

Approved

**By Company general stockholder meeting
(RAO UES-Russia Board of Directors)**

1 July 2005 (minutes # 199)

**First Power Generating Company on the Wholesale Power Market
Bylaws**

revised edition

Tyumen
2005

Article 1. General information	3
Article 2. Legal status of the Company	3
Article 3. Purpose and types of Company activities	4
Article 4. Company charter capital	5
Article 5. Stock, bonds and other Company securities	6
Article 6. Company stockholder rights	7
Article 7. Dividends	8
Article 8. Company funds	8
Article 9. Administrative entities	8
Article 10. Company stockholder meetings	9
Article 11. Procedure for joint-session general stockholder meetings	11
Article 12. Procedure for absentee voting general stockholder meetings	13
Article 13. Proposals for items on the agenda of Company annual general stockholder meetings	14
Article 14. Calling extraordinary Company general stockholder meetings	15
Article 15. Company Board of Directors	17
Article 16. Election of the Company Board of Directors	22
Article 17. Chairperson of the Company Board of Directors	22
Article 18. Meetings of the Company Board of Directors	22
Article 19. Committees under the Board of Directors	24
Article 20. Company Administration	24
Article 21. Company Executive Board	25
Article 22. Company General Director	26
Article 23. Audit Committee and Company Auditor	27
Article 24. Company accounting and bookkeeping	29
Article 25. Company document archives and access to Company information	29
Article 26. Restructuring and closing of the Company	30

Article 1. General information

1.1. First Power Generating Company on the Wholesale Power Market (henceforth referred to as the Company) was solely founded by RAO UES-Russia (by provision on 21 March 2005).

1.2. Company activities are regulated by Russian civil legislation, the Federal Law Concerning Joint-Stock Companies, the Federal Law Concerning Electrical Energy, the Federal Law Concerning Transition Wholesale Power Market Regulations, some amendments to Russian law (some sections of federal law have expired with the introduction of the Federal Law Concerning Electrical Energy), other federal Russian regulatory laws and the present Bylaws.

1.3. The complete name of the Company is Открытое акционерное общество «Первая генерирующая компания оптового рынка электроэнергии» (Otkrytoe Aktsionernoe Obschestvo "Pervaya Generiruyuschaya Kompaniya Optovogo Rynka Elektroenergii") in Russian and First Power Generating Company on the Wholesale Energy Market, JSC, in English.

1.4. The Company name maybe abbreviated to ОАО «ОГК-1» in Russian and WGC-1 in English.

The Company is located at Ul. Odesskaya d. 1, korp. 1, Tyumen, Tyumen Oblast, Russia

1.5. The Company has been established for an indefinite period of time.

Article 2. Legal status of the Company

2.1. The legal status of the Company is determined by Russian civil legislation, the Federal Law Concerning Joint-Stock Companies, other Russian regulatory legislation and the present Bylaws.

2.2. According to Russian legislation, the Company is a legal entity.

2.3. The Company possesses individual property and, as a result of its independent status, may acquire and own property. It may also sign contracts and serve as plaintiff or defendant in court.

2.4. The Company has the right to open bank accounts in Russia and abroad.

2.5. The Company is responsible for fulfilling the obligations of its owners.

The Company is not responsible for fulfilling the obligations of its stockholders or the Russian government.

Company stockholders are not responsible for fulfilling Company obligations, except as stipulated by Russian legislation.

Stockholders may redeem stock without permission from other stockholders or the Company.

Stockholders are liable for losses no greater than the value of their stock incurred by Company activities.

2.6. The Company seal is circular and contains the full Company name and its postal address.

The Company reserves the right to own stamps and letterheads imprinted with its name, logo, registered trademark and other forms of visual

identification.

2.7. The Company has civil rights and carries liabilities necessary for performance of any type of activity not prohibited by federal law.

2.8. The Company may open branches and representative offices in constituent entities of the Russian Federation and abroad.

Branches and representative offices of the Company are not individual corporate entities and act in the name of the Company by operating in line with Company policies.

Branches and representative offices of the Company are allotted property that is recorded on both individual and Company balance sheets.

Heads of Company branches and representative offices are appointed by the General Director of the Company and serve on contracts issued by the Company.

The Company is responsible for the activities of its branches and representative offices.

Information on Company branches and representative offices is provided in the appendix to the current Bylaws.

2.9. The Company may have subsidiary and dependant legal entities in Russia according to the Federal Law Concerning Joint-Stock Companies, other federal legislation and the present Bylaws and abroad as permitted by local laws pertaining to subsidiary and dependant legal entities when not covered by relevant international treaties with Russia.

Article 3. Purpose and types of Company activities

3.1. The principal purpose of the Company is to generate revenue.

3.2. The Company reserves the right to pursue any form of activity not prohibited by law to generate revenue, including the following:

- Exercise authority over executive management in joint-stock companies and other legal entities as permitted by legislation and signed contracts;

- Entrusted administration of property;

- Consultative services;

- Activities involving securities as stipulated by Russian federal legislation;

- Agent duties;

- Cost estimating, prospecting, research and construction projects;

- External economic activities;

- Transportation services;

- Sale of electrical and thermal energy;

- Purchase of electrical and thermal energy on the wholesale power market;

- Completion of joint contract projects with United Energy Systems (RAO UES-Russia);

- Maintenance of energy-producing, transmitting and selling entities not belonging to the Company, as defined in contracts with these entities;

- Various activities regarding natural resource protection projects;

- Activities regarding cooperation in the protection and use of natural

resources, as well as the utilization, storage and transportation of industrial wastes;

- Supervision of safe electric and thermal power plant operation by consumers connected to the Company's power grid;
- Educational activities;
- Training and testing knowledge of rules, standards and instructions concerning maintenance, labor laws, industrial safety and fire safety;
- Organization and holding of emergency civil training events—such as troop deployment, civil defense, catastrophes and protection of state secrets—in accordance with Russian federal legislation;
- Establishment of security services to guard Company interests as permitted by the Federal Law Concerning Private Detectives and Security in the Russian Federation and other Russian federal legislation;
- Production of electric and thermal energy;
- Development of energy-saving modes of operation for power plant equipment and observance of energy supply modes in accordance with relevant contracts;
- Provision of electrical equipment maintenance in line with active standards, timely and quality repair, replacement of equipment and reconstruction of power facilities;
- Provision of energy to consumers connected to the Company power grid on contract terms;
- Procurement of efficient, safe and ecologically safe technology for Company facilities;
- Power grid maintenance;
- Development and provision of communication services;
- Storage of petroleum and refined petroleum products;
- Maintenance of industrial facilities containing explosive materials;
- Maintenance of industrial facilities containing combustive materials;
- Maintenance and servicing of State Technical Inspection facilities;
- Maintenance of buildings;
- Metrological services;
- Activities involving contact and interaction with hazardous waste;
- Maintenance of internal gas grids;
- Repair of measuring devices; and
- Other types of activities.

3.3. Certain activities regulated by federal laws may be pursued by the Company only after having received special licenses.

The right of the Company to perform activities requiring licenses begins upon issuance of such a license or on the date specified by the license and terminates upon expiration of the license or introduction of legislation annulling the license.

Article 4. Company charter capital

4.1. Company charter capital comprises the nominal value of Company stock acquired by stockholders.

Company charter capital amounts to 17 252 039 909 (seventeen billion

two hundred and fifty-two million thirty-nine thousand nine hundred and nine) rubles.

4.2. Exactly 17 252 039 909 (seventeen billion two hundred and fifty-two million thirty-nine thousand nine hundred and nine) shares of common stock valued at 1 (one) ruble per share, totaling 17 252 039 909 (seventeen billion two hundred and fifty-two million thirty-nine thousand nine hundred and nine) rubles, are issued by the Company.

4.3. Company charter capital may be

- Increased by raising the nominal value of shares or issuing additional shares;

- Decreased by lowering the nominal value of shares or reducing the overall quantity of shares by acquiring and redeeming a portion of Company shares in accordance with the present Bylaws.

4.4. Company charter capital may only be increased after full payment.

Company charter capital may not be used to cover Company losses or past-due credit payments.

