

**REGULATION  
ON THE PERSONNEL AND REMUNERATION COMMITTEE OF  
THE BOARD OF DIRECTORS  
of “Interregional Distribution Grid Company of Centre”,  
Joint-Stock Company  
(in a new edition)**

Moscow  
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## **1. GENERAL PROVISIONS**

1.1. This Regulation on the Personnel and Remuneration Committee of the Board of Directors of Interregional Distribution Grid Company of Centre, Joint-Stock Company (hereinafter referred to as - "the Regulation") is made in accordance with the Law of the Russian Federation, Articles of Association of IDGC of Centre, JSC (hereinafter referred to as - "the Company"), Regulation on the procedure of convening and holding of meetings of the Board of Directors of IDGC of Centre, JSC.

1.2. The Personnel and Remuneration Committees of the Board of Directors of Interregional Distribution Grid Company of Centre, Joint-Stock Company (hereinafter referred to as - "the Committee") shall be established by the decision of the Company's Board of Directors and is an advisory body which ensures efficient general management of the Company business by the Company's Board of Directors and executive bodies of the Company.

1.3. The Committee is not a body of the Company and not entitled to act on its behalf.

1.4. The Committee's decision shall be advisory for the Company's Board of Directors and executive bodies of the Company.

1.5. The Committee shall act in accordance with this Regulation which specifies the Committee's legal status, objectives and goals, rights and obligations, structure and membership. In its activity the Committee shall be governed by the federal laws, other regulatory legal acts of the Russian Federation, the Company's Articles of Association, the Regulation on the procedure of convening and holding of meetings of the Company's Board of Directors, the Company's Board of Directors' decisions.

## **2. GOALS AND OBJECTIVES OF THE COMMITTEE**

2.1. The main objective of the Committee establishment is to ensure efficient operation of the Company's Board of Directors in resolving the issues pertaining to its competence and developing necessary recommendations to the Board of Directors and executive bodies of the Company.

2.2. The Committee's goal is to work out and submit recommendations (opinions) on the following directions of the Board of Directors activity:

1) development of recommendations on the amounts of remuneration to the Company's Board of Directors members;

2) development of principles and criteria regarding determination of amount of remuneration to the Board of Directors members, members of Collegial Executive Body and a person who performs functions of Sole Executive Body of the Company including managing organisation or a managing director;

3) development of proposals regarding determination of essential conditions of contracts with the Board of Directors members, Collegial Executive Body members and a person who performs functions of Sole Executive Body of the Company;

4) definition of criteria of selection of candidates to the position of members of the Board of Directors, Collegial Executive Body and to the position of the Company's Sole Executive Body as well as preliminary assessment of mentioned candidates;

5) regulatory estimation of activity of a person who performs functions of Sole Executive Body (managing organisation, a managing director) and members of the issuer's Collegial Executive Body and preparation for the Board of Directors of proposals regarding possibility of their second appointment.

## **3. COMMITTEE'S COMPETENCE**

3.1 The following issues refer to the Committee competence:

1) development of principles and criteria in the field of remuneration and material stimulation for:

- the Company's Board of Directors members, the Company's Board of Directors Chairperson;  
- the Company's Management Board members, the Company's General Director, a managing organisation, a managing director;

- the Company Audit Commission members, the Company Audit Commission Chairperson;

2) preparation of recommendations on approval (updating) of the internal documents regulating issues of remuneration and material motivation;

3) determination of criteria of candidates selection to the position of the Board of Directors members, Company's Management Board members, Company's General Director, as well as preliminary estimation of such mentioned candidates and preparation of corresponding recommendations for the Board

of Directors;

4) development of proposals for the definition of essential terms of contracts (including the term of powers and the size of remuneration and compensations to be paid), concluded with the members of the Board of Directors, members of the Management Board, General Director of the Company, the managing organization or managing director and amendments in the contracts;

5) regular estimation of the activity of the Company's General Director, a managing organization (a managing director), members of the Management Board and preparation of corresponding recommendations for the Board of Directors;

6) preparation of corresponding recommendations for the Board of Directors for submission to the General Meeting of shareholders the item on the transfer of powers of the sole executive body of the Company to a managing organization (manager) and the early termination of powers of the managing organization (manager);

7) making recommendations regarding the suspension of powers of the managing organization (manager);

8) preparation of corresponding recommendations for the Board of Directors regarding the quantitative composition of the Management Board, election and termination of office of members of the Management Board;

9) preparation of recommendations for adoption by the Board of Directors of the Company's decision to appoint Acting General Director of the Company, as well as bringing him to disciplinary responsibility;

10) preparation of corresponding recommendations for the Board of Directors regarding bringing General Director, members of the Management Board to disciplinary responsibility and their reward in accordance with the labor laws of the Russian Federation;

11) preliminary review of the organizational structure of the executive office of the Company;

12) preliminary review of the organizational structure of the administration office of a division of the Company;

13) preliminary approval of candidates for certain positions in the executive office of the Company, determined by the Board of Directors;

14) review of the performance of employees in positions that are candidates whose approval is within the competence of the Board of Directors of the Company and provide recommendations to the Company's General Director;

15) preparation of recommendations for the Board of Directors on the nomination of the General Director for submission to state awards;

16) assessment of the personnel pool in the Company;

17) preliminary consideration of proposals for the reorganization of the Company's management (change in the number of management levels, creation / elimination / rearrangement of production departments, Distribution Zones)

18) other issues related to the above, as well as the issues addressed on behalf of the Board of Directors.

