

APPROVED:

by the Resolution of the Annual Meeting of  
Shareholders of IDGC of Centre, JSC  
dated 26.06.2014 (Minutes # 01/14 of 30.06.2014)

ARTICLES OF ASSOCIATION  
of  
Interregional Distribution Grid Company of Centre, Joint  
Stock Company  
(new edition)

Moscow  
2014

## Article 1. General Provisions

1.1. Interregional Distribution Grid Company of Centre, Joint Stock Company (hereinafter referred to as "Company") has been incorporated by the resolution of its founder (Order No. 154r of the Chairman of the Management Board of OJSC RAO UES of Russia dd. December 09, 2004) pursuant to the Civil Code of the Russian Federation, Federal Law "On Joint Stock Companies", other regulations of the Russian Federation.

1.2. The Company shall carry out its activity in conformity with the Civil Code of the Russian Federation, Federal Law "On Joint Stock Companies", Federal Law "On the Electric Power Industry", Federal Law "On Specific Features of Functioning of the Electric Power Industry During the Transitional Period and on Amendments to Certain Legislative Acts of the Russian Federation and on Invalidation of Certain Legislative Acts of the Russian Federation in Connection with the Adoption of the Federal Law "On the Electric Power Industry", other regulations of the Russian Federation and these Articles of Association.

1.3. The full trade name of the Company is Открытое акционерное общество «Межрегиональная распределительная сетевая компания Центра».  
In the English language – Interregional Distribution Grid Company of Centre, Joint Stock Company.

1.4. The Company's short trade name is ОАО «МРСК Центра». In the English language – IDGC of Centre, JSC

1.5. The Company is located at: 127018, Moscow, Russia, 2nd Yamskaya, 4.

1.6. The Company is established for an indefinite period.

Subject to the Resolution of the Extraordinary General Meeting of Shareholders of the Company dd. December 25, 2007, the Company has been reorganised by consolidation to it of Belgorodenergo JSC, Bryanskenergo JSC, Voronezhenergo JSC, Kostromaenergo JSC, Kurskenergo JSC, Lipetskenergo JSC, Orelenergo JSC, Smolenskenergo JSC, Tambovenergo JSC, Tverenergo JSC, Yarenergo JSC.

In accordance with:

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Belgorodenergo, JSC dd. January 17, 2008, (Minutes No. 1/08 dd. January 18, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Bryanskenergo, JSC dd. January 18, 2008, (Minutes No. 1/2008 dd. January 21, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Voronezhenergo, JSC dd. January 18, 2008, (Minutes No. w/o dd. January 21, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Kostromaenergo, JSC dd. January 21, 2008, (Minutes No. 22 dd. January 22, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Kurskenergo, JSC dd. January 18, 2008, (Minutes No. 21 dd. January 21, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Lipetskenergo, JSC dd. January 21, 2008, (Minutes No. w/o dd. January 22, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Orelenergo, JSC dd. January 21, 2008, (Minutes No. 22 dd. January 22, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Smolenskenergo, JSC dd. January 19, 2008, (Minutes No. w/o dd. January 21, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Tambovenergo, JSC dd. January 17, 2008, (Minutes No. 1 dd. January 21, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Tverenergo, JSC dd. January 19, 2008, (Minutes No. 0/19 dd. January 21, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Yarenergo, JSC dd. January 21, 2008, (Minutes No. 1(20) dd. January 22, 2008),

from the date of making an entry into the Uniform State Register of Juridical Persons on

termination of the activity of Belgorodenergo JSC, Bryanskenergo JSC, Voronezhenergo JSC, Kostromaenergo JSC, Kurskenergo JSC, Lipetskenergo JSC, Orelenergo JSC, Smolenskenergo JSC, Tambovenergo JSC, Tverenergo JSC, Yarenergo JSC, the Company shall be deemed a legal successor of each mentioned company with respect to all their rights and obligations.

## **Article 2. Legal Status of the Company**

2.1. The Company's legal status is defined by the Civil Code of the Russian Federation, the Federal Law "On Joint Stock Companies", the other laws and regulations of the Russian Federation and these Articles of Association.

2.2. The Company is a corporate person under the laws of the Russian Federation.

2.3. The Company may have separate property accounted for in its autonomous balance and may, in its own name, acquire and exercise property and personal non-property rights, incur responsibilities, appear as plaintiff or defendant in court.

2.4. The Company may in accordance with the stated procedure open bank accounts both in and outside the Russian Federation.

2.5. The Company shall be held liable for its obligations with all property owned by the Company.

The Company shall not be held liable for the obligations of the Russian Federation or any of its Shareholders.

The Company's Shareholders shall not be held liable for the Company's obligations except for the cases provided for by the laws of the Russian Federation.

Every shareholder may sell any shares held by it without consent of the other shareholders or the Company.

The Company's Shareholders shall bear the risk of losses resulting from the Company's business to the extent of value of shares held by them.

2.6. The Company has a round seal with its full Russian trade name and official business address engraved on it.

The Company may have stamps and official forms with its trade name, own symbol as well as its trade mark registered in accordance with the established procedure and other means of visual identification.

2.7. The Company has civil rights and obligations necessary to conduct any other activities which are legal under the Russian Law.

2.8. The Company may establish branch offices and representative offices both in and outside the Russian Federation.

The Company's branches and representative offices are not juridical persons, shall act on behalf of the Company and exist under the regulations approved by the Company.

The Company will provide its branches and representative offices with assets which should be accounted for both on the balance sheets of the branches and representative offices and on the Company's consolidated balance sheet.

The head of the Company's branch or representative office shall be appointed by the General Director of the Company and shall act under the Power of Attorney issued by the Company.

The Company shall be held liable for business of its branches and representative offices.

Information on branches and representative offices of the Company shall be specified in the Appendix to these Articles of Association.

2.9. The Company may have subsidiaries and dependent companies in the Russian Federation, incorporated in accordance with the Federal Law "On Joint Stock Companies", other Federal laws and these Articles of Association and outside the Russian Federation the above-said subsidiaries and dependent companies shall be subject to the laws of the countries in which they are incorporated unless otherwise provided for by international agreements to which the Russian Federation is a party.

### **Article 3. Goal and Scope of the Company's Business**

3.1. The Company's core activities include:

- making profit;
- providing effective and reliable operation of the electric distribution grid facilities;
- providing sustained development of the electric distribution grid facilities;
- providing secure and high-quality power supply to the customers (in terms of supply and transmission of electric power);

3.2. For the purposes of profit making and own benefit the Company shall be entitled to perform any activity not prohibited by the law including:

- providing electric power transmission services;
- operational dispatching management;
- providing services in connection of power-receiving devices (power units) of juridical persons and individuals to the electric grid;
- performing functions of collecting, transfer and processing of technological information including measuring and metering data;
- performing control of the secure service of electric units of the customers connected to the electric grids of the company;
- operation of electric grids;
- rendering services in execution of the powers of the sole executive body of business entities;
- providing property trust services;
- performing securities transactions in accordance with the procedure provided for by the applicable laws of the Russian Federation;
- agency business;
- estimate, exploration, scientific research and design work;
- rendering of forwarding services;
- rendering consulting, advisory and information services;
- performing work determining the conditions of parallel operation in accordance with regulations of Unified Energy System of Russia in terms of contractual relationship;
- operation of power facilities not accounted on the Company's balance sheet under agreements with their owners.
- securing operation and good order of the electric grid equipment in accordance with existing regulatory requirements, maintenance support, malfunction diagnostic, repair of electric grids and other electric grid facilities;
- carrying out tests and measurements of power units (including owned by the customers);
- securing operation and good order, maintenance support, malfunction diagnostic and repair of engineering connection grids, measuring and accounting equipment, protective relay equipment and emergency control schemes and other plant and equipment connected with operation of electric grid facilities;
- development of long-term forecasts, perspective and current plans of electric grid facilities development, target integrated scientific and technical, economic and social programmes;
- development of electric grids and other electric grid facilities including design, engineering survey, construction, restoration, technical re-equipment, assembling and adjustment;
- development of engineering communication and remote control networks, measuring and metering equipment, protective relay equipment and emergency control circuits and other plant and equipment connected with operation of electric grid facilities, including design, engineering survey, construction, restoration, technical re-equipment, installation and adjustment;
- operation of explosive, chemically dangerous and inflammable industrial facilities;
- conducting activities in terms of research, development and engineering works, including design, development, implementation of new and improving existing equipment, technologies and

methods to improve the reliability, quality, efficiency and sustainability of power supply to consumers, creation of conditions for development of the power system of Russia, the implementation of R&D programs and innovation programs, involvement in industry R&D funds;

- performing manufacturing control over industrial safety status of industrial facilities;
- arrangement of labour safety;
- elimination of technological violations at the electric power grid facilities;
- carrying out activities connected with environment-oriented work and services;
- activities connected with any environmental impact, and production, collection, utilisation, neutralisation, storage, dumping, removal, transportation and disposal of industrial waste;
- water bodies exploitation;
- use of natural resources including subsurface and forest resources;
- activities in the field of metrology;
- manufacture and repair of measuring equipment;
- rendering services in mounting, repair and maintenance of devices and tools for measurement, control, testing, guidance, location and other purposes;
- hazardous waste management;
- carrying out fire prevention and extinguishing activities;
- performing mounting, repair and maintenance of means providing fire safety of buildings and structures;
- arrangement and carrying out work with personnel including training and retraining, check of personnel awareness of operating rules, fire and labour safety and other rules and regulations in accordance with existing regulations of electric power companies;
- transportation of passengers and cargoes by automobile, railway, air and inland water transport (including with respect to the dangerous cargoes);
- activities connected with maintenance and repair of rolling stock at the railway transport;
- activities connected with maintenance and repair of technical equipment used at the railway transport;
- handling activities at the railway transport (including with regard to dangerous cargoes);
- handling activities in inland water transport (including with regard to dangerous cargoes);
- operation, maintenance and repair of automobile, railway, air, inland water transport and hoisting machines, used for technological purposes;
- foreign economic activity;
- oil, gas and refinery products storage;
- execution of construction manager functions;
- design of buildings and structures of the I and II criticality rating in accordance with state standard;
- construction of buildings and structures of the I and II criticality rating in accordance with state standard;
- local, intrazone and long-distance telephone communications services;
- communication channels lease;
- telematic services (including e-mail, access service to information resources, information service unit, facsimile services, comfax services, bureaufax, message handling service, voice message service, voice information delivery services);
- data services;
- use of orbital-frequency resources and high frequency for TV and radio broadcasting (including broadcasting additional information);
- lease of buildings, structures, machines and devices;