4.5. Company charter capital may be decreased as stipulated by relevant Russian federal legislation and the present Bylaws.

The Company is required to reduce charter capital as described in the Federal Law Concerning Joint-Stock Companies.

4.6. The Company has the right to acquire issued shares as determined at general stockholder meetings in order to reduce Company charter capital by reducing the total quantity of shares.

The general stockholder meeting does not have the right to authorize the acquisition of issued shares in order to reduce Company charter capital by reducing the total quantity of shares, if the nominal value of shares remaining in circulation falls below the minimum size of charter capital required by the Federal Law Concerning Joint-Stock Companies.

Shares obtained by the Company according to the present article are redeemed upon acquisition.

By decision of the general stockholder meeting, either money or property may be used to pay for shares acquired as stipulated by the present article.

Article 5. Stock, bonds and other Company securities

5.1. The Company issues common stock and has the right to issue one or several types of preferred stock, bonds and other securities in accordance with Russian federal legislation.

5.2. Common stock may not be converted into preferred stock, bonds or other securities.

5.3. Company stock and other Company securities convertible into stock are issued in accordance with Russian federal legislation.

5.4. The Company has the right to issue additional stock and other securities by issuance to Company stockholders, subscription and conversion.

5.5. In accordance with the Federal Law Concerning Joint-Stock Companies, the Company has priority rights to the acquisition of additional stocks issued by subscription and other securities convertible into stock in quantities proportional to the amount of such shares it possesses.

5.6. Incomplete priority acquisition of additional shares and stock consolidation by stockholders results in fractional shares.

Fractional shares confer their owner the right to acquire an equivalent proportion of the relevant type of stock.

Fractional and whole shares are handled similarly. Fractional shares combine to form whole shares or a fractional share representing the sum of these fractional shares if an owner acquires two or more fractional shares.

5.7. Additional shares circulated among subscribers may be paid for in cash, securities and other items or property possessing monetary value.

The form of payment for additional shares is determined upon decision to issue them.

Only cash may be used as payment for other securities.

5.8. The Company has the right to acquire issued securities upon decision by the Company Board of Directors in accordance with Item 2 of Article 72 of the Federal Law Concerning Joint-Stock Companies.

The Board of Directors may not decide to acquire Company stock if the nominal value of Company stock in circulation comprises less than 90 percent of Company charter capital.

Shares acquired by the Company in accordance with this item do not grant the Company the right to vote or to receive dividend payments and are not included in vote counts. Such shares must be redeemed by the Board of Directors at market value no later than one year following their purchase. Should the Board of Directors fail to do so, Company charter capital must be reduced by cancellation of the acquired shares at a general stockholder meeting.

Cash or property, as determined by the Board of Directors, may serve as payment for shares acquired in this manner.

Article 6. Company stockholder rights

6.1. Company stockholders are persons or entities possessing Company stock as stipulated by Russian federal legislation and the present Bylaws.

6.2. Each share of common stock entitles its owner to equal rights.

Owners of common stock have the following rights:

1) Participate personally or via a proxy in general stockholder meetings and vote on issues within his or her authority;

2) Propose agenda items for general stockholder meetings in accordance with Russian federal legislation and the present Bylaws;

3) Receive information on Company activities and have access to Company documents (in accordance with Article 91 of the Federal Law Concerning Joint-Stock Companies), other regulatory legal acts and the present Bylaws;

4) Receive dividends announced by the Company;

5) Have priority in acquiring additional stock and securities convertible into stock that is issued to open subscribers in proportion to the amount of common stock owned;

6) Receive a portion of Company property upon Company closure;

7) Other rights as stipulated by Russian federal legislation and the present Bylaws.

6.3. Stock owned by the Company founder grant voting rights until their

full payment.

Article 7. Dividends

7.1. The Company has the right to announce dividend payments for issued stock after first, second or third quarter earnings reports and after annual earnings reports. The decision to announce dividend payments based on first, second or third quarter earnings may be made within a three-month period following the relevant quarter.

The Company is obliged to pay dividends announced for each category of stock.

7.2. The decision to announce dividends, including the size and form of dividend payments for each category of stock, is made at Company general stockholder meetings.

The size of dividend payment must not exceed amounts recommended by the Company Board of Directors.

The decision not to pay dividends on common stock may be made at general stockholder meetings.

7.3. In certain instances described in Russian federal legislation, the Company does not have the right to announce the payment of dividends on stock or pay announced dividends.

7.4. Company profit after taxes is used to pay dividends. Company profit is determined by Company accounting reports. Dividends for certain types of preferred stock may be paid from Company accounts specially prepared in advance for such purposes.

7.5. The payment period of dividends is determined at general stockholder meetings; however, payment must occur no later than 60 (sixty) days after the decision to announce their payment.

Article 8. Company funds

8.1. The Company is to establish a Reserve Fund totaling 5 (five) percent of Company charter capital.

No less than 5 (five) percent of annual Company profit must be deposited in the Reserve Fund annually until the fund reaches a set size.

8.2. The Company Reserve Fund is intended for covering Company losses, the redemption of Company bonds and acquisition of Company shares should no other funds be available.

The Company Reserve Fund may not be used for other purposes.

8.3. The Company has the right to establish other funds in accordance with Russian federal legislation to provide for domestic financial activities as a civil defense entity.

Article 9. Administrative entities

9.1. The Company's administrative entities include

- Stockholder meetings,

- Board of Directors,
- Executive Board, and
- General Director.

9.2. The Audit Committee oversees the financial and economic activities of the Company.

Article 10. Company stockholder meetings

10.1. Stockholder meetings are the highest form of Company management.

10.2. Stockholder meetings address the following issues:

- 1) Altering and amending Bylaws or approving Bylaw revisions;
- 2) Restructuring of the Company;
- 3) Closing of the Company, including selection of a closure commission and approval of intermediate and final liquidation balances;
- 4) Determining the quantity, nominal value and type of issued shares and the rights conferred by ownership of these shares;
- 5) Increasing Company capital by raising the nominal value of shares or issuance of additional shares;
- 6) Decreasing Company capital by lowering the nominal value of shares or purchasing shares to reduce overall share quantity and subsequently canceling acquired or redeemed stocks;
- 7) Splitting or consolidating Company stock;
- 8) Deciding how to distribute convertible bonds and other issued convertible securities;
- 9) Electing the Company Board of Directors, as well as determining early termination of its authority;
- 10) Electing the Company Audit Committee, as well as determining early termination of its authority;
- 11) Confirming the appointment of the Company Auditor;
- 12) Transferring executive authority over the Company to an administrative entity (or administrator), as well as prematurely terminating the latter's authority;
- 13) Approving the annual report, annual accounting report (including Company profit and loss statements), profit distribution (including dividends, except for profit distributed in the form of dividends for the first one, two or three quarters of the fiscal year) and loss over the fiscal year;
- 14) Paying dividends for the first one, two or three quarters of the fiscal year;
- 15) Establishing procedure for Company general stockholder meetings;
- 16) Approving transactions as stipulated by Article 83 of the Federal Law Concerning Joint-Stock Companies;
- 17) Approving large transactions as stipulated by Article 79 of the Federal Law Concerning Joint-Stock Companies;
- 18) Approving involvement in holdings, financial and industrial groups and other commercial associations;
- 19) Approving internal regulations regarding Company operation;
- 20) Determining benefits and compensation for members of the Company

Audit Committee;

21) Determining benefits and compensation for members of the Company Board of Directors;

22) Settling other issues covered by the Federal Law Concerning Joint-Stock Companies;

10.3. Issues within the authority of general stockholder meetings must not be transferred to the Company Board of Directors, Executive Board and General Director.

General stockholder meetings lack the authority to discuss or rule on issues outside of its authority as established by the Federal Law Concerning Joint-Stock Companies.

10.4. Issues on general stockholder meeting agendas are approved by a majority of votes cast by participating Company stockholders unless otherwise indicated in the Federal Law Concerning Joint-Stock Companies.