#### **4. COMMITTEE'S RIGHTS**

4.1. To perform the assigned functions the Committee shall be entitled to:

carry out surveys on the issues pertaining to its competence;

1) request and obtain any information and documents required by its activity from the Company's General Director and the Management Board as well as request any information from outside organisations through the Chairperson of the Board of Directors or the Company's General Director;

2) accept any professional services from outside organisations or involve (including, on a contractual basis) third parties as experts (consultants) having special knowledge in the issues pertaining to the Committee's competence within the Company's budget. Agreements with the persons involved by the Committee to render consultancy services shall be concluded upon the relevant decision of the Committee by the Company authorised official as advised by the Chairperson of the Committee or by the Chairperson of the Committee under a power of attorney issued by the Company's sole executive body;

3) invite employees, management of the Company, members of other Committees of the Company's Board of Directors as well as other persons to participate in the Committee's meetings in presentia;

4) when necessary, make out and submit draft changes and amendments to this Regulation to the Company's Board of Directors for consideration.

4.2. The Committee has other rights specified in this Regulation.

## **5. OBLIGATIONS OF THE COMMITTEE**

5.1. The Committee shall be obliged to:

- 1) perform honestly the tasks assigned to the Committee and act in good faith in accordance with this Regulation, the Law of the Russian Federation, the Company Articles of Association and internal documents;
- 2) provide the Board of Directors with economically efficient and legally grounded recommendations (opinions) on the issues pertaining to the competence of the Committee;
- 3) inform fully the Company's Board of Directors on any risks incurred by the Company;
- 4) comply with the confidentiality requirements, not to disclose the information on the Company being commercial and/or official secret.

## **6. THE COMMITTEE'S MEMBERSHIP AND ITS ESTABLISHMENT PROCEDURE, RIGHTS AND OBLIGATIONS OF THE COMMITTEE'S MEMBERS**

6.1. The number of the Committee's members shall be determined by the decision of the Company's Board of Directors and shall not be fewer than 3 (three) persons.

6.2. Members of the Committee shall be elected by the Board of Directors from candidates nominated by the Company's Board of Directors.

6.3. Each member of the Company's Board of Directors may nominate not more than 3 (Three) candidates for members of the Committee.

6.4. Only individuals may be members of the Committee. The Committee member cannot be the member of the Company's Board of Directors.

Proposals of the members of the Company's Board of Directors regarding the candidates for election to the Committee shall be submitted to the Chairperson of the Company's Board of Directors in writing not later than 5 (Five) days prior to the meeting of the Board of Directors (expiry of the absentee ballots deadline), in which agenda the issue on the election of the Committee's members is included.

6.5. When nominating candidates to the Committee a proposal of a candidate (candidates) to be elected as a member (members) of the Committee shall be accompanied by written consent of such candidate and information on the candidate.

The proposal of a candidate (candidates) to be elected as a member (members) of the Committee shall contain the following information:

- name, surname and patronymic of such candidate in full;
- place of work and position of a candidate as of making a proposal.

The proposal of a candidate (candidates) to be elected as a member (members) of the Committee shall be signed by the member of the Company's Board of Directors who submitted the proposal.

6.6. At the election of the Committee members their education, skills, experience in the field of the Committee activity and other special knowledge should be considered necessarily for performance by the Committee members of their powers.

6.7. The Committee's members shall be elected in accordance with the conditions of this Regulation for the period till the first meeting of the Board of Directors with new membership.

6.8. Authorities of any member of the Committee may be early terminated by the decision of the Company's Board of Directors.

6.9. The Chairperson of the Committee as well as the members of the Committee may divest themselves of authority by submitting an application to the Chairperson of the Company's Board of Directors and the Chairperson of the Committee.

6.10. Should the number of the Committee's members become less than the quorum specified by the Regulation and required for holding a meeting of the Committee, the Chairperson of the Board of Directors shall convene an extraordinary meeting of the Board of Directors to elect members of the Committee or include the issue on election of the Committee's members in the agenda of the next scheduled meeting of the Company's Board of Directors.

6.11. The members of the Committee within the Committee's competence shall be entitled to:

- 1) request from the Company's General Director and the Management Board of the Company any documents and information required for taking decisions regarding the issues within the competence of the Committee. The request shall be made in writing and signed by the Chairperson of the Committee;

- 2) make proposals in writing on how to develop the work schedule of the Committee;
- 3) include the issues to the agenda of meetings of the Committee according to the procedure established by the Regulation;
- 4) demand convening a meeting of the Committee;
- 5) exercise other rights provided by the Regulation.

6.12. The members of the Committee shall study materials for a meeting of the Committee and make its own opinion on each issue of the agenda.

6.13. While exercising their rights and performing their obligations the members of the Committee shall act for the benefit of the Company and exercise their rights and perform their obligations in respect of the Company reasonably and in good faith.

6.14. When taking decisions on inclusion of the Company shares in the "A"<sup>1</sup> quotation list of the Russian stock exchanges, it is necessary to comply with the following requirements specified for members of the Committee:

not to be officials or employees of the Company for the date of election and within 1 year prior to the election;

not to be officials of another business company in which any official of the Company is the member of the Personnel and Remuneration Committee of the Board of Directors;

not to be the Company officials' (the Company managing organisation official's) spouses, parents, children, brothers and sisters;

not to be affiliated persons of the Company, excluding the member of the Company's Board of Directors;

not to be parties on obligations with the Company in compliance with which conditions they can purchase property (receive monetary funds) amounted to 10 and more percent of the total annual income of these persons, except for receipt of remuneration for participation in the activities of the Company's Board of Directors;

not to be representatives of the state, i.e. persons, who are the Russian Federation representatives of constituent entities of the Russian Federation and municipal units in the Board of Directors of joint-stock companies in respect of which the decision on exercising special right ("gold share") was taken, and persons elected to the Board of Directors from candidates nominated by the Russian Federation as well as the constituent entity of the Russian Federation or municipal unit, if such members of the Board of Directors should vote on the grounds of written directive (instructions etc.) in relation to the constituent entity of the Russian Federation or municipal unit.