- implementation of organizational, practical and preventive measures to ensure integrated security (anti-terrorism and anti-criminal defense, economic security, anti-corruption and information security);
- technical protection of confidential information;
- arrangement and carrying out activities connected with mobilisation training, civil defence, emergency prevention and liquidation;
- protection of national security information, performing work connected with use of information presenting national security information in accordance with laws and other regulations of the Russian Federation;
- arrangement and carrying out activities regarding provision of security and protection of information presenting commercial secret;
- purchase (receipt) of electric power (capacity) at the wholesale electric power market and from electric power producers at the retail market for the purposes of resale to the customers at the retail market in the event of assigning status of guaranteed electric power supplier in accordance with the procedure provided for by the laws of the Russian Federation;
- purchase (receipt) of electric power (capacity) to the customers at the retail market in the event of assigning status of guaranteed electric power supplier in accordance with the procedure provided for by the laws of the Russian Federation;
- medical activity (including sanatorium and resort service);
- educational activities;
- operation and maintenance of facilities accountable to Federal Service of Environmental, Technological and Nuclear Supervision of the Russian Federation (Rostekhnadzor);
  - activities in the area of energy saving and increase of energy efficiency;
  - activities in the field of energy audit and provision of energy services;
  - development of unplanned outage schedules to limit consumption;
  - execution of check measurements of load flow, load and voltage levels in the electrical networks of electrical power systems;
  - assessment of work places in terms of labour conditions;
  - carrying out other activities permitted by the existing law of the Russian Federation.

3.3. As prescribed in the Federal laws the Company may carry out certain activities only subject to the appropriate licenses and/or permits.

The Company shall be entitled to perform any activity which requires licensing as soon as it has obtained such license or since the date specified therein and shall cease to be entitled upon the license expiry date unless otherwise provided for by the law or any other legal instruments.

#### **Article 4. The Company's Authorised Capital**

4.1. The Authorised Capital of the Company consists of the par value of the Company's shares acquired by the Shareholders (issued shares).

The Authorised Capital of the Company is RUB 4,221,794,146 (four billion two hundred and twenty-one million seven hundred and ninety-four thousand one hundred and forty-six) 80 copecks.

4.2. The Company has issued ordinary shares with par value of 10 (ten) copecks each in the amount of 42,217,941,468 (forty-two billion two hundred and seventeen million nine hundred and forty-one thousand four hundred and sixty-eight) shares for the total amount of par value of RUB 4,221,794,146 (four billion two hundred and twenty-one million seven hundred and ninety-four thousand one hundred and forty-six) 80 copecks.

4.3. The Company's Authorised Capital may be:

- increased by increasing the par value of the shares or offering additional shares;
- reduced by decrease of the shares' par value or reduction of their total number, including by acquisition or redemption of a part of the shares issued by the Company in accordance with these Articles of Association.

4.4. Increase of the Authorised Capital shall be allowed only after its full payment.

The Authorized Capital of the Company may not be increased to cover losses incurred by the Company or for payment of overdue accounts payable.

4.5. Reduction of the Company's Authorised Capital shall be performed in accordance with the procedure provided for by the laws of the Russian Federation and these Articles of Association.

The Company shall reduce its Authorised Capital in cases provided for by the Federal Law "On Joint Stock Companies".

4.6. The Company declares in addition to the issued shares 258,532 (two hundred and fifty-eight thousand five hundred and thirty-two) ordinary registered shares with nominal value of 10 (ten) copecks per share for the total amount of par value of 25,853 (twenty-five thousand eight hundred and fifty-three) roubles and 20 copecks.

All ordinary registered shares declared by the Company for issue shall grant their holders the rights provided for by Clause 6.2. of these Articles of Association.

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

5.1. The Company issues ordinary shares and may issue one or more types of privileged shares, bonds and other equity securities in compliance with the procedure established by the laws of the Russian Federation.

5.2. Ordinary shares shall not be converted into privileged shares, bonds or other securities.

5.3. The shares and other securities, convertible into shares, shall be issued by the Company in accordance with laws of the Russian Federation.

5.4. The Company shall be entitled to issue additional shares and other equity securities by their distribution among the Company's Shareholders, offering and conversion;

5.5. Where stipulated by the laws of the Russian Federation the Company's Shareholders have the pre-emptive right to acquire additional shares and equity securities convertible into shares and issued by offering in proportion to the number of the shares of the relevant category (type) held by them.

5.6. If, as a result of execution of the pre-emptive right to purchase additional shares or the consolidation of shares, a shareholder cannot acquire the integer quantity of shares, the shares may be split into parts ("Fractional Shares").

A fractional share entitles its holder with the rights granted by a share of a respective category (type) to the extent proportional to the part of a whole share covering such fractional share.

Fractional shares shall be traded on the same terms and conditions as whole shares. Should one person purchase two or more fractional shares of one and the same category (type), such shares form one whole and (or) a fractional share equal to the sum of these fractional shares.

5.7. Any additional share issued by offering may be paid up in cash, securities, other things or property rights or other rights having monetary value.

Form of payment for the additional shares shall be specified in the resolution on their distribution.

Other equity securities shall be paid in cash only.

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

6.1. A Company's Shareholder shall be a person holding the Company's shares in accordance with the conditions provided for by the laws of the Russian Federation and these Articles of Association.

6.2. Each ordinary share of the Company shall provide its holder with equal scope of rights.

The holders of the ordinary registered shares of the Company shall be entitled to:

1) participate personally or by proxy in the General Meeting of Shareholders with the right to vote on all issues within its competence;

- 2) make proposals to the agenda of the General Meeting in accordance with the procedure provided for by the laws of the Russian Federation and these Articles of Association;
- 3) receive information on the Company's business and familiarise with the Company's documents in accordance with Article 91 of the Federal Law "On Joint Stock Companies", other regulations and laws and these Articles of Association.
- 4) receive dividends declared by the Company;
- 5) pre-emptive right of acquisition of additional shares issued by offering and equity securities convertible into shares in proportion to the number of shares held by them in cases provided for by the laws of the Russian Federation;
- 6) in the event of the Company's liquidation –receive part of its property;
- 7) exercise other rights provided for by the laws of the Russian Federation and these Articles of Association.

## **Article 7. Dividends**

7.1. The Company shall be entitled to adopt resolution on (declare) payment of dividends on issued shares for the first quarter, six months, nine months of the financial year and (or) for the financial year. The resolution on payment (declaration) of dividends for the first quarter, six months and nine months of the financial year may be adopted within three months after the end of the respective period.

The Company shall pay all dividends that are declared on each category (type) of its shares, unless otherwise stipulated by the Federal Law "On Joint Stock Companies".

7.2. Decision on payment (declaration) of dividends is made by the General Meeting of Shareholders. The indicated decision shall determine amount of dividends on shares of each category (type), form of payment, procedure of payment of dividends in kind, and the date on which persons entitled to receive dividends is recorded.

In doing so the decision in terms of setting the date on which the persons entitled to receive dividends is recorded shall be made by the Company's Board of Directors.

The amount of dividends shall not exceed the amount of dividends recommended by the Company's Board of Directors.

The General Meeting of Company's Shareholders shall be entitled to adopt a resolution on non-payment of dividends on ordinary shares.

7.3. In cases provided for by the laws of the Russian Federation the Company may not adopt a resolution on (declare) payment of dividends on shares and pay declared dividends on shares.

7.4. The dividends shall be paid out of the Company's profit net of tax (net profit of the Company). The Company's net profit is determined on the basis of the accounting statements of the Company.

7.5. Dividend payment period for a nominal holder and a beneficial owner being a professional securities market participant, who are recorded in the register of shareholders, shall not exceed 10 working days, and other recorded persons in the register of shareholders - 25 working days from the date on which the persons entitled to receive dividends is recorded.

The date, on which in accordance with the decision on payment (declaration) of dividends the persons entitled to receive them is recorded, cannot be earlier than 10 days from the date of the decision on payment (declaration) of dividends and not later 20 days from the date of such decision.

Dividends are paid to persons who possessed shares of the corresponding category (type) or persons in compliance with federal laws had the rights for these shares at the end of the trading day on the date on which in accordance with the decision on payment of dividends the persons entitled to receive them is recorded.

Dividends in monetary form are paid by bank transfer by the Company or on behalf of the

registrar, which maintains the register of shareholders of the Company, or a credit institution.

Payment of dividends in cash to individuals, whose rights to shares are recorded in the register of shareholders of the Company, is made by money order or with the appropriate application of the said persons by transferring money to their bank accounts, and to other persons, whose rights to shares are recorded in the register of shareholders, by transferring money to their bank accounts. Obligation of the Company to pay dividends to such persons shall be considered performed from the date of receiving remittances by an organization of the federal postal service or from the date of receipt of funds in the credit institution in which a bank account of the person entitled to receive such dividends is opened.

Persons, who are entitled to receive dividends and whose rights for shares are recorded at a nominal holder of shares, receive dividends in cash in accordance with the legislation of the Russian Federation on securities. A nominal holder, whom dividends were transferred and who did not fulfilled his obligation to transfer them as stipulated by the legislation of the Russian Federation on securities, for reasons beyond his control, is obliged to return them to the Company within 10 days after the expiration of one month from the end date of the payment of dividends.

7.6. A person who has not received declared dividends due to the fact that the Company or the Registrar have no exact and necessary address information or bank details, or in connection with a delinquent creditor, may file a claim for the payment of such dividends (unclaimed dividends) within three years from the date of the decision on their payment.