10.5. The following issues on general stockholder meeting agendas require approval by three-quarters of votes cast by participating Company stockholders:

- Altering and amending Bylaws or approving Bylaw revisions;
- Restructuring of the Company;
- Closing of the Company, including selection of a closure commission and approval of intermediate and final liquidation balances;
- Determining the quantity, nominal value and type of issued shares and the rights conferred by ownership of these shares;
- Issuing stock (and Company securities convertible into stock) to closed subscribers upon decision at general stockholder meetings to increase Company charter capital by issuing additional shares (and Company securities convertible into stock);
- Issuing open subscription common stock amounting to 25 (twenty-five) percent of the value of previous common stock in circulation;
- Issuing open subscription securities convertible into common stock amounting to 25 (twenty-five) percent of the value of previous common stock in circulation;
- Approving large transactions involving property worth more than 50 (fifty) percent of Company assets.

In accordance with Article 83-F3 of the Federal Law Concerning Joint-Stock Companies, transactions involving possible vested interests are approved at general stockholder meetings as set forth by Article 81 of the Federal Law Concerning Joint-Stock Companies.

10.6. The Company Board of Directors is responsible for submitting agenda items regarding Subparagraphs 2, 5, 7, 8 and 12–21 of the Article 10.2 of the current Bylaws to general stockholder meetings.

10.7. Participants of Company general stockholder meetings may neither approve issues absent from general stockholder meeting agendas nor change general stockholder meeting agendas.

10.8. With the exception of cumulative voting for Board of Director elections, one voting stock grants one vote at general stockholder meetings.

In cumulative voting, the number of votes belonging to each stockholder is multiplied by the number of seats open to election in the Board of Directors,

and the stockholder has the right to issue all votes to one candidate or split votes between two or more candidates.

Candidates for posts in the Board of Directors receiving the greatest number of votes are considered to be elected.

10.9. Company general stockholder meetings may take place in Moscow or other cities as determined by internal Company documents regulating Company general stockholder meeting activities.

In preparation for general stockholder meetings, the Board of Directors sets the location for general stockholder meetings.

10.10. The Chairperson of the Company Board of Directors serves as Chairperson of general stockholder meetings.

Should the Chairperson of the Company Board of Directors fail to serve as Chairperson of general stockholder meetings, the function is fulfilled by the Deputy Chairperson of the Board of Directors.

Should both the Chairperson and the Deputy Chairperson of the Company Board of Directors fail to serve as Chairperson of general stockholder meetings, the function is fulfilled by any member of the Board of Directors attending the general stockholder meeting.

10.11. While RAO UES-Russia owns 100 percent of Company voting rights, all issues within the jurisdiction of general stockholder meetings are determined by the RAO UES-Russia Board of Directors and follow internal RAO UES-Russia documentation establishing the activities of the RAO UES-Russia Board of Directors. In this case, Articles 10–15 of the present Bylaws, which determine procedures and terms for general stockholder meeting preparation, calling and conduct, are inactive with the exception of provisions on term for annual general stockholder meetings.

Article 11. Procedure for joint-session general stockholder meetings

11.1. The annual general stockholder meeting is held no earlier than two months before or later than six months after completion of the fiscal year.

The following issues are resolved at general stockholder meetings in order: election of the Board of Directors and Audit Committee, approval of the Company Auditor and approval of the annual Company report and annual accounting reports prepared by the Company Board of Directors. The Company Board of Directors prepares the following annual accounting reports: Company profit and loss statements, profit distribution (announced dividends, except for dividends announced for first, second and third quarters) and Company losses over the fiscal year.

11.2. General stockholder meetings may be held in joint session with attendance by stockholders (and their proxies) in order to discuss agenda items and approve issues presented for voting.

General stockholder meetings including Company Board of Director and Audit Committee elections, approval of the Company Auditor and other items outlined in Item 13 of Article 10.2 of the present Bylaws must be held in joint session.

11.3. The functions of the Vote Counting Commission at general

stockholder meetings are executed by the Company Registrar, who must be a securities market expert.

11.4. The list of participants eligible for participation at general stockholder meetings is based on data from the Company Registrar.

The list of participants eligible for participation at general stockholder meetings must not be compiled earlier than the decision to call a general stockholder meeting or more than 50 (fifty) days prior to the general stockholder meeting, except as in cases stipulated in Article 14.9 of the present Bylaws.

11.5. Announcements concerning the calling of general stockholder meetings are sent (or otherwise delivered) to individuals included on the list of participants eligible to participate in Company general stockholder meetings and listed in the journal *Izvestia* by the Company no later than 30 (thirty) days prior to the date of the general stockholder meeting.

Announcements concerning the calling of general stockholder meetings are sent to address of nominal stockholders possessing the right to participate in general stockholder meetings (as indicated in the Register of Company shareholders), if no other postal address is listed.

11.6. Ballots of agenda items up for voting are sent by registered mail to the addresses listed in the Register of Company stockholders or otherwise delivered to Company stockholders possessing the right participate in general stockholder meetings no later than 20 (twenty) days prior to the date of the general stockholder meeting.

Each individual included in the Register is supplied one copy of the complete ballot of agenda items or one set of two or more ballots concerning various items.

11.7. Individuals eligible for participation in general stockholder meetings must have access to informational materials concerning general stockholder meeting agenda items for 20 (twenty) days prior to the general stockholder meeting or 30 (thirty) days if the agenda contains items regarding restructuring of the Company. The materials will be available for review at Company administration (address to be indicated in the announcement regarding upcoming general stockholder meetings) and be available to participants during general stockholder meetings.

The Company Board of Directors determines the procedure by which individuals eligible to participate in general stockholder meetings may review materials.

11.8. Stockholders have the right to attend general stockholder meetings in person and via proxy or representative.

Groups holding Company shares are issued one copy of the complete ballot of agenda items or one set of two or more ballots concerning various items, and one individual of the group (or proxy) may vote at general stockholder meeting with proper authorization.

Authorization for such individuals to participate in general stockholder meetings must conform to an accepted blank.

11.9. When general stockholder meetings take place in joint session, individuals eligible to participate in general stockholder meetings (and their proxies) have the right to attend the meeting in person or send completed

voting ballots to the Company.

11.10. The general stockholder meeting is valid (it has a quorum) if the stockholders participating in it collectively possess more than a half of Company voting stocks.

Company stockholders confirm their participation in general stockholder meeting by registering or submitting completed ballots no later than two days prior to the date of the general stockholder meeting.

Should the agenda of the general stockholder meeting include issues to be voted upon by various groups of the voter, quorum for these items is determined separately.

Should issues to be voted upon by one group of voters lack quorum, other issues to be voted upon by a different group of voters may be addressed if these issues have a quorum.

11.11. Should the annual general stockholder meeting lack quorum, a repeated general stockholder meeting with the same agenda must be held. Should an extraordinary meeting of the general stockholder meeting lack quorum, a repeated general stockholder meeting with the same agenda may be held.

The decision to call a repeated general stockholder meeting is made by the Company Board of Directors.

Repeated Company general stockholder meetings are valid if attended by stockholders possessing no less than 30 percent of Company voting shares.

11.12. Minutes for general stockholder meetings are recorded no later than 15 (fifteen) days after the closing of general stockholder meeting. Two copies are produced, and both are signed by the Chairperson of the Board of Directors and the Secretary of the general stockholder meeting.

11.13. Voting results and decisions approved at Company general stockholder meetings may be announced at general stockholder meetings.

Voting results and decisions approved at Company general stockholder meeting must be announced and published as a report in the journal *Izvestia* by the Company no later than 10 (ten) days after the recording of voting results and decisions approved at Company general stockholder meeting if not announced at the relevant general stockholder meeting.

Article 12. Procedure for absentee voting general stockholder meetings

12.1. General stockholder meetings may take the form of absentee voting in which stockholders do not meet to discuss or approve issues.

Only voting ballots may be used to vote on agenda issues for general stockholder meetings held as absentee voting.

12.2. General stockholder meetings including Company Board of Director and Audit Committee elections, approval of the Company Auditor and other items outlined in Item 13 of Paragraph 10.2 of the present Bylaws may not be held by absentee voting.