If it is impossible to comply with the mentioned requirements in respect to all members of the Committee by virtue of objective reasons, the Committee should consist of members of the Company's Board of Directors only complying with the foregoing requirements and members of the Company's Board of Directors, who are not the sole executive body and (or) members of the collegial executive body.

## **7. CHAIRPERSON OF THE COMMITTEE AND PROCEDURE FOR HIS/HER ELECTION**

7.1. The management of the Committee and organization of its activity is performed by the Committee's Chairperson.

7.2. The Chairperson of the Committee shall be elected by the Company's Board of Directors from the elected members of the Committee by majority of votes of members of the Company's Board of Directors participating in the meeting of the Board of Directors.

7.3. The Company's Board of Directors may at any time re-elect the Chairperson of the Committee.

7.4. Should the Chairperson of the Committee be not present, Deputy Chairperson of the Committee shall act on the Chairperson's behalf. Deputy Chairperson of the Committee shall be elected

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<sup>1</sup> For "A" quotation list of the second level it is allowed to undertake the liability on compliance with the requirements which are specified for the Committee's members and listed in the clause 6.14 of section 6 "Members of the Committee and procedure of its formation, rights and obligations of the Committee's members", determining the Committee's members and procedure of its formation upon expiry of the year from the date of inclusion of the issuer's shares in "A" quotation list of the second level.

by the members of the Committee by majority of votes of total number of the elected members of the Committee.

7.5. The Chairperson of the Committee shall:

- 1) convene meetings of the Committee and preside;
- 2) determine the form of meetings and approve agenda of meetings of the Committee;
- 3) determine the persons convened to participate in a meeting in presentia of the Committee. The Company's officials and/or employees shall be convened to participate in a meeting of the Committee (to consider particular issues of the agenda) through submitting an invitation in the name of the Company's General Director. The Company's General Director should ensure participation (consideration of particular issues of the agenda) of all officials and/or employees or other persons having authority, information and qualification required for effective participation in the Committee's meeting (consideration of the agenda issues, information submission, discussion, taking decisions etc.);
- 4) keep minutes of meetings of the Committee and sign them;
- 5) represent the Committee in interaction with the Company's Board of Directors, other Committees of the Board of Directors, executive bodies of the Company, Auditor, the Audit Commission of the Company and other bodies and persons;
- 6) make official correspondence of the Committee, sign requests, letters and documents on the Committee's behalf;
- 7) assign duties between the Committee's members;
- 8) develop work schedule for the Committee and submit it to the Committee for approval, control fulfilment of the Committee's decisions and work schedules;
- 9) in the course of the Committee's operation ensure the Committee's compliance with the Law of the Russian Federation, the Company's Articles of Association, other internal documents of the Company and this Regulation;
- 10) perform other functions provided for by the current law, the Company's Articles of Association, this Regulation and other internal documents of the Company.

## **8. SECRETARY OF THE COMMITTEE**

8.1. The functions of the Secretary of the Committee shall be performed by the Corporate Secretary unless otherwise is provided for by the Committee's decision. Should any other person is elected the Secretary of the Committee by the decision of the Committee, the Secretary of the Committee shall be elected by majority of votes of the total number of the elected Committee's members. Should a candidate be an employee of the Company, his/her candidacy shall be approved by the Company's General Director.

8.2. The Secretary of the Committee shall provide technical (informational, documentary, protocol, secretarial) support of the current activity of the Committee, including:

- 1) ensure preparation and holding meetings of the Committee;
- 2) collect and classify materials for meetings;
- 3) ensure due notification of the Committee's members and the persons convened to participate in the meeting of the Committee of such meeting, its agenda, materials concerning the agenda issues and questionnaires;
- 4) provide organizational and technical support for voting at a meeting of the Committee;
- 5) provide the Committee's interaction with the Company's Board of Directors, other Committees of the Board of Directors, executive bodies of the Company, Auditor, the Audit Commission of the Company and other bodies and persons;
- 6) keep minutes of meetings and prepare draft decisions of the Committee;
- 7) keep record of the correspondence addressed to the Committee and/or to the Committee's Members (including requests, demands, petitions) and ensure that the Committee's Members obtain necessary information;
- 8) forward the documents approved by the Committee;
- 9) ensure safe custody of all minutes of the Committee's meetings and other documents and materials relating to the Committee's activity in accordance with the documents keeping procedures established in the Company;
- 10) execute orders of the Chairperson of the Committee within the authority of the Chairperson of the Committee;
- 11) perform other functions in accordance with this Regulation.

8.3. The Secretary of the Committee shall be paid remuneration and indemnified for all expenses incurred due to performance of his/her functions.

Remuneration and expenses related to performance of his/her functions are provided for by the Company's budget.

8.4. A contract may be entered into with the Secretary of the Committee for the execution of the functions of the Secretary of the Committee.

On behalf of the Company the contract with the Secretary of the Committee is signed by General Director of the Company or by a person authorized by the Company's Board of Directors to determine the terms of the contract with the Secretary of the Committee.