The term to refer to the requirement of payment of unclaimed dividends if missed cannot be restored, except if the person entitled to receive dividends, had not filed the claim under the influence of violence or threats.

After expiry of such term declared and unclaimed dividends to shareholders are restored in retained profit of the Company, and the obligation to pay them is terminated.

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

8.1. The Company shall establish a reserve fund in the amount of 5 (five) per cent of the Company's Authorised Capital.

The amount of annual mandatory deductions to the reserve fund shall be not less than 5 (five) per cent of the Company's net profit until the reserve fund reaches the established amount.

8.2. The Company's reserve fund shall be established for covering losses incurred by the Company, as well as redemption of the Company's bonds and purchase of the Company's shares in case of absence of other available assets.

The reserve fund may not be used for other purposes.

8.3. The Company may establish other funds in accordance with requirements of the laws of the Russian Federation, securing its business activity as a business entity.

## **Article 9. Management and Control Bodies of the Company**

9.1. The Company shall have the following management bodies:

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

9.2. The Company's business activities shall be controlled by the Audit Commission.

## **Article 10. General Meeting of the Company's Shareholders**

10.1. The General Meeting of Shareholders shall be the supreme management body of the Company.

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

- 1) amending the Company's Articles of Association or approval of the revised Articles of Association;
- 2) the Company's reorganisation;
- 3) the Company's liquidation, appointment of the Liquidation Committee and approval of intermediate and final liquidation balance sheet;
- 4) determination of the quantity, par value, category (type) of the authorised shares and rights granted by these shares;
- 5) increase of the Company's Authorised Capital by increasing the par value of the existing shares or by issuing additional shares;
- 6) reduction of the Company's Authorised Capital through reduction of the shares' par value, purchase of part of the shares by the Company to reduce their total number or by redemption of shares acquired or purchased by the Company;
- 7) splitting and consolidating of Company's shares;
- 8) adoption of resolution on issuing bonds by the Company and other securities convertible into shares;
- 9) determination of the total number of members of the Board of Directors of the Company, election of its members and early termination of their powers;
- 10) election of members of the Audit Commission of the Company and early termination of their powers;
- 11) approval of the Auditor of the Company;
- 12) Adopting resolution on transfer of powers of the Company's sole executive body to a managing company (manager) and on early termination of its powers;
- 13) approval of annual reports, annual accounting statements, including profit and loss statements (profit and loss accounts) of the Company and profit distribution (including the payment (declaration) of dividends, except for the profits distributed as dividends according to the results of the first quarter, six months, nine months, financial year) and losses of the Company according to the results of the financial year;
- 14) payment (declaration) of the dividends according to the results of the first quarter, six months, nine months, financial year;
- 15) establishing the procedure for the General Meeting of the Company's Shareholders.
- 16) Adopting resolutions on approval of transactions in the cases provided for by Article 83 of Federal Law "On Joint Stock Companies";
- 17) adopting resolutions on approval of major transactions in the cases provided for by Article 79 of Federal law "On Joint Stock Companies";
- 18) adopting resolution on participation in financial industrial groups, associations and other unions of profit making organisations;
- 19) approval of internal documents, regulating activities of the Company's bodies;
- 20) adopting resolution on payment of fees and (or) compensations to the members of the Company's Audit Commission.
- 21) adopting resolution on payment of fees and (or) compensations to the members of the Company's Board of Directors;
- 22) decision on the handling of the application for delisting of shares of the Company and (or) securities of the Company convertible into its shares;
- 23) adopting resolutions on other issues provided for by the Federal law "On Joint Stock Companies".

10.3. The issues referred to the competence of the General Meeting of Shareholders may not be dealt with by the Company's Board of Directors, Management Board or General Director of the Company.

The General Meeting of Shareholders shall not be entitled to deal with and adopt resolutions on issues not referred to its competence by the Federal law "On Joint Stock Companies".

10.4. The resolution of the General Meeting of Shareholders on a voting issue is adopted by the majority of votes of the holders of Company's voting shares taking part in the meeting unless otherwise provided for by the Federal Law "On Joint Stock Companies".

10.5. The General Meeting of Shareholders shall adopt resolutions on the following issues by the three-quarters majority of votes of the holders of Company's voting shares taking part in the General Meeting of Shareholders:

- amending the Company's Articles of Association or approval of the revised Articles of Association;
- the Company's reorganisation;
- the Company's liquidation, appointment of the Liquidation Committee and approval of intermediate and final liquidation balance sheet;
- determination of the quantity, par value, category (type) of the authorised shares and rights granted by these shares;
- reduction of the Authorised Capital of the Company by reducing the par value of the shares;
- issue of shares (equity securities of the Company convertible to shares) by private offering by the Resolution of the General Meeting of the Company's Shareholders on increase of the Authorised Capital of the Company by issue of additional shares (on issue by the Company of the equity securities convertible to shares);
- issue by public offering of ordinary shares comprising over 25% (twenty-five percent) of the previously issued ordinary shares;
- issue by public offering of the equity securities convertible into the ordinary shares comprising over 25% of the previously issued ordinary shares;
- adopting resolutions on approval of any major transaction which deal with the property with value over 50% (fifty percent) of the balance sheet value of Company's assets;
- taking decision on the handling of the application for delisting of shares of the Company and (or) securities of the Company convertible into its shares;
- in other cases provided for by the Federal law "On Joint Stock Companies".

Resolutions on approval of the related-party transactions in accordance with Article 83 of the Federal Law "On Joint Stock Companies" shall be adopted by the General Meeting of Company's Shareholders by the majority of votes of all not-related shareholders holding voting shares, pursuant to Article 83 of the Federal Law "On Joint Stock Companies".

10.6. Resolutions on issues provided for by Sub-clauses 2, 5, 7, 8, 12-20 of Clause 10.2 of Article 10 of these Articles of Association, on reduction of the Company's Authorised Capital by reducing the par value of shares, as well as the record date on which persons are entitled to receive dividends, shall be adopted by the General Meeting of Company's Shareholders only upon the proposal of the Company's Board of Directors.

10.7. The General Meeting of Company's Shareholders may not adopt resolutions on items not included in the agenda of the General Meeting of Company's Shareholders, or change the agenda.

Resolutions adopted by the General Meeting of Shareholders on items not included in the agenda of the General Meeting of Shareholders (except for the cases when all Shareholders of the Company take part in the meeting) or violating the competence of the General Meeting of Shareholders when the quorum is not reached or without majority of votes of Shareholders necessary to adopt such resolution shall be deemed void irrespective of any appeal in an action at law.

10.8. Voting at the General Meeting of Shareholders shall be carried out on the "one voting share – one vote" principle, except for cumulative voting on issues regarding the election of members of the Company's Board of Directors.

In a cumulative voting the number of votes owned by each Shareholder shall be multiplied by the number of persons which shall be elected to the Board of Directors of the Company and each Shareholder may either cast all of the votes calculated in this way for one nomination or distribute

them between two or more nominations.

Candidates that obtained the majority of votes shall be deemed appointed to the Board of Directors of the Company.

10.9. The General Meeting of Shareholders is held at the Company's location in Moscow.

The actual address of holding General Meeting of the Company's Shareholders shall be specified by the Board of Directors upon dealing with issues connected with holding General Meeting of Shareholders.

10.10. The Chairman of the Board of Directors shall hold the chair at the General Meeting of Company's Shareholders.

Should the Chairman of the Board of Directors be absent at the General Meeting of Company's Shareholders, the functions of Chairperson shall be performed by the Deputy Chairman of the Board of Directors.

Should the Chairman of the Board of Directors and its Deputy be absent at the General Meeting of Company's Shareholders, the functions of Chairperson shall be performed by any member of the Board of Directors appointed by the Company's Board of Directors or elected by members of the Board of Directors present at such of such General Meeting of Shareholders.

If persons holding a chair at the General Meeting of Shareholders in accordance with this Clause are absent at the Extraordinary General Meeting held by resolution of persons entitled to convene the Extraordinary General Meeting, the Chairman of such General Meeting of Company's Shareholders shall be the person that decided to hold Extraordinary General Meeting of Company's Shareholders (or its representative) or if the Extraordinary General Meeting of Company's Shareholders was convened at the initiative of several persons the Chairperson shall be one of such persons agreed by their resolution.

10.11. Should all voting shares of the Company be held by the Sole Shareholder, resolutions on issues pertained to the competence of the General Meeting of the Company's Shareholders shall be adopted by such Shareholder (authorised management body of such Shareholder), executed in writing and communicated to the Company. In this event the provisions Articles 10-15 of these Articles of Association stipulating the terms of and procedure for preparation, convocation and holding of the General Meeting of Shareholders shall not be applied except for the provisions concerning the terms of holding the Annual General Meeting of Shareholders.

## **Article 11. Holding of the General Meeting of Shareholders in the form of compresence**

11.1. The Annual General Meeting of Shareholders shall be held within the period between two and six months following the end of the Company's financial year.

The Annual General Meeting of Shareholders shall necessarily deal with issues regarding election to the Board of Directors, Audit Commission, approval of the Company's Auditor, approval of annual report, annual accounting statements, including profit and loss statements (profit and loss accounts) of the Company submitted by the Company's Board of Directors and profit distribution (including the payment (declaration) of dividends, except for the profits distributed as dividends according to the results of the first quarter, six months, nine months of the financial year) and losses of the Company according to the results of the financial year as well as other issues pertaining to the competence of the General Meeting of the Company's Shareholders.

11.2. The General Meeting of the Company's Shareholders shall be held in form of compresence of the Shareholders (their proxies) to discuss the items on the agenda and adopt resolutions on issues put to vote.

Resolutions of the General Meeting of Shareholders may be taken by an absentee ballot (by poll) in accordance with Article 12 of these Articles of Association.

11.3. The functions of Counting Committee at the General Meeting of Shareholders shall be

performed by the professional participants of the securities market keeping the Register of the Company's Shareholders (Registrar of the Company).

11.4. The list of persons entitled to participate in General Meetings of the Shareholders shall be made pursuant to the register of the Company's shareholders.