General stockholder meetings held to replace previous general stockholder meetings without quorum may not be conducted by absentee voting if the original meeting was restricted to joint session.

12.3. The list of individuals eligible to participate in absentee voting on agenda items for general stockholder meetings is based on data from the Company Registrar.

The list of participants eligible for participation in absentee voting at general stockholder meetings must not be compiled earlier than the decision to call a general stockholder meeting or more than 50 (fifty) days prior to absentee ballot submission deadline.

12.4. Announcements concerning the calling of general stockholder meetings by absentee voting are listed in the journal *Izvestia* by the Company no later than 30 (thirty) days prior to the date of the absentee ballot submission deadline.

12.5. Ballots of agenda items up for voting are sent by registered mail to addresses listed in the Register of Company stockholders or otherwise delivered to Company stockholders possessing the right participate in general stockholder meetings no later than 20 (twenty) days prior to the date of the general stockholder meeting.

Each individual or entity holding Company voting shares are issued one copy of the complete ballot of agenda items or one set of two or more ballots concerning various items, and one individual of the group (or proxy) may vote at general stockholder meeting with proper authorization.

Individuals eligible for participation in general stockholder meetings have access to informational materials concerning general stockholder meeting agenda items as determined by the Company Board of Directors.

12.6. A general stockholder meeting by absentee vote is valid (it has a quorum) if the stockholders participating in it collectively possess more than a half of Company voting stocks.

Stockholders take part in general stockholder meetings held by absentee vote by submitting ballots prior to the deadline indicted on Company ballots.

12.7. Voting results are compiled in two copies and signed by the Company Registrar no later than 15 (fifteen) days after the submittal deadline of voting ballots.

Minutes for general stockholder meetings are recorded no later than 15 (fifteen) days after the closing of general stockholder meeting. Two copies are produced, and both are signed by the Chairperson of the Board of Directors and the Secretary of the general stockholder meeting.

12.8. Voting results and decisions approved at Company general stockholder meeting must be announced and published as a report in the journal *Izvestia* by the Company no later than 10 (ten) days after the recording of voting results and decisions approved at Company general stockholder meeting.

Article 13. Proposals for items on the agenda of Company annual general stockholder meetings

13.1. Stockholders collectively possessing no less than 2 percent of Company voting shares have the right to introduce items on the agenda of annual Company general stockholder meetings and nominate candidates for the Company Board of Directors and Audit Committee (the number of nominations is not to exceed the number of available seats). Such proposals must be

received by the Company no later than 60 (sixty) days after the end of the fiscal year.

13.2. Proposed agenda items for general stockholder meetings and candidate nominations are submitted in writing and include the stockholder(s) name, quantity and type of owned stock, and signature.

13.3. Proposed agenda items for general stockholder meetings are to be clearly and sequentially worded, and candidate nominations must include the name of the candidate and the position for which this he or she is being nominated.

13.4. The Company Board of Director is required to review received proposals and decide whether to include them in general stockholder meeting agendas or to exclude them no later than 5 (five) days before the deadline indicated in Article 13.1.

13.5. The Company Board of Directors has the right to reject submitted items from inclusion in general stockholder meeting agendas, as well as to reject the nomination of candidates for election to Company administration as detailed in the Federal Law Concerning Joint-Stock Companies and other federal Russian legislation.

13.6. Should the Company Board of Directors refuse to include an item in a general stockholder meeting agenda or to accept nomination of candidates for Company administration, the stockholder originally issuing the proposal or nomination is to be notified of the decision and the reason for it no later than 3 (three) days after such decision is made.

13.7. The Company Board of Directors does not have the right to alter the wording of items proposed for inclusion in general stockholder meeting agendas or any supplied answers to such questions.

In addition to items approving proposed items for inclusion in general stockholder meeting agendas, the Company Board of Directors has the right to include its own agenda items and issue its own nominations should there be a lack or deficiency of agenda items or candidate nominations proposed by stockholders.

Article 14. Calling extraordinary Company general stockholder meetings

14.1. All general stockholder meetings held in addition to an annual general stockholder meeting are considered extraordinary.

14.2. Extraordinary general stockholder meetings are called by the Company Board of Directors as requested by the Company Audit Committee, Company Auditor, stockholder(s) collectively owning no less than 10 (ten) percent of Company voting stock (at the time of calling the meeting) or upon their own initiative.

14.3. The Company Board of Directors is responsible for calling extraordinary general stockholder meetings as requested by the Company Audit Committee, Company Auditor and stockholder(s) collectively owning no less than 10 (ten) percent of Company voting stock.

Extraordinary general stockholder meetings are to be held within 40 (forty) days of requests for such meetings to be held are submitted, except as

stipulated by Article 14.9 of the present Bylaws

14.4. Requests for extraordinary Company general stockholder meetings must be accompanied by a list of agenda items to be discussed.

The person(s) requesting an extraordinary general stockholder meeting has the right to determine the procedure by which the extraordinary general stockholder meeting is to be conducted. Article 13 of the present Bylaws apply if the requested extraordinary general stockholder meeting involves the nomination of candidates.

The Company Board of Directors does not have the right to alter the wording of items proposed for inclusion in extraordinary general stockholder meeting agendas, any supplied answers to such questions or the procedure by which the extraordinary general stockholder meeting is to be conducted for meetings requested by the Company Audit Committee, Company Auditor and stockholder(s) collectively owning no less than 10 (ten) percent of Company voting stock.

14.5. Requests for extraordinary general stockholder meetings issued by stockholders must contain the name of the stockholder(s) and the type and quantity of Company shares owned.

Requests for extraordinary general stockholder meeting issued by stockholders must be signed by all responsible stockholders.

14.6. The Company Board of Directors must decide whether to grant requests by the Company Audit Committee, Company Auditor and stockholder(s) collectively owning no less than 10 (ten) percent of Company voting stock for the calling of an extraordinary general stockholder meeting within 5 (five) days.

14.7. The decision of the Company Board of Directors to grant or refuse requests for extraordinary general stockholder meeting—along with reasons for having refused requests, as applicable—is to be issued to the party requesting no more than three after having made the decision.

14.8. If the Company Board of Directors fails to decide or decides to refuse a request for an extraordinary general stockholder meeting within the term described in Article 14.6 of the present Bylaws, the requesting party may itself call an extraordinary general stockholder meeting.

In accordance with the Federal Law Concerning Joint-Stock Companies and the present Bylaws, parties requesting an extraordinary general stockholder meeting are granted sufficient authority to call and conduct a general stockholder meeting.

14.9. The following rules apply if the extraordinary general stockholder meeting requested includes the election of members for the Company Board of Directors:

14.9.1. The extraordinary general stockholder meeting must be held within 70 (seventy) days of the issuance of such a request.

14.9.2. Stockholders collectively possessing no less than 2 percent of Company voting shares have the right to nominate candidates for the Company Board of Directors (the number of nominations is not to exceed the number of available seats).

Such items must be submitted to the Company no less than 30 (thirty) days prior to the date of the extraordinary general stockholder meeting.

The Company Board of Directors is obliged to review submitted items and decide whether to include them in the agenda of the extraordinary general stockholder meeting no later than 5 (five) days after term described in 14.9.2 of the present Bylaws.

14.9.3. The Company may not compile the list of individuals eligible to participate in an extraordinary general stockholder meeting before the decision to call one has been made or more than 65 (sixty-five) days prior to the meeting.

14.9.4. Notification of the extraordinary general stockholder meeting is to be issued no later than 50 (fifty) days prior to the meeting.

Article 15. Company Board of Directors

15.1. The Company Board of Directors is responsible for overall administration of Company activities, except for issues within the authority of general stockholder meetings in accordance with the Federal Law Concerning Joint-Stock Companies and existing Bylaws.