Terms and conditions of the contract with the Secretary of the Committee, including the amount of remuneration, are determined by the Board of Directors of the Company or a person authorized by the Board of Directors of the Company.

## **9. MEETINGS OF THE COMMITTEE**

9.1. Meetings of the Committee shall be convened by the Chairperson of the Committee in accordance with the work schedule (ordinary meetings) approved at a meeting of the Committee and in other cases provided for by this Regulation (extraordinary meetings).

9.2. The Committee's work schedule shall be made by the Chairperson of the Committee with the approved work schedule of the Company's Board of Directors and proposals of the Chairperson of the Company's Board of Directors, the Committee's members and decisions of the Company's Board of Directors taken into account.

9.3. The Committee's work schedule shall be approved at the meeting of the Committee next to the meeting of the Company's Board of Directors at which the work schedule of the Company's Board of Directors was approved.

9.4. When convening a meeting of the Committee, the Chairperson of the Committee shall determine date, time, place and form of such meeting, its agenda and persons convened to participate in such meeting of the Committee.

9.5. Agenda of an ordinary meeting shall be made by the Chairperson of the Committee in accordance with the approved Work Schedule of the Committee, decisions of the Company's Board of Directors and proposals of the Chairperson of the Board of Directors.

9.6. Members of the Committee are entitled to make proposals to agenda of an ordinary meeting of the Committee.

9.7. The Chairperson of the Committee is entitled to include such proposals to the agenda of an ordinary meeting or convene an extraordinary meeting of the Committee.

9.8. The Extraordinary meetings of the Committee shall be held:

- pursuant to the notice of the meeting of the Board of Directors, sent by the Corporate Secretary of the Company which agenda includes an item (items) referred to the competence of the Committee by the Regulation;

- on the own initiative of the Chairperson of the Committee;

- upon decision of the Board of Directors of the Company or upon decision of the Committee;

- upon request of the Chairperson of the Board of Directors of the Company, a member of the Committee, a member of the Audit Commission and the External Auditor of the Company.

9.9. The written request of the Chairperson of the Board of Directors of the Company, a member of the Committee, a member of the Audit Commission and the External Auditor of the Company to convene the meeting of the Committee shall be submitted to the Chairperson of the Committee not later than 7 (Seven) business days prior to the date of the meeting and shall contain wording of the item, justification of necessity to consider the item at the meeting, a draft decision of the Committee as well as related materials and information.

The demand about convocation of the Committee meeting should be signed by the person who directed the specified demand (the Audit Commission requirement about convocation of the Committee meeting shall be signed by the Chairperson of the Audit Commission, the demand of the Company Auditor shall be signed by the authorized person of the Auditor). Simultaneously the demand copy about the Company meeting convocation with all its appendices should be directed to the Committee Secretary.

9.10. The Chairperson of the Committee shall, within 1 (One) business day from the date of receipt of the request to convene an extraordinary meeting, take a decision on holding the extraordinary meeting of the Committee and determine the date, time and place of the Committee's meeting (ballots deadline in case of absentee voting) or take a decision on refusal to convene the extraordinary meeting

of the Committee. The motivated decision on refusal to convene the extraordinary meeting of the Committee shall be submitted to the person or the body of the Company requesting to convene such meeting, not later than on the date following the date when the Chairperson of the Committee has taken the decision on refusal to convene the meeting.

9.11. The decision of the Chairperson of the Committee on refusal to convene the Committee extraordinary meeting may be taken in the following cases:

- 1) the item (items) proposed for inclusion in the agenda of the Committee's meeting does (do) not pertain to the competence of the Committee pursuant to the Regulation on the Committee;
- 2) the item of the agenda contained in the request to convene the extraordinary meeting of the Committee has already been included in the agenda of the nearest meeting convened in accordance with the decision of the Chairperson of the Committee that was adopted prior to receipt of the specified request;
- 3) the Provisions specified by clause 9.8, procedure and deadlines for submission of the request to convene a meeting are not complied with.

9.12. The Chairperson of the Committee is entitled to include the items contained in the request to convene the extraordinary meeting of the Committee in the agenda of the nearest ordinary meeting of the Committee.

9.13. The notice of the Committee meeting shall contain the agenda of the meeting, form of the meeting, date, time and place of the meeting (ballots deadline for voting on the items of the agenda of the meeting). The notice of the meeting shall be executed by the Secretary of the Committee and signed by the Chairperson of the Committee or the Deputy Chairperson of the Committee (in the cases provided for by this Regulation). The notice of the meeting shall be sent to the members of the Committee and the persons convened to participate in the meeting of the Committee at the latest 5 (Five) business days prior to the date of the Committee meeting (ballots deadline in case of absentee meetings). Materials and information concerning items of the agenda shall be sent to the members of the Committee and the persons convened to participate in the Committee meeting at the latest 3 (Three) business days prior to the date of the meeting (ballots deadline in case of absentee meetings), including decisions (recommendations) of the Management Board of the Company in cases specified by clause 9.15 of this Regulation.

Materials concerning the items of the agenda of the Committee meeting shall include draft decisions on these items. Development of draft decisions (preparation thereof) shall be arranged by the Chairperson of the Committee unless these items are considered by the Committee at the request of the persons specified in clause 9.8 of the Regulation.

The persons convened to participate in the Committee meeting shall be sent the materials concerning the items of the agenda of the Committee meeting in discussing of which these persons intend to take part.