The date of making a list of the persons entitled to take part in the General Meeting of Company's Shareholders cannot be established earlier than 10 (ten) days from the date of adopting resolution on convening the General Meeting of Company's Shareholders and not later than 50 (fifty) days before the date of holding the General Meeting of Shareholders except for the cases provided for by Clause 14.9 of these Articles of Association.

11.5. The notice of a General Meeting of Shareholders shall be posted on the web-site of the Company on the Internet at [www.mrsk-1.ru](http://www.mrsk-1.ru) not later than 30 (thirty) days before the date of holding such meeting.

11.6. Voting ballots on items on the agenda shall be sent by registered mail at the address specified in the list of persons entitled to participate in the General Meeting of Shareholders or handed out against signature to each person specified in the list of persons entitled to participate in the General Meeting of Shareholders within 20 (twenty) days before the date of holding General Meeting of Shareholders.

Each person specified in the list shall receive one voting ballot for all items on the agenda or two or more voting ballots for different items.

11.7. The information (materials) on items on the agenda of the General Meeting of Shareholders shall be available to the persons entitled to participate in the meeting at the premises of the Company's executive body, or at other places specified in the notice on the General Meeting of Shareholders, at least 20 (twenty) days prior to the meeting and 30 (thirty) days if one of the items on the agenda is the reorganization of the Company. Such information (materials) shall be available to the participants of the General Meeting of Shareholders during the meeting.

The procedure for familiarization of persons entitled to participate in the General Meeting of Shareholders with the information (materials) on items on the agenda of the General Meeting of Shareholders and the list of such information (materials) shall be determined by the resolution of the Board of Directors of the Company.

11.8. The right of the Shareholders to take part in the General Meeting of Shareholders can be executed personally or by proxy.

If a share of the Company is owned jointly by several persons, they will be served one voting ballot for all items on the agenda or two or more voting ballots for different items, and the voting right at the General Meeting of Shareholders shall be exercised at their discretion by one of the joint owners or by their general proxy.

The rights of each indicated person shall be duly documented.

11.9. When a General Meeting of Shareholders is held in the form of compresence, the persons included in the list of persons entitled to participate in the General Meeting of Shareholders (their proxies) may participate in such meeting or send the filled-out ballots to the Company.

11.10. The General Meeting of Shareholders shall be deemed competent (have the quorum), if Shareholders holding in total more than a half of votes of issued voting shares of the Company shall participate in this meeting.

Shareholders shall be deemed to have participated in the General Meeting of Shareholders if they are registered as participants and if their ballots have been received within two days prior to the General Meeting of Members.

If the agenda of the General Meeting of Shareholders includes items the voting on which different participants are entitled to vote, the quorum for adopting resolution on such items shall be established separately.

The fact that the quorum is not reached to adopt a resolution on issues which certain

participants are entitled to vote on, shall not prevent the General Meeting from adopting a resolution on issues, which other participants vote on and for which the quorum was reached.

11.11. If the quorum for the Annual General Meeting of Shareholders is not reached, another meeting shall be held later with the same agenda. If the quorum for the Extraordinary General Meeting of Shareholders is not reached, another meeting may be held with the same agenda.

The resolution to convene adjournment General Meetings of Shareholders shall be adopted by the Company's Board of Directors.

Such General Meeting of Shareholders, convened instead of the invalid one, shall be competent if attended by the Shareholders who own in the aggregate at least 30 percent of the votes of the Company's outstanding voting shares.

If the adjournment General Meeting of Shareholders is held less than 40 (forty) days following the invalid meeting, the persons entitled to take part in the General Meeting of Shareholders shall be determined pursuant to the list of persons that were entitled to take part in the invalid meeting.

If the quorum is not reached to hold the General Meeting of Shareholders in accordance with the judgement, another General Meeting of Shareholders shall be held within 60 days with the same agenda. Adjournment General meeting of Shareholders shall be convened and held by a person or body of the Company specified in the judgement. If the quorum is not reached to hold the Extraordinary General Meeting of Shareholders in accordance with the judgement, no other meeting shall be held.

11.12. The minutes of the General Meeting of Shareholders shall be drawn up in two copies within 3 (three) business days following the closing of the General Meeting of Shareholders. Both copies shall be signed by the chairperson and secretary (Corporate Secretary) of the General Meeting of Shareholders.

11.13. Resolutions adopted by the General Shareholders Meeting and the voting results may be announced at the General Meeting of Shareholders at which the voting took place, and shall be also communicated to the persons included in the list of persons entitled to attend the General Meeting of Shareholders, in the form of the Voting Report in the manner prescribed for the notice of the General Meeting of Shareholders not later than four working days after the closing date of the General Meeting of Shareholders.

If on the record date of the list of persons entitled to attend the General Meeting of Shareholders in the register of shareholders of the Company the person is a nominee shareholder, the Voting Report shall be sent in electronic form (in the form of an electronic document signed by electronic signature) to the nominal holder of shares. The nominee shareholder shall inform his depositors about the Voting Report obtained by him in accordance with this clause of the Articles of Association, in the manner and within the time established by regulations of the Russian Federation or a contract with the depositor.

## **Article 12. Holding of the General Meeting of Shareholders in the form of absentee voting**

12.1. A resolution of the General Meeting of Shareholders may be approved without holding the meeting (compresence of the Shareholders of the Company to discuss items on the agenda and adoption of the resolutions on issues put for voting) by absentee voting (by poll).

Voting on items on the agenda of the General Meeting of Shareholders shall be made upon voting ballots only.

12.2. A General Meeting of Shareholders may not be held by absentee voting if its agenda includes the items regarding appointment of members of the Board of Directors, Audit Commission, approval of the Company's Auditor or any of items provided for by Sub-clause 13 of Clause 10.2 and Article 10 of these Articles of Association.

Any new General Meeting of Shareholders may not be held by absentee voting (poll) instead of the invalid General Meeting of Shareholders which should have been held by compresence of Shareholders.

12.3. The list of persons entitled to participate in the absentee voting on items on the agenda of the General Meeting of Shareholders shall be made pursuant to the Register of the Company's Shareholders.

The date of making the list of persons entitled to participate in the absentee voting on items on the agenda of the General Meeting of Shareholders cannot be established earlier than 10 (ten) days from the date of adopting resolution on convening the General Meeting of Shareholders and more than 50 (Fifty) days prior to voting ballots receipt deadline by the Company.

12.4. The notice of holding a General Meeting of Shareholders by absentee voting shall be posted on the web-site of the Company on the Internet at [www.mrsk-1.ru](http://www.mrsk-1.ru) within at least 30 (thirty) days prior to voting ballots receipt deadline by the Company.

12.5. Voting ballots on items on the agenda shall be sent by registered mail at the address specified in the list of persons entitled to participate in the General Meeting of Shareholders or handed out against signature to each person specified in the list of persons entitled to participate in the General Meeting of Shareholders within 20 (twenty) days prior to voting deadline.

Each person specified in the list of persons entitled to participate in the General Meeting of Shareholders shall receive one voting ballot for all items on the agenda or two or more voting ballots for different items.

The procedure for familiarization of persons entitled to participate in the General Meeting of Shareholders with the information (materials) on items on the agenda of the General Meeting of Shareholders and the list of such information (materials) shall be determined by the resolution of the Board of Directors of the Company.

12.6. The General Meeting of Shareholders held by absentee voting shall be deemed competent (have quorum), if Shareholders holding in total more than a half of votes of issued voting shares of the Company shall participate in this meeting.

Shareholders shall be deemed to have participated in the General Meeting of Shareholders held by absentee voting if their voting ballots were received within the voting deadline.

12.7. The minutes on voting results shall be drawn up in two copies within 3 (three) business days after the voting deadline and signed by the Registrar of the Company.

The Minutes of the General Meeting of Shareholders shall be drawn up in two copies within 3 (three) days after the voting deadline. Both copies are signed by the Chairman of the General Meeting of Shareholders and the Secretary of the General Meeting of Shareholders (Corporate Secretary).

12.8. Resolutions adopted by the General Shareholders Meeting and the voting results shall be communicated to the persons, included in the list of persons entitled to attend the General Meeting of Shareholders, in the form of Voting Report in the manner prescribed for the notice of the General Meeting of Shareholders not later than four working days after voting ballots receipt deadline in case of holding the General Meeting of Shareholders by absentee voting.

If on the record date of the list of persons entitled to attend the General Meeting of Shareholders in the register of shareholders of the Company the person is a nominee shareholder, the Voting Report shall be sent in electronic form (in the form of an electronic document signed by electronic signature) to the nominal holder of shares. The nominee shareholder shall inform his depositors about the Voting Report obtained by him in accordance with this clause of the Articles of Association, in the manner and within the time established by regulations of the Russian Federation or a contract with the depositor.

### **Article 13. Proposals to the agenda of the Annual General Meeting of Shareholders of the Company**

13.1. The Company's Shareholder (Shareholders) holding in the aggregate at least 2 (two) per cent of the Company's voting shares may within 60 (sixty) days after the end of a financial year introduce items in the agenda of the Annual General Meeting of Shareholders and nominate

nominations to the Board of Directors and the Audit Commission; the number of nominees may not exceed the total number of the members of this body.

13.2. The proposal on introducing issues to the agenda of the General Meeting of Shareholders and on nomination of nominations shall be made in writing specifying the names (trade names) of the Shareholders (Shareholder) proposing them, number and category (type) of shares held by them and shall be signed by the Shareholders (Shareholder).

13.3. The proposal on introducing items to the agenda of the General Meeting of Shareholders shall contain the statement of each proposed item and the proposal on nominations nomination shall contain the name of each proposed nomination, data of the identity document (series and/or number of the document, the date and place of issue and issuing authority) of each proposed nomination and body to which the nomination is proposed.

13.4. The Board of Directors of the Company shall consider the proposals made and adopt the resolution on introducing them to the agenda of the General Meeting of Shareholders or on refusal to introduce them to this agenda not later than within 5 (five) days after the expiry date specified in Clause 13.1. of this Article.

