
- 21) resolutions regarding procedure for payment of dividends, based on the results of the first quarter, six months, or nine months of the respective financial year, and/or the aggregate results of the respective financial year, as well as resolutions regarding payment of dividends to be effected earlier than the date stipulated by the article 8.9 hereof;
- 22) resolutions on all other issues provided for by the Federal law "On joint-stock companies".

9.3. The issues mentioned in the article 9.2 hereof may not be referred for resolution to the Company's Supervisory Board, the Board of Directors, or the General Director.

9.4. Resolutions of the General meeting of shareholders shall be adopted by majority vote representing a three fourths of votes held by voting shareholders of the Company attending the General meeting of shareholders, with respect to the following issues:

- amendments and supplements to the Company's Articles of Association and approval of a new wording of the Articles of Association;
- reorganization of the Company;
- liquidation of the Company, appointment of liquidation commission, and approval of the interim and final liquidation balance sheets;
- determination of the number, nominal value, class (type) of stated shares and the rights accorded by such shares;
- allocation of shares (or issuable securities of the Company convertible into shares) by closed subscription on the basis of resolution of the General meeting of shareholders on increase of the

Company's authorized capital by allocation of additional shares (or issuable securities of the Company convertible into shares);

- allocation of common shares by public subscription in case of such shares accounting for more than 25% of the previously allocated common shares;
- allocation by public subscription of issuable securities convertible into common shares accounting for more than 25% of the previously allocated common shares;
- repurchase by the Company of its previously allocated shares in cases stipulated by these Articles;
- approval of major transactions affecting property whose value accounts for more than 50% of balance-sheet value of the Company's assets;
- other issues stipulated by the Federal law "On joint-stock companies".

Resolutions on approval of transactions subject to interest of any shareholder shall be adopted at the General meeting of shareholders by the majority of votes casted by all voting shareholders having no interests in such transaction.

Resolutions on other issues shall be adopted by simple majority of votes cast by voting shareholders attending the General meeting of shareholders, provided that the law does not stipulate otherwise.

9.5. Resolutions on the issues specified in the sub-clauses 2, 6, 13-19 of the article 9.2 hereof shall be adopted by the General meeting of shareholders solely upon request of the Supervisory Board.

9.6. The Company shall summon the General meeting of shareholders on an annual basis. The annual General meeting of shareholders shall be summoned not earlier than two months and not later than six months upon conclusion of the financial year.

9.7. The annual General meeting of shareholders shall decide on election of the the Company's Supervisory Board and audit commission, approval of external auditor, approval of annual reports, annual statements, including the Company's profit-and-loss statements (profit-and-loss accounts), as well as distribution of the Company's profit, including payment (announcement) of dividends, and losses, based on the results of the respective financial year, as well as other issues referred to competence of the General meeting of shareholders. The issues regarding election of the the Company's Supervisory Board and audit commission, approval of external auditor, and the issues specified in the sub-clause 10 of the article 9.2 hereof shall be mandatory for inclusion into the agenda of the annual General meeting of shareholders of the Company.

9.8. The Company's shareholder(s) owning in total at least 2 per cent of the voting shares in the Company shall be entitled to introduce their issues to the agenda of the annual General meeting of shareholders, and propose their candidates for membership in the Supervisory Board and the Audit Commission, yet the number of such candidates shall not exceed the total number of members in the respective body. Such proposals shall be received by the Company within 60 days upon conclusion of the respective financial year.

9.9. Proposals on introduction of issues to the agenda of the General meeting of shareholders and nominations of candidates shall be submitted in writing, specifying the name(s) of the initiating shareholders(s) and the number and class (type) of their shares, and shall be signed by such shareholder(s).

Proposals on introduction of issues to the agenda of the General meeting of shareholders shall contain wording of each proposed issue. Nominations of candidates shall specify name of each nominee, name of the Company's respective body, information about his/her place of work and position as of the date of his/her nomination, all his/her places of work and positions throughout the last five years, and finally information about the Company's shares (if any) held by such nominee. Proposals on introduction of issues to the agenda of the General meeting of shareholders may contain wording of resolution for each proposed issue.

9.10. The Company's Supervisory Board shall review the received proposals and decide on inclusion thereof to agenda of the General meeting of shareholders, or refusal thereof, within five days after deadline established by the article 9.8 hereof.

9.11. All issues proposed by shareholder(s) shall be included to the agenda of the General meeting of shareholders, and names of the nominees shall be included into the voting ballot for elections into the Company's respective bodies, unless:

- the respective shareholder fails to observe the deadlines established by the article 9.8 hereof;
- the respective shareholder does not own the required number of the voting shares in the Company, as stipulated by the article 9.8 hereof;
- the proposal does not conform to the requirements stipulated by the article 9.9 hereof ;
- the issue proposed for inclusion into the agenda of the General meeting of shareholders is not referred to its competence and/or does not conform to the requirements of the Federal law "On joint-stock companies" and other regulations of the Russian Federation;

9.12. A substantiated resolution of the Company's Supervisory Board on its refusal to include the respective issue to the agenda of the General meeting of shareholders, or the same on its refusal to include a nominee to the nominating list for elections to the Company's respective body, shall be sent to the initiating shareholder(s) within three days after the date of such resolution.

9.13. Resolution of the Company's Supervisory Board on its refusal to include the respective issue to the agenda of the General meeting of shareholders, or the same on its refusal to include a nominee to the nominating list for elections to the Company's respective body, as well as the former's refusal to adopt a resolution as such may be appealed in court.

9.14. All General meetings of shareholders, other than the annual General meeting of shareholders, shall be deemed extraordinary.

9.15. The extraordinary General meeting of shareholders shall be summoned by resolution of the Company's Supervisory Board either by its own initiative, or upon request of the Audit Commission, the Company's external auditor, or the shareholder(s) owning at least 10 per cent of voting shares in the Company as of the date of presentation of such request. Should the agenda proposed for the extraordinary General meeting of shareholders contain an issue of election of members of the Company's Supervisory Board or Audit Commission, the shareholders' nominating proposals for election to the respective body shall be received by the Company not later than 30 days prior to the date of such extraordinary General meeting of shareholders.

9.16. The request for convocation of the extraordinary General meeting of shareholders shall contain wording of the issues to be included into the meeting's agenda, as well as wording of their respective resolutions and a proposal regarding the procedure for holding such General meeting of shareholders. The Supervisory Board shall not be entitled to amend wording of issues included into the agenda, or wording of respective resolutions on such issues, as well as amend the proposed procedure for holding the extraordinary General meeting of shareholders, which can be summoned upon request of the Company's audit commission, external auditor, or the shareholder(s) owning in total at least 10 per cent of the voting shares in the Company.