The following issues are within the authority of the Company Board of Directors:

- 1) Establishing priority Company activities;
- 2) Calling annual and extraordinary general stockholder meetings, except as stipulated by Article 14.8 of the current Bylaws and announcing dates for additional general stockholder meetings to compensate for previous meetings lacking quorum.
- 3) Approving agendas for Company general stockholder meetings;
- 4) Electing the Secretary of the general stockholder meeting;
- 5) Setting dates for compiling a list of general stockholder meeting participants and resolving other issues regarding the preparation and holding of Company general stockholder meetings;
- 6) Submitting agenda items to general stockholder meetings as stipulated by Subparagraphs 2, 5, 7, 8 and 12–21 of the Article 10.2 of the current Bylaws;
- 7) Distributing Company bonds and other convertible securities except as stipulated by the Federal Law Concerning Joint-Stock Companies and the current Bylaws;
- 8) Approving decisions concerning the issuance of bonds, convertible securities, bond issuance reports, reports on stock acquisitions from Company stockholders and reports on stock redemption by Company stockholders;
- 9) Establishing the price (monetary value) of property and issued and redeemed securities as stipulated by the Federal Law Concerning Joint-Stock Companies for activities described in Subparagraphs 11, 21, 22 and 37 of the Article 15.1 of the present Bylaws;
- 10) Purchasing stock and other securities distributed by the Company as stipulated by the Federal Law Concerning Joint-Stock Companies;
- 11) Alienating Company stock purchased from or redeemed by Company stockholders or as stipulated by Russian legislation;
- 12) Electing the General Director of the Company, as well as dismissal

from this position;

13) Determining the size of the Executive Board, election of its members, early termination of their authority and establishment of benefits and compensation for Executive Board members;

14) Issuing recommendations concerning benefits and compensation issued to the members of the Audit Committee and payments issued to the Company Auditor;

15) Issuing recommendations concerning share dividends and the procedure for issuing dividend payments;

16) Approving internal Company documentation that establishes the procedure for raising and expending Company funds;

17) Deciding proper usage of Company funds, approval of special fund usage estimates and review of previous special fund usage estimates;

18) Approving internal Company documentation, except for those internal Company documents approved by the general stockholder meeting or by the Company Executive Board;

19) Approving fiscal business forecast plans (and corrected business plans) and final reports, approving (or correcting) Company cashflow benchmarks and approving Company cashflow;

20) Establishing and terminating Company branches and representative offices and altering Bylaws concerning the establishment and termination of branches and representative offices (including changes in the name and location of Company branches and representative offices);

21) Determining Company participation in organizations (such as joining an existing organization or establishing new ones, including founding documentation), as well as the purchase, alienation and discharge of stock and shares of charter capital in organizations joined by the Company, changes in the share of charter capital in organizations and cessation of Company participation in organizations in regard to Subparagraph 22 of Article 15.1 of the present Bylaws;

22) Deciding to terminate one or more interrelated transactions relating to the alienation, sale or other discharge of stock or share of organizations that do not produce, deliver, dispatch, distribute or sell electric and thermal energy or render maintenance services should the market value of stock and shares involved in the transaction exceed 30 mln rubles (as determined by an independent estimator), as well as in other cases as determined individually by the Board of Directors;

23) Determining the Company credit policy concerning various forms of transactions—loan issuance, credit granting, debt contracts, issuance of guarantees, acceptance of bill obligations (issuance of promissory notes and bills of exchange) and use of property as a deposit—when Company decisions concerning such transactions are not determined by the Company credit policy and result in Company debt remaining within limits established by the Company credit policy;

24) Approving large transactions as stipulated in Article 10 of the Federal Law Concerning Joint-Stock Companies;

25) Approving transactions as stipulated in Article 11 of the Federal Law Concerning Joint-Stock Companies;

- 26) Electing the Chairperson of the Company Board of Directors, as well as determining early termination of his or her authority;
- 27) Electing the Deputy Chairperson of the Company Board of Directors, as well as determining early termination of his or her authority;
- 28) Electing the Secretary of the Company Board of Directors, as well as determining early termination of his or her authority;
- 29) Initially approving decisions concerning the Company's signing of transactions that within financial limits determined by individual decisions of the Company Board of Directors, as well as in cases when no financial limit is determined by the Board of Directors:
 - a) Approving transactions regarding gratuitous reassignment of Company property or property rights to itself or a third party;
 - b) Approving transactions regarding the transfer of property obligations to itself or a third person;
 - c) Approving transactions regarding gratuitous services rendered by the Company to a third party;
- 30) Making decisions concerning the suspension of a managing organization's authority;
- 31) Making decisions concerning the appointment of an acting Company General Director as stipulated by Article 20.8 and 20.9 of the present Bylaws;
- 32) Calling the General Director and members of the Company Executive Board to disciplinary liability or compensating them according to the Russian labor legislation;
- 33) Reviewing reports by the General Director on Company activities (including his or her own performance) on implemented decisions by general stockholder meetings and the Company Board of Directors;
- 34) Approving Company interaction with organizations it joins;
- 35) Determining Company (or its representatives') stance on the following agenda items at general stockholder meetings and Board of Director meetings of associated and dependent companies (henceforth referred to as ADC), including instructions to participate or not to participate in the voting on agenda items, as well as voting "for", "against" or to abstain.
 - a) Determining agenda items for ADC general stockholder meetings;
 - b) Restructuring of ADC;
 - c) Closing of ADC;
 - e) Determining the size of ADC Boards of Directors, nominating and electing their members and determining early termination of their authority;
 - f) Determining the quantity, nominal value and type of issued ADC shares and the rights conferred by ownership of these shares;
 - g) Increasing ADC capital by raising the nominal value of shares or issuance of additional shares;
 - h) Distributing of ADC securities that are convertible into stock;
 - i) Splitting and consolidating ADC stock;
 - j) Approving large transactions involving ADC;
 - k) Determining ADC participation in organizations (such as joining an existing organization or establishing new ones), as well as the purchase, alienation and discharge of stock and shares of capital in organizations joined by the ADC and changes in share of charter capital in organizations;

l) Approving ADC transactions (including interrelated transactions) involving property as a main asset, intangible assets, uncompleted construction and several services—production, delivery, transmission and distribution of electrical and thermal energy—should the size of the transaction exceed limits determined by the Company for certain activities and approved by the Company Board of Directors;

m) Electing the Chairperson of the Board of Directors and determining early termination of his or her authority;

n) Electing the General Director and determining early termination of his or her authority;

o) Determining the conditions of labor agreements with ADC General Directors (or a person authorized by the ADC Board of Directors to determine labor agreement conditions with the ADC General Director) and signing labor agreements with ADC General Directors;

p) Altering or amending ADC founding documentation;

q) Determining the procedure for issuing payments to members of the ADC Boards of Directors and Audit Committees;

r) Determining how ADC are to be insured, including approval of ADC insurers;

s) Approving fiscal business forecast plans (and corrected business plan) and final reports, approving (or correcting) ADC cashflow benchmarks;

36) Determining Company (or a Company member's) stance on the following agenda items at ADC Board of Director meetings, including instructions to participate or not to participate in the voting on agenda items, as well as voting "for", "against" or to abstain:

a) Determining the stance of ADC representatives on agenda items at the general stockholder meetings and Board of Directors meetings of companies associated with or dependent on the ADC in regard to approval of transactions (including interrelated transactions), the alienation or possible alienation of property as the main assets, intangible assets, uncompleted construction and several services—production, delivery, transmission and distribution of electrical and thermal energy—should the size of the transaction exceed limits determined by the Company for certain activities in conjunction with associated organizations and approved by the Company Board of Directors;

b) Determining the stance of ADC representatives on agenda items at general stockholder meetings of the companies associated with or dependent on ADC that pertain to the production, delivery, transmission, distribution or sale of electric and thermal energy and restructuring, termination, or augmentation of capital authorized to such companies by increasing the nominal value of shares or releasing additional shares and convertible securities;

37) Initially approving decisions concerning Company transactions involving

a) Non-circulating Company assets at rates between 10 to 25 percent of the total value of non-circulating Company assets as estimated at the moment of having decided to approve such transactions;

b) Property at rates between 10 to 25 percent of total Company assets as estimated at the moment of having decided to approve such transactions;

c) Property as main assets, intangible assets, uncompleted construction and several services—production, delivery, transmission and distribution of electrical and thermal energy—as determined by individual decisions of the Company Board of Directors;