9.14. Notice of the Committee meeting and materials (information) concerning the items on the agenda may be given (sent) to the members of the Committee and the persons convened to participate in the Committee meeting in person, by fax or e-mail.

9.15. If the items to be considered at the extraordinary meeting of the Committee are of top priority, terms for convocation of the extraordinary meeting and sending of materials concerning the items on the agenda of such meeting may be reduced upon resolution of the Chairperson of the Committee.

The items not included in the agenda of the meeting may be considered at the meeting of the Committee held in the form of competence with the consent of all present members of the Committee.

9.16. After receipt of the notice of the meeting of the Company's Board of Directors which agenda includes the items referred to the competence of the Committee by the Regulation from the Corporate Secretary of the Company, the Chairperson of the Committee shall take all actions to ensure holding meetings of the Committee for development of recommendations (decisions) concerning the said items of the agenda of the meeting of the Company's Board of Directors in due time and submission thereof to the Board of Directors pursuant to the approved Regulation on the convocation and procedure of the meetings of the Board of Directors of the Company.

9.17. After receipt of the notice of the meeting of the Company's Board of Directors which agenda includes the items, referred to the competence of the Committee by the Regulation and being subject to preliminary consideration by the Management Board of the Company in accordance with the Regulation on the Management Board, the Committee meeting for considering such items shall be held after their preliminary consideration at the meeting of the Management Board of the Company. In this case the relating resolutions (recommendations) of the Management Board shall be submitted to the members of the Committee prior to the meeting of the Committee.

The foregoing shall not be applied to the cases when the term established by the Regulation on the Management Board of the Company for holding of the specified meeting of the Management Board and submission of the resolutions (recommendations) adopted by the Management Board to the Committee are not complied with.

## **10. HOLDING PROCEDURE FOR MEETINGS OF THE COMMITTEE**

10.1. The Committee meetings may be held in the form of joint presence of members of the Committee (the meeting in presentia) or in the form of absent voting on items on the agenda of the meeting (the absentee meeting).

10.2. The meeting in presentia of the Committee shall be opened by a person presiding at the meeting – the Chairperson of the Committee, if the Chairperson of the Committee is not present – by the Deputy Chairperson.

10.2.1. Participants in the meeting in presentia of the Committee shall be members of the Committee as well as convened persons.

10.2.2. The Secretary of the Committee shall determine presence of quorum required for holding the meeting in presentia of the Committee.

The person presiding at the meeting in presentia shall inform the persons present at the meeting on the quorum required for holding the meeting of the Committee and read out the agenda of the meeting.

10.2.3. If quorum is not present, the meeting shall be deemed invalid. In this case the person presiding at the meeting shall take one of the following decisions:

- 1) to fix other starting time of the meeting by means of advising with the persons present at the meeting;
- 2) to fix the date of the postponed meeting with the same agenda;
- 3) to include items which should be considered at the failed meeting of the Committee in the agenda of the next ordinary meeting of the Committee.

10.2.4. The meeting in presentia of the Committee shall be deemed to be valid (have quorum), if attended by not less than 1/2 of the elected members of the Committee.

10.2.5. When summarizing the voting results on the items included in the agenda of the meeting in presentia of the Committee, written opinions of the members of the Committee absent at the meeting shall be taken into account, provided that these opinions are executed and received pursuant to the procedure specified by this Regulation.

10.2.6. The written opinions of the members of the Committee absent at the meeting in presentia of the Committee shall be executed exclusively by means of filling in the ballots for voting on the items of the agenda.

10.2.7. On the date of the meeting in presentia of the Committee the Secretary of the Committee shall prepare the ballot containing the results of the discussion on the items of the agenda and the voting options chosen by the members of the Committee present at the meeting, in accordance with Appendix 1 to the Regulation; this ballot shall be signed by the Chairperson of the Committee and sent in the original, by e-mail or fax to the members of the Committee absent at the meeting by the Secretary of the Committee.

10.2.8. When filling in the ballot, as related to each item of the items put to vote, only one of the possible voting options ("for", "against", "abstained") shall be kept not crossed out by any member of the Committee.

A member of the Committee shall sign the filled in ballots specifying his/her surname and initials.

The filled in and signed ballots shall be submitted by a member of the Committee to the Secretary of the Committee in the original, by e-mail or fax by a member of the Committee not later than the next day following the date of holding the meeting of the Committee; the original of the ballot shall be sent subsequently to the address indicated in the ballot.

10.2.9. The ballot filled in with violation of the requirements specified in the first paragraph of subclause 10.2.8. of this Regulation shall not be accounted when counting votes with regard to the relating item.

The unsigned ballot as well as the ballots not submitted within the period specified in subclause 10.2.8. of the Regulation shall be deemed invalid and shall not be accounted when counting votes and summarising voting results.

10.2.10. The results of voting on the items of the agenda of the meeting in presentia of the Committee shall be determined on the basis of the results of voting of the members of the Committee present at the meeting in presentia and the ballots filled in and signed by the members of the Committee

which were received by the Secretary of the Committee in due time. The voting results shall be determined upon the ballots deadline.

10.3. The Chairperson of the Committee shall take the decision on holding the meeting of the Committee in the form of absentee voting.

10.3.1. In conducting absentee voting members of the Committee shall have the right to submit proposals, and (or) comments on the proposed draft resolutions of the Committee on the agenda no later than 2 (Two) business days prior to the deadline for receipt of ballots for voting on the absentee voting notice.

10.3.2. The ballot for absentee voting, in accordance with Appendix 2 to the Regulation, is directed to members of the Committee no later than 1 (One) business day before the deadline for receipt of ballots indicated in the notice of absentee voting.