Should the request for convocation of the extraordinary General meeting of shareholders originate from any shareholder(s), such request has to contain name(s) of the initiating shareholder(s) and the number and class (type) of the shares they hold.

The request for convocation of the extraordinary General meeting of shareholders shall be signed by the person(s) requesting convocation of such extraordinary General meeting of shareholders.

9.17. The extraordinary General meeting of shareholders requested by the Company's audit commission, external auditor, or the shareholder(s) owning in total at least 10 per cent of the voting shares in the Company, shall be held within 40 days after presentation of the request for convocation of the extraordinary General meeting of shareholders.

Should the agenda proposed for the extraordinary General meeting of shareholders contain an issue of election of members of the Company's Supervisory Board, who shall be elected by means of cumulative voting, then such General meeting of shareholders shall be held within 70 days after presentation of the request for convocation of the extraordinary General meeting of shareholders. The mentioned request for convocation of the extraordinary General meeting of shareholders shall be deemed presented on the date of its receipt by the Company.

9.18. Within five days after presentation of the request for convocation of the extraordinary General meeting of shareholders, such request being presented either by the Company's audit commission, external auditor, or the shareholder(s) owning in total at least 10 per cent of the voting shares in the Company, the Company's Supervisory Board shall adopt resolution on convocation or refusal of convocation of the extraordinary General meeting of shareholders.

9.19. Resolution on refusal of convocation of the extraordinary General meeting of shareholders upon request of the Company's audit commission, external auditor, or the shareholder(s) owning in total at least 10 per cent of the voting shares in the Company, may be adopted in the following cases:

- the requesting party had failed to comply with procedures for requesting convocation of the extraordinary General meeting of shareholders as stipulated by the effective legislation and these Articles;
- the shareholder(s) requesting convocation of the extraordinary General meeting of shareholders do not own the required number of voting shares in the Company, as stipulated by this clause;
- no issues proposed for inclusion into agenda of the extraordinary General meeting of shareholders are referred to the meeting's competence or conform to the legal provisions and regulations effective in the Russian Federation.

9.20. Resolution of the Company's Supervisory Board on convocation of the extraordinary General meeting of shareholders or a substantiated refusal of such convocation shall be sent to the persons requesting for such convocation within three days after the date of the resolution.

9.21. Resolution of the Company's Supervisory Board on refusal of convocation of the extraordinary General meeting of shareholders may be appealed in court.

9.22. Should the Company's Supervisory Board fail to adopt resolution on convocation of the extraordinary General meeting of shareholders within the period stipulated by the article 9.18 hereof, or instead adopt resolution on refusal of such convocation, the extraordinary General meeting of shareholders may be convened by the bodies and persons requesting such convocation. The bodies and persons requesting convocation of the extraordinary General meeting of shareholders shall possess the powers required for convocation and holding of the General meeting of shareholders pursuant to legislation of the Russian Federation and these Articles. In such case, the expenses associated with preparation and holding of the General meeting of shareholders may be reimbursed out of the Company's funds by resolution of the General meeting of shareholders.

9.23. In course of preparation for holding of the General meeting of shareholders, the Company's Supervisory Board or other persons and bodies summoning the General meeting of shareholders, shall determine the following:

- the procedure for holding the General meeting of shareholders (meeting or absentee ballot);
- the date, place, and time for holding the General meeting of shareholders, and mailing address for submission of filled ballots, or, if the General meeting of shareholders is to be held in form of an absentee ballot – deadline for receipt of, and mailing address for submission of filled ballots;
- the date, place, and time for start and end of registration of persons entitled for participation in the General meeting of shareholders;
- the agenda of the General meeting of shareholders;
- the date of issuance of the list of persons entitled for participation in the General meeting of shareholders;
- the procedure for notification of shareholders about convocation of the General meeting of shareholders;
- the list of information (materials) to be provided to shareholders in course of preparation for holding of the General meeting of shareholders, and the procedure for provision of such information;
- form and wording of the voting ballots;
- other issues stipulated by regulations effective in the Russian Federation, and by these Articles.

9.24. The General meeting of shareholders shall not be entitled to adopt resolutions on issues not included into the meeting's agenda, nor shall it be entitled to change such agenda.

9.25. The list of persons entitled for participation in the General meeting of shareholders shall be drawn up on the basis of information contained in the register of shareholders. The date for drawing up the list of persons entitled for participation in the General meeting of shareholders can not be set to be earlier than the date of adoption of resolution on convocation of the General meeting of shareholders, and, in any case, it can not be set to be earlier than 50 days prior to the date of the General meeting of shareholders, and in case if the agenda of the extraordinary General meeting of shareholders contains the issue of election of the Supervisory Board - earlier than 65 days prior to the date of the General meeting of shareholders.

9.26. The Company shall notify its shareholders about convocation of the General meeting of shareholders not later than 20 days prior to the meeting's date. The announcement of convocation of the General meeting of shareholders, whose agenda contains an issue of the Company's reorganization, shall be made not later than 30 days prior to the meeting's date. In case if the agenda of the extraordinary General meeting of shareholders contains the issue of election of the Supervisory Board, the announcement of convocation of such extraordinary General meeting of shareholders shall be made not later than 50 days prior to the meeting's date.

9.27. The announcement of convocation of the General meeting of shareholders shall contain the following information:

- full trade name and location of the Company;
- the procedure for holding the General meeting of shareholders (meeting or absentee ballot);
- the date, place, and time for holding the General meeting of shareholders, and mailing address for submission of filled ballots, or, if the General meeting of shareholders is to be held in form of an absentee ballot – deadline for receipt of, and mailing address for submission of filled ballots;
- the date, place, and time for start and end of registration of persons entitled for participation in the General meeting of shareholders;
- the issues included into the agenda of the General meeting of shareholders;
- the date of issuance of the list of persons entitled for participation in the General meeting of shareholders;
- the procedure for provision of information (materials) to be provided to shareholders in course of preparation for holding of the General meeting of shareholders, and the address(es) where such information (materials) can be obtained;
- other issues stipulated by regulations effective in the Russian Federation, and by these Articles.