38) Making decisions regarding Company nominations for the Executive Board, other administrative bodies, and Auditor for organizations the Company joins;

39) Determining how the Company is to be insured, including appointment of Company insurers;

40) Forming committees under the Company Board of Directors and approving provisions for committees under the Company Board of Directors;

41) Approving the appointment of independent estimators who appraise the value of shares, property and other Company assets as stipulated by the Federal Law Concerning Joint-Stock Companies, the present Bylaws and individual decisions by the Company Board of Directors;

42) Approving and amending the organizational plan of the Company administrative structure;

43) Approving the appointment of certain posts in the Company administrative structure, as determined by the Company Board of Directors ;

44) Initially approving collective contracts and agreements signed by the Company within the framework of social and labor regulations;

45) Approving the appointment of financial consultants employed as required by Federal Law Concerning the Securities Market and appointments of organizations issuing securities and transaction consultants for transactions involving public borrowing and as demanded by such contracts;

46) Deciding issues concerning the preparation and holding of general stockholder meetings of companies formed as the result of Company restructuring (apportioning or separation);

47) Approving the appointment of the Company Registrar and terms of the contract signed with him or her, as well as terms nullifying this contract;

48) Initially approving of transactions that may lead to obligations denominated in foreign currency that exceed limits determined by individual decisions of the Company Board of Directors and when no such limits have been not determined by the Company Board of Directors;

49) Deciding other issues that are within the power of the Board of Directors according to the Federal Law Concerning Joint-Stock Companies and the present Bylaws.

15.2. The Company General Director and Executive Board may not resolve issues within the power of the Company Board of Directors.

15.3. Members of the Board of Directors are to exercise their powers and act in the interests of the Company, both conscientiously and reasonably.

15.4. Members of the Board of Directors are held liable by the Company for losses and activities incurring damage upon the Company (including inactivity) unless quantitatively set federal legislation.

Members of the Board of Directors voting against or abstaining from actions that incur loss or damage upon the Company are not held liable by the Company.

Article 16. Election of the Company Board of Directors

16.1. The Company Board of Directors consists of 11 (eleven) members.

16.2. Members of the Board of Directors are elected at general stockholder meetings according to Article 10.8 of the current Bylaws and serve until the next annual general stockholder meeting.

Members of the Board of Directors elected at extraordinary general stockholder meetings serve until the next annual general stockholder meeting.

The Board of Directors loses its authority except for the ability to call, prepare and conduct annual general stockholder meetings if, according to Article 11.1 of the present Bylaws, the due annual general stockholder meeting fails to convene within the specified term.

16.3. Only individuals may serve on the Company Board of Directors.

16.4. Members of the Company Board of Directors may be reelected an unlimited number of times.

16.5. The authority of any member or all members of the Board of Directors may be terminated prematurely at general stockholder meetings.

Article 17. Chairperson of the Company Board of Directors

17.1. The Chairperson of the Company Board of Directors is elected by majority vote of the Board of Directors from amongst its members.

The Board of Directors has the right to elect or reelect its Chairperson by majority vote of the Board of Directors from amongst its members.

17.2. The Chairperson of the Company Board of Directors organizes the activities of the Company Board of Directors, calls its meetings and chairs them, approves minutes and chairs general stockholder meetings.

17.3. The Deputy Chairperson of the Company Board of Directors, who is elected by majority vote of the Board of Directors from amongst its members, assumes the functions of the Chairperson of the Company Board of Directors in his or her absence.

Article 18. Meetings of the Company Board of Directors

18.1. The procedure for calling and conducting meetings of the Company Board of Directors is determined by internal regulations approved at general stockholder meetings.

18.2. Meetings of the Company Board of Directors are held as needed, but no less than once per quarter.

The Chairperson of the Company Board of Directors (or the Deputy Chairperson of the Company Board of Directors as stipulated in Article 17.3 of the current Bylaws) calls meetings of the Board of Directors as he or she sees fit or as requested by members of the Board of Directors, Audit Committee, Company Auditor, Executive Board or General Director.

18.3. The Chairperson, Deputy Chairperson and Secretary of the Board of Directors are elected at the first meeting of the Board of Directors.

This meeting is called by a member of the Board of Directors as determined by internal procedures regulating the calling and conduct of Board of

Directors meetings.

18.4. Decisions by the Board of Directors may be made by absentee vote. All members of the Board of Directors are provided with materials on agenda items and voting ballots with deadlines by which the completed and signed ballot must be submitted to the Company Board of Directors.

18.5. Members of the Board of Directors not attending a Board meeting have the right to submit a written opinion concerning agenda items as established by internal regulations on the calling and conduct of meetings of the Board of Directors.

18.6. Members of the Board of Directors are not permitted to entrust their vote to another individual, including other members of the Board of Directors.

18.7. Except as stipulated by federal Russian law and the present Bylaws, measures voted upon by the Board of Directors are approved by majority vote of the Board of Directors.

18.8. Unanimous agreement of the Board of Directors is required to approval large transactions.

Approval by three-quarters of the Board of Directors are required for the following issues:

- Suspension of Company leadership and the appointment of an acting General Director;
- Calling of an extraordinary general stockholder meeting as described in Articles 20.8 and 20.9 of the present Bylaws.

Votes by departing members of the Board of Directors are not counted in decisions under these circumstances.

18.9. The Board of Directors approves transactions involving vested interests in accordance with Article 83-F3 of the Federal Law Concerning Joint-Stock Companies.

18.10. Each member of the Company Board of Directors has one vote to cast in decisions taken by the Board of Directors. The Chairperson of the Board of Directors casts the deciding vote in inconclusive voting.

18.11. At least half of the elected members of the Board of Directors must attend a meeting of the Board of Directors for the meeting to have quorum.

The Board of Directors is required to schedule an extraordinary meeting of the Board of Directors to elect additional members of the Board of Directors if the number of members in the Board of Directors falls below quorum. The remaining members of the Board of Directors only retain the right to call extraordinary general stockholder meetings. In such cases, quorum for meetings of the Board of Directors is no less than half of the remaining members of the Board of Directors.

18.12. Minutes are recorded at meetings of the Board of Directors. Minutes of meetings of the Board of Directors are compiled and signed no less than 3 (three) days after the meeting by the Chairperson and Secretary of the Board of Directors, who are responsible for its composition and accuracy. All materials concerning agenda items discussed and approved by the Board of Directors are to be included in the minutes.

Minutes for meetings of the Board of Directors held by absentee vote consist of voting ballots signed by members of the Board of Directors.

Article 19. Committees under the Board of Directors

19.1. Committees under the Board of Directors are established by order of the Board of Directors.

19.2. Committees under the Board of Directors are established to investigate issues within the authority of the Board of Directors or issues involving oversight of activities by Company administration, as well as to work out recommendations to the Board of Directors or Company administration.

19.3. The extent of activities, procedure, authority and term of committees under the Board of Directors are established individually by the Board of Directors.

Article 20. Company Administration

20.1. Everyday Company activities are overseen by the General Director and the Executive Board.

20.2. The General Director and the Executive Board answer to general stockholder meetings and the Company Board of Directors.

20.3. The powers of the Company Administration may be transferred as determined at general stockholder meetings to an administrative entity or administrator.

The rights and obligations of the administrative entity (or administrator) regarding the management of general Company activities are outlined in federal Russian law and contracts concluded between the administrative entity (or administrator) and the Company.

The Chairperson of the Company Board of Directors, or an individual so authorized by the Company Board of Directors, signs contracts between administrative entities (or administrators) and the Company.

The Company Board of Directors determines the conditions and term of contracts with administrative entities (or administrators).

20.4. Except in certain cases stipulated by federal Russian law and the current Bylaws, the Company Board of Directors initiates the formation of Company administrative entities and decides premature termination of their authority.

20.5. The rights and obligations of the General Director and members of the Executive Board regarding the management of general Company activities are determined by federal Russian law, the present Bylaws and labor contracts concluded between them and the Company.

The Chairperson of the Board of Directors, or an individual so authorized by the Company Board of Directors, signs Company labor contracts.