13.5. The Board of Directors of the Company may refuse to include the items proposed by the Shareholder (Shareholders) in the agenda of the General Meeting of Shareholders, as well as to include proposed nominations in the voting list of nominations for election to the respective Company's body for reasons provided for by the Federal Law "On Joint Stock Companies" and other legal acts of the Russian Federation.

13.6. The motivated resolution of the Board of Directors of the Company regarding refusal to include the proposed item in the agenda of the General Meeting of Shareholders or the nomination in the voting list of nominations for election to the respective Company's body shall be sent to the Shareholder (Shareholders) who has (have) proposed the item or nominated the nomination not later than within 3 (three) days from the date of its adoption.

13.7. The Company's Board of Directors shall not be entitled to change the wordings of the items proposed for inclusion in the agenda of the General Meeting of Shareholders and the wordings of resolutions on such items (if any).

Besides the items proposed by the Shareholders to include in the agenda of the General Meeting of Shareholders and in case of absence of such proposals, absence or insufficient number of nominations proposed by the Shareholders to establish the relevant body the Company's Board of Directors shall be entitled to include the items in the agenda of the General Meeting of Shareholders or to put the nominations to the nomination list at its own discretion.

#### **Article 14. Convocation of the Extraordinary General Meetings of Shareholders of the Company**

14.1. General Meetings of Shareholders other than Annual are deemed to be Extraordinary.

14.2. The Extraordinary General Meeting of Shareholders shall be held by the resolution of the Company's Board of Directors at its own initiative, the request of the Audit Commission of the Company, the Auditor of the Company and the Shareholder (Shareholders) holding at least 10 (ten) per cent of voting shares of the Company as of the date of request.

14.3. An Extraordinary General Meeting of Shareholders shall be convened at the request of the Audit Commission, the Auditor or the Shareholders (Shareholder) of the Company holding at least 10 (ten) per cent of the voting shares of the Company by the Board of Directors of the Company.

Such General Meeting of Shareholders shall be held within 50 (fifty) days from the date of the request to convene the Extraordinary General Meeting of Shareholders except for case provided for by Clause 14.9 of these Articles of Association.

14.4. The request to convene the Extraordinary General Meeting of Shareholders shall contain

items to be introduced to the agenda of the General Meeting of Shareholders.

Persons (a person) requesting the convocation of the Extraordinary General Meeting of Shareholders may submit a draft resolution of the Extraordinary General Meeting of Shareholders and proposal of the form in which such Extraordinary General Meeting shall be held. Should the request of convocation of the Extraordinary General Meeting of Shareholders contain a proposal of nomination nomination, such proposal is subject to the respective provisions of Article 13 of these Articles of Association.

The Board of Directors shall not be entitled to amend the wordings of items of the agenda, wordings of resolutions on such items and change the proposed form of holding such Extraordinary General Meeting of Shareholders convened at the request of the Audit Commission, the Auditor or Shareholders (Shareholder) holding at least 10 (ten) per cent of the voting shares of the Company.

14.5. Should the request of convocation of the Extraordinary General Meeting of Shareholders be made by the Shareholders (Shareholder) it shall contain the name of the Shareholder (names of the Shareholders) requesting to convene such Extraordinary General Meeting of Shareholders, number and category (type) of shares held by them.

The request to convene the Extraordinary General Meeting of Shareholders shall be signed by the person (persons) requesting to convene such Extraordinary General Meeting of Shareholders.

14.6. A resolution to convene the Extraordinary General Meeting of Shareholders or refuse to convene it shall be adopted by the Board of Directors of the Company within 5 (Five) days from the date of request of the Audit Commission, the Auditor or the Shareholder (Shareholders) of the Company holding at least 10 (Ten) per cent of the voting shares of the Company.

14.7. The resolution of the Board of Directors to convene the Extraordinary General Meeting of Shareholders or motivated refusal shall be sent to the persons who requested the convocation of such meeting not later than within 3 (Three) days from the date of adoption of such resolution.

14.8. Should within the period specified in Clause 14.6 of Article 14 the Board of Directors of the Company adopt no resolution on convocation of the Extraordinary General Meeting of Shareholders or the resolution on refusal to convene it, a body of the Company or persons who request it, may ask the court to compel the Company to hold an extraordinary general meeting of shareholders.

The decision of the court to compel the Company to hold an extraordinary general meeting of shareholders shall indicate the dates and procedure of its holding.

Pursuant to the court decision its execution rests with the plaintiff or on his application to the authority of the Company or any other person subject to their consent. This body cannot be the Board of Directors of the Company.

The bodies of the Company or a person who, in accordance with the decision of the court shall hold an extraordinary general meeting of shareholders, has all the authority pursuant to the Federal Law "On Joint Stock Companies" necessary for convening and holding of this meeting.

If, in accordance with the decision of the court an extraordinary general meeting of shareholders shall be held by the plaintiff, the costs of preparation and holding of this meeting can be reimbursed by a decision of the General Meeting of shareholders at the expense of the Company.

14.9. Should the proposed agenda of the Extraordinary General Meeting of Shareholders contain an item regarding election of the members of the Company's Board of Directors:

14.9.1. General Meeting of Shareholders shall be held within 95 (Ninety five) days following the date of submitting the request to convene the Extraordinary General Meeting of Shareholders of the Company.

14.9.2. The Shareholders (Shareholder) holding jointly at least 2% of the voting shares of the Company shall be entitled to propose nominations to the Board of Directors; the number of such nominations shall not exceed the number of the members of the Board of Directors.

Such proposals shall be submitted to the Company at least 30 (Thirty) days before holding the Extraordinary General Meeting of Shareholders.

The Board of Directors of the Company shall consider the proposals made and adopt the resolution on introducing them to the agenda of the General Meeting of Shareholders or on refusal to introduce them to this agenda not later than within 5 (Five) days after the expiry date specified in paragraph 2 of this Sub-clause.

14.9.3. The date of making a list of the persons entitled to take part in the General Meeting of Company's Shareholders cannot be established earlier than 10 (Ten) days from the date of adopting resolution on convening the General Meeting of Company's Shareholders and later than 80 (Eighty) days before the date of holding the General Meeting of Shareholders of the Company.

14.9.4. The notice on holding the Extraordinary General Meeting of Shareholders shall be sent not later than 70 (Seventy) days prior to the date of its holding.

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

15.1. The Board of Directors of the Company is responsible for all issues referred to the general management of the Company except for issues referred by the Federal Law "On Joint Stock Companies" and these Articles of Association to the competence of the General Meeting of Shareholders.

The following issues refer to the competence of the Company's Board of Directors:

1) determination of priorities of the Company's business and the Company's development strategy;

2) convocation of the Annual and Extraordinary General Meetings of Shareholders except for the cases provided for by Clause 14.8. of Article 14 of these Articles of Association as well as declaring the date of holding the new General Meeting of Shareholders instead of the meeting deemed invalid due to absence of quorum;

3) approving the agenda of the General Meeting of Shareholders;

4) election of the Secretary of the General Meeting of Shareholders;

5) determination of the date of making the list of persons entitled to participate in the General Meeting of Shareholders of the Company, determining the record date of persons entitled to receive dividends, approval of cost estimate for holding the General Meeting of Shareholders and resolving any other issues related to the arrangement and holding the General Meeting of Shareholders;

6) introduction to the resolution of the General Meeting of Shareholders of the Company of issues provided for by Sub-clauses 2, 5, 7, 8, 12-20 of Clause 10.2 of Article 10 of these Articles of Association, reduction of the Company's Authorised Capital by reducing the par value of the shares, as well as determining the record date of persons entitled to receive dividends;

7) issue by the Company of additional shares into which preferred shares placed by the Company of a certain type are converted, convertible into common shares or preferred shares of other types, if such a placement is not associated with an increase in the authorized capital of the Company as well as the placement of bonds and other equity securities other than shares; Eurobond issue and determining policy as regards the issue of securities (except for shares) and Eurobonds;

8) approval of resolution on issue (additional issue) of securities, securities prospectus, securities issue (additional issue) report, and notice of securities issue (additional issue), approval of reports on the results of purchase of shares from the Company's Shareholders, reports of the results of shares redemption, reports of the results of submitting requests by the Company Shareholders regarding repurchase of their shares;

9) determination of the property value (monetary value), placement price or its determination procedure and price of repurchase of equity securities in cases provided for by the Federal Law "On Joint Stock Companies" and on resolving issues specified in Sub-clauses 11, 24, 40 of Clause 15.1 of Article 15 of these Articles of Association;

10) purchase of shares issued by the Company, debentures and other securities in cases provided for by the Federal Law "On Joint Stock Companies";

11) assignment (sale) of the Company's shares which became disposable by the Company as a result of their purchase or repurchase from the Company's Shareholders as well as in other cases provided for by the Federal Law "On Joint Stock Companies";

12) election of the Company's General Director and early termination of his/her powers including adopting resolution on early termination of the employment agreement with him/her;

13) determination of total number of members of the Management Board of the Company, election of members of the Management Board of the Company, setting of amount of their fee and compensation and early termination of their powers;

14) guidelines to the General Meeting of Shareholders in respect of amount of fee and compensation payable to the members of the Audit Commission of the Company as well as determination of the amount of the Auditor's fee;

15) guidelines regarding the amount of a dividend upon shares and procedure for its payment;

16) approval of the Company's internal documents regulating the procedure for formation and use of the Company's funds;

17) taking decisions for use of funds of the Company; approving estimates for the use of special-purpose funds and considering the results of the estimates execution for the use of the special-purpose funds;

18) approving internal documents of the Company except for the internal documents which approval refers to the competence of the General Meeting of Shareholders as well as other internal documents which approval refers to the competence of the executive bodies of the Company;

19) approval of business-plan (adjusted business-plan) including investment company and quarterly report of the results of its performance;

20) on investment programme consideration including its amendments;

21) approval (adjustment) of the indicators of cash flow of the Company;

22) approval and amendment of terms and conditions as well as termination of major and middle investment projects implementation determined by these term and conditions in accordance with the Regulation on investment activity as well as approval of quarterly project status reports;