9.28. Shareholders shall be notified about convocation of the General meeting of shareholders by means of announcement published in the newspaper "Ekonomika i zhizn'" ("Economics and life") and by sending the respective notification by registered mail to addresses of the persons entitled for participation in the General meeting of shareholders of the Company.

9.29. The Company shall be entitled to perform additional notification of shareholders about convocation of the General meeting of shareholders via mass media (television, radio, newspapers, etc.).

9.30. Should the person registered in the register of the Company's shareholders be only a nominal shareholder, then the said notification about convocation of the General meeting of shareholders shall be sent to such nominal shareholder. In its turn, such nominal shareholder shall notify its customers about convocation of the General meeting of shareholders in accordance with the procedure and within the time period stipulated by legislation of the Russian Federation, or by the contract concluded with the customer.

9.31. The information (materials) to be provided in course of preparation for holding of the General meeting of shareholders to persons entitled for participation in such meeting shall consist of annual accounting statements, including the auditor's opinion, the opinion issued by the Company's audit commission and based upon the results of inspection of the annual accounting statements, information about candidates for membership in the Supervisory Board and audit commission, the

drafted amendments and supplements to the Company's Articles or the draft of the amended Articles, drafts of the Company's internal documents, drafts of resolutions of the General meeting of shareholders, and other information stipulated by legislation of the Russian Federation and these Articles.

9.32. A General meeting of shareholders shall be considered valid (i.e. having quorum) in case if it is attended by the shareholders owning in total more than a half of votes pertaining to the allocated voting shares of the Company. Only those shareholders who had registered for participation and the shareholders whose ballots had been received not later than two days before the date of the General meeting of shareholders shall be deemed having attended the General meeting of shareholders. Only those shareholders whose ballots had been received before the deadline for receipt of ballots shall be deemed having attended the General meeting of shareholders, should such meeting be held by means of absentee ballot.

9.33. Should there be no quorum for holding the annual General meeting of shareholders, the adjourned General meeting of shareholders with the same agenda will be held. Should there be no quorum for holding the extraordinary General meeting of shareholders, an adjourned extraordinary General meeting of shareholders with the same agenda will be held.

9.34. The adjourned General meeting of shareholders is validly convened (i.e. has quorum) in case if it is attended by shareholders owning in total at least 30 per cent of votes pertaining to the allocated voting shares of the Company.

9.35. The announcement of convocation of the adjourned General meeting of shareholders shall be made in accordance with procedure stipulated by the article 9.28 hereof, and within the time limit specified in the article 9.26 hereof. In this case, the time period set for holding the extraordinary General meeting of shareholders, whose agenda includes the issue of election of the Supervisory Board, shall not apply.

9.36. If the adjourned General meeting of shareholders is to be held less than 40 days after the failed General meeting of shareholders, the persons entitled for participation in the General meeting of shareholders shall be determined in accordance with the list of persons having been previously entitled to attend the failed General meeting of shareholders.

9.37. Voting at the General meeting of shareholders shall be based on the principle "one voting share makes one vote", save for cumulative voting in course of election of members of the Company's Supervisory Board. Voting on the issues included into the agenda of the General meeting of shareholders shall be effected solely by means of ballot papers. Such ballot papers shall be sent by ordinary mail to the persons entitled for participation in the General meeting of shareholders not later than 20 days before the date of the General meeting of shareholders.

9.38. Any resolution of the General meeting of shareholders may be adopted without holding the meeting (i.e. collective presence of shareholders for discussion of the issues included in the agenda, and for adoption of resolutions on voted issues), by means of absentee ballot.

9.39. Should the General meeting of shareholders be held in form of absentee ballot, then ballot papers shall be sent to the persons entitled for participation in the General meeting of shareholders in accordance with the procedure and within the time period stipulated by the article 9.37 hereof.

9.40. The General meeting of shareholders whose agenda includes such issues as election of the Supervisory Board, the audit commission, approval of Company's external auditor, and the issues specified in the sub-clause 10 of the article 9.2 hereof, shall not be held by means of absentee ballot.

9.41. Resolutions adopted by General meeting of shareholders, as well as voting results shall be announced at the General meeting of shareholders, where such voting had taken place, or shall be brought to attention of the persons included into the list of persons entitled for participation in the General meeting of shareholders, by means of announcement published in the newspaper "Ekonomika i zhizn" ("Economics and life") and by sending the respective written notification by registered mail to addresses of the persons entitled for participation in the General meeting of shareholders of the Company, in form of report of voting results within 10 days after execution of the voting minutes.

9.42. Minutes of the General meeting of shareholders shall be drawn up in two copies within 15 days after closure of the General meeting of shareholders. Both copies shall be signed by the chairman and the secretary of the General meeting of shareholders. Upon execution of the voting records and signing of the minutes of the General meeting of shareholders, the ballot papers shall be

sealed by the counting commission and delivered for safekeeping to the Company's archival depository. The voting records shall be subjoined with the minutes of the General meeting of shareholders.

9.43. The minutes of the General meeting of shareholders shall contain the following information:

- place and time for convocation of the General meeting of shareholders;
- the total number of votes pertaining to the shareholders who own voting shares in the Company;
- the total number of votes pertaining to the shareholders who participate in the General meeting of shareholders;
- chairman (or presidium), secretary, and agenda of the meeting;
- other information required by legislation of the Russian Federation and these Articles.

The minutes of the General meeting of shareholders shall contain principal theses of the speeches, voted issues, voting results, and the respective resolutions adopted at the meeting.

9.44. The procedure for convocation and holding of, and adoption of resolutions by the General meeting of shareholders shall be determined by the Company's internal documents approved by the General meeting of shareholders.

## **10. The Company's Supervisory Board**

10.1. The Company's Supervisory Board shall be responsible for the general management of the Company's business, except for resolution of the issues referred by the Articles of Association to competence of the General meeting of shareholders.

10.1.1. In course of their work, members of the Supervisory Board shall act in the best interests of the Company, and with consideration for interests of all shareholders, regardless of by whom they had been nominated for such membership and what shareholders had voted for their candidatures.

10.1.2. In adopting resolutions on issues referred to its competence, the Supervisory Board shall be guided by the principal objectives and interests of the Company. Furthermore, members of the Supervisory Board shall assume priority of long-term plans over short-term interests.

10.1.3. In making their decisions, members of the Supervisory Board shall assume the need to act fairly towards all shareholders, and take a critical approach to evaluation of their performance and performance of other members of the Supervisory Board.