The Chairperson of the Board of Directors, or an individual so authorized by the Company Board of Directors, determines the rights and obligations of the Company in regard to the General Director and members of the Executive Board.

20.6. Involvement of the General Director and members of the Executive

Board in the administrative activities and other forms of paid employment at other entities is permitted only with approval by the Company Board of Directors.

20.7. The Board of Directors has the right to dismiss the General Director and members of the Executive Board at any time and create new administrative entities.

The decision to dismiss the General Director and members of the Executive Board is based on federal Russian legislation and labor contracts with the Company.

20.8. The decision to prematurely terminate the authority of administrative entities or administrators may be declared at general stockholder meetings.

The Company Board of Directors has the right to suspend the authority of administrative entities and administrators. In addition, the Board of Directors is required to appoint an acting General Director. If the Board of Directors fails to transfer the authority of the administrative entity or administrator, it must call an extraordinary general stockholder meeting to determine premature termination of the authority of the administrative entity or administrator.

20.9. Should administrative entities or administrators fail to fulfill their duties, the Company Board of Directors has the right to appoint an acting General Director. If the Board of Directors fails to transfer the authority of the administrative entity or administrator, it must call an extraordinary general stockholder meeting to determine premature termination of the authority of the administrative entity or administrator.

20.10. Should the Company Board of Directors not decide otherwise, the acting General Director exercises authority over general Company activities within the framework of Company administration.

20.11. The General Director, acting General Director, members of the Executive Board and other administrative entities or administrators are to exercise their powers and act in the interests of the Company, both conscientiously and reasonably.

20.12. The General Director, members of the Executive Board, acting General Director and other administrative entities or administrators are held liable by the Company for losses and activities incurring damage upon the Company (including inactivity) unless quantitatively set federal legislation. Members of the Board of Directors voting against or abstaining from actions that incur loss or damage upon the Company are not held liable by the Company

Article 21. Company Executive Board

21.1. The Company Executive Board operates in accordance with the present Bylaws and Administrative Regulations approved at Company general stockholder meetings which determine the terms and procedure for calling and holding meetings of the Executive Board.

21.2. The following issues are within the authority of the Company Executive Board:

1) Developing plans of priority Company activity and submitting them for review by the Board of Directors;

2) Developing annual and quarterly business forecast plans and final reports, as well as approving (or correcting) cashflow reports that have not already been approved by the Board of Directors of the Company;

3) Preparing reports on financial and economic Company activities and execution of Company general stockholder meeting and Board of Directors decisions by the Executive Board;

4) Making decisions concerning transactions involving property, products and services worth 1 to 10 percent of the total value of Company assets as estimated at the moment of having decided to approve such transactions (see Subparagraph 37 of Item 15.1 of the present Bylaws);

5) Approving plans and events aimed at training and raising the level of skills of Company employees;

6) Establishing social benefits for Company employees;

7) Deciding issues within the authority of higher management levels of companies in which the Company possesses 100 (one hundred) percent of charter capital or voting shares (see Subparagraph 35 of Item 15.1 of the present Bylaws);

8) Reviewing reports by Company Deputy General Directors and departmental managers on the performance of approved plans, programs, and orders, as well as reviewing documents and other information concerning Company activity and the activities of associated and dependent companies;

9) Other issues concerning supervision of current Company activity as decided at the general stockholder meetings and by the Company Board of Directors, as well as issues submitted for review by the Company General Director.

21.3. Members of the Company Executive Board are elected by the Board of Directors (number of positions determined by the Board of Directors).

The Company Executive Board consists of no less than three members.

21.4. The Executive Board has the authority to make decisions if no less than one-half of its members attend meetings (or submit ballots, if held by absentee vote).

21.5. Decisions by the Executive Board require a simple majority of votes from its members attending the meeting (or submitting ballots, if held by absentee vote). The Chairperson of the Executive Board casts the deciding vote in inconclusive voting.

21.6. Members of the Executive Board are not allowed to entrust their votes to other persons, including other members of the Executive Board.

Article 22. Company General Director

22.1. The General Director manages the general activities of the Company, in accordance with decisions made by the Board of Directors and Executive Board and at general stockholder meetings within their respective limits of authority.

22.2. The General Director addresses all issues concerning general Company activities except those assigned to general stockholder meetings, the Board of Directors and Executive Board.

22.3. The Company General Director does not require a proxy to act in

the name of the Company concerning the following issues, except as stipulated by existing legislation, the present Bylaws and upon decision by the Board of Directors:

- 1) Fulfill Company duties required for operations;
- 2) Arrange for Company accounting and reporting;
- 3) Distribute Company property, complete Company transactions, issue contracts and open accounts and credit lines in banks and other credit organizations (including professional securities organizations);
- 4) Issue orders; approve instructions, local regulations and other internal Company documents within his or her authority and issue required directives to Company personnel;
- 5) Approve provisions concerning Company branch facilities and representatives;
- 6) Approve working schedules and salaries for Company workers, in accordance with Company administration;
- 7) Define the rights and obligations of the Company in regard to its employees, as stipulated by labor legislation;
- 8) Assume the functions of the Chairperson of the Executive Boards;
- 9) Distribute duties between Deputy General Directors;
- 10) Submit reports to the Board of Directors on the financial activities of subsidiary and dependant companies, on Company-owned stock and on other organizations in which the Company is member;
- 11) Submit annual reports and financial reports (including current Company account balances, profit and loss statements and distribution of Company profits and losses) for review to the Company Board of Directors no later than 45 (forty-five) days prior to annual general stockholder meetings;
- 12) Make decisions concerning general Company issues, except for those issues that fall under the authority of general stockholder meetings, the Board of Directors and the Executive Board.

22.4. The General Director is elected by majority vote of the Board of Directors.

Candidates are nominated for the post of Company General Director (to be elected by the Board of Directors) as established by internal Company regulations concerning procedures for calling and conducting meetings of the Company Board of Directors.

Article 23. Audit Committee and Company Auditor

23.1. The Company Audit Committee is elected at a general stockholder meeting for a term extending to the next annual general stockholder meeting in order to oversee Company financial activities.

Members of the Audit Committee are considered elected till the next annual general stockholder meeting if elected at an extraordinary general stockholder meeting.

The Audit Committee consists of 5 (five) members.

23.2. The authority of any member or all members of the Audit Committee may be terminated prematurely as decided at general stockholder meetings.

23.3. The powers of the Audit Committee include the following activities:

- 1) Confirm the validity of data in annual reports, accounting records and Company profit and loss statements;
- 2) Analyze the financial standing of the Company, determine possibilities for improving Company finances and develop recommendations for Company Administration;
- 3) Arrange and conduct audits on Company financial activities, including:
 - Audits of financial, accounting, expense and other Company documentation associated with Company financial activities to confirm adherence to federal Russian legislation, the current Bylaws, internal Company regulations and other documents;
 - Oversight of secured and used funds;
 - Oversight of adherence to established procedures for recording Company losses due to unpaid loans by debtors;
 - Oversight of Company expense accords in accordance with approved business plans and the Company budget;
 - Oversight of fund establishment and use (including special Company funds);
 - Audit of the correct and timely calculation and payment of dividends on Company shares, percentage of bonds and income for other securities;
 - Audit of corrective measures prescribed for previous violations and deficiencies that arose during earlier audits;
- 4) Other activities regarding audits of the Company's financial activities.

23.4. Issues within the authority of the Audit Committee are decided by a simple majority of votes from its members.

23.5. The Company Audit Committee has the right request the calling of an extraordinary general stockholder meeting. The Audit Committee is required to do so if severe violations are discovered in the financial activities of the Company.

23.6. The activities of the Audit Committee are determined by internal Company documentation approved at general stockholder meetings.

Depending on the results of audits, the Audit Committee has the right to employ specialists in law, economics, finance, accounting, administration, economic security and other fields, as well as specialized organizations.

23.7. Audits of Company financial activities may be performed at any time by the Audit Committee as determined by the Audit Committee, at general stockholder meetings, the Company Board of Directors or stockholder(s) owning no less than 10 (ten) percent of Company voting stock.

23.8. A Company Auditor is confirmed at general stockholder meetings to audit and approve annual Company financial reports.