23) establishment of branches and representative offices of the Company and their liquidation, as well as amending the Articles of Association of the Company related to establishment of branches and representative offices of the Company (including change of data on names and locations of such branches and representative offices of the Company) and their liquidation;

24) adopting resolutions on the Company's participation in other organisations (on entering operation organisation or establishment of a new organisation including approval of constituent documents) as well as on purchase, assignment and encumbrance of shares or equity interests in the authorised capitals of the organisations in which the Company participates, change of equity interests in the authorised capital of the respective organisation and termination of the Company's participation in other organisations;

25) determination of the Company's credit policy with regard to issue of loans by the Company, entering into facility agreements or loan agreements, issue of guarantees, incurrence of liabilities on bills of exchange (issue of promissory note and bill of exchange), pledge of property and adopting resolutions on making by the Company of specified transactions in cases when the procedure for adopting resolutions in respect of these transactions is not determined by the credit policy of the Company as well as adopting in accordance with the procedure provided for by the credit policy of the Company resolutions on coordination of the Company's debt position and limits established by the Company's credit policy;

26) approval of major transactions in cases provided for by Chapter X of the Federal Law "On Joint Stock Companies";

27) approval of transactions provided for by Chapter XI of the Federal Law "On Joint Stock Companies";

28) approval of the registrar of the Company and terms and conditions of the agreement with

it as well as termination of such agreement;

29) election of the Chairman of the Company's Board of Directors and early termination of his/her powers;

30) election of the Deputy Chairman of the Company's Board of Directors and early termination of his/her powers;

31) election of the Company's Corporate Secretary and early termination of its powers;

32) prior approval of the resolutions on making transactions regarding the gratuitous transfer of property (money) of the Company or proprietary interest (claim) to itself or to a third person; transactions connected with discharge from material obligations before itself or a third person; transactions connected with gratuitous rendering services (performing work) by the Company to the third persons in circumstances (in the amounts) determined by a separate resolution of the Company's Board of Directors and adoption of resolutions on performance of such transactions by the Company when the above mentioned circumstances (amounts) are not determined.

33) adoption of resolution on suspension of powers of the managing company (manager);

34) approval of resolutions on appointment of The Company's Acting General Director in cases specified by the certain resolutions of the Company's Board of Directors as well as holding the General Director disciplinary liable;

35) holding the Company's General Director and members of the Company's Management Board disciplinary liable and its encouraging in accordance with the employment laws of the Russian Federation;

36) consideration of the General Director's reports on the Company's activity (including on the performance of his/her duties) as well as on implementation of resolutions of the General Meeting of Shareholders and the Company's Board of Directors;

37) approval of the procedure for interaction of the Company with the organisations in which the Company participates;

38) determination of the position of the Company (the Company's representatives) including guideline to participate or not to participate in the voting on items on the agenda, on draft resolutions "for", "against" or "abstained" on the following items on the agenda of the general meetings of shareholders (members) of subsidiaries and dependent companies (hereinafter referred to as SDCs), and meetings of SDC's boards of directors:

a) on approval of agendas of the general meetings of shareholders (members) of SDC (except for those SDCs, 100 (one hundred) percent of the share capital of which is owned by the Company);

b) on SDC liquidation or reorganisation;

c) on determination of the total number of members of SDC management and supervisory bodies, nomination and election of its members and early termination of their powers, nomination and election of the sole executive body of SDC and early termination of its powers;

d) on determination of the quantity, par value, category (type) of SDC authorised shares and rights granted by these shares;

e) on increase of SDC authorised capital by increasing the par value of the existing shares or by issuing additional shares;

f) on issue of SDC securities convertible into ordinary shares;

h) on splitting and consolidation of SDC shares;

g) on approval of major transactions made by SDC;

h) on SDC participation in other organisations (on entering operating organisation or establishment of a new organisation) as well as on purchase, assignment and encumbrance of shares (equity interests) in the authorised capitals of the organisations in which SDC participates, change of equity interests in the authorised capital of the respective organisation;

i) on making by SDC of transactions (including several associated transactions) related to acquisition, assignment (disposal) or possibility of assignment of property being fixed assets,

intangible assets, construction in progress aimed to production, transmission, dispatching, distribution of electric and heat energy in cases (to the extent) specified by the procedure for the Company's interaction with the organisations in which the Company participates approved by the Company's Board of Directors;

- j) on amending SDC's constituent documents;
- k) on procedure for payment of remuneration to the members of SDC's Board of Directors and Audit Commission;
- l) on approval of target values (adjusted values) of key performance indicators;
- m) on approval of report of performance of planned values of annual and quarterly key performance indicators;
- n) on approval of business-plan (adjusted business-plan) including investment company and quarterly report of the results of its performance;
- o) on approval (consideration) of business plan status report;
- p) on approving the procedure of profit and loss sharing based on the results of financial year;
- q) on guidelines regarding the amount of a dividend upon shares and procedure for its payment;
- r) on payment of (declaring) the dividends under the results of the first quarter, six months, nine months of the financial year as well as following the results of the financial year;
- s) on investment programme consideration including its amendments;
- t) on approval (consideration) of investment programme status report;
- u) on reduction of the share capital of SDCs by reducing the nominal value of shares through the acquisition by SDCs of a part of shares in order to reduce their total number, as well as by redemption of acquired or repurchased shares by SDCs;

39) determination of the position of the Company (the Company's representatives) on the following items on the agenda of the meetings of SDC's boards of directors (including guideline to participate or not to participate in the voting on items on the agenda, on draft resolutions "for", "against" or "abstained"):

a) determination of the position of SDC's representatives on such items of the agenda of the general meetings of shareholders (members) and meetings of the boards of directors of companies being subsidiaries and dependent companies in respect of SDC as making (approval) of transactions (including several associated transactions) related to acquisition, assignment (disposal) or possibility of assignment of property being fixed assets, intangible assets, construction in progress aimed to production, transmission, dispatching, distribution of electric and heat energy in cases (to the extent) specified by the procedure for the Company's interaction with the organisations in which the Company participates approved by the Company's Board of Directors;

b) determination of the position of SDC's representatives on such items of the agenda of the general meetings of shareholders (members) and meetings of the boards of directors of companies being subsidiaries and dependent companies in respect of SDC carrying out production, transmission, dispatching, distribution of electric and heat energy as reorganisation, liquidation, increase of the authorised capital of such companies by increasing the par value of the existing shares or by issuing additional shares, securities convertible into ordinary shares;

40) preliminary approval of resolutions on making by the Company of:

a) transactions related to the Company's non-current assets costing over 10 per cent of the Company's non-current assets balance sheet value assessed on the basis of the data of financial statements of the Company as of the last reporting date;

b) transactions (including several associated transactions) related to any disposal (or transfer of rights in accordance with any procedure) of real property and/or equipment used directly for carrying out primary activities of the Company which balance sheet value exceeds 5 per cents of the

balance sheet value of the Company's assets or related to any encumbrance of specified property;

c) transactions (including several associated transactions) related to acquisition, assignment (disposal) or possibility of assignment of property being fixed assets, intangible assets, construction in progress aimed to production, transmission, dispatching, distribution of electric and heat energy in cases (amounts) specified by the certain resolutions of the Company's Board of Directors, or, if such cases (amounts) have not been defined by the Company's Board of Directors;

d) transactions (including several associated transactions) related to acquisition, assignment (disposal) or possibility of assignment of property being fixed assets, intangible assets, construction in progress not aimed to production, transmission, dispatching, distribution of electric and heat energy in cases (amounts) specified by the certain resolutions of the Company's Board of Directors or, if such cases (amounts) have not been defined by the Company's Board of Directors;

e) transactions for receiving or transferring of fixed assets for temporary possession and use or for temporary use for a period of more than 5 years, in cases (amounts) determined by separate decisions of the Company's Board of Directors;

41) nomination by the Company of nominations to be elected to the position of the sole executive body, other management bodies, supervisory bodies as well as nominations of the Auditor of organisations in which the Company participates carrying out production, transmission, dispatching, distribution and sale of electric and heat energy as well as repair and services rendering;

42) determination of the Company's policy in the area of insurance coverage, control over provision of insurance coverage of the Company, including approval of the Company's nominations of Insurers;

43) approval and amending of organisational structure of the Company's executive bodies;

44) approval of provision on material encouragement of the General Director as well as provision on material encouragement of top managers of the Company; approval of the list of top managers.

45) approval of nominations to separate positions of the executive bodies of the Company determined by the Company's Board of Directors;

46) preliminary approval of collective agreement, arrangements entered into within the framework of regulation social and labour relations regulating as well as approval of documents related to non-state private pension benefits to the Company's employees;

47) establishment of committees of the Company's Board of Directors, election of members of the Committees of the Company's Board of Directors and early termination of their powers; election and early termination of powers of the Chairmen of the Committees of the Company's Board of Directors;

48) approval of a nomination of an independent appraiser (appraisers) for evaluating shares, property and other assets of the Company in cases provided for by the Federal Law "On Joint Stock Companies", these Articles of Association and separate resolutions of the Company's Board of Directors;

49) approval of financial advisor engaged in accordance with the Federal Law "On Securities Market" as well as organisers of securities issue and advisors regarding the Company transactions directly related to raising funds in form of public loans;

50) preliminary approval of transactions which may result in creation of obligations expressed in foreign currency (or obligations which amount is relates to foreign currency), transactions with derivatives, in cases (in the amount) determined by separate resolutions of the Board of Directors as well as if the specified cases (amounts) are not determined by the Company's Board of Directors); determination of the Company's policy in regards to derivatives;

51) determination of purchase policy of the Company including approving the Regulation on purchase of goods, work and services, approval of the Head of the Central Purchasing Authority of the Company and its members as well as approval of a procurement plan and adopting other resolutions

in accordance with the documents regulating the Company's procurement activities;

52) adopting resolution on proposal of the Company's General Director for granting state rewards;

53) approval of target values (adjusted values) of key performance indicators (KPI) of the Company and completion reports;

54) determination of the Company's policy aimed to improving reliability of the distribution power grid and other power grid facilities including approval of the Company's strategy programmes on improving liability of power grid, power grid development and its safety;

55) determination of the Company's housing policy with regard to corporate support of employees, housing improvements expressed by subsidies, recovery of expenses, interest-free loans and adopting resolutions on providing by the Company of specified support in cases when the procedure for its provision is not determined by the housing policy of the Company;

56) filing an application for listing of shares of the Company and (or) securities of the Company convertible into shares of the Company;

57) taking a decision to join the Company to the industry and cross-industry standards, regulations and other documents in the electricity sector in various areas of the Company's activity, including technical regulation;

58) other issues referred to the competence of the Board of Directors by the Federal Law "On Joint Stock Companies" and these Articles of Association.