10.1.4. The Supervisory Board shall seek to arrange the process of informing the shareholders of the Company's performance to such an extent which would be sufficient for shareholders to make well-reasoned decisions regarding disposition of their shares.

10.1.5. Members of the Supervisory Board are obliged to disclose information about their interests in conclusion of the Company's transactions.

10.2. The competence of the Company's Supervisory Board shall include the following issues:

- 1) identification of priority business objectives for the Company;
- 2) convocation of annual and extraordinary General meetings of shareholders, except for the cases provided for by these Articles and the Federal law "On joint-stock companies";
- 3) approval of agenda for the General meeting of shareholders;
- 4) determination of the date of issuance of the list of persons entitled for participation in the General meeting of shareholders, and other issues referred to competence of the Company's Supervisory Board under the Federal law "On joint-stock companies" and these Articles, such issues being associated with preparation and holding of General meeting of shareholders;
- 5) submission for resolution to the General meeting of shareholders of the issues specified in the sub-clauses 2, 6, and 13 to 19 of the article 9.2 hereof ;

6) increase of the Company's authorized capital by means of allocating additional shares by public subscription, within the limits of the stated share classes (types), and not exceeding 25% of the previously allocated common shares;

7) allocation by the Company of its bonds and other issuable securities in cases stipulated by legislation of the Russian Federation and these Articles;

8) determination of price (monetary value) of property and securities allocation/redemption prices in the cases stipulated by the Federal law "On joint-stock companies";

9) repurchase of shares, bonds, and other securities allocated by the Company in the cases stipulated by the Federal law "On joint-stock companies";

10) appointment of the Company's General Director and early termination of his/her powers, approval of terms and conditions of the contract concluded with the Company's General Director, and early termination of such contract;

upon presentation of the General Director or the member(s) of the Company's Supervisory Board: appointment of managers in accordance with the organization chart approved by the Company's Supervisory Board, and early termination of their powers; determination of issues referred to competence of such managers; approval of terms and conditions of the contracts concluded with such managers, and early termination of such contracts; adoption of resolutions regarding appointment of the Company's managers to the Company's Board of Directors;

11) upon presentation of the General Director or the member(s) of the Company's Supervisory Board: determination of the quantity of members in the Company's Board of Directors, election of such members and early termination of their powers, approval of terms and conditions of the contracts concluded with such members of the Board of Directors, and early termination of such contracts;

12) recommendations as to remuneration and compensations payable to members of the Company's audit commission; determination of remuneration payable to the external auditor for its services;

13) recommendations as to the size of share dividends and method of their payment;

14) use of the Company's reserve fund and other funds;

15) approval of internal documents of the Company, with the exception of internal documents subject to approval by the General meeting of shareholders or executive bodies of the Company;

16) adoption of resolutions regarding formation and liquidation of the Company's branches and representative offices; introduction of respective amendments and supplements to the Company's Articles of Association;

17) approval of major transactions in the cases stipulated by the Chapter X of the Federal law "On joint-stock companies";

18) approval of transactions specified in the Chapter XI of the Federal law "On joint-stock companies";

19) approval of registrar of the Company and terms and conditions of the contract concluded with such registrar; termination of such contract;

20) approval of the Company's annual (quarterly) business plan and report on the Company's performance thereunder; approval of the quarterly business plan of energy sales and report on the Company's performance thereunder;

21) adoption of resolutions regarding formation of other funds in the Company, aside from the reserve fund;

22) quarterly examination of the report of the General Director and the Company's Board of Directors about financial and business transactions of the Company, fulfillment of resolutions of the General meeting of shareholders and the Supervisory Board, the report on the Company's performance under the business plan, the report on the Company's performance under the quarterly business plan of energy sales, the report on realization of program for reduction of commercial losses, information about progress of realization of the Company's tariff policy;

23) adoption of resolutions on conclusion of financial transactions (including: loans, credits, bail, attraction of bank guarantees) resulting in the total volume of the Company's financial obligations exceeding the amount equal to 25,000,000 (Twenty five million) US dollars;

24) preliminary approval of transactions associated with alienation (purchase) of shares (interests) of the subsidiary (affiliated) companies founded by the Company, provided that the value of alienated (purchased) shares (interests) is equal to at least 3,000,000 (Three million) US dollars;



25) approval of terms and programs of restructuring indebtedness to the Company (including conclusion of transactions for management of the accounts receivable), equaling at least 1,000,000 (One million) US dollars, and control over their implementation;

26) adoption of resolutions on conclusion by the Company of transactions associated with alienation (purchase) or possibility of direct or indirect alienation of the Company's real property whose value amounts to at least 5,000,000 (Five million) US dollars;

27) approval of the Company's organization chart;

28) adoption of resolutions on suspension of powers of the managing organization (or the manager);

29) other issues stipulated by the Federal law "On joint-stock companies" and these Articles.

10.3. The issues referred to competence of the Company's Supervisory Board shall not be delegated to the executive bodies of the Company.

10.4. The number of members of the Supervisory Board is 11 (eleven).

10.5. Members of the Company's Supervisory Board shall be elected by the General meeting of shareholders in accordance with procedure stipulated by these Articles for a term until the next annual General meeting of shareholders. Should the annual General meeting of shareholders not be held within the time period stipulated by the article 9.6 hereof, the powers of the Company's Supervisory Board shall be terminated, with the exception of powers associated with preparation, convocation and holding of the annual General meeting of shareholders.

10.6. Members of the Supervisory Board shall be elected by means of cumulative voting. In case of such voting, the number of votes pertaining to each shareholder shall be multiplied to the number of persons to be elected to the Company's Supervisory Board, and thus the shareholder is entitled either to cast all his/her votes for one nominee, or distribute these votes among two and more nominees. The nominees gaining the largest number of votes shall be deemed elected to the Company's Supervisory Board.

10.7. The Chairman of the Supervisory Board shall be elected by members of the Supervisory Board from among them by majority vote of the number of members participating in the voting. The General Director of the Company shall not simultaneously act as a Chairman of the Supervisory Board.

10.8. The Supervisory Board shall meet as often as necessary. The annual meeting of the Supervisory Board shall be held not later than 30 calendar days prior to the date of convocation of the annual General meeting of shareholders, aiming for preliminary approval of the annual reports, annual accounting statements, including the Company's profit-and-loss statements (profit-and-loss accounts), as well as distribution of the Company's profits and losses based upon the results of the respective financial year, all such documents being presented for approval to the General meeting of shareholders.