10.3.3. When filling in the ballot for absentee voting by a member of the Committee regarding each item of items put to vote, only one of possible variants of voting ("for", "against", "abstained") shall be kept not crossed out.

This member of the Committee shall sign the filled in ballot indicating his or her surname and initials.

The filled in and signed ballot shall be submitted to the Secretary of the Committee in the original or by facsimile by a member of the Committee not later than the ballots deadline specified in the ballot; the original of the ballot shall be sent subsequently to the address indicated in the ballot.

10.3.4. The voting ballot filled in with violation of the requirements specified in the first paragraph of subclause 10.3.3. of the Regulation shall not be accounted when counting votes with regard to the relating item.

The unsigned ballot as well as the ballots submitted with violation of the terms specified in subclause 10.3.3. of the Regulation shall be deemed invalid and shall not be accounted when determining the quorum required for taking decision by absent voting as well as shall not be accounted when counting votes and summarising voting results.

10.3.5. Absentee meeting of the Committee shall be deemed to be valid (have quorum), if not fewer than 1/2 of the elected members of the Committee took part in it.

10.3.6. The members of the Committee shall be deemed to take part in the absentee meeting, if their voting ballots were received by the Secretary of the Committee not later than the ballots deadline.

10.4. Decisions at the meetings of the Committees shall be taken by a simple majority of the votes of the elected members of the Committee.

10.5. When taking decisions on the issues at the meeting, each member of the Committee shall have one vote. In the event of equality of the votes the Chairperson of the Committee shall have the casting vote.

No votes may be transferred by any member of the Committee to another member of the Committee or any other person.

10.6. The Secretary of the Committee shall draw up minutes of the meeting not later than within 2 (Two) business days after the meeting of the Committee was held.

10.7. The minutes of the meeting of the Committee shall be signed by the Chairperson of the meeting and the Secretary of the Committee. The minutes shall be drawn up in two equal originals, one shall be sent by the Secretary of the Committee to the Board of Directors within 1 (One) business day from the time of its execution, materials and recommendations prepared for it being attached thereto, and another shall be kept in the paper office of the Committee. Copies of the minutes, materials and recommendations prepared shall be sent to all members of the Committee.

10.8. The presiding person and the Secretary of the Committee shall be responsible for the accuracy of the Minutes. The Secretary of the Committee shall be responsible for safe custody of the minutes, ballots, materials and recommendations of the Committee.

10.9. The Minutes of the Meeting of the Committee shall contain:  
form of the meeting  
date, place and time of the meeting (ballots deadline);  
list of the members of the Committee, who took part in considering the items of the agenda, the form of the meeting being specified therein (voting in person or voting by sending voting ballot), as well as a list of other persons who attended the meeting;  
agenda;  
proposals of the members of the Committee regarding the items of the agenda;  
issues put to vote, voting results thereon, voting options chosen by each member of the Committee being specified;  
taken decisions.

10.10. A member of the Committee may at his or her own discretion attach the paper briefly specifying its opinion on the items of the agenda of the meeting of the Committee. Such an opinion shall be drawn up by the member of the Committee and submitted to the Secretary of the Committee.

## **11. INTERACTION WITH THE COMPANY'S BODIES AND OTHER PERSONS**

11.1. At execution of its duties, the Committee supports effective labour relations with bodies of government, control, structural divisions of the Company, other companies and persons.

11.2. The Chairperson and the Committee Secretary are obliged to provide the information, technical and co-ordinated interaction of the Committee with the Board of directors, with executive powers, the control bodies and the Company structural divisions, and also with other Company's Board of Directors Committees.

11.3. The General Director and the Company's Management Board shall at the request signed by the Chairperson of the Committee provide information and materials, necessary for the members of the Committee to take decisions on the issues pertaining to the competence of the Committee.

The specified information and materials shall be provided not later than within 3 (Three) business days from the time of receipt of the request, unless longer period is specified in the request.

Should the provided information (materials) be incomplete or inadequate, the members of the Committee shall be entitled to request additional information (materials).

11.4. The recommendations (opinions) prepared (developed) by the Committee shall be submitted by the Chairperson of the Committee to the Company's Board of Directors, copies of the specified recommendations (opinions) being submitted to the Company's General Director.

## **12. CONFIDENTIALITY**

12.1. Within the entire term of the authority of the members of the Committee as well as within one year from the time of termination of the authority in the Committee, the persons being (the persons who were) the members of the Committee, the Secretary of the Committee and the third parties engaged in the Committee's operation shall comply with the requirements regarding confidentiality of the information not being in the public domain, disclosed to them. The term "information not being in the public domain" shall be applied to the Company business, and the kind of information falling under such term shall be determined by the authorized managing body of the Company.

12.2. The members of the Committee, the Secretary of the Committee and the third parties engaged in the Committee's business shall be entitled to receive the specified information provided that they enter into agreement for the use of the specified information (Appendix 3 to the Regulation).

12.3. All documents relating to the Committee's operation shall be kept at the location of the Company in accordance with the procedure for storage of documents established in the Company. The Secretary of the Committee shall be responsible for storage of the specified documents.

## **13. COMMITTEE'S OPERATION MANAGEMENT**

13.1. To ensure the Committee's operation a separate expenditure item shall be provided for while making the expenditure budget. The Committee's expenses shall, in particular, include remuneration and compensations to be paid to the Chairperson, members of the Committee and the Secretary of the Committee, expenses related to involvement of outside advisers, expenses related to upkeep of administrative personnel and other expenses.