15.2. The issues referred to the competence of the Board of Directors of the Company may not be resolved by the Company's General Director and Management Board.

15.3. The members of the Company's Board of Directors shall on exercising their rights and performing their obligations act for the benefit of the Company and exercise their rights and perform their obligations to the Company reasonably and in good faith.

15.4. The members of the Company's Board of Directors shall be liable to the Company for losses caused to the Company by their faulty actions (omission), unless other bases and extent of liability are established by the federal laws.

Members of the Board of Directors who either voted against the resolution that resulted in losses for the Company or did not participate in the meeting that passed said resolution shall not be liable for the losses.

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

16.1. The Company's Board of Directors shall include 11 (eleven) persons.

16.2. The members of the Company's Board of Directors shall be elected by the General Meeting of Shareholders of the Company pursuant to the procedure provided for by Clause 10.8 of Article 10 of these Articles of Association until the next Annual General Meeting of Shareholders.

In case of election of the Company's Board of Directors at the Extraordinary General Meeting of Shareholders, members of the Board of Directors shall be elected for the period until the date of the Annual General Meeting of Shareholders of the Company.

Should the Annual General Meeting of Shareholders be not held within the terms established by Clause 11.1. of Article 11 of these Articles of Association, the powers of the Board of Directors of the Company shall be terminated excluding the ones to prepare, convene and hold the Annual General Meeting of Shareholders.

16.3. Only an individual may be elected as a member of the Board of Directors of the Company.

16.4. The number of re-elections of persons elected to the Company's Board of Directors is not restricted.

16.5. The powers of all members of the Company's Board of Directors may be terminated earlier upon the resolution of the Company's General Meeting of Shareholders.

The resolution of the General Meeting of Shareholders on early termination of powers may be adopted in respect of all members of the Board of Directors.

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

17.1. The members of the Company's Board of Directors shall elect the Chairman of the Company's Board of Directors of their number by a majority of the total number of votes of the members of the Company's Board of Directors.

The Company's Board of Directors may at any time re-elect its Chairman by a majority of the total number of votes of the members of the Company's Board of Directors.

17.2. The Chairman of the Company's Board of Directors shall manage activity of the Company's Board of Directors, convene meetings of the Board of Directors and preside at them, ensure taking minutes of the meetings, preside at the General Meeting of Shareholders.

17.3. If the Chairman of the Company's Board of Directors is not present, the Deputy Chairman of the Board of Directors elected by a majority of votes of the total number of members of the Company's the Board of Directors of their number shall act as Chairman.

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

18.1. The procedure for convening and holding the meetings of the Company's Board of Directors shall be established by the internal document approved by the General Meeting of Shareholders of the Company.

18.2. The meetings of the Board of Directors shall be held as and when necessary but not less than once in three months.

The meeting of the Company's Board of Directors shall be convened by the Chairman of the Board of Directors (or by Deputy Chairman of the Board of Directors in cases provided for by Clause 17.3 of Article 17 of these Articles of Association) at his own initiative, at the request of a member of the Board of Directors, Audit Commission, the Company's General Director, a member of the Management Board, the Auditor of the Company.

18.3. The first meeting of new elected members of the Company's Board of Directors shall obligatorily resolve issues regarding election of the Chairman of the Board of Directors, the Deputy Chairman and the Corporate Secretary of the Company.

This meeting of the Company's Board of Directors shall be convened by a member of the Company's Board of Directors in accordance with the internal document regulating the procedure for convening and holding meetings of the Company's Board of Directors.

18.4. The Board of Directors may adopt resolutions by absentee voting (by ballot). In case of absentee voting, each member of the Company's Board of Directors shall be served with materials regarding the agenda items and the voting ballot specifying the date by that the voting ballot filled and signed by the member of the Company's Board of Directors must be provided to the Company's Board of Directors.

18.5. The member of the Company's Board of Directors absent at the meeting of the Company's Board of Directors may express its opinion with respect to the agenda items in writing pursuant to the procedure established by the internal document regulating the procedure for convening and holding meetings of the Company's Board of Directors.

18.6. No member of the Company's Board of Directors may delegate his or her right to vote to any other person even if this other person is a member of the Company's Board of Directors as well.

18.7. The resolutions at the meeting of the Company's Board of Directors shall be adopted by a majority of votes of the Company's Directors participating in the meeting unless otherwise is provided for by the law of the Russian Federation and these Articles of Association.

Provided that a transaction shall be approved by the Company's Board of Directors on several grounds simultaneously (established by these Articles of Association and established by Chapter X or

Chapter XI of the Federal Law "On Joint Stock Companies"), the procedure for approval of such transaction shall be regulated only by provisions of the Federal Law "On Joint Stock Companies".

18.8. The resolution of the Company's Board of Directors on approval of a major transaction shall be adopted by all members of the Board of Directors unanimously.

The resolutions of the Company's Board of Directors shall be adopted by a three-quarter majority of votes of members of the Company's Board of Directors of total number of votes under the following issues:

- on suspension of powers of the managing company or manager and on appointment of Acting General Director of the Company;
- on convocation of the Extraordinary General Meeting of the Company's Shareholders in cases provided for by Clauses 21.11, 21.12 of Article 21 of these Articles of Association.

On adopting by the Company's Board of Directors resolutions provided for by this Clause of the Articles of Association the votes of the ex-members of the Board of Directors shall not be taken into account.

At that the ex-members of the Company's Board of Directors shall be deemed persons who left the Board of Directors due to death, acknowledgment in court of their disability or their unknown absence.

18.9. The resolution on approval of any related-party transaction shall be adopted by the Company's Board of Directors in accordance with Article 83 of the Federal Law "On Joint Stock Companies".

18.10. Resolutions of the Board of Directors on issues provided for by Sub-clauses 24, 37-39 of Clause 15.1 of Article 15 of these Articles of Association shall be adopted by the three-quarters majority of the Company's Board of Directors participating in this General Meeting.

18.11. Issues provided for by Sub-clauses 19,22 of Clause 15.1 of Article 15 of these Articles of Association shall be considered at the Meetings of the Company's Board of Directors held in form of compresence unless all members of the Board of Directors are agree with the meeting in the form of absentee voting.

18.12. When resolving issues at the meeting of the Company's Board of Directors every member of the Board of Directors shall have one vote. In case of equality of votes, the Chairman of the Company's Board of Directors shall have a casting vote.

18.13. A quorum at the meeting of Company's Board of Directors shall make at least a half of the elected members of the Company's Board of Directors.

Should the number of members of the Company's Board of Directors become less than the number constituting the specified quorum, the Company's Board of Directors shall adopt resolution to convene an Extraordinary General Meeting of Shareholders for election of new members of the Company's Board of Directors. The rest of the members of the Board of Directors may only resolve to convene such Extraordinary General Meeting of Shareholders. In this case, a quorum at the meeting of Company's Board of Directors shall make at least a half of remaining members of the Company's Board of Directors.

18.14. Minutes shall be taken at the meeting of the Company's Board of Directors. Minutes of the meeting of the Company's Board of Directors shall be executed and signed not later than within 3 (Three) days following the date of this meeting by the Chairman of the meeting and the Corporate Secretary of the Company which are responsible for accuracy of the minutes. All materials regarding the agenda items of the meeting and documents approved by the Board of Directors shall be attached to the minutes.

In case of absentee vote by the Company's Board of Directors, the voting ballots signed by members of the Company's Board of Directors shall be attached to the minutes.

18.15. The resolutions of the Company's Board of Directors adopted in violation of competence of the Company's Board of Directors shall in the absence of a quorum for holding such Meeting of the Board of Directors or in the absence of majority of votes of the Company's Board of Directors

necessary for adopting resolution be invalid irrespective of their appealing in court.

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

19.1. Committees of the Company's Board of Directors shall be established upon resolution of the Company's Board of Directors.

19.2. Committees of the Company's Board of Directors shall be established for consideration of issues referred to the competence of the Company's Board of Directors or studied by the Company's Board of Directors in process of supervising activity of the Company's executive body as well as for development of necessary recommendations to the Company's Board of Directors and executive bodies of the Company.

19.3. Operating and formation procedure as well as competence and term of powers of the Board of Directors shall be determined by separate resolutions of the Company's Board of Directors.

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

20.1. For the purposes of due compliance in the Company with the procedure for preparation and holding of the General Meeting of Shareholders, activity of the Company's Board of Directors the Board of Directors may elect the Corporate Secretary of the Company.

20.2. The Agreement on behalf of the Company with the Corporate Secretary of the Company shall be executed by the Chairman of the Company's Board of Directors or the person authorised by the Company's Board of Directors.

20.3. The terms and conditions of the agreement with the Company's Corporate Secretary as well as amount of its fee shall be determined by the Company's Board of Directors or the person authorised by the Company's Board of Directors.

20.4. The Corporate Secretary of the Company shall within his/her competence participate in preparation and holding of the General Meeting of Shareholders of the Company, Meetings of the Company's Board of Directors in accordance with the requirements of the law of the Russian Federation, Articles of Association and other internal documents of the Company.

20.5. The members of the management bodies and officers of the Company shall assist to the Corporate Secretary of the Company in exercising his/her functions. The activity of the Corporate Secretary of the Company shall be regulated by the Company's Board of Directors.