10.9. The meetings of the Supervisory Board shall be convoked by the Chairman of the Company's Supervisory Board (or upon his/her request, by the deputy Chairman of the Supervisory Board) either by his/her own initiative, or upon request of any member of the Supervisory Board, the Board of Directors, the General Director, the Company's audit commission or its external auditor, in any case within 15 days after receipt of the respective request of convocation. All proposals on issues to be included into the meeting's agenda shall be presented not later than 10 days prior to the meeting's date.

10.10. Quorum for the meeting of the Company's Supervisory Board shall amount to at least half of votes of the elected members of the Supervisory Board.

10.11. Should the number of members of the Supervisory Board become less than the number required for a proper quorum, as stipulated by the article 10.10 hereof, the Company's Supervisory Board shall adopt resolution on convocation of the extraordinary General meeting of shareholders in accordance with procedure stipulated by the Federal law "On joint-stock companies" and these Articles.

10.12. Resolutions of the Supervisory Board on issues specified in the sub-clauses 6 and 17 of the article 10.2 hereof shall be adopted by unanimous vote of all elected members of the Supervisory Board; in this case, the votes of withdrawn members of the Company's Supervisory Board shall not be accounted for. Should the Supervisory Board fail to produce unanimous vote on such issue, then by

resolution of the latter the issue of increase of the authorized capital by means of allocating additional shares can be submitted for resolution to the General meeting of shareholders.

Should any member of the Supervisory Board have an interest in transaction involving evaluation of market value of the Company's property, then the resolution of the Supervisory Board on evaluation of market value of the Company's property shall be adopted by the majority of votes cast by those members of the Supervisory Board who have no interest in such transaction. Resolutions on other issues at the meeting of the Company's Supervisory Board shall be adopted by simple majority of votes cast by participating members of the Supervisory Board, save for issues where legislation of the Russian Federation or these Articles stipulate otherwise.

10.13. Each member of the Company's Supervisory Board shall have one vote. Assignment of voting rights by any member of the Company's Supervisory Board to another person, including another member of the Company's Supervisory Board, is prohibited.

10.14. When determining quorum for the meeting of the Supervisory Board and calculating the voting results, written agenda opinions of members of the Supervisory Board absent at such meeting shall be taken into consideration. The document containing written opinion of any member of the Supervisory Board shall carry signature of such member. The Company's Supervisory Board can adopt resolutions by means of absentee ballot.

10.15. The meeting of the Company's Supervisory Board shall be recorded. The minutes of the meeting of the Company's Supervisory Board shall be drawn up within three days after closure of such meeting, and signed by the chairman and the secretary, who bear all responsibility for correctness of records. The minutes of the meeting shall contain the following information: place and time for its convocation, the list of persons present at the meeting, agenda of the meeting, voted issues, voting results, and the respective resolutions.

10.16. Each member of the Supervisory Board shall be loyal to the Company, and shall not be entitled to use their powers for purposes contravening these Articles or damaging interests of the Company.

10.17. The procedure for convocation and holding of the meeting of the Company's Supervisory Board, its general agenda not regulated by these Articles shall be determined by the Regulation on the Supervisory Board of the Company.

## **11. The General Director and the Board of Directors of the Company**

11.1. The General Director and the Board of Directors of the Company are executive bodies of the Company and perform management of the Company's day-to-day operation. The competence of the General Director and the Board of Directors shall include all issues related to management of the Company's day-to-day operation, save for issues referred to competence of the General meeting of shareholders or of the Company's Supervisory Board.

11.2. The General Director and the Board of Directors of the Company shall organize implementation of resolutions adopted by the General meeting of shareholders and the Company's Supervisory Board, and shall be accountable to them.

11.3. The General Director and members of the Company's Board of Directors shall not be entitled to occupy any positions in management bodies of other entities without consent of the Supervisory Board.

11.4. The General Director of the Company shall be appointed by the Company's Supervisory Board for 1 (one)-year term.

11.5. The Company's Board of Directors is a collective executive body of the Company. Membership in the Board of Directors can be held by the Company's managers pursuant to resolutions of the Company's Supervisory Board. The effective term of powers accorded to members of the Board of Directors is 1 (one) year, and shall be calculated from the date of resolution adopted by the Company's Supervisory Board on appointment of the respective members of the Board of Directors.

The Company's Board of Directors shall adopt resolutions on issues referred to its competence at the meetings of the Board of Directors, whose convocation/holding procedure is stipulated by these Articles and Regulation on the Company's Board of Directors. The meetings of the Board of Directors shall be summoned by the General Director of the Company as often as may be appropriate.

11.6. Quorum for the meeting of the Company's Board of Directors shall amount to at least half of votes of the elected members of the Board of Directors. Should the number of members of the Board of Directors become less than the number required for the specified quorum, the Company's Supervisory Board shall adopt resolution on election of members of the Board of Directors.

The issues referred by these Articles to competence of the Board of Directors shall not be delegated to the General Director of the Company.

11.7. The Company's Board of Directors shall adopt resolutions by the majority of votes held by the members of the Board of Directors present at the meeting. Each member of the Company's Board of Directors shall have one vote. Assignment of voting rights by any member of the Company's Board of Directors to another person, including another member of the Board of Directors, is prohibited. When determining quorum for the meeting of the Board of Directors and calculating the voting results, written agenda opinions of members of the Board of Directors absent at such meeting shall be taken into consideration. The document containing written opinion of any member of the Board of Directors shall carry signature of such member. The meeting of the Company's Board of Directors shall be recorded. The minutes of the meeting of the Company's Board of Directors shall be furnished to members of the Company's Supervisory Board, audit commission, or its external auditor, upon their request.

11.8. The Board of Directors shall be presided by the General Director.

11.9. The procedure for operation of the General Director and the Board of Directors of the Company, as well as rights, obligations, and liability of the General Director and members of the Company's Board of Directors shall be determined in accordance with legislation of the Russian Federation, these Articles, Regulations on the Board of Directors and the General Director of the Company, and finally, the contracts concluded by the Company with the General Director and members of the Board of Directors. The contracts with the General Director and members of the Board of Directors shall be signed on behalf of the Company either by the Chairman of the Supervisory Board, or by the duly authorized representative of the Supervisory Board.