13.2. Upon resolution of the Board of Directors the members of the Committee and the Secretary of the Committee may be paid remuneration and compensated for the expenses, related to performance of their duties. The amount of such remuneration and compensation, procedure and term of their payment shall be established by a separate decision of the Company's Board of Directors.

13.3. Proposals on the amount of the Committee's budget (the information being disclosed for each budget line item) shall be made at the meeting of the Committee and submitted to the Company's Board of Directors.

An opinion of the Company's General Director on the possibility of financing of the proposed budget to the necessary extent in the course of the Company business within the relevant scheduled period shall be attached to the draft budget of the Committee.

13.4. To hold the meetings of the Committee the Company's General Director shall upon the application of the Chairperson of the Committee provide the Committee with the office, provide free access of the persons, listed in the specified application as well as take other actions to hold the meeting of the Committee.

#### **14. FINAL PROVISIONS**

14.1. The Company's Board of Directors shall be entitled to request at any time a report on the current activity of the Committee. The term for preparation and submission of such report shall be established by the Board of Directors.

14.2. The Chairperson of the Committee shall be entitled to submit separate reports on the issues pertaining to the competence of the Committee to the Board of Directors.

14.3. Information regarding separate resolutions of the Committee shall be published on the web-site of the Company. The Chairperson of the Company's Board of Directors shall determine the necessity of information publication.

14.4. Information regarding the operation of the Committee shall be included in the Company Annual Report.

14.5. The Regulation as well as all amendments and changes thereto shall be approved by the Company's Board of Directors.

14.6. The issues not regulated by the Regulation shall be governed by the Company Articles of Association, Regulation on convening and holding the meetings of the Company's Board of Directors and other internal documents of the Company, the current Law and decisions of the Company's Board of Directors.

14.7. Should any provisions of the Regulation be inconsistent with the law or regulatory documents of the Russian Federation as a result of the changes therein, such provisions shall cease to be effective and before the amendments are made to the Regulation the members of the Committee shall act pursuant to the laws and sub-legislative regulatory acts of the Russian Federation.

**COMMITTEE OF THE BOARD OF DIRECTORS**  
**of Interregional Distribution Grid Company of Centre, Joint Stock Company**

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**BALLOT**  
**for voting on the items of the agenda of the meeting in presentia**  
**of the Personnel and Remuneration Committee of the Board of Directors of**  
**IDGC of Centre, JSC**  
**held on \_\_\_\_\_, 200\_.**

**Item:**

**1.**

---

**Decision (taken at the meeting):**

**1.**

---

**FOR**

**AGAINST**

**ABSTAINED**

*(leave Your option uncrossed out)*

**Item:**

**2.**

---

**Decision (taken at the meeting):**

**2.**

---

**FOR**

**AGAINST**

**ABSTAINED**

*(leave Your option uncrossed out)*

**Filled in and signed voting ballot shall be sent by fax \_\_\_\_\_ or in the original not later than \_\_\_\_\_.**

**/date, time/**

**The voting ballot sent to the Company after expiry of the ballots deadline shall be deemed invalid, and shall not be accounted when counting votes and summarizing voting results.**

**The original of the voting ballot shall be sent to: \_\_\_\_\_**

---

**Member of the Committee**

**of the Board of Directors of IDGC of Centre, JSC \_\_\_\_\_ / \_\_\_\_\_**  
**(signature)** **(Full name)**

**Chairperson of the Committee**

**of the Board of Directors of IDGC of Centre, JSC \_\_\_\_\_ / \_\_\_\_\_**  
**(signature)** **(Full name)**

**voting ballot is valid only if signed by the Chairperson and the member of the  
Committee of the Board of Directors**

**COMMITTEE OF THE BOARD OF DIRECTORS**  
**of Interregional Distribution Grid Company of Centre, Joint Stock Company**

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**BALLOT**  
**for voting on the items of the agenda of the absentee meeting**  
**of the Personnel and Remuneration Committee of the Board of Directors of**  
**IDGC of Centre, JSC**  
**held on \_\_\_\_\_, 200\_.**

**Item:**

**1.**

---

**Decision (taken at the meeting):**

**1.**

---

**FOR**

**AGAINST**

**ABSTAINED**

*(leave Your option uncrossed out)*

**Item:**

**2.**

---

**Decision (taken at the meeting):**

**2.**

---

**FOR**

**AGAINST**

**ABSTAINED**

*(leave Your option uncrossed out)*

**Filled in and signed voting ballot shall be sent by fax \_\_\_\_\_ or in the original not later than \_\_\_\_\_.**

**/date, time/**

**The voting ballot sent to the Company after expiry of the ballots deadline shall be deemed invalid, and shall not be accounted when determining quorum and summarizing voting results.**

**The original of the voting ballot shall be sent to: \_\_\_\_\_**

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**Member of the Committee:**  
**of the Board of Directors of IDGC of Centre, JSC**

\_\_\_\_\_/\_\_\_\_\_  
 (signature)

(Full name)

**voting ballot is valid only if signed by the member of the Committee of the Board of Directors**

## CONFIDENTIALITY AGREEMENT

city of \_\_\_\_\_, \_\_\_\_\_, 200\_

IDGC of Centre, JSC, represented by \_\_\_\_\_, General Director, acting on the basis of the Articles of Association, and \_\_\_\_\_ hereinafter referred to as "Counterparty", hereinafter jointly referred to as "Parties", concluded this Agreement as follows:

### Recitals

To ensure the Board of Directors of IDGC of Centre, JSC to be assisted in performing its duties, the Personnel and Remuneration Committee of the Board of Directors of IDGC of Centre, JSC shall be established within the Board of Directors of IDGC of Centre, JSC to act as an advisory body in accordance with the Regulation on the Personnel and Remuneration Committee of the Board of Directors of IDGC of Centre, JSC.