20.6. Operating procedure as well as procedure for appointment and termination of powers, term of powers, rights and obligations of the Corporate Secretary of the Company shall be determined by the Regulation on the Corporate Secretary approved by the Company's Board of Directors.

### **Article 21. Executive Bodies of the Company**

21.1. The Company's current activity shall be managed by the Company's sole executive body which is the General Director, and by the collegial executive body of the Company which is the Company's Management Board.

21.2. The activity of the General Director and the Management Board of the Company shall be regulated by the Company's Board of Directors and the Company's General Meeting of Shareholders.

21.3. The powers of the sole executive body of the company may be delegated upon resolution of the General Meeting of the Shareholders to a management organisation or a manager under the relevant agreement.

Rights and obligations of the management organisation (manager) relating to management of the Company's current activity shall be established by the law of the Russian Federation and by the agreement entered into by the management organisation (manager) with the Company.

The agreement with a management organisation (manager) on behalf of the Company shall be

signed by the Chairman of the Company's Board of Directors or the person authorised by the Company's Board of Directors.

The terms and conditions of the agreement with a management organisation (manager), including with regard to the term of powers, shall be determined by the Company's Board of Directors or the person authorised by the Company's Board of Directors.

21.4. Forming the Company's executive bodies and early termination of their powers shall be carried out under the resolution of the Company's Board of Directors except for the cases provided for by the Federal Law and these Articles of Association.

21.5. Rights and obligations of the General Director and members of the company's Management Board relating to management of the Company's current activity shall be determined by the law of the Russian Federation, these Articles of Association and the employment agreement entered into with the Company.

21.6. The employment agreement on behalf of the Company shall be signed by the Chairman of the Company's Board of Directors or the person authorised by the Company's Board of Directors.

21.7. The terms and conditions of the employment agreement, including with regard to the term of powers, shall be determined by the Company's Board of Directors or the person authorised by the Company's Board of Directors to execution of the employment agreement in accordance with Clause 21.6 of Article 21 of these Articles of Association.

21.8. The General Director and the members of the Management Board may hold offices in management bodies of other organisations and any other salaried offices in other organisations with consent of the Board of Directors of the Company only.

21.9. Rights and obligations of the employer on behalf of the Company in respect to the General Director and the members of the Company's Management Board shall be exercised by the Company's Board of Directors or the person authorised by the Company's Board of Directors.

21.10. The Board of Directors may adopt at any time resolution on early termination of the powers of the Company's General Director, members of the Company's Management Board and on establishment of new executive bodies.

The powers of the General Director and members of the Management Board shall terminate on grounds established by the law of the Russian Federation and the employment agreement entered into with the Company.

21.11. The General Meeting of Shareholders may adopt at any time the resolution on early termination of powers of a management organisation (manager).

The Company's Board of Directors may adopt at any time the resolution on suspension of powers of a management organisation or a manager. Simultaneously with the specified resolution, the Company's Board of Directors shall adopt resolution on appointment of The Company's Acting General Director and holding the Extraordinary General Meeting of Shareholders to resolve the issue regarding early termination of powers of the management organisation (manager) and, unless otherwise is resolved by the Board of Directors, resolution on delegation of powers of the sole executive body of the Company to the management organisation (manager).

21.12. Should the management organisation (manager) be not able to perform its obligations, the Company's Board of Directors may adopt resolution on appointment of The Company's Acting General Director and holding the Extraordinary General Meeting of Shareholders to resolve the issue regarding early termination of powers of the management organisation (manager) and, unless otherwise is resolved by the Company's Board of Directors, resolution on delegation of powers of the sole executive body of the Company to any other management organisation or other manager.

21.13. The Company's Acting General Director shall manage the Company's current activity within the limits of the competence of the Company's executive bodies unless any other resolution is adopted by the Company's Board of Directors.

21.14. The Company's General Director, members of the Company's Management Board and

The Company's Acting General Director as well as the management organisation (manager) shall on exercise of their rights and performing their obligations act for the benefit of the Company as well as exercise their rights and perform their obligations in respect of the Company reasonably and in good faith.

21.15. The Company's General Director, members of the Company's Management Board and The Company's Acting General Director as well as the management organisation (manager) shall be held liable to the Company for losses caused to the Company by their faulty actions (omissions), unless other grounds and scope of liability are established by the federal laws.

The General Director shall be personally liable for arrangement of protection of the state secret as well as for non-compliance with the restrictions of the access to information deemed as a state secret provided for by the applicable law.

At that the members of the Management Board of the Company who either voted against the resolution that resulted in losses to the Company or did not participate in the meeting that adopted such resolution shall not be held liable for these losses.

21.16. In case of temporary absence of the General Director (due to illness, business trip, leave) his/her duties shall under the order of the General Director of the Company be performed by one of its deputies only in case of absence of the Company's Board of Directors on appointment of The Company's Acting General Director.

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

22.1. The Company's Management Board acts under the Articles of Association, as well as under the Regulation on Management Board establishing the term, the procedures for convocation and holding its meetings, as well as the procedure for making resolutions.

22.2. The following issues refer to the competence of the Company's Management Board:

1) drawing up and submission to the Board of Directors of the Company's development strategy;

2) drawing up of annual (quarterly) business-plan including investment company and report of the results of their performance as well as approval (adjustment) of the indicators of cash (budget) flow of the Company;

3) drawing up of annual report on the Company's business, implementation by the Management Board of resolutions of the General Meeting of Shareholders and the Board of Directors of the Company;

4) consideration of reports of the Deputy Directors General of the Company, heads of separate structural subdivisions of the Company on the results of implementation of approved plans, programmes, guidelines, consideration of reports, documents and other information on the Company's activity as well as on activity of its SDC;

5) adopting resolutions on issues referred to the competence of the supreme management bodies of business companies, 100 (one hundred) per cent of the Authorised capital of which belongs to the Company (taking into consideration Sub-clauses 38, 39 of Clause 15.1 of Article 15 of these Articles of Association);

6) drawing up and submitting following reports on business activity of the business companies to the Board of Directors, 100 (One hundred) per cent of the Authorised capital of which belong to the Company;

7) adopting resolutions on making transactions which deal with property, work and services which value is between 5 and 25 per cent of the Company's net assets, specified as of the date adopting resolution (except for cases provided for by Sub-clause 40 of Clause 15.1 of these Articles of Association);

8) resolution of other issues related to management of current activity of the Company in accordance with the resolutions of the General meeting of Shareholders, the Board of Directors of the Company as well as issues submitted to the Management Board by the Company's General

Director;

22.3. The members of the Company's Management Board shall be elected by the Company's Board of Directors; the number of members of the Company's Management Board shall be specified by the resolution of the Company's Board of Directors at the suggestion of the Company's Director.

Should the Company's Board of Directors reject the nominations to the Company's Board of Directors offered by the General Director, the Company's Board of Directors may elect to the Management Board the nominations offered by the member (members) of the Company's Board of Directors.

The number of members of the Management Board of the Company shall be not less than 3 (three) persons.

22.4. The Management Board shall be deemed duly constituted should at least half of the elected members of the Management Board at the Meeting (absentee meeting).

22.5. The Board of Directors shall pass resolutions by a simple majority of votes of the number of members of the Management Board participating in a meeting. In case of an equality of votes, the Chairman of the Company's Management Board shall have a casting vote.

22.6. Members of the Management Board may not transfer the voting right to other persons, including other members of the Management Board.

### **Article 23. General Director of the Company**

23.1. The General Director shall manage the current activity of the Company in accordance with the resolutions of the General Meeting of the Company's Shareholders, the Board of Directors and the Management Board of the Company adopted in accordance with their competence;

23.2. The competence of the Company's General Director shall include all issues of management of the current activity of the Company except for the issues referred to the competence of the General Meeting of Shareholders, the Board of Directors or the Management Board of the Company.

23.3. The General Director of the Company shall act on behalf of the Company without any Power of Attorney, taking into account limitations provided for by the applicable laws of the Russian Federation, these Articles of Association and resolutions of the Company's Board of Directors:

- ensure implementation of the Company's business activity plans necessary for achievement of the Company's objectives;
- organise accounting and reporting in the Company.
- manage the Company's assets, make transactions on behalf of the Company, issue Powers of Attorney, open settlement and other accounts of the Company with banks, other credit institutions (and, in cases provided for by the law, entities which are professional participants of the securities market);
- issue orders, approve (accept) guidelines, regulations and other internal documents of the Company with respect to issues referred to its competence, give instructions binding for all employees of the Company;
- approve Regulations on branch offices and representative offices of the Company;
- in accordance with the general structure of executive bodies of the Company, approve payroll plan and official salaries of the Company's employees;
- exercise in respect to the Company's employees rights and obligations of the employer provided for by the employment law;
- act as the Company's Chairman of the Management Board;
- allocate duties between the deputies of the General Director;
- submit for consideration of the Company's Board of Directors the reports on financial and business activity of subsidiaries and dependent companies, shares (equity interests) of which the Company holds as well as information regarding other organisations in which the Company participates except for cases provided for by Sub-clause 6) of Clause 22.2 of Article 22 of these

Articles of Association;

- not later than 45 (forty five) days prior to the date of the Annual General Meeting of Shareholders of the Company, submit for consideration of the Company's Board of Directors the annual report, annual accounting balance sheet, the profit and loss statement, distribution of profits and losses of the Company;

- resolve any other issues related to the Company's current activity except for the issues referred to the competence of the General Meeting of Shareholders, the Board of Directors and the Management Board of the Company.

23.4. The General Director shall be elected by the Company's Board of Directors by the majority of total number of votes of the members of the Board of Directors taking part in the meeting.

Nomination of nominations for the position of the Company's General Director to be elected by the Company's Board of Directors shall be proposed pursuant to the procedure established by the internal document of the Company regulating the procedure for convening and holding meetings of the Company's Board of Directors.

#### **Article 24. Audit Commission and Auditor of the Company**

24.1. The Audit Commission of the Company shall be elected by the General Meeting of Shareholders to control financial and business activity of the Company for the period until the next Annual General Meeting of Shareholders.

In case of election of the Company's Audit Commission at the