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

1) preliminary examination of issues submitted for resolution of the Supervisory Board, either by its own initiative, or upon request of the Supervisory Board; formulation of recommendations regarding resolution of such issues;

2) adoption of resolutions on conclusion of single or several interrelated transactions (with the exception of transactions subject to other provisions stipulated by these Articles) associated with purchase, alienation, or a possibility of direct or indirect alienation of the Company's property whose value amounts to at least 1,000,000 (One million) US dollars;

3) approval of the Company's monthly budget and financial plan, and the report on the Company's performance thereunder;

4) approval of terms and programs of restructuring indebtedness to the Company (including conclusion of transactions for management of the accounts receivable), not referred to competence of the Supervisory Board, and control over their implementation;

5) approval of programs and plans for insurance of the Company's property, transactions, employees, and other types of insurance objects, and control over their implementation; nomination of the Company's insurers;

6) institution of social benefits and guarantees for the Company's employees;

7) approval of the Company's programs and plans for attraction of investments aimed at further development of the Company, and control over their implementation;

8) adoption of resolutions on the Company's participation in / withdrawal from any commercial and non-commercial entities, including the same by means of purchase / sale of shares (interests); adoption of resolutions on alienation by the Company of its shares (interests) in other business entities, should such issue not be referred by these Articles to competence of the Company's Supervisory Board;

9) adoption of resolutions regarding nomination of candidates for membership in the management bodies of the companies whose member is the Company, appointment of the Company's proxies for the general meetings of members; approval of instructions for voting of the Company's proxies at the general meetings of members, meetings of the Boards of Directors and other collective management bodies, and on the procedure for exercise of other member rights in such companies,

where [...] of shares (interests) in the authorized capital is owned or otherwise possessed by the Company. Resolutions regarding the same in non-commercial and other entities whose member is the Company;

10) approval of the Company's internal documents related to issues which are referred to competence of the Board of Directors;

11) adoption of resolutions on conclusion by the Company of transactions associated with alienation or possibility of direct or indirect alienation of the Company's real property, should such issue not be referred to competence of the Supervisory Board;

12) approval of constituent documents of commercial and non-commercial entities whose founder is the Company;

13) resolution of other operating issues of the Company, submitted for resolution to the Board of Directors by the General Director;

11.11. In accordance with his/her competence, the General Director of the Company shall be entitled to:

1) act without power of attorney on behalf of the Company, represents its interests in all institutions and entities, national and local government bodies, and courts in and outside the Russian Federation;

2) perform operational management of the Company, including conclusion of transactions. Some of these transactions, as stipulated by law or by these Articles, can be concluded by the General Director solely on the basis of resolutions on approval of such transactions issued by the authorized management bodies of the Company;

3) have the right of first signature with respect to financial documents;

4) open current and other accounts of the Company in banks and other lending institutions;

5) coordinate operations of separate divisions, supervise the work of managers and structural divisions of the Company's executive directorate;

6) issue orders and give instructions binding for all employees in the Company;

7) submit materials and proposals for examination to the Supervisory Board, Board of Directors and Audit Commission;

8) approve the list of staff members of the Company, conclude labour contracts with the Company's employees, as well as reward and punish them;

9) adopt resolutions regarding drawing up on behalf of the Company of claims and suits against legal entities and individuals;

10) arrange bookkeeping and accounting activities in the Company;

11) issue powers of attorney on behalf of the Company. The General Director shall not be entitled to use power of attorney for assignment of his/her powers regarding conclusion of the contracts that involve alienation of the Company's real property and the contracts that involve full or partial alienation of the Company's accounts receivable exceeding 1,000,000 (One million) US dollars. The General Director shall not be entitled without approval of the Company's management bodies to issue powers of attorney for conclusion of transactions that are subject to such approval;

12) perform quarterly presentation for the Supervisory Board of the report of the General Director and the Company's Board of Directors about financial and business transactions of the Company, fulfillment of resolutions of the General meeting of shareholders and the Supervisory Board, the report on the Company's performance under the business plan, the report on the Company's performance under the quarterly business plan of energy sales, the report on realization of program for reduction of commercial losses, information about progress of realization of the Company's tariff policy;

13) approve the Company's internal documents related to issues which are referred to competence of the General Director;

14) appoint and dismiss directors, chief accountants, and chief engineers of the Company's branches and representative offices;

15) make proposals for the Supervisory Board regarding candidatures for managers and scope of responsibility of such managers, candidatures for membership in the Company's Board of Directors and its total quantity of members;

16) provide technical support for operation of the Supervisory Board, the Board of Directors, and the Company's audit commission;

17) provide assistance to the Chairman of the Supervisory Board in solving issues of organizational support of preparation and holding of the meetings of the Supervisory Board, supervise fulfillment of resolutions adopted by the Supervisory Board;

18) perform other functions as required for fulfillment of the Company's objectives, provision of its normal operation, and proper realization of resolutions adopted by the General meeting of shareholders, the Supervisory Board, and the Board of Directors, in accordance with legislation of the Russian Federation and these Articles.

11.12. The General Director and members of the Board of Directors of the Company shall be liable to the Company and its shareholders in accordance with legislation of the Russian Federation.

## **12. Audit Commission and Auditor of the Company**

12.1. The Audit Commission shall supervise the financial and economic activity of the Company.

12.2. The Audit Commission reports to the General meeting of shareholders and makes reports at the annual General meeting of shareholders.

12.3. The Audit Commission consisting of five members is elected at the annual General meeting of shareholders. The members of the Audit Commission are elected for the period until the following annual General meeting of shareholders. The members of the Audit Commission can be elected many times.

12.4. The Audit Commission cannot include the members of the Supervisory Board, members of the Board of Directors, or the General Director.

12.5. The Audit Commission checks the financial and economic activity of the Company at the end of financial year, as well as at any time and at its own discretion or at the decision of the General meeting of shareholders, Supervisory Board, at the written request of a shareholder (shareholders) owning no less than 10% of the voting shares of the Company on the date of making the request. In all the cases the Company must pay for the audit.

12.6. The persons elected to the Audit Commission at the General meeting of shareholders have the first meeting of the Audit Commission within fifteen days of the closing of the General meeting of shareholders. At the first meeting of the Audit Commission of the Company the chairman and secretary of the Audit Commission are elected.

12.7. At the decision of the General meeting of shareholders the members of the Audit Commission can get some payment and/or their expenses can be covered for the time period of their work. The amount of such payment and compensation is fixed by the decision of the General meeting of shareholders.

12.8. The order of operation of the Audit Commission is determined by a Provision on the Audit Commission of the Company, approved by the General meeting of shareholders.