To execute its rights and perform its duties the Counterparty shall be provided with access to confidential information. The Parties agree upon the terms and conditions, regarding the limited use and further disclosure of such information within the framework of this Agreement shall establish.

### Confidentiality and Limited Use

1. For the purposes of this Confidentiality Agreement the term "Confidential Information" shall mean generally and in particular all or any information of any type, oral, written or available in electronic form, relating to IDGC of Centre, JSC (hereinafter referred to as "Informing Party") and to its business and commercial activity, technologies, clients and/or suppliers, which is of the effective or potential commercial value as being unknown to the third parties and disclosed to the Counterparty by the Informing Party under this Agreement, along with all archived records and copies of such information or extracts from such information, available on any carriers.

The Counterparty shall keep the Confidential Information with the same diligence as if it was its own confidential information and such Confidential Information shall not be used or reproduced as well as no references shall be made thereto by the Counterparty for whatever reason. Confidential Information shall not be disclosed by the Counterparty to any third party, both an individual and a corporate person.

2. The Counterparty shall not provide the Confidential Information to other persons ("offer advice" or otherwise), which use or may use it for the purposes, which resulted or may result in its disclosure or other illegal use or its use in violation of the law or this Agreement, including the use of such information for personal benefits or to enable other persons to benefit therefrom, regardless whether such person is affiliated with it or not.

Should the Confidential Information be used in the above specified ways, the Counterparty shall immediately cease to perform such actions, and IDGC of Centre, JSC shall be entitled to claim for the damages in accordance with the applicable law.

The Counterparty shall notify the Committee of all transactions with the securities of IDGC of Centre, JSC and subsidiaries and dependent companies of IDGC of Centre, JSC scheduled and/or made by it.

3. The Counterparty shall be responsible as prescribed by the applicable law for the actions of its affiliates, including but not limited to spouse, parents, children,

blood brothers and sisters and half-brothers and half-sisters, adoptive parents and adoptees and other persons recognised as affiliates pursuant to the applicable law, in respect of the Confidential Information received from the Counterparty which resulted in or may result in its disclosure or other illegal use, including the use of such information for personal benefits or to enable other persons to benefit therefrom, or resulted in damages to IDGC of Centre, JSC.

4. This Confidentiality Agreement shall not be treated as the document, granting the Counterparty any licence rights or any other rights in respect of the Confidential Information and its further use.

Unless otherwise agreed in separate agreement, signed by the Parties, all Confidential Information shall remain the property of the Informing Party.

5. The obligations of the Parties, provided for by this Confidentiality Agreement, shall not preclude the Informing Party from transferring any Confidential Information to its financial, legal or other advisers and the third parties, which may from time to time act for the benefit of the Informing Party and which require such Confidential Information and which had executed the respective confidentiality agreement before such transfer.

The Confidential Information received by the Counterparty from the Informing Party may be provided to the third parties, if so required by the Law of the Russian Federation or if such disclosure is provided for by this or other written agreement of the Parties.

The Confidential Information may be disclosed by the Counterparty to the government bodies, other state authorities or local government authorities only upon reasonable request signed by the authorised official, purposes and legal grounds of such request being specified therein. Should the Counterparty receive such as well as any other request for disclosure of the Confidential Information, the Counterparty shall immediately notify the Informing Party thereof in writing.

Return of confidential information

6. If so required by the Informing Party or at the sole discretion of the Informing Party, all and any Confidential Information in any form received or acquired by the Counterparty from the Informing Party or for the Informing Party shall be returned or, if it is impossible, destroyed within 14 (Fourteen) days from the time of receipt of such request and no copies of such information or data, relating to such information or extracts therefrom (in any form) shall be retained by the Counterparty and the Counterparty shall not further use or reproduce such information wholly or partially for any purposes.

Validity and termination of the Agreement

7. This Confidentiality Agreement shall become effective as of the date of its execution and shall remain in full force and effect within 360 (Three hundred sixty) days from the time of its conclusion. Notwithstanding the foregoing, this Confidentiality Agreement may be terminated by the Informing Party at any time by the written notice sent to the Counterparty seven days prior to the Agreement termination. Termination or expiry of this Confidentiality Agreement shall not release the Parties from their obligations, provided by this Confidentiality Agreement in respect of the Confidential Information transferred or received prior to termination or expiry of this Agreement and such obligations shall remain in force within 1 (One) year after expiry of such term or termination of this Agreement.

Governing Law

8. This Confidentiality Agreement shall be governed by the Law of the Russian Federation.

Any claims and controversies arising out of this Agreement or in connection therewith or relating to this Agreement or legal relations, established by this Agreement shall be referred by the Parties to the relevant court at the location of IDGC of Centre, JSC.

Miscellaneous

9. From the date of signing this Confidentiality Agreement shall be deemed to be a complete agreement of the Parties in respect of the subject matter thereof and when performed it shall cancel all previous arrangements, documents, minutes and contracts, both oral and written, executed by the Parties in relation of the subject matter of this Agreement.

No amendment and/or supplement to this Confidentiality Agreement shall be effective except in writing and signed by the Parties.

This Agreement is made in two equally authentic copies, one copy for each of the Parties.

***Date of signing, details and signatures of the Parties***