

APPROVED  
by the Management Board of  
Unified Energy System of Russia (RAO UESR)  
Minutes No. 1829 pr/2 (1829 np/2)  
as of 28 February 2008  
Chairman of the Management Board  
(signed)\_\_\_\_\_ A.B. Chubais  
sealed by the Management Board of RAO UESR

Articles of Association  
of  
**“Interregional Distribution  
Grid Company of North-West”  
Joint Stock Company**

(revised version)

Gatchina city  
2008

## Article 1. General provisions

1.1. "Interregional Distribution Grid Company of North-West" Joint Stock Company (hereinafter referred to as the Company) was founded under the resolution of the founder (Decree No. 153r (153p) of Chairman of the Management Board of Unified Energy System of Russia (RAO UESR) dated by 9 December 2004) in accordance with the Civil Code of the Russian Federation, the Federal Law "On Joint Stock Companies", and other regulatory legal acts of the Russian Federation.

1.2. The Company in its activities shall be guided by the Civil Code of the Russian Federation, Federal Law "On Joint Stock Companies", Federal Law "On Electric Power Industry", Federal Law "On Peculiarities of Functioning of Electric Power Industry in a Transition Period and on Amending Certain Legislative Enactments of the Russian Federation and on Recognizing Certain Legislative Enactments of the Russian Federation to be Invalid due to Adoption of the Federal Law "On Electric Power Industry", other regulatory legal acts of the Russian Federation and these Articles of Association".

1.3. The full Company name in the Russian language is Открытое акционерное общества «Межрегиональная распределительная сетевая компания Северо-Запада». The full name of the Company in the English language is "Interregional Distribution Grid Company of North-West" Joint Stock Company.

1.4. The shortened Company name in the Russian language is ОАО «МРСК Северо-Запада». The shortened Company name in the English language is IDGC of North-West.

1.5. The Company location: 31 Sobornaya Street, Leningrad Region, Gatchina city, Russia 188300.

1.6. The Company was created for an indefinite term.

1.7. On the basis of the resolution of the Company extraordinary general shareholder meeting as of 25 December 2007, the Company was reorganized in the form of a merger of JSC "Arkhenargo", JSC "Vologdaenergo", JSC "AEK Komienergo", JSC "Karelenergo", JSC "Kolenergo", JSC "Novgorodenergo", and JSC "Pskovenergo" with it.

In accordance with

the delivery and acceptance statement approved by the general shareholder meeting of JSC "Arkhenargo" as of 17 December 2007, (Minutes No. 2 as of 26 December 2007),

the delivery and acceptance statement approved by the general shareholder meeting of JSC "Vologdaenergo" as of 20 December 2007, (Minutes No. 3 as of 25 December 2007),

the delivery and acceptance statement approved by the general shareholder meeting of JSC "AEK Komienergo" as of 20 December 2007, (Minutes No. 24 as of 26 December 2007),

the delivery and acceptance statement approved by the general shareholder meeting of JSC "Karelenergo" as of 25 December 2007, (Minutes No. 1795pr/1 (1795np/1) as of 25 December 2007),

the delivery and acceptance statement approved by the general shareholder meeting of JSC "Kolenergo" as of 17 December 2007, (Minutes No. 21 as of 26 December 2007),

the delivery and acceptance statement approved by the general shareholder meeting of JSC "Novgorodenergo" as of 17 December 2007, (Minutes No. 2 as of 26 December 2007),

the delivery and acceptance statement approved by the general shareholder meeting of JSC "Pskovenergo" as of 17 December 2007, (Minutes No. 20 as of 26 December 2007),

immediately upon making an entry in the Unified State Register of Legal Entities on termination of activities of JSC "Arkhenargo", JSC "Vologdaenergo", JSC "AEK Komienergo", JSC "Karelenergo", JSC "Kolenergo", JSC "Novgorodenergo", and JSC "Pskovenergo", the Company is a legal successor in title to each of the specified companies with regard to their all rights and liabilities".

## **Article 2. The Company Legal Status**

2.1. The legal status of the Company shall be determined by the Civil Code of the Russian Federation, Federal Law “On Joint Stock Companies”, and other regulatory legal enactments of the Russian Federation and these Articles of Association.

2.2. The Company shall be a legal entity in accordance with the legislation of the Russian Federation.

2.3. The Company shall possess its own property registered on the independent balance; it may on its behalf purchase and exercise property and personal non-property rights, bear liabilities, sue and be sued in the court.

2.4. The Company shall be legally entitled to open bank accounts on the territory of the Russian Federation and beyond its boundaries.

2.5. The Company shall bear responsibility by all the property it possesses.

The Company shall not be responsible for the liabilities of the Russian Federation and its shareholders.

The shareholders of the Company shall not be responsible for the liabilities of the Company except for the cases envisaged by the legislation of the Russian Federation.

The shareholders shall be entitled to alienate their shares without other shareholders and the Company’s consent.

The shareholders of the Company shall run the risk of losses connected with its activities to the limit of the value of the shares they possess.

2.6. The Company shall possess a round seal containing its full official name in the Russian language and its location.

The Company shall be entitled to possess stamps and letterhead forms, its own symbol, as well as a legally registered trademark and other means of visual identification.

2.7. The Company shall possess civil rights and bear responsibilities which are necessary to exercise any types of the activities that are not prohibited by federal laws.

2.8. The Company shall be entitled to create branches and open representative offices both on the territory of the Russian Federation and beyond its boundaries.

The branches and representative offices of the Company shall not be legal entities; they shall act on behalf of the Company and on the basis of the regulations approved by the Company.

The branches and representative offices of the Company shall possess the property registered both on separate balance sheets and on the Company balance sheet.

The head of the Company branch or of the representative office shall be appointed by the Company General Director and shall act on the basis of a power of attorney issued by the Company.

The Company shall be liable for the activities performed by its branch and representative office.

The information on the Company branches and representative offices shall be stated in the Annex to these Articles of Association.

2.9. The Company shall be entitled to have subsidiaries and dependent companies vested with the rights of legal entities on the territory of the Russian Federation, created in accordance with the Federal Law “On Joint Stock Companies” and other federal laws and these Articles of Association; The Company shall be entitled to have subsidiaries and dependent companies vested with the rights of legal entities beyond the boundaries of the Russian Federation in accordance with the legislation of the foreign state at the subsidiary or dependent company’s location, if otherwise is not envisaged by the international agreement of the Russian Federation.

### **Article 3. The Goal and Lines of the Company Activities**

3.1. The major goal of the Company's activity shall be profit-making.

3.2. In order to acquire profit and ensure its own needs, the Company shall be entitled to carry out any types of the activities that are not prohibited by the law, including:

- provision of services on the electric power transmission;
- operational dispatch management;
- provision of services on technological connection of power receiving devices (power installations) of legal entities and physical persons to power grids;
- provision of functions on accumulation, transmission and processing of technological information including the data on measurements and counting;
- exercise of control over safe maintenance of consumers' electric devices connected to the power grids of the Company;
- activity on electric power grids operation;
- provision of services on exercising powers of the sole executive body of business entities;
- provision of services on trust property management;
- carrying out of operations with securities in accordance with the procedures determined by the existing Russian Federation laws;
- carrying out of agent activities;
- project and cost estimate, research and development and design activities;
- provision of transport and forwarding services;
- provision of consulting, consultation and information services;
- carrying out of activities determining the conditions of parallel work in accordance with the regimes of the Unified Power Supply System of Russia within contract relations;
- operation, under contracts with owners, of power facilities that are not registered on the Company balance sheet;
- ensuring the functionability and sound work of the grid equipment in accordance with the applicable regulatory requirements, carrying out of maintenance works, diagnostics and repairs of electric grids and other power grid facilities;
- carrying out of tests and measurements of power installations (including those possessed by consumers);
- ensuring the functionability and sound work, carrying out maintenance, diagnostics and repairs of technological connection grids, measurement and control means; relay protection equipment and emergency automation devices and other technological equipment connected with the functioning of the electric grid business;
- development of long-term forecasting, prospective and operational plans for the development of electric grid complex, target comprehensive research and development, economic and social programs;
- development of power supply grids and other power objects including projecting, engineering survey, construction, reconstruction and technical improvement, assembling and installation;
- development of grids of technological connection and telemechanics, measurement and control means, relay protection and emergency automation equipment, and other technological equipment connected with functioning of electric grid complex, including projecting, civil survey, construction, reconstruction, technical re-equipment, assembling and installation;
- operation of explosion, chemical- and fire hazardous production facilities;
- creation and mastering of advanced techniques and technologies ensuring the efficiency, fire, production and ecological safety of industrial objects operation; creation of conditions

for the development of the power supply system of Russia, implementation of sector research and development and innovation programs, participation in the formation of sector R&D funds;

- carrying out of production control over the conditions of industrial safety of hazardous industrial objects;
- organization of work ensuring labor protection;
- liquidation of technological disturbances at electric power grid facilities;
- carrying out of activities connected with works and services of the nature protection destination;
- activities, the process of implementation of which is connected with influencing the environment, formation, collection, use, utilization, storing and burial, displacement and transportation and placement of industrial wastes;
- activities on the exploitation of aquatic objects;
- activities on the use of natural resources including subsoil assets and forests;
- activities in the sphere of metrology;
- activities on the production and repairs of measurement means;
- activities on providing services on assembly, repairs and technical maintenance of devices and instruments for measurements, control, testing, navigation, location and other purposes;
- activities on handling hazardous wastes;
- activity on preventing and fighting fires;
- carrying out of works on assembling, repairs and maintenance of fire safety means of buildings and constructions;
- organization and carrying out of works with the personnel, including training and further education, checking of the personnel knowledge in the machine operation rules, fire safety rules and labour safety rules, and other rules and regulations in accordance with the applicable regulatory documentation at power industry enterprises;
- transportation of passengers and cargoes by automobile, rail, air and internal water transport means (including hazardous cargoes);
- activities on maintenance and repairs of the movable equipment of the rolling system at the railway transport;
- activities on technical maintenance and repairs of technical means used at the railway transport;
- loading and unloading activities on the railway transport (including hazardous cargoes);
- loading and unloading activity on internal water transport, including hazardous cargoes;
- operation, maintenance and repairs of automobile, railway, air and internal water transport means and loading mechanisms used for technological purposes;
- foreign economic activities;
- storage of oil, gas, and products of their processing;
- activities on exercising the functions of the customer and developer;
- works on designing buildings and constructions of the I and II levels of responsibility in accordance with the state standard;
- construction of buildings and sites of the I and II levels of responsibility in accordance with the state standard;
- services of the local, inter-zone and inter-city telephone communication;
- leasing of communication channels;
- telematic services, including e-mail, access to information resources, information and enquiry services, Telefax, Comfax, Bureaufax, processing of messages, voice messages, oral information transmission;
- services on data transmission;