12.9. The auditor of the Company checks the financial and economic activity of the Company according to the legal acts of the Russian Federation and works on the contract basis. The auditor of the Company may not have any valuable interest in the Company or its shareholders. The contract for audit services is concluded after the open competition in the order fixed by the effective legislation of the Russian Federation.

12.10. The General meeting of shareholders approves the auditor of the Company. The amount of payment for the services of the auditor is fixed by the Supervisory Board.

12.11. The shareholder (shareholders) who initiates the audit must refer to the Supervisory Board of the Company with a demand to hold the audit. The Supervisory Board must make a decision on holding the audit within five days of the reception of the demand, must establish the scope and time of the audit. The decision of the Supervisory Board is announced to the shareholder (shareholders) who initiated the audit within three days of its adoption. The expenses of the audit of the financial and economic activity of the Company must be paid by the initiator of the audit. The opinion made by the Audit Commission or the auditor on the results of their checking of the financial and economic activity of the Company must contain:

- 1) verification of facts in the reports and other financial documents of the Company;
- 2) information on violation of the legally fixed norms of accountancy and its reporting as well as violation of the law of the Russian Federation while carrying out the financial and economic activity.

### **13. Accounting, reports, and documents of the Company**

13.1. The Company shall keep accounts and submit financial statements in accordance with the procedure stipulated by legislation of the Russian Federation. The Company's financial year shall correspond to the calendar year.

13.2. The responsibility for arrangement, condition, and reliability of accounting in the Company, timely submission of annual report and other financial statements to the respective authorities, and provision of information about the Company's performance to shareholders, creditors, and mass media shall be borne by the General Director in accordance with legislation of the Russian Federation and these Articles.

13.3. The accounting policy and procedures for document flow in the Company, its branches, representative offices and other separate divisions shall be established by the order of the General Director.

13.4. Reliability of the data contained in the Company's annual report and annual accounting statements shall be confirmed by the Company's audit commission and examined by the external auditor prior to publication of the said documents.

13.5. The Company's annual report shall be subject to prior approval by the Company's Supervisory Board, which shall be obtained not later than 30 days before the date of the annual General meeting of shareholders.

13.6. The Company shall keep the following documents at the location of its executive body:

13.6.1. Articles of association, amendments and supplements thereto, registered in accordance with the prescribed procedure; the Company's public registration certificate;

13.6.2. documents certifying the Company's title to the property it holds on its balance sheet;

13.6.3. internal documents of the Company

13.6.4. annual reports;

13.6.5. accounting documents;

13.6.6. opinions issued by the Audit Commission, external auditor, national and municipal public financial-supervision bodies;

13.6.7. list of persons affiliated with the Company;

13.6.8. securities issue prospectus, quarterly reports of the securities' issuer, and other documents containing information to be published or otherwise disclosed under the federal laws;

13.6.9. minutes of General meetings of shareholders, meetings of the Company's Supervisory Board, the audit commission, and the Board of Directors;

13.6.10. ballot-papers and proxies (or copies thereof) for participation in General meeting of shareholders;

13.6.11. reports of independent appraisers;

13.6.12. lists of persons entitled for participation in the General meeting of shareholders, entitled to receive dividends, and other lists prepared by the Company to enable shareholders to exercise their rights stipulated by the Federal law "On joint-stock companies" and these Articles;

13.6.13. other documents stipulated by the Federal law "On joint-stock companies", these Articles, internal documents of the Company, resolutions of the General meeting of shareholders, resolutions of the Company's Supervisory Board, management bodies, and the documents required by legislation of the Russian Federation.

13.7. The Company shall make available to shareholders all documents specified in the article 13.6 hereof. The accounting documents and minutes from the meetings of the Company's Board of Directors shall be made available exclusively to the shareholder(s) owning in total at least 25 per cent of the voting shares in the Company. The abovementioned information shall be made available to the Company's shareholders in accordance with the legal provisions of the Russian Federation, including requirements set by the laws of the Russian Federation "On state secrets", "On mobilization in the Russian Federation", "On civil defense".

13.8. The documents specified in the article 13.6 hereof shall be presented by the Company for examination to shareholders submitting the respective request, in the premises of the Company's executive body, within seven days after the date of presentation of the respective request. Upon request of the persons entitled for access to the documents specified in the article 13.7 hereof, the Company shall furnish such persons with copies of the mentioned documents. The charge collected by the Company for provision of these copies shall not exceed their production costs.

13.9. The Company shall disclose all information that has to be disclosed under legislation of the Russian Federation.

13.10. The Company shall keep records of its affiliated persons and provide the respective reports in compliance with requirements set by legislation of the Russian Federation.

#### **14. Obligations and liability of shareholders, members of the Supervisory Board, members of the Board of Directors, the General Director, managing entity, or manager.**

14.1. Should the Company's insolvency (bankruptcy) be caused by acts or omissions of its shareholders or other persons entitled to issue instructions binding for the Company or otherwise having possibility to determine its actions, and provided that the Company's property does not completely cover its debt obligations, then in such case the mentioned shareholders or other persons may bear secondary liability with respect to their obligations.

14.2. The Company's insolvency (bankruptcy) shall be deemed caused by acts or omissions of its shareholders or other persons entitled to issue instructions binding for the Company or otherwise having possibility to determine its actions only in case if they had exercised the mentioned right and/or possibility for the purpose of the Company's performing such action that, as they had been fully aware of, would lead the Company to insolvency (bankruptcy).

14.3. Members of the Supervisory Board, members of the Board of Directors, the General Director, managing entity, or manager, shall act in the best interests of the Company, exercise their rights and perform their obligations in respect of the Company reasonably and in good faith.

14.4. Members of the Supervisory Board, members of the Board of Directors, the General Director, managing entity, or manager, in accordance with their competence, shall be liable for losses inflicted to the Company by their guilty acts (omissions). However, such liability shall not be imposed upon the members of the Supervisory Board and the members of the Board of Directors who had voted against such damaging resolution, or had abstained from voting.

14.5. In determining the grounds and the scope of liability of members of the Supervisory Board, members of the Board of Directors, the General Director, managing entity, or manager, one should take into account normal business practice and other circumstances being of importance for the case.

#### **15. Dissolution and Reorganization of the Company**

15.1. The Company can be dissolved in the following cases:

15.1.1. at the decision of the General meeting of shareholders;

15.1.2. at the court decision according to the laws of the Russian Federation.

15.2. In case of dissolution of the Company, except for the dissolution by the court decision, the General meeting of shareholders decides on the dissolution of the Company and appoints the dissolution committee.