23.9. The size of the salary issued to the Auditor is determined by the Company Board of Directors.

23.10. The Company Auditor performs audits of the Company financial activities in accordance with required federal Russian legislation and his or her contract with the Company.

23.11. According to the results from audits of Company financial activities, the Audit Committee and Company Auditor compile findings that contain the following items:

- Confirmation of the validity of data contained in reports and other financial Company documents;

- Information on violations by the Company of Russian legislation concerning accounting and bookkeeping procedures, as well as federal Russian legislation regarding Company financial activities.

The procedure and term for compiling findings are determined by federal Russian legislation and internal Company regulations.

Article 24. Company accounting and bookkeeping

24.1. The Company is required to perform accounting and bookkeeping procedures in accordance with established federal Russian legislation and the present Bylaws.

24.2. The General Director, in accordance with federal Russian legislation and the present Bylaws, is responsible for the arrangement, status and validity of Company accounting, the timely submittal of annual reports and other financial reports to proper governmental entities and notification of Company activities to Company shareholders, creditors and the mass media.

24.3. The validity of data in annual Company and accounting reports must be confirmed by the Audit Committee and the Company Auditor.

24.4. Annual reports, accounting statements, profit and loss statements and distribution of Company profits and losses are to be initially approved by the Company Board of Directors no later than 30 (thirty) days prior to annual general stockholder meetings.

Article 25. Company document archives and access to Company information

25.1. The Company is required to retain the following types of documents:

- 1) Documents concerning the decision to establish the Company;
- 2) Company Bylaws, including registered changes and amendments, as well as proof of Company state registration;
- 3) Documents confirming Company rights to property on its balance sheet;
- 4) Internal Company documents approved by Company Administration;
- 5) Provisions concerning Company branches and representatives;
- 6) Annual financial reports;
- 7) Informational materials on securities, quarterly securities reports and other documents containing information published or otherwise disseminated in accordance with federal legislation;
- 8) Accounting records;
- 9) Accounting reports;
- 10) Minutes from general stockholder meetings (format determined by stockholders owning Company voting shares) and meetings of the Company Board of Directors, Audit Committee and Executive Board;
- 11) Ballots for voting and contracts (or copies of contracts) used in general stockholder meetings;

- 12) Reports from independent analysts;
- 13) Lists of the Company's affiliates;
- 14) Lists of entities and individuals with the right to participate in general stockholder meetings and to receive dividends, as well as other lists compiled by the Company concerning the rights of stockholders as stipulated by the Federal Law Concerning Joint-Stock Companies;
- 15) Final reports by the Company Audit Committee, Auditor and state and municipal financial oversight entities;
- 16) Other documents as required by federal Russian legislation, the present Bylaws, internal Company regulations and decisions by Company Administration.

25.2. The Company stores documents falling into the categories outlined in Article 25.1 of the present Bylaws in Company Administration in the order and for the term established by federal securities administration rules.

25.3. Upon restructuring of the Company, all documents are duly transferred to relevant legal entities.

25.4. Upon closure of the Company, archived Company documents of a procedural nature are transferred for storage to the Russian Federal Archive Service and those of an individual nature (such as orders, human resource documentation, account cards and statements, etc.) are transferred for storage to the appropriate archives in the relevant Russian constituent entity.

The transfer and filing of documents is performed in accordance with regulations of the relevant archival entity.

Information about the Company is provided in accordance with the requirements of federal Russian legislation.

25.5. The Company grants its stockholders access to documents listed in Article 25.1 of the present Bylaws in accordance with restrictions set down by federal Russian legislation.

Stockholders owning no less than 25 (twenty-five) percent of Company voting shares have access to accounting records and minutes from meetings of the Executive Board.

25.6. Documents listed in Article 25.1 of the present Bylaws must be produced by the Company for review in Company Administration within 7 (seven) days of having received a request to do so.

Upon demand, the Company is required to issue copies of documents listed in Article 25.1 of the current Bylaws requested by individuals or entities possessing the right to access such documents.

The associated expenses are set by the Company General Director and may not exceed the cost of producing copies of the indicated documents.

The Company provides stockholders and Company employees access to information in accordance with legislation concerning access to state secrets.

Article 26. Restructuring and closing of the Company

26.1. The Company may be voluntarily restructured—merger, acquisition, split, detachment or transformation—for reasons and by procedures stipulated by federal Russian civil laws and federal legislation.

26.2. The Company may be closed upon judicial order and voluntarily as

stipulated by federal Russian civil laws, the Federal Law Concerning Joint-Stock Companies and the present Bylaws.

26.3. Upon restructuring or closure of the Company or termination of its activities, the Company is required to provide secure storage of information containing state secrets and individuals or entities entrusted with their storage by developing and implementing confidentiality and information security measures, as well as security and fire safety.

26.4.1. The Company Board of Directors determines how to prepare and conduct general stockholder meetings called as a result of restructuring (split or detachment) of the Company—further items concerning the restructured company:

1) Determine the form, date, location and time of general stockholder meetings for restructuring the Company and the postal address to which completed voting ballots may be sent;

2) Determine general stockholder meeting agendas for restructuring the Company;

3) Determine the date by which the list of individuals and entities possessing the right to participate in general stockholder meetings for restructuring the Company are to be prepared;

4) Determine the procedure for notifying Company stockholders about general stockholder meetings for restructuring the Company;

5) Determine the procedure for issuing information and materials to stockholders to prepare for general stockholder meetings for restructuring the Company;

6) Review nominations for individuals and entities to be included in elections for each restructured company by shareholders of relevant companies. During restructuring, the procedures for issuing such nominations and their review by the Company Board of Directors are determined at general stockholder meetings;

7) Present the proposed bylaws of each restructured company for review at general stockholder meetings;

8) Approve the format and wording of voting ballots if absentee voting is to be used;

9) Form working bodies for general stockholder meetings of the restructured company;

10) Determine the commencement of registration for individuals and entities participating in joint-session general stockholder meetings of the restructured company.

26.4.2. Should general stockholder meetings of the restructured company lack quorum, a repeated general stockholder meeting with the same agenda must be held within 40 (forty) days after a failed general stockholder meeting. Repeated Company general stockholder meetings for restructured companies are valid if attended by stockholders possessing no less than 30 (thirty) percent of distributed Company common shares of the restructured companies.

26.4.3. Should general stockholder meetings of the restructured company lack quorum, the list of stockholders possessing the right to participate in the original general stockholder meeting of the restructured company will be

used for determining the right to attend repeated general stockholder meetings of the restructured company.

26.4.4. Notification of and voting ballots for repeated general stockholder meetings of restructured companies must be sent to shareholders of the restructured companies no later than 20 (twenty) days prior to the date of the repeated general stockholder meetings of restructured companies. Announcements must also be published in the press as stipulated by the current Bylaws concerning announcements of Company general stockholder meetings.

Repeated general stockholder meetings of restructured companies are held not later than 40 (forty) days after general stockholder meetings of restructured companies in which one or more issues on the agenda remained unresolved. In this case, the agenda for the repeated general stockholder meetings of restructured companies includes only those issues that remained unresolved and the list of stockholders possessing the right to participate in the original general stockholder meeting of the restructured company will be used for determining the right to attend repeated general stockholder meetings of the restructured company.

26.4.5. Announcements of repeated general stockholder meetings of restructured companies and voting ballots are sent to shareholders of the restructured company no later than 20 (twenty) days prior to the date of the repeated general stockholder meetings of restructured companies. Announcements must also be published in the press as stipulated by the current Bylaws concerning announcements of Company general stockholder meetings.

26.4.6. The Company Board of Directors is responsible for preparing general stockholder meetings of all restructured companies.

26.4.7. Other issues associated with the preparation and procedure of general stockholder meetings of restructured companies are determined at Company general stockholder meetings depending on the type of restructuring—split or detachment.

26.5. The terms of merger or acquisition agreements determine the procedure for preparing for and holding joint-session general stockholder meetings, as well as for voting at such meetings.

The indicated agreements are subject to approval at Company general stockholder meetings in accordance with Russian legislation.