- use of orbital frequency resources and radio frequencies for TV and radio broadcasting including additional information broadcasting;
- leasing of buildings, constructions, equipment, machines and mechanisms;
- security activities exceptionally in the interests of its own safety within the security department created by the Company, which in its activities shall be guided by the Russian Federation Law “On Private Detective and Security Activities in the Russian Federation” and by the legislation of the Russian Federation;
- activities on technical protection of confidential information;
- organization and carrying out of measures connected with mobilization training, civil defense, prevention and liquidation of emergency situations;
- protection of the state secret, realization of the works connected with use of the state secret information, according to the legislation and other legislative enactments of the Russian Federation;
- organization and carrying out of actions on safety and protection of the trade secret information;
- purchase (reception) of electric energy (capacity) from the wholesale electric power market and from electric energy manufacturers in the retail market with a view of resale to consumers on the retail market in case of assignment of the status of the guaranteeing supplier of electric energy, in accordance with the procedures established by the Russian Federation laws;
- selling (delivery) of electric energy (capacity) to consumers on the retail market in case of assignment of the status of the guaranteeing supplier of electric energy, in accordance with the procedures established by the legislation of the Russian Federation;
- medical activity, including sanatorium service;
- educational activity;
- operation and servicing of the objects supervised by the Federal Service for the Atomic, Technical and Environmental Supervision (Rostekhnadzor) of the Russian Federation;
- realization of other types of activities which are not forbidden by the federal laws.

3.3 The Company shall be entitled to carry out separate activities, the list of which is determined by the federal laws, only on the basis of a special permit (license).

The Company right to carry out the activities that require obtaining a license shall come in effect upon the obtaining of such license, or within the period stipulated in it, and shall be terminated upon the expiry of its validity, if otherwise is not stipulated by the law or other legislative enactments.

#### **Article 4. The Company Authorized Capital**

4.1. The Company authorized capital shall be formed by the par value of the Company shares purchased by the shareholders (placed shares).

The authorized capital of the Company shall amount to RUR 10,000,000 (ten million rubles).

4.2. The Company has placed 100,000,000 (one hundred million) ordinary shares with a par value of 10 (ten) kopecks each with the total par value price of RUR 10,000,000 (ten million rubles).

4.3. The Company authorized capital may be:

- increased through an increase of the par value of shares or through a placement of additional shares;
- decreased through a reduction of the par value of shares or through the reduction of their total number including through the acquisition of the part of shares placed by the Company in accordance with these Articles of Association.

4.4. The increase of the Company authorized capital shall be allowed only upon its full payment.

The Company authorized capital shall not be increased for covering of the losses suffered by the Company or payment of the overdue accounts payable.

4.5. The reduction of the Company authorized capital shall be carried out according to the existing Russian Federation laws and these Articles of Association.

The Company shall be obliged to decrease its authorized capital in cases envisaged by the Federal Law "On Joint Stock Companies".

4.6. The Company declares additional placement of 95,687,000,000 (ninety five billion six hundred and eighty-seven million) pieces of ordinary registered shares of 10 (ten) kopecks par value each for a total par value amount of RUR 9,586,700,000 (nine billion five hundred and sixty-eight million seven hundred thousand rubles).

The ordinary registered shares declared by the Company for placement shall grant their owners the rights stipulated by item 6.2. of these Articles of Association.

## **Article 5. Shares, Bonds and Other Securities of the Company**

5.1. The Company shall place ordinary shares and shall be entitled to place one or several types of preferred shares, bonds and other equity securities according to the existing Russian Federation laws.

5.2. Conversion of ordinary shares into preferred shares, bonds and other securities shall not be allowed.

5.3. Placement by the Company of the shares and other securities converted into shares shall be carried out in accordance with the Russian Federation legal enactments.

5.4. The Company shall be entitled to place additional shares and other equity securities through their distribution among the Company shareholders, subscription and conversion.

5.5. The Company shareholders, in the cases vested in the Russian Federation laws, shall have a preferential right to acquire additional shares and equity securities placed through the open subscription and converted into shares, in the amount proportional to the number of the shares of this category possessed by them.

5.6. In case of exercising the preferential right for the acquisition of additional shares as well as during the consolidation of the shares the acquisition by the shareholder of the integral number of shares appears to be impossible, parts of the shares (fractional shares) shall be formed.

The fractional share shall grant the shareholder, its owner, the rights provided by the share of the respective category in the amount corresponding to the part of the whole share.

Fractional shares shall have equal circulation with the whole shares. Should one person acquire two or more fractional shares of the same category then the given shares shall form one whole and/or fractional share equal to the sum of the given fractional shares.

5.7. The payment of additional shares placed through the subscription can be carried out in cash, securities and other things or property rights or other rights having monetary value.

The form of payment of additional shares shall be determined by the decision on their placement. The payment of other securities shall be allowed only in cash.

## **Article 6. Rights of the Company Shareholders**

6.1. The shareholder of the Company shall be considered a person possessing the Company shares on the grounds stipulated by the legislation of the Russian Federation and these Articles of Association.

6.2. Each ordinary share of the Company shall grant a shareholder, its owner, an equal volume of rights.

The rights of shareholders, owners of the Company ordinary shares, shall be the following:

- 1) to participate personally or through representatives in the Company general shareholder meeting with the right to vote on all items within their competence;
- 2) to introduce moves in the agenda of the general meeting according to the legislation of the Russian Federation and these Articles of Association;
- 3) to obtain information on the Company activities and get acquainted with the Company documents in accordance with Article 91 of the Federal Law "On Joint Stock Companies" and other regulatory and legal enactments and these Articles of Association;
- 4) to receive dividends declared by the Company;
- 5) the preferential right to acquire additional shares and equity securities placed through the open subscription, converted into shares, in the number which is proportional to the number of ordinary shares possessed by them;
- 6) to receive a part of the Company's property in case of its liquidation;
- 7) to exercise other rights stipulated in the legislation of the Russian Federation and these Articles of Association.

## **Article 7. Dividends**

7.1. The Company shall be entitled following the results of the first quarter, half a year or nine months of the financial year and/or following the results of the financial year to make a decision (to declare) on the payments of dividends on the placed shares. The decision on payment (declaring of dividends) according to the results of the first quarter, half a year and nine months of the financial year may be made within three months after the end of the corresponding period.

The Company shall be obliged to pay the announced dividends per each category (type) of shares.

7.2. The decision on the payment (declaring) of dividends including that on the amount of the dividend and the form of its payment per the shares of each category (type) shall be made by the Company general shareholder meeting.

The amount of the dividend shall not exceed the amount recommended by the Company Board of Directors.

The Company general shareholder meeting shall be entitled to make a decision on non-payment of dividends per ordinary shares.

7.3. The Company shall not be entitled to make a decision (to declare) on dividends payment per shares, as well as it shall not possess the right to pay the declared dividends per shares in cases stipulated in the applicable Russian Federation laws.

7.4. The source of the dividends payment shall be the Company profit after taxes (Company net profit). The Company net profit shall be determined according to the Company bookkeeping reports.

7.5. The date of payment of dividends shall be determined by the decision of the Company general shareholder meeting and shall not exceed 60 (sixty) days from making the decision on their payment.

## **Article 8. The Company Funds**

8.1. The Company shall set up the Reserve Fund in the amount of 5 (five) percent of the Company authorized capital.

The amount of obligatory annual allocations to the Company Reserve Fund shall amount to 5 (five) percent of the Company net profit till the Reserve Fund reaches the stated volume.

8.2. The Company Reserve Fund shall be envisaged for covering the Company losses and repayment of the Company bonds and redemption of the Company shares should any other means be not available.



The Reserve Fund shall not be used for any other purposes.

8.3. The Company shall be entitled to set up in accordance with the requirements of the Russian Federation laws other funds ensuring its business and financial activity as a subject of civil turnover.

## **Article 9. The Company Governance and Control Bodies**

9.1 The Company governance bodies shall be:

- General Shareholder Meeting;
- Board of Directors;
- Management Board;
- General Director.

9.2. The body of a control over the Company financial and economic activities shall be the Company Auditing Committee.

## **Article 10. The Company General Shareholder Meeting**

10.1. The Company supreme governance body shall be the general shareholder meeting.

10.2. The issues falling within the competence of the general shareholder meeting shall be the following:

- 1) amending of the Articles of Association and approval of the revised Articles of Association;
- 2) restructuring of the Company;
- 3) liquidation of the Company; appointment of the liquidation commission and the approval of the interim and final liquidation balances;
- 4) determination of the quantity, par value, category (type) of the declared shares and the rights provided by these shares;
- 5) decrease of the authorized capital by a reduction of the par value of shares or by a placement of additional shares;
- 6) reduction of the Company authorized capital by a reduction of the par value of the shares, through the acquisition by the Company of a part of shares in order to reduce their total amount, or by repayment of the shares redeemed or acquired by the Company;
- 7) fractioning and consolidation of the Company shares;
- 8) making the decision on the placement by the Company of bonds converted into shares and other equity securities convertible into shares;
- 9) determination of the quantitative structure of the Board of Directors, the election of their members and the early termination of their powers;
- 10) election of the members of the Auditing Committee of the Company and the early termination of their powers;
- 11) approval of the Company Auditor;
- 12) making the decision on the transfer of powers of the Company sole executive body to the managing organization (managing director) and on the early termination of his/her powers;
- 13) approval of annual reports, annual accounting reports, including the Company profit and loss statement, and distribution of its profit (including payment (declaring) of dividends, except for the profit distributed as a dividend following the results of the first quarter, half a year, nine months of the financial year and the Company loss following the results of the financial year;
- 14) payment (declaring) of dividends following the results of the first quarter, half a year, nine months of the financial year;
- 15) determination of the procedure for holding the Company general shareholder meeting;

- 16) making the decision on the approval of deals in cases envisaged by Article 83 of the Federal Law "On Joint Stock Companies";
- 17) making the decision on the approval of large deals in cases envisaged by Article 79 of the Federal Law "On Joint Stock Companies";
- 18) making the decision on the participation in financial and industrial groups, associations and other unions of for-profit organizations;
- 19) approval of the internal documents regulating the activities of the Company bodies;
- 20) making the decision on payment remuneration and/or compensation to the members of the Company Auditing Committee;
- 21) making the decision on payment of remuneration and/or compensation to the members of the Company Board of Directors;
- 22) solution of other issues envisaged by the Federal Law "On Joint Stock Companies".

10.3. Issues within the competence of the Company general shareholder meeting shall not be transferred for decision-making to the Company Board of Directors and the Company General Director.

The general shareholder meeting shall not be entitled to consider and take decisions on the items which are not referred to its competence by the Federal Law "On Joint Stock Companies".

10.4. The decision of the general shareholder meeting on the item put to the vote shall be taken by a majority vote of shareholders – owners of the Company voting shares, who participate in the meeting, if otherwise is not specified in the Federal Law "On Joint Stock Companies".

10.5. The decision of the general shareholder meeting shall be taken by a majority vote equal to three-fourths of votes of shareholders – owners of the Company voting shares, who participate in the meeting, only on the following items:

- amending of the Articles of Association and approval of the revised Articles of Association;
- restructuring of the Company;
- liquidation of the Company; appointment of the liquidation commission and the approval of the interim and final liquidation balances;
- determination of the quantity, par value, category (type) of the declared shares and the rights granted by these shares;
- decrease of the Company authorized capital by a reduction of the par value of shares or by a placement of additional shares;
- placement of shares (the Company equity securities convertible into shares) by means of closed subscription under the decision of the general shareholder meeting about an increase of the Company authorized capital by placement of additional shares (about placement of the Company equity securities convertible into shares);
- placement by means of the open subscription of the ordinary shares equal to more than 25 (twenty-five) percent of the earlier placed ordinary shares;
- placement by means of the open subscription of equity securities convertible into ordinary shares, which may be converted into the ordinary shares exceeding 25 (twenty-five) percent of the earlier placed ordinary shares;
  - decision-making on approval of a large transaction, the subject of which is the property, the price of which exceeds 50 (fifty) percent of the Company asset balance value;
- in other cases stipulated by the Federal Law "On Joint-Stock Companies".

The decision on approval of the interested-party transaction in conformity with Article 83 of the Federal Law "On Joint-Stock Companies" shall be taken by the Company general shareholder meeting by the majority of votes of all shareholders - owners of voting shares - who are not interested in the transaction.

10.6. Decisions on the items specified in subitems 2, 5, 7, 8, 12-20 of item 10.2. of Article 10 of these Articles of Association, and also about a reduction of the Company authorized capital by a reduction of the par value of shares shall be taken by the general shareholder meeting only under the proposal of the Company Board of Directors.

10.7. The Company general shareholder meeting shall not be entitled to make a decision on the items which are not included in the agenda of the Company general shareholder meeting, and also shall not be entitled to change the agenda.

10.8. Voting at the general shareholder meeting shall be carried out under the principle "one voting share - one vote", except for the cumulative voting on the item of election of members to the Company Board of Directors.

At cumulative voting, the number of the votes belonging to each shareholder shall be multiplied by the number of persons who should be elected to the Company Board of Directors, and the shareholder shall be entitled to give votes received in this way completely for one candidate or to distribute them between two and more candidates.

The Company Board of Directors members are recognized to be elected if they received the greatest number of votes.

10.9. The Company general shareholder meeting may be held in Moscow or in another place according to the decision of the Company Board of Directors.

The specific address of carrying out the Company general shareholder meeting shall be determined by the Board of Directors at solution of issues connected with carrying out the general shareholder meeting.

10.10. Functions the person presiding over the general shareholder meeting shall be exercised by Chairman of the Board of Directors.

In case of absence of Chairman of the Board of Directors, the functions of the person presiding over the general shareholder meeting shall be exercised by Deputy Chairman of the Board of Directors.

In case of absence of Chairman of the Board of Directors and his/her Deputy, the functions of the person presiding over the general shareholder meeting shall be exercised by any member of the Board of Directors under the decision of the Company Board of Directors or under the decision of members of the Board of Directors who participate in the general shareholder meeting.

In case persons who preside over the Company general shareholder meeting according to the present item are absent at the extraordinary general meeting held under the decision of persons entitled to demand carrying out of the Company extraordinary general meeting, Chairman of the Company general shareholder meeting shall be the person who made a decision on carrying out of the Company extraordinary general shareholder meeting (his/her representative), or in case the decision on carrying out the Company extraordinary general meeting shareholders is taken by several persons - one of these persons defined by their decision.

10.11. In case all Company voting shares belong to one shareholder, decisions on the items referred to the competence of the Company general shareholder meeting shall be taken by this shareholder (the authorized governance body of the shareholder) in writing and shall be brought to the Company's notice. Thus provisions of Articles 10-15 of the Articles of Association defining the procedure and terms of preparation, convocation and carrying out the general shareholder meeting shall not be applied, except for the provisions concerning the time of carrying out the annual general shareholder meeting.

## **Article 11. Holding the Company General Shareholder Meeting in the Form of Joint Presence**

11.1. The Company annual general shareholder meeting shall be held not earlier than two months prior to and not later than six months after the end of the fiscal year.

The annual general shareholder meeting without fail shall undertake the issues of election of the Board of Directors, the Audit Committee, approval of the Company Auditor, approval of the Company Annual Report presented by the Company Board of Directors, the annual accounting reports, including the Company profit and loss statement (account of profit and loss) and distribution of profit (including payment (declaring) of dividends, except for the profit distributed as

dividends following the results of the first quarter, half of a year, nine months of a fiscal year) and loss of the Company following the results of a fiscal year, and other issues falling within the competence of the Company general shareholder meeting.

11.2. The general shareholder meeting shall be held in the form of a joint presence of shareholders (representatives of shareholders) for discussion of the agenda items and decision-making on the items put to the vote.

The decisions of the general shareholder meeting may be taken by carrying out the absentee voting (by poll) in conformity with Article 12 of these Articles of Association.

11.3. The functions of the Returning Board at the general shareholder meeting shall be exercised by the professional participant of the securities market which keeps the register of the Company shareholders (the Company registrar).

11.4. The list of the persons who are entitled to participate in the general shareholder meeting shall be made on the basis of the data of the Company shareholders register.

The date of drawing up the list of the Company persons who are entitled to participate in the Company general shareholder meeting cannot be determined before the date of decision-making on carrying out the Company general shareholder meeting and after 50 (fifty) days prior to the date of carrying out the general shareholder meeting except for the case stipulated by item 14.9. of these Articles of Association.

11.5. The announcement on carrying out the general shareholder meeting shall be published by the Company in the *Izvestiya* newspaper and shall be placed on the Company Internet website not later than 30 (thirty) days prior to the date of its carrying out.

11.6. Bulletins for voting on the agenda items shall be sent by the registered post to the address specified in the list of the persons who are entitled to participation in the general shareholder meeting, or shall be handed over under a signed receipt to each person specified in the list of persons who are entitled to participation in the general shareholder meeting not later than 20 (twenty) days prior to the date of carrying out the general shareholder meeting.

Each person included in the list shall be provided with one copy of the bulletin for voting on all items or one copy of two and more bulletins for voting on different items.

11.7. The information (data) on the agenda items of the general shareholder meeting within 20 (twenty) days, and in case of carrying out the general shareholder meeting, the agenda of which contains an item on reorganization of the Company - within 30 (thirty) days before carrying out the general shareholder meeting should be available to the persons who are entitled to participation in the general shareholder meeting in the premises of the Company executive office and other places, the addresses of which are specified in the announcement on carrying out the general shareholder meeting. The specified information (materials) should be available to the persons who take part in the general shareholder meeting during its carrying out.

The procedure of examination by the persons who are entitled to participation in the general shareholder meeting, of the information (data) on the agenda items of the general shareholder meeting and the list of such information (materials) shall be defined by the decision of the Company Board of Directors.

11.8. The right to participation in the general shareholder meeting shall be carried out by the shareholder both personally and through a representative.

In case the share of the Company is in the common share ownership of several persons, the latter shall be provided with one copy of the bulletin for voting on all items or one copy of two and more bulletins for voting on different items, and competences on voting at the general shareholder meeting shall be carried out under their discretion by one of participants of the common share ownership or by their common representative.

The competences of each of the specified persons should be properly registered.

11.9. At carrying out the general shareholder meeting in the form of a joint presence, the persons who are included in the list of persons entitled to participation in the general shareholder meeting (their representatives) shall have a right to take part in this meeting or to send filled-in bulletins to the Company.

11.10. The general shareholder meeting shall be competent (shall have a quorum) if the shareholders possessing in aggregate more than a half of votes of the Company placed voting shares took part in it.

Those shareholders are recognized to have participated in the general shareholder meeting shareholders who registered for participation in it, and those shareholders whose bulletins are received not later than two days prior to the date of carrying out the general shareholder meeting.

If the agenda of the general shareholder meeting includes items, voting on which is carried out by different structure of voting persons, definition of the quorum for decision-making on these items shall be performed separately.

Thus, absence of the quorum for decision-making on the items, the voting on which is carried out by one structure of voting persons, does not interfere with decision-making on the items, the voting on which is carried out by another structure of the voting persons, for taking which the quorum is available.

11.11. At absence of quorum for carrying out the Company annual general shareholder meeting, a repeated general shareholder meeting of the Company with the same agenda should be held. At absence of the quorum for carrying out the Company extraordinary general shareholder meeting, a repeated general shareholder meeting of the Company with the same agenda may be held.

The decision on convocation of a repeated general shareholder meeting of the Company shall be taken by the Company Board of Directors.

A repeated general shareholder meeting of the Company convoked instead of the meeting which did not take place is competent if the shareholders possessing in aggregate at least 30 percent of votes of the Company placed voting shares have taken part in it.

At carrying out a repeated general shareholder meeting less than 40 (forty) days after the general shareholder meeting which did not take place, the persons who are entitled to participation in the general shareholder meeting shall be defined in conformity with the list of the persons who had the right of participation in the meeting which did not take place.

11.12. The minutes of the general shareholder meeting shall be made up not later than 15 (fifteen) days after closing the general shareholder meeting in duplicate. Both the copies shall be signed by the person presiding over the general shareholder meeting and the secretary of the general shareholder meeting (Corporate Secretary).

11.13. The results of voting and decisions taken by the Company general shareholder meeting may be announced at the Company general shareholder meeting.

In case the results of voting and decisions taken by the Company general shareholder meeting were not announced at the Company general shareholder meeting, not later than 10 (ten) days after drawing up the minutes following the results of voting, the decisions taken by the Company general shareholder meeting and results of voting in the form of the report on results of voting shall be brought to the notice of the persons who are entitled to participation in the Company general shareholder meeting, in accordance with the procedure stipulated in item 11.5. of this Article.

## **Article 12. Holding the General Shareholder Meeting in the Form of an Absentee Voting**

12.1. The decision of the general shareholder meeting can be taken without carrying out the meeting (joint presence of shareholders for discussion of items of the agenda and decision-making on the items put to the vote) by carrying out the absentee voting (by poll).

Voting on the items of the agenda of the general shareholder meeting held in the form of an absentee voting shall be carried out only by bulletins for voting.

12.2. The general shareholder meeting, the agenda of which includes items on election of the Company Board of Directors, the Company Audit Committee, approval of the Company Auditor, and items stipulated by subitem 13 of item 10.2 of Article 10 of this Articles of Association, shall not be held in the form of an absentee voting.

A new general shareholder meeting shall not be carried out as an absentee voting (poll) instead of the general shareholder meeting which did not take place and which was to be carried out as a joint presence.

12.3. The list of the persons who are entitled to participate in the absentee voting on the agenda of the general shareholder meeting shall be made on the basis of the data of the Company shareholders register.

Date of drawing up the list of the persons who are entitled to participate in the absentee voting on the agenda items of the general shareholder meeting cannot be fixed before the date of decision-making on carrying out the general shareholder meeting of the Company and more than 50 (fifty) days prior to the date of the deadline for bulletins reception by the Company.

12.4. The announcement on carrying out the general shareholder meeting in the form of an absentee voting shall be published by the Company in the *Izvestiya* newspaper and on the Company Internet website not later than 20 (twenty) days before the deadline for bulletins reception.

12.5. Bulletins for voting on the agenda items shall be sent by the registered mail to the address specified in the list of the persons who are entitled to participation in the general shareholder meeting, or shall be handed over under a signed receipt to the person specified in the list of persons who are entitled to participation in the general shareholder meeting not later than 20 (twenty) days prior to the deadline for bulletins reception by the Company.

Each person who was included in the list of persons who are entitled to participation in the general shareholder meeting shall be provided with one copy of the bulletin for voting on all items or one copy of two and more bulletins for voting on different items.

The procedure of examination by the persons who are entitled to participation in the general shareholder meeting, of the information (materials) on the agenda items of the general shareholder meeting and the list of such information (materials) shall be defined by the decision of the Company Board of Directors.

12.6. The general shareholder meeting held in the form of an absentee voting shall be competent (shall have a quorum) if the shareholders possessing in aggregate more than a half of votes of the Company placed voting shares took part in it.

Those shareholders are recognized to have taken part in the general shareholder meeting in the form of an absentee voting, whose bulletins are received before the deadline for bulletins reception by the Company.

12.7. The minutes on the results of voting shall be made and signed in duplicate by the Company registrar not later than 15 (fifteen) days after the deadline for bulletins reception.

The minutes of the general shareholder meeting shall be made not later than 15 (fifteen) days after the termination of reception by the Company of bulletins in duplicate. Both the copies are signed by Chairman of the general shareholder meeting and Secretary of the general shareholder meeting (Corporate Secretary).

12.8. The decisions taken by the general shareholder meeting and the results of voting in the form of the report on results of voting not later than 10 (ten) days after drawing up the report on results of voting shall be brought to the notice of the persons who are entitled to participation in the Company general shareholder meeting, in accordance with the procedure stipulated by item 12.4. of this Article.

### **Article 13. Proposals to the Agenda of the Company Annual General Shareholder Meeting**

13.1. The Company shareholders (shareholder) who are (is) in aggregate owner(s) of at least 2 (two) percent of the Company voting shares in the term not later than 60 (sixty) days after the end of the fiscal year shall be entitled to propose items for the agenda of the annual general shareholder meeting and to nominate candidates for the Company Board of Directors and the

Company Audit Committee, the number of which may not exceed the quantitative structure of the corresponding body.

13.2. The proposal on inclusion of items in the agenda of the general shareholder meeting and the proposal on nomination of candidates shall be brought in writing with a specification of the name of the shareholders (shareholder) who presented them, quantity and category (type) of shares belonging to them and shall be signed by the shareholders (shareholder).

13.3. The proposal on inclusion of items in the agenda of the general shareholder meeting should contain the wording of each proposed item, and the proposal on nomination of candidates - name and data of the document proving the identity (series and (or) number of the document, date and place of its issuing, the agency which issued the document) of each proposed candidate, the name of body he/she is nominated for.

13.4. The Company Board of Directors shall be obliged to consider the received proposals and to make the decision on their inclusion in the agenda of the Company general shareholder meeting or on refusal to include them in the specified agenda not later than 5 (five) days after the expiration of the term specified in item 13.1. of this Article.

13.5. The Company Board of Directors shall be entitled to refuse to include the items proposed by the shareholder (shareholders) in the agenda of the general shareholder meeting and also to refuse to include the proposed candidates in the list of nominees for voting at election to the corresponding body of the Company on the bases stipulated by the Federal Law "On Joint-Stock Companies" and other legal enactments of the Russian Federation.

13.6. The grounded decision of the Company Board of Directors on refusal to include an item in the agenda of the Company general shareholder meeting or the candidate in the list of nominees for voting at election to the corresponding Company body shall be sent to the shareholder (shareholders) who proposed an item or made a proposal on nomination, not later than 3 (three) days from the moment of its taking.

13.7. The Company Board of Directors shall not be entitled to change the wording of the items proposed for inclusion in the agenda of the general shareholder meeting, and (if available) in the wording of decisions on such items.

Besides the items proposed for inclusion in the agenda of the general shareholder meeting by shareholders, and also in case of absence of such proposals, absence or insufficient quantity of the candidates proposed by shareholders for forming the respective body, the Company Board of Directors shall be entitled to include items or candidates in the list of nominees in the agenda of the general shareholder meeting at their own discretion.

#### **Article 14. Convocation of the Company Extraordinary General Shareholder Meeting**

14.1. The meetings held besides the Company annual general shareholder meetings shall be extraordinary.

14.2. The Company extraordinary general shareholder meeting of the Company shall be held under the decision of the Company Board of Directors on the basis of its own initiative, the demand of the Company Audit Committee, the Company Auditor, and also the shareholder (shareholders) who is (are) owner(s) of at least 10 (ten) percent of the Company voting shares as of the date of presentation of the demand.

14.3. Convocation of the extraordinary general shareholder meeting on demand of the Company Audit Committee, the Company Auditor or the shareholders (shareholder) who are (is) owner(s) of at least 10 (ten) percent of the Company voting shares shall be carried out by the Company Board of Directors.

Such general shareholder meeting should be held within 40 (forty) days from the moment of representation of the demand about carrying out the Company extraordinary general shareholder meeting, except for the case stipulated by item 14.9. of these Articles of Association.

14.4. The demand on carrying out the extraordinary general shareholder meeting of the Company shall contain the items subject to inclusion in the agenda of the meeting.

The persons (person) demanding convocation of the Company extraordinary general shareholder meeting shall be entitled to present the draft decision of the Company extraordinary general shareholder meeting, the proposal on the form of carrying out of general shareholder meeting. Should the requirement about convocation of the extraordinary general shareholder meeting contain the proposal of candidates, the corresponding provisions of Article 13 of these Articles of Association shall be applied to such a proposal.

The Company Board of Directors shall not be entitled to make changes to the wording of the items of the agenda, wording of decisions on such items and to change the proposed form of carrying out the extraordinary general shareholder meeting convoked on demand of the Company Audit Committee, the Company Auditor or the shareholder (shareholder) who are (is) owner(s) of at least 10 (ten) percent of the Company voting shares.

14.5. Should the demand on convocation of the Company extraordinary general shareholder meeting be received from the shareholder (shareholders), it should contain the name (designation) of the shareholder (shareholders) demanding convocation of the meeting, with indication of quantity, category (type) of the Company shares belonging to them.

The demand on convocation of the Company extraordinary general shareholder meeting shall be signed by the person (persons) demanding convocation of the Company extraordinary general shareholder meeting.

14.6. Within 5 (five) days from the date of presentation of the demand of the Company Audit Committee, the Company Auditor or the shareholder (shareholders) who is (are) owner(s) of at least 10 (ten) percent of the Company voting shares, about convocation of the Company extraordinary general shareholder meeting, the Company Board of Directors shall take the decision on convocation of the Company extraordinary general shareholder meeting or on refusal of its convocation.

14.7. The decision of the Company Board of Directors on convocation of the Company extraordinary general shareholder meeting or the grounded decision on refusal of its convocation shall be sent to the persons demanding its convocation, not later than 3 (three) days from the moment of its taking.

14.8. If during the term specified in item 14.6. of Article 14 of these Articles of Association, the Company Board of Directors did not take the decision on convocation of the Company extraordinary general shareholder meeting or took the decision on refusal of its convocation, the Company extraordinary general shareholder meeting may be convoked by the persons demanding its convocation.

Thus bodies and persons convoking the extraordinary general shareholder meeting possess the powers stipulated in the Federal Law "On Joint-Stock Companies" and these Articles of Association which are necessary for convocation and carrying out of the general shareholder meeting.

14.9. Should the proposed agenda of the extraordinary general shareholder meeting contain an item on election of members of the Company Board of Directors:

14.9.1. The general shareholder meeting shall be held within 90 (ninety) days from the moment of representation of the demand on carrying out the Company extraordinary general shareholder meeting.

14.9.2. The Company shareholders (shareholder) who are (is) in aggregate owners of at least 2 percent of the Company voting shares shall be entitled to propose candidates for election to the Company Board of Directors, the number of which cannot exceeds the quantitative structure of the Company Board of Directors.

Such proposals should be received by the Company at least 30 (thirty) days prior to the date of carrying out the extraordinary general shareholder meeting.

The Company Board of Directors shall be obliged to consider the received proposals and to make the decision on their inclusion in the agenda of the extraordinary general shareholder meeting or on refusal to include them in the specified agenda 5 (five) days at the latest after the end of the period specified in paragraph 2 of this subitem.



14.9.3. The date of drawing up the list of the persons who are entitled to participation in the Company general shareholder meeting may not be determined before the date of decision-making on carrying out the Company general shareholder meeting and more than 85 (eighty-five) days prior to the date of carrying out the Company general shareholder meeting.

14.9.4. The announcement on carrying out the extraordinary general shareholder meeting should be made not later than 70 (seventy) days prior to the date of its carrying out.

## **Article 15. The Company Board of Directors**

15.1. The Company Board of Directors shall perform general management of the Company activities, except for taking the issues referred to the exceptional competence of the general shareholder meeting by the Federal Law "On Joint Stock Companies" and these Articles of Association.

The issues within the competence of the Board of Directors shall be as follows:

- 1) setting the priority directions of the Company activities;
- 2) convocation of the Company annual and extraordinary general shareholder meetings, except for the cases stipulated by item 14.8 of Article 14 of these Articles of Association;
- 3) Approval of the Company general shareholder meeting agenda;
- 4) election of the secretary of the Company general shareholder meeting;
- 5) determining of the date of drawing up the list of persons entitled to participate in the Company general shareholder meeting, and solution of other issues connected with preparation and carrying out of the Company general shareholder meeting;
- 6) submission for the decision of the Company general shareholder meeting of issues envisaged by subparagraphs 2,5,7,8,12-20 of Item 10.2 of Article 10 of these Articles of Association, as well as on the reduction of the Company authorized capital through the reduction of the par value of the shares;
- 7) placement by the Company of bonds and other equity securities except for the cases stipulated by the legislation of the Russian Federation and these Articles of Association;
- 8) approval of the resolution authorizing issuance of securities, prospect for securities, and report on the results of the securities issuance, approval of the reports on the results of the shares acquisition from the Company shareholders, reports on the redemption of shares, reports on the results of presentation the demands by the Company shareholders on the redemption of the shares owned by them;
- 9) determining the price (monetary value) of the property, the price of the placement and acquisition of equity securities in cases envisaged by the Federal Law "On Joint Stock Companies" as well as while solving issues stipulated in subitems 11, 21, 11, and 38 of Item 15.1. of Article 15 of these Articles of Association;
- 10) acquisition of the shares, bonds and other securities placed by the Company in cases envisaged by the Federal Law "On Joint Stock Companies";
- 11) alienation (selling) of the Company shares which are placed at the disposal of the Company as a result of their acquisition or redemption from the Company shareholders, as well as in other cases envisaged by the Federal Law "On Joint Stock Companies";
- 12) election of the Company General Director and early termination of his/her powers including taking the decision on early termination of the labor contract with him/her;
- 13) Definition of the quantitative structure of the Company Management Board, election of the Company Management Board members, fixing of compensations and remunerations paid to them, early termination of their powers, including early termination of labour contracts with them;
- 14) recommendations to the Company general shareholder meeting on the amount of remunerations and compensations paid to the members of the Auditing Committee and fixing the amount of remuneration of the Auditor's services;

- 15) recommendations on the amount of the dividend per shares and the procedure for its payment;
- 16) approval of the Company internal documents determining the procedure for the formation and use of the Company funds;
- 17) decision-making on the use of the Company funds; approval of the cost estimates for the use of special-purpose funds and consideration of the results of the implementation of cost estimates for the use of special-purpose funds;
- 18) approval of the Company internal documents except for internal documents, the approval of which is referred to the competence of the Company general shareholder meeting and other Company internal documents, the approval of which is referred to the competence of the Company executive bodies;
- 19) approval of the business plan (revised business plan), including the investment program and the report on the results of their implementation, as well as approval (revising) of target values of the Company cash flow;
- 20) foundation of the Company branches and opening of the Company representative offices, their liquidation, as well as amending the Company Articles of Association in connection with the foundation of the Company branches and opening of the Company representative offices (including changing of the information on the names and locations of the Company branches and representative offices) and their liquidation;
- 21) making the decision on the participation of the Company in other organizations (entering in the acting organization or creation of a new organization, including coordination of constituent documents and (in view of the provisions of subitem 22 of item 15.1. of Article 15 of these Articles of Association) on purchase, alienation and encumbrance of shares and stakes in the authorized capitals of the organizations, in which the Company participates, change of the stake in the authorized capital of the corresponding organization, and termination of the Company's participation in other organizations;
- 22) making the decision on one or several associated deals of the Company on the alienation, pledging or other encumbrance of shares and stakes of SDE (subsidiaries and dependent entities) which are not engaged in production, transmission, dispatching, distribution and sales of electric and heating power in case if the market value of shares or stakes being the subjects of the deal determined according to the report of the independent appraiser exceeds 30 million rubles and in other cases (amount) determined by the separate decisions of the Company Board of Directors;
- 23) determination of the Company credit policy as to provision by the Company of loans, making credit contracts and loan contracts, issuing of guarantees, acquisition of liabilities on bills (issuing of ordinary and transfer bill), transfer of property in pledge and making the decision on the above mentioned deals of the Company in cases when the procedure for the decision-making of them is not determined by the Company credit policy as well as decision making in accordance with the order envisaged by the Company credit policy on bringing the debt situation of the Company within the limits determined by the Company credit policy;
- 24) approval of the large deals in cases envisaged by Chapter X of the Federal Law "On Joint Stock Companies";
- 25) approval of deals in cases envisaged by Chapter XI of the Federal Law "On Joint Stock Companies";
- 26) approval of the Company Registrar, terms of contract with it and its termination;
- 27) election of the Company Board of Directors Chairperson and the early termination of his/her powers;
- 28) election of the Company Board of Directors Deputy Chairperson and the early termination of his/her powers;
- 29) election of the Company Board of Directors Corporate Secretary and the early termination of his/her powers;
- 30) tentative approval of decisions on the Company deals connected with the gratuitous transfer of the Company property or property rights (demands) to itself or the third party; deals connected with the liberation from property liabilities to itself or the third party; deals connected with the gratuitous provision of services by the Company (carrying out of works) to the third party, in cases (amount)

determined by the separate decision of the Company Board of Directors, and decision-making on the given deals by the Company in cases when the above-mentioned cases (amount) are not determined;

31) decision-making on temporary termination of the powers of the managing organization (managing director);

32) decision-making on the appointment of the Acting General Director of the Company and his/her calling to an account;

33) calling to an account of the General Director of the Company and his/her remuneration in accordance with the labor legislation of the Russian Federation;

34) consideration of the General Director's reports on the Company activities (including the report on exercising his/her functions, on the implementation of the decisions of the Company general meeting and its Board of Directors);

35) approval of the procedure of the Company's interaction with the organizations, in which the Company participates;

36) Definition of the Company's position (Company's representatives), including the assignment to take or not to take part in voting on the agenda items, to vote under draft decisions "for", "against" or "abstained", on the following items of the agenda of general shareholder (participant) meetings of subsidiaries and dependent entities (further on called SDE) (except for the cases when the functions of the SDE general shareholder meetings are exercised by the Company Board of Directors), and meetings of the SDE boards of directors (except for an item on approval of the agenda of the SDE general shareholder meetings when functions of the SDE general shareholder meeting are carried out by the Company Board of Directors):

i) on the determination of the agenda of the general shareholder meeting (participants) of SDE;

ii) on the reorganization and liquidation of SDE;

iii) on the determination of the quantitative structure of the SDE Board of Directors, nomination and election of its members and the early termination of their powers;

iv) on the determination of the number, par value, category (type) of the SDE declared shares and the rights granted by these shares;

v) on the increase of the SDE authorized capital through the increase of the par value of shares or through the placement of additional shares;

vi) on the placement of the SDE securities convertible into ordinary shares;

vii) on the fractioning and consolidation of the SDE shares;

viii) on the approval of large deals made by the SDE;

ix) on the participation of SDE in other organizations (on entering the existing organization or on the foundation of the new one), as well as on the acquisition, alienation, encumbrance of shares and stakes in the authorized capitals of the organizations, in which SDE participates, changes of the stake in the authorized capital of the respective organization;

x) on the deals made by SDE (including several associated deals) connected with the alienation or the possibility of alienation of property, representing fixed assets, immaterial assets, objects of unfinished construction, the purpose of the use of which is production, transmission, dispatching, distribution of electric and heating energy in cases (amount) defined by the procedure of interrelation of the Company with organizations in which the Company participates, approved by the Company Board of Directors;

xi) on amending the SDE constituent documents;

xii) on the determination of the procedure of remuneration payment to the members of the SDE Board of Directors and Auditing Committee;

xiii) on the approval of target values of key performance indicators (revised target values of key performance indicators);

xiv) on the approval of the report on the implementation of planned meanings of annual and quarter key performance indicators;

xv) on the approval of business plan (revised business plan);

xvi) on the approval (consideration) of the report on business plan implementation;

xvii) on the approval of the distribution of profit and loss following the results of the financial year;

- xviii) on the recommendations on the amount of dividend per shares and the procedure of its payment;
- xix) on payment (declaring) of dividends following the results of the first quarter, half of a year, nine months of a financial year, and following the results of a financial year;
- xx) on the approval (revision) of the investment program;
- xxi) on the approval (consideration) of the report on the investment program implementation;
- xxii) on the approval of the Regulations on insurance coverage of the SDE;
- xxiii) on the approval of SDE insurers (approval of the results of SDE insurers selection);
- xxiv) on the approval of insurance broker carrying out the selection of SDE insurers;
- xxv) on the approval of SDE Insurance Coverage Program;
- xxv) on the approval of amendments to the SDE Insurance Coverage Program;
- xxvi) on the consideration of the SDE sole executive body's report on insurance coverage.
- 37) determination of the position of the Company (representatives of the Company) on the following items of the agenda of the SDE board of directors' meetings (including the commission to participate or not to participate in the vote on the items of the agenda, to vote on draft decisions "for" or "against", or "abstain":
  - i) on the determination of the SDE representatives position on the items of the agenda of the general meetings of shareholders (participants) and the meetings of the Board of Directors of the affiliated and dependent entities in respect of SDE, concerning the approval of deals, including several associated deals, connected with alienation or the possibility of alienation of the property representing fixed assets, immaterial assets, objects of unfinished construction, the purpose of the use of which is the production, transmission, dispatching, distribution of electric and heating power in cases (amount) determined by the procedure of interrelations of the Company with organizations in which the Company participates, approved by the Company Board of Directors;
  - ii) on the determination of the SDE representatives position on the items of the agenda of the general meetings of shareholders (participants) and the meetings of the Board of Directors of the subsidiaries and dependent entities in respect of SDE, participating in the production, transmission, dispatching, distribution of electric and heating power, reorganization and liquidation, increase of the authorized capital of the given entities through the increase of the par value of shares or through the placement of additional shares, securities convertible into ordinary shares;
- 38) tentative approval of the decisions on the completion by the Company:
  - i) of deals, the subject of which shall be the Company non-current assets in the amount exceeding 10 percent of the balance sheet value of the given assets as of the date of decision-making on the accomplishment of the given deal;
  - ii) of deals (including several associated deals) connected with alienation or an opportunity of alienation of the property forming the fixed assets, immaterial assets, objects of incomplete construction, the purpose of use of which is production, transmission, dispatching, distribution of electric and thermal energy in the cases (amount) determined by separate decisions of the Company Board of Directors;
  - iii) of deals (including several associated deals) connected with alienation or an opportunity of alienation of the property forming the fixed assets, immaterial assets, objects of incomplete construction, the purpose of use of which is not production, transmission, dispatching, distribution of electric and thermal energy in the cases (amount) determined by separate decisions of the Company Board of Directors;
- 39) nomination by the Company of persons for the election to the position of the sole executive body, to other management bodies, bodies of control, and candidates for the Auditor of the organizations, in which the Company participates, which carry out production, transmission, dispatching, distribution and selling of electric and heating power, as well as the repairs and maintenance types of activities;
- 40) determination of the lines of ensuring the Company insurance coverage including the approval of the Company Insurer;
- 41) approval of the structure of the Company executive body and its amending;

- 42) coordination of nominees for separate positions of the Company executive body defined by the Company Board of Directors;
- 43) tentative approval of the collective agreement, the agreements concluded by the Company within the limits of the regulation of social and labor relations;
- 44) creation of committees under the Company Board of Directors, election of members of the Committees under the Company Board of Directors and early termination of their powers, election and early termination of powers of chairmen of committees under the Company Board of Directors;
- 45) approval of the candidate for the independent appraiser (appraisers) for the determination of the Company shares value, property and other assets in cases envisaged by the Federal Law "On Joint Stock Companies", these Articles of Association and separate decisions of the Company Board of Directors;
- 46) approval of the candidate for the financial consultant involved in accordance with the Federal Law "On the Securities Market" as well as the nominees of securities issuance organizers and consultants on deals directly connected with the attraction of means in the form of public loans;
- 47) tentative approval of deals, which could lead to the occurrence of liabilities, expressed in the foreign currency (or liabilities the volume of which is attached to the foreign currency) in cases and amounts determined by separate decisions of the Company Board of Directors and if the said cases (amounts) are not determined by the Company Board of Directors;
- 48) determination of the Company purchasing policy, including the approval of the Regulations for the procedure for carrying out the specified purchases of goods, works and services, approval of the head of the Company Central Purchasing Body and its members, and approval of the annual comprehensive program of purchases and decision-making on other items in accordance with the documents approved by the Company regulating the Company purchasing activities;
- 49) decision making on the nomination of the Company General Director for state awarding;
- 50) approval of the target values (revised values) of the Company key performance indicators (KPI) and the reports on their implementation;
- 51) determination of the Company policy directed to improving the stability of the power grids distribution complex and other power energy complex facilities, including the approval of the Company strategic programs on the improvement of the stability of the power grid complex, its development and its safety;
- 52) determination of the Company housing policy including in the part of providing corporate aid to the employees of the Company for improving their living conditions in the form of subsidies, compensation of their costs, interest free loans and decision-making on the provision by the Company of the specified aid in cases, when the procedure of its provision is not determined by the Company housing policy;
- 53) other issues falling within the competence of the Board of Directors in accordance with the Federal Law "On Joint Stock Companies" and these Articles of Association.

15.2. Issues referred to the competence of the Company Board of Directors shall not be transferred for the decision to the Company General Director.

15.3. Members of the Board of Directors while exercising their rights and their functions shall act in the interests of the Company, exercise their rights and functions in respect of the Company faithfully and reasonably.

15.4. The Board of Directors members shall bear the responsibility before the Company for the losses incurred to the Company by their wrongful actions or non-actions, if other reasons and the volume of responsibility are not determined by federal laws.

Alongside with this the Board of Directors members who voted against the decision, which lead to the Company's losses or did not participate in the vote, shall bear no responsibility.

## **Article 16. Election of the Company Board of Directors**

16.1. The composition of the Company Board of Directors shall be determined in the quantity of 11 (eleven) persons.

16.2. Members of the Company Board of Directors shall be elected at the Company general shareholder meeting in accordance with the procedure stipulated by item 10.8 of Article 10 of these Articles of Association for a period till the next Company annual general shareholder meeting.

Should the Board of Directors be elected at the Company extraordinary general shareholder meeting, the Board of Directors members shall be considered elected for the period till the date of the holding of the next Company annual general shareholder meeting.

If the annual general shareholder meeting was held in the terms established by item 11.1. of Article 11 of these Articles of Association, the power of the Company Board of Directors are terminated, except for powers on convocation, preparation and carrying out of the annual general shareholder meeting.

16.3. Only a physical person shall be a member of the Company Board of Directors.

16.4. Persons elected to the Company Board of Directors shall have no limitations for their reelections.

16.5. By the decision of the Company general shareholder meeting, the powers of all members of the Company Board of Directors can be terminated early.

The decision of the general shareholder meeting on early termination of powers may be taken only concerning all members of the Company Board of Directors.

#### **Article 17. Chairperson of the Company Board of Directors**

17.1. Chairperson of the Company Board of Directors shall be elected from among the members of the Company Board of Directors by the majority of votes from the total number of the members of the Company Board of Directors.

The Company Board of Directors shall be entitled to reelect their Chairperson at any time by the majority of votes from the total number of the members of the Company Board Directors.

17.2. The Chairperson of the Board of Directors shall organize the work of the Board of Directors, convene its meetings and preside at them, organize keeping of the minutes of the meetings, and preside over the Company general shareholder meeting.

17.3. In the absence of the Chairperson of the Company Board of Directors his/her functions shall be carried out by the Deputy Chairperson of the Company Board of Directors elected from among the members of the Company Board of Directors by the majority of votes from the total number of the members of the Company Board of Directors.

#### **Article 18. Meetings of the Company Board of Directors**

18.1. The procedure for convening and holding the meetings of the Company Board of Directors shall be determined by the internal document approved by the general shareholder meeting of the Company.

18.2. The meetings of the Company Board of Directors shall be held as often as necessary but not less than once a quarter.

The meeting of the Company Board of Directors shall be convened by the Chairperson of the Board of Directors or his/her Deputy in cases envisaged in paragraph 17.3 of Article 17 of these Articles of Association of the Company on his/her own initiative, upon the demand of a member of the Board of Directors, Auditing Committee, the Auditor or General Director of the Company.

18.3. At the first meeting of the newly elected Board of Directors of the Company, there shall be solved the issues of election of the Chairperson of the Board of Directors, as well as of his/her Deputy and the Secretary of the Company Board of Directors.

The specified meeting of the Board of Directors shall be convened by one of the members of the Company Board of Directors in accordance with the regulations of the activity of the Company Board of Directors.

18.4. The decision of the Company Board of Directors may be made by absentee voting (by poll). With absentee voting, materials concerning the meeting agenda and a questionnaire for voting shall be forwarded to all members of the Board of Directors, which shall contain the information on the date of submission to the Company Board of Directors of the questionnaire filled-in and signed by the member of the Board of Directors.

18.5. The member of the Board of Directors who is absent at the actual meeting of the Company Board of Directors shall be entitled to express his/her opinion in writing on the items of the agenda in accordance with the procedure determined in the internal document regulating the procedure of convocation and carrying out of the Board of Directors meeting.

18.6. Transfer of the right to vote by a member of the Company Board of Directors to another person including another member of the Company Board of Directors shall not be allowed.

18.7. The decisions at the meeting of the Company Board of Directors shall be made by the majority of the votes of the members of the Company Board of Directors participating in the meeting except for the cases envisaged by the legislation of the Russian Federation and these Articles of Association.

In cases when the deal was simultaneously approved on several grounds (stipulated by these Articles of Association and stipulated by Chapter X or Chapter XI of the Federal Law "On Joint Stock Companies"), the procedure of its approval shall be governed by the provisions of the Federal Law "On Joint Stock Companies".

18.8. The decision of the Company Board of Directors on the approval of the large deal shall be made unanimously by all members of the Board of Directors.

The decisions of the Company Board of Directors shall be made by the three-fourths majority of the votes of the members of the Board of Directors from their total number on the following items:

- on the cancellation of the powers of the managing organization (managing director) and on the appointment of the acting General Director of the Company;
- on the convening of the extraordinary general shareholder meeting of the Company in cases envisaged by Paragraphs 21.11. and 21.12 of Article 21 of these Articles of Association.

With decision-making by the Company Board of Directors envisaged by the given item of the Articles of Association, the votes of the retired members of the Board of Directors shall not be counted.

Thus, the retired members of the Company Board of Directors who have left the structure of the Board of Directors in connection with their death, their recognition in a judicial procedure as incapable or missing.

18.9. The decisions on the approval of an interested-party deal shall be made by the Company Board of Directors in accordance with Article 83 of the Federal Law "On Joint-Stock Companies".

18.10. The decisions of the Company Board of Directors on the issues envisaged by subitems 21-23, 35-37 of Item 15.1. of Article 15 of these Articles of Association shall be made by two-thirds majority vote of the members of the Company Board of Directors participating in the meetings.

18.11. While decision-making at the meeting of the Company Board of Directors, each member of the Company Board of Directors shall possess one vote. Should there arises a balance of votes during the voting, the Chairperson of the Company Board of Directors shall be entitled to the casting vote.

18.12. The quorum for holding the meeting of the Company Board of Directors shall comprise at least a half of the number of the elected members of the Company Board of Directors.

Should the quantity of members of the Company Board of Directors become less than the quantity comprising the specified quorum, the Company Board of Directors shall be obliged to make a decision on carrying out the extraordinary general meeting for election of a new structure of the

Company Board of Directors. The remained members of the Board of Directors shall be entitled to make a decision only on convocation of such an extraordinary general shareholder meeting. In this case the quorum for carrying out the Board of Directors meeting makes at least a half from the number of the remained members of the Board of Directors.

18.13. The meetings of the Company Board of Directors shall be accompanied by the keeping of minutes. The minutes of the meeting of the Company Board of Directors shall be compiled and signed no later than 3 (three) days after its holding by the person presiding over the meeting and the Secretary of the Company Board of Directors, who shall be responsible for the correctness of its compilation. All the materials on the items of the agenda of the meeting and the documents approved by the Board of Directors shall be attached to the minutes.

Should the Company Board of Directors take decisions in the absentee voting form, the voting questionnaires signed by the members of the Company Board of Directors shall be attached to the minutes.

### **Article 19. Committees of the Company Board of Directors**

19.1. The Committees of the Board of Directors shall be set up by the decision of the Board of Directors.

19.2. The Committees of the Board of Directors shall be set up to work out issues referred to the competence of the Board of Directors, or studied by the Board of Directors in order to control the activities of the executive body of the Company, and working out of the necessary recommendations to the Board of Directors and the executive body of the Company.

19.3. The regulations of the activity, the procedure of the formation, competence and terms of power of the Committees of the Board of Directors shall be determined by the separate decisions of the Board of Directors.

### **Article 20. Corporate Secretary of the Company**

20.1. In order to ensure proper preparation of the procedure of holding the Company general shareholder meeting, the activities of the Company Board of Directors, the Company Board of Directors shall be entitled to elect the Corporate Secretary of the Company.

20.2. The Contract with the Corporate Secretary on behalf of the Company shall be signed by the Chairperson of the Company Board of Directors or by a person authorized by the Company Board of Directors.

20.3. The terms of the Contract with the Corporate Secretary including the amount of the remuneration shall be determined by the Company Board of Directors or by a person authorized by the Company Board of Directors.

20.4. The Corporate Secretary of the Company shall participate in the preparation and holding of the Company general shareholder meeting, meetings of the Company Board of Directors within his/her competence in accordance with the requirements of the legislation of the Russian Federation, these Articles of Association and other internal documents of the Company.

20.5. Members of the management bodies and officers of the Company shall be obliged to assist the Corporate Secretary of the Company in carrying out his/her functions. The Corporate Secretary in his/her activities shall report to the Company Board of Directors.

20.6. The regulations of the activities, procedure of appointment and termination of powers, the period of powers, rights and obligations of the Company Corporate Secretary shall be stipulated in the Regulations for the Corporate Secretary approved by the Company Board of Directors.



## **Article 21. The Company Executive Bodies. General Director**

21.1. The management of the current activity of the Company shall be executed by the sole executive body - General Director, and by the collegial executive body – Company Management Board.

21.2. The General Director and the Management Board shall report to the Company general shareholder meeting and the Company Board of Directors.

21.3. Under the decision of the general shareholder meeting, the powers of the Company sole executive body may be transferred to the managing organization or the managing director under a contract.

The rights and duties of the managing organization (managing director) for realization of management by the Company current activities shall be defined by the legislation of the Russian Federation and the contract concluded by the managing organization (managing director) with the Company.

The contract with the managing organization (managing director) on behalf of the Company shall be signed by Chairman of the Company Board of Directors or the person authorized by the Company Board of Directors.

Contract provisions with the managing organization (managing director), including regarding the term of appointment shall be defined by the Company Board of Directors or the person authorized by the Company Board of Directors.

21.4. Formation of the executive bodies of the Company and early termination of their powers shall be carried out under the decision of the Company Board of Directors except for the cases stipulated by the federal legislation and these Articles of Association.

21.5. The rights and obligations of the General Director and Board members on the current activities management of the Company shall be determined by the legislation of the Russian Federation, these Articles of Association and the labor contract signed by each of them with the Company.

21.6. The labor contract on behalf of the Company shall be signed by the Chairperson of the Company Board of Directors or by the person authorized by the Company Board of Directors.

21.7. The terms of the labor contract including in the part of the period of powers shall be determined by the Company Board of Directors or the person authorized by the Company Board of Directors to sign the labor agreement in accordance with item 21.6 of Article 21 of these Articles of Association.

21.8. Combining of positions by the General Director and by the Management Board members in the management bodies of other organizations as well as other paid positions in other organizations shall be allowed only with the consent of the Company Board of Directors.

21.9. The rights and obligations of the employer on behalf of the Company in respect of the General Director and the Management Board members of the Company shall be carried out by the Board of Directors or the person authorized by the Company Board of Directors.

21.10. The Board of Directors shall be entitled at any time to make a decision on the termination of the powers of the Company General Director and the Company Management Board members and on a formation of new executive bodies.

Termination of the powers of the General Director and Management Board members shall be carried out on the grounds envisaged by the legislation of the Russian Federation and the labor contract signed by each of them with the Company.

21.11. The general shareholder meeting shall be entitled at any time to make a decision on the early termination of the powers of the managing organization (managing director).

The Company Board of Directors shall be entitled to make a decision on temporary termination of the powers of the managing organization (the managing director). Simultaneously with the given decision the Company Board of Directors shall be obliged to make a decision on the appointment of the acting Company General Director and on the holding of the extraordinary general shareholder meeting in order to tackle the issue of the early termination of the powers of the managing organization (managing director), and, if otherwise shall not be decided by the Board of Directors,

on the transfer of powers of the Company sole executive body to the managing organization (managing director).

21.12. Should the managing organization (the managing director) be in no position to carry out its functions, the Company Board of Directors shall be entitled to make a decision on the appointment of the acting General Director of the Company and on the holding of the extraordinary general shareholder meeting in order to tackle the issue of the early termination of the powers of the managing organization (the managing director), and, if otherwise shall not be decided by the Board of Directors, on the transfer of powers of the Company sole executive body to another managing organization or the managing director.

21.13. The acting Company General Director shall carry out the current Company activities management within the limits of the competence of the Company executive bodies, if other grounds are not determined by the Company Board of Directors.

21.14. The Director General, Management Board members, acting General Director of the Company, as well as the managing organization (the managing director) while exercising their rights and obligations shall be obliged to act in the interests of the Company, exercise their rights and fulfill their obligations in respect of the Company faithfully and reasonably.

21.15. The Director General, Management Board members, acting General Director of the Company, as well as the managing organization (the managing director) shall bear responsibilities before the Company for the losses incurred to the Company by their wrongful actions, (non-actions), if other grounds and the volume of responsibility are not stated by the federal laws.

The General Director shall be personally responsible for the organization of protection of the state secret information, and also for non-observance of the restrictions concerning examination of the specified data determined by the legislation.

The responsibility stipulated by the present item shall not come into effect for members of the Company Management Board who voted against the decision which entailed the Company losses, or who did not take part in voting.

21.16. In case of temporary absence of the General Director (in connection with illness, business trip, holiday), execution of his/her duties on the basis of the order of the Company General Director may be assigned to one of his/her deputies.

## **Article 22. The Company Management Board**

22.1. The Company Management Board shall act on the basis of these Articles of Association and Regulations for the Management Board approved by the general shareholder meeting which stipulates terms and order of convocation and carrying out of its meeting, and also the order of decision-making.

22.2. The following issues shall fall within the competence of the Company Management Board:

- 1) Working-out of the Company development strategy and its submission for consideration to the Board of Directors;
- 2) Preparation of the annual (quarterly) business plan, including the investment program and the report on results of their performance, as well as approval (revising) of cash flow (budget) of the Company;
- 3) Preparation of the annual report on the Company financial and economic activities, on performance by the Management Board of the decisions of the Company general shareholder meeting and Board of Directors;
- 4) Consideration of reports of deputies General Director of the Company, heads of the isolated structural divisions of the Company about results of performance of the approved plans, programs, instructions, consideration of reports, documents and other information on the Company activities and its affiliated and dependent economic entities;

5) Decision-making concerning the items referred to the competence of the supreme bodies of management of the economic entities, 100 (one hundred) percent of the authorized capital of which belongs to the Company (in view of subitems 36, 37 of item 15.1. of Article 15 of these Articles of Association);

6) Preparation of the reports on financial and economic activity of the economic entities, 100 (one hundred) percent of the authorized capital of which belongs to the Company;

7) Decision-making on conclusion of transactions, the subject of which is the property, works and services, the cost of which equals from 1 to 25 percent of the Company asset balance sheet value determined as of the date of decision-making on the conclusion of the transaction (except for the cases stipulated by subitem 38 of item 15.1 of these Articles of Association);

8) Solution of other issues of the Company current activities management according to the decisions of the Company general shareholder meeting, the Company Board of Directors, and also the issues which were submitted to consideration to the Management Board by the Company General Director.

22.3. Members of the Company Management Board shall be elected by the Company Board of Directors in the amount defined by the decision of Company Board of Directors under the proposal of the Company General Director.

Should the Company Board of Directors vote down nominees for the Company Management Board proposed by the General Director, the Company Board of Directors shall be entitled to elect to the Management Board the nominees proposed by a member (members) of the Company Board of Directors.

The quantitative structure of the Company Management Board may not be less than 3 (three) people.

22.4. The Management Board shall be competent if at least a half of the elected members of the Management Board take part in the meeting (in absentee voting).

22.5. All decisions shall be taken by the Management Board by the simple majority of votes out of the number of the Management Board members who are present at the meeting (take part in the absentee voting). Should the amount of votes be equal, the Management Board Chairperson's vote is casting.

22.6. Transfer of the vote by a member of the Company Management Board to another person including another member of the Company Management Board shall not be allowed.

## **Article 23. Director General**

23.1. General Director shall perform the management of the Company current activities in accordance with the decisions of the Company general shareholder meetings, Company Board of Directors and Company Management Board which were made in accordance with their competences.

23.2. The competence of the General Director shall include all the issues of the Company current activities management, except for the issues referred to the exceptional competence of the general shareholder meeting or the Board of Directors, and the Management Board.

23.3. The Company General Director shall act without a power of attorney on behalf of the Company taking into account the limitations envisaged by the legislation of the Russian Federation, these Articles of Association and the decisions of the Company Board of Directors. The Company General Director shall

- ensure the fulfillment of the Company activity plans which are necessary for the solution of his/her tasks;
- organize bookkeeping and accounting in the Company;
- make use of the Company property of the Company and accomplish deals on behalf of the Company, issue powers of attorney, open settlement and other accounts of the Company with the

banks and other credit institutions as well as in cases envisaged by the law in the organizations and professional agents of the securities market;

- issue orders, approve (accept) instructions, local normative enactments and other internal documents of the Company on the issues of his/her competence, give instructions necessary for the execution by all employees of the Company;
- approve Regulations on branches and offices of the Company;
- in accordance with the organizational structure of the Company executive office, approve personnel arrangements and official salaries and wages of the Company's employees;
- exercise in respect of the Company's employees the rights and obligations of the employer, envisaged by the labor law;
- distribute obligations among the Deputies of the Director General;
- submit for the consideration of the Board of Directors the reports on financial and economic activities of subsidiaries and dependent companies, the shares (stakes) of which are owned by the Company, as well as the information on other organizations, in which the Company participates, except for the cases stipulated by subitem 6) of item 22.2 of Article 22 of these Articles of Association;
- not later than 45 (forty five) days prior to the holding of the Company annual general shareholder meeting, submit for the consideration of the Company Board of Directors the Annual Report, accounting balance sheet, the profit and loss statement of the Company and distribution of profit and loss of the Company;
- solve other issues of the Company current activities, except for the issues referred to the competence of the Company general shareholder meeting and the Company Board of Directors.

23.4. The General Director shall be elected by the Company Board of Directors by the majority of votes of the members of the Board of Directors participating in the meeting.

Nomination of the persons for the position of the General Director of the Company for his/her election by the Company Board of Directors shall be carried out according to the internal document regulating the procedure of convocation and carrying out of the Company Board of Directors.

## **Article 24. The Auditing Committee and the Auditor of the Company**

24.1. In order to ensure control over the Company financial and economic activities, the general shareholder meeting shall elect the Auditing Committee of the Company for the period till the next annual general shareholder meeting.

Should the Auditing Committee of the Company be elected at the extraordinary meeting of shareholders, the members of the Auditing Committee shall be considered elected for the period till the date of the holding of the annual meeting of the shareholders of the Company.

The quantitative structure of the Auditing Committee shall be 5 (five) people.

24.2. By the decision of the Company general shareholder meeting the powers of all or separate members of the Company Auditing Committee may be terminated early.

24.3. The competence of the Company Auditing Committee shall include the following:

- confirmation of the correctness of the information contained in the annual report, accounting balance sheet, profit and loss statement of the Company;
- analysis of the Company financial standing, revealing of the reserves for the improvement of the financial situation in the Company and working out of recommendations for the Company management bodies;
- organization and carrying out of an examination (audit) of the Company financial and economic activities, in particular:
- examination (audit) of the financial, accounting, settlement and other documentation of the Company, connected with the carrying out by the Company of financial and economic

activities in order to ensure its compliance with the legislation of the Russian Federation, the Articles of Association, internal and other documents of the Company;

- control over safe keeping and use of fixed capital;
- control over the adherence to the order of writing off the insolvent debtors' debt to the Company losses;
- control over cash spending of the Company in accordance with the approved business plan and budget of the Company;
- control over the building up and use of the reserve and other specialized funds of the Company;
- examination of correct and timely attributing and payment of dividends per the Company shares, interest per bonds and earnings per other securities;
- examination of the regulations issued earlier on the correction of violations and shortages revealed by the previous examinations (audits);
- carrying out of other actions (measures) connected with the examination of the Company financial and economic activities.

24.4. All decisions on the issues referred to the competence of the Auditing Committee shall be made by the simple majority of the votes from the total number of its members.

24.5. The Auditing Committee shall be entitled and, in case of the revealed serious violations of the Company financial and economic activities, obliged to demand the convening of the Company extraordinary general shareholder meeting.

24.6. The procedure of the Company Auditing Committee's activities shall be determined by the internal document of the Company approved by the Company general shareholder meeting. The Auditing Committee in accordance with the decision on carrying out an examination (audit) in order to carry out the given examination (audit), shall be entitled to involve specialists in the respective field of law, economy, finance, accounting, management, economic security and others including specialized organizations.

24.7. The examination (audit) of the Company financial and economic activities may be carried out at any time at the initiative of the Company Auditing Committee, by the decision of the Company general shareholder meeting, the Company Board of Directors or upon the demand of a Company shareholder (shareholders) possessing in total at least 10 percent of the Company voting shares.

24.8. For the examination and approval of the Company annual financial reports, the Company general shareholder meeting shall annually approve the Company Auditor.

24.9. The amount of the remuneration of the services of the Auditor shall be determined by the Company Board of Directors.

24.10. The Company Auditor shall carry out the examination of the financial and economic activity of the Company in accordance with the requirements of the legislation of the Russian Federation and on the grounds of the Contract signed with him/her.

24.11. Following the results of the examination of the Company financial and economic activities, the Company Auditing Committee, the Company Auditor shall compile a report, which shall contain:

- confirmation of the correctness of the information contained in the Company reports and other financial documents;
- information on the facts of violation by the Company of the accounting procedures and submission of financial reports envisaged by legal regulations of the Russian Federation, as well as normative enactments of the Russian Federation while carrying out by the Company of financial and economic activities.

The procedure and the period for compiling the report on the results of the examination of the Company financial and economic activities shall be determined by the normative enactments of the Russian Federation and the Company internal documents.

## **Article 25. Bookkeeping and Accounting of the Company**

25.1. The Company shall be obliged to keep accounting and submit financial reports in accordance with the legislation of the Russian Federation and these Articles of Association.

25.2. The responsibility for the organization, status and correctness of the accounting in the Company, timely submission of the yearly report and other financial reports to the respective state bodies, as well as the information on the Company activities submitted to the shareholders of the Company, its creditors and mass media shall be borne by the General Director of the Company in accordance with the legislation of the Russian Federation and these Articles of Association.

25.3. The correctness of the data contained in the annual report of the Company, annual bookkeeping reports shall be confirmed by the Company Auditing Committee and the Company Auditor.

25.4. The annual report, balance sheet, profit and loss statement, distribution of profit and loss of the Company shall be submitted for a preliminary approval by the Company Board of Directors no later than 30 (thirty) days prior to the date of the holding of Company annual general shareholder meeting.

## **Article 26. Safekeeping of the Documents by the Company. Delivery of Information**

26.1. The Company shall be obliged to keep the following documents:

1. the decision on the foundation of the Company;
2. the Articles of Association of the Company, amendments to the Articles of Association of the Company and Certificate on the State Registration of the Company registered according to the established procedure;
3. documents proving the Company's right to the property registered on its balance sheet;
4. the Company internal documents approved by the Company management bodies;
5. regulations on the Company branches and representative offices;
6. annual reports;
7. prospectus for securities, quarterly report of the issuer and other documents containing the information subject to publishing or disclosure in a different way in accordance with federal laws;
8. documents on accounting;
9. documents on accounting reports;
10. minutes of the Company general shareholder meetings, the Company Board of Directors meetings, the Company Auditing Committee, and the Company Management Board;
11. bulletins for voting and powers of attorney (duplicates of the Powers of Attorney) for the participation in the general shareholder meeting;
12. reports of the independent appraisers;
13. lists of the Company affiliated persons;
14. lists of persons entitled to participate in the Company general shareholder meeting, entitled to receive dividends, and other lists compiled by the Company for the shareholders to exercise their rights in accordance with the requirements of the Federal Law "On Joint Stock Companies";
15. reports of the Company Auditing Committee, the Company Auditor, state and municipal bodies of financial control;
16. other documents envisaged by the legislation of the Russian Federation, these Articles of Association, the Company internal documents and the decisions of the Company management bodies;

26.2. The Company shall keep the documents, envisaged by item 26.1. of this Article at the location of the Company executive body in accordance with and within the period of time determined by the federal executive body on the securities market;

26.3. With the reorganization of the Company, all documents shall be transferred in the prescribed order to the cessionary.

26.4. With the liquidation of the Company, the documents of permanent keeping, having scientific and historical value shall be transferred for state safekeeping to the Federal Archive Department of Russia; documents on personnel (orders, personal files and registration cards, personal accounts and so on) shall be transferred for safekeeping to the respective archive of the Russian Federation constituent entity.

The transfer and formalization of documents shall be executed in accordance with the requirements of archive bodies.

The Company shall provide the information on the Company in accordance with the requirements of the legislation of the Russian Federation.

26.5. The Company shall provide the shareholders of the Company with an access to the documents stipulated in paragraph 26.1. of this Article taking into account limitations envisaged by the legislation of the Russian Federation.

The documents of bookkeeping and accounting may be available to the shareholders (shareholder) owning in total at least 25 (twenty-five) percent of the Company voting shares.

26.6. The documents stipulated in item 26.1. of this Article shall be presented by the Company during 7 (seven) days upon the day of the corresponding enquiry for examination at the premises of the Company executive office.

The Company shall be obliged on the demand of the persons having the right to access the documents stipulated in paragraph 26.1. of the given Article to provide them with the duplicates of the given documents.

26.7. The amount of the fee shall be determined by the Company General Director and shall not exceed the costs of making duplicates of these documents.

26.8. The Company shall ensure the shareholders and employees of the Company an access to the information in accordance with the requirements of the legislation on state secrets.

## **Article 27. Reorganization and Liquidation of the Company**

27.1. The Company may be voluntarily reorganized through merger, consolidation, split, spin-off and restructuring, and on the grounds of, and in accordance with, the Civil Code of the Russian Federation and Federal Laws.

27.2. The Company may be liquidated by the decision of the court or voluntarily in accordance with the Civil Code of the Russian Federation, Federal Law "On Joint Stock Companies", and these Articles of Association.

27.3. With the reorganization, liquidation of the Company or cessation of activities containing information representing state secret, the Company shall be obliged to ensure safekeeping of the given information and its carriers by developing and implementing of the security regime, protection of information, security and fire safety.

**List of the IDGC of North-West branches**

No.	Name	Location
1	Arkhenenergo branch of IDGC of North-West	163000, Russian Federation, City of Arkhangelsk, 3 Svobody street.
2	Vologdaenergo branch of IDGC of North-West	160035, Russian Federation, Vologda Region, City of Vologda, 68 Prechistinskaya Quay
3	Komienergo branch of IDGC of North-West	167000, Russian Federation, Komi Republic, city of Syktyvkar, 94 Internatsionalnaya street
4	Karelenergo branch of IDGC of North-West	185035, Russian Federation, Karelia Republic, city of Petrozavodsk, 45 Kirova street
5	Kolenergo branch of IDGC of North-West	184364, Russian Federation, Murmansk Region, Murmashy village, 2 Kirov street
6	Novgorodenergo branch of IDGC of North-West	173001, Russian Federation, city of Veliky Novgorod, 3 Bolshaya Sankt-Peterburgskaya street
7	Pskovenergo branch of IDGC of North-West	180000, Russian Federation, city of Pskov, 47a Sovetskaya street.



33 (*thirty-three*) pages of this document are numbered, bound, and sealed  
Secretary-in-Charge of the Management Board of RAO UESR (*signed*)  
Sealed by the Management Board of RAO UESR

A.A. Zakharov

Stamp: All 33 (*thirty-three*) pages of this document are bound  
(*signed*) Sealed by IDGC of North-West

Stamp: The Interregional Inspection No. 7 of the Federal Tax Service of Russia in the Leningrad Region  
An entry was made in the Uniform State Register of Legal Entities  
on 1 April 2008

Primary state registration number 1047855175785

State registration number 2084705016636

The copy of the document is kept in the registering agency

Chief N.A. Nikitina (*signed*)

Sealed by The Interregional Inspection No. 7 of the Federal Tax Service of Russia in the Leningrad Region