15.3. From the moment of appointment of the dissolution committee, it gets all the rights to manage the affairs of the Company and may act in the name of the Company.

15.4. According to the laws of the Russian Federation, the dissolution committee publishes an announcement about the dissolution of the Company and the order and time of making claims by the creditors in the magazine "Bulletin of the Supreme Arbitration court of the Russian Federation" and the official press in the location of the Company. The dissolution committee organizes work on getting the Company's accounts receivable and on uncovering of the creditors' claims, and it also gives a written notice of the dissolution of the Company to the creditors.

15.5. The dissolution committee carries out the dissolution and makes the intermediate balance-sheet, which is approved by the General meeting of shareholders.

15.6. At the dissolution of the Company the creditors' claims must be satisfied in the order, fixed in art.64 of the Civil Code of the Russian Federation with consideration of the norms of the federal law.

15.7. If the assets of the Company are too scarce, they are distributed among the creditors in accordance with their order and in proportion of the claimed amounts that must be paid.

15.8. The claims of the creditors that were not satisfied because of the small assets of the Company are considered to be discharged. The claims that were not approved by the dissolution committee are considered to be discharged unless the creditor starts an action in court; the claims are considered discharged if the court refuses to satisfy them.

15.9. After all the payments to the creditors the dissolution committee makes a dissolution balance-sheet, which is approved by the General meeting of shareholders.

15.10. The assets remaining after all payments to the creditors are distributed by the dissolution committee among the shareholders of the Company in the order fixed by art.23 of the Federal law "On joint-stock Companies".

15.11. The dissolution of the Company is considered complete and the Company – non-existing from the moment of writing of the corresponding notice in the unified state register of the legal entities by a state registration body.

15.12. The terms and order of reorganization and dissolution that are not fixed by the present Articles are regulated by effective legislation of the Russian Federation.



Amendments  
to the Articles of JSC Irkutskenergo  
Introduced  
By resolution of the Supervisory Board  
of JSC Irkutskenergo  
The minutes dated 3 March 2005  
No.09 (135)  
Chairman of the Supervisory Board  
of JSC Irkutskenergo  
\_\_\_\_\_ A.V. Tikhonov

Appendix No. 1  
to the Articles of JSC Irkutskenergo  
approved in new wording by resolution  
of the General meeting of shareholders  
of JSC Irkutskenergo  
Minutes No.16 dated 25 June 2004

**Information  
about branches of JSC Irkutskenergo**

<b>No.</b>	<b>Name of the branch</b>	<b>Mailing address</b>	<b>Location</b>
1.	TEC – 6	P.O. Box 428, Bratsk, Irkutsk region, 665718	P.O. Box 428, Bratsk, Irkutsk region, 665718
2.	TEC – 9	Angarsk, Irkutsk region, 665807	Angarsk, Irkutsk region, 665807
3.	TEC – 10	P.O. Box 1199, Angarsk, Irkutsk region, 665828	P.O. Box 1199, Angarsk, Irkutsk region, 665828
4.	TEC – 11	P.O. Box 50, Usolye Sibirskoe, Irkutsk region, 665462	P.O. Box 50, Usolye Sibirskoe, Irkutsk region, 665462
5.	TEC – 12	Mayakovskogo str. 162, Cheremkhovo, Irkutsk region, 665403	Mayakovskogo str. 162, Cheremkhovo, Irkutsk region, 665403
6.	TEC – 16	P.O. Box 18, Zheleznogorsk-Ilimsky, Irkutsk region, 665651	P.O. Box 18, Zheleznogorsk-Ilimsky, Irkutsk region, 665651
7.	TEC “Novo-Irkutskaya”	Teplozentralnaya str. 1, industrial community Markovo, Irkutsk region, 664043	Teplozentralnaya str. 1, industrial community Markovo, Irkutsk region, 664043
8.	TEC “Ust-Ilimskaya”	P.O. Box 15, Ust-Ilimsk- 14, Irkutsk region, 666684	P.O. Box 15, Ust-Ilimsk- 14, Irkutsk region, 666684
9.	TEC “Novo-Ziminskaya”	P.O. Box 15, Sayansk, Irkutsk region, 666301	P.O. Box 15, Sayansk, Irkutsk region, 666301
10.	HES “Irkutskaya”	P.O. Box 3408, Irkutsk, 664056	P.O. Box 3408, Irkutsk, 664056
11.	HES “Bratskaya”	P.O. Box 783, Bratsk, Irkutsk region, 665709	P.O. Box 783, Bratsk, Irkutsk region, 665709
12.	HES “Ust-Ilimskaya”	P.O. Box 234, Ust-Ilimsk, Irkutsk region, 666671	P.O. Box 234, Ust-Ilimsk, Irkutsk region, 666671

13.	Western Electricity Networks	Energetikov lane 6, Tulun-3, Irkutsk region, 665210	Energetikov lane 6, Tulun-3, Irkutsk region, 665210
14.	Central Electricity Networks	Bogdana Khmel'nitskogo, 22, Angarsk, Irkutsk region, 665812	Bogdana Khmel'nitskogo, 22, Angarsk, Irkutsk region, 665812
15.	Southern Electricity Networks	Bezbokova str. 38, Irkutsk, 664056	Bezbokova str. 38, Irkutsk, 664056
16.	Northern Electricity Networks	P.O. Box 786, Bratsk, Irkutsk region, 665709	P.O. Box 786, Bratsk, Irkutsk region, 665709
17.	Eastern Electricity Networks	Deputatskaya str. 38, Irkutsk, 664047	Deputatskaya str. 38, Irkutsk, 664047
18.	Firm «Energosbyt»	Sourikova str. 23, Irkutsk, 664000	Sourikova str. 23, Irkutsk, 664000
19.	Bratsk Heat Networks	P.O. Box 294, Bratsk, Irkutsk region, 665709	P.O. Box 294, Bratsk, Irkutsk region, 665709

Appendix No. 2  
to the Articles of JSC Irkutskenergo  
approved in new wording by resolution  
of the General meeting of shareholders  
of JSC Irkutskenergo  
Minutes No.16 dated 25 June 2004

**Information  
about the representative office of JSC Irkutskenergo**

<b>No</b>	<b>Full name</b>	<b>Mailing address</b>	<b>Location</b>
1.	Moscow representative office of Irkutsk Joint Stock Company of Energetics and Electrification	119049, Moscow, Mytnaya 3, office 4	119049, Moscow, Mytnaya 3, office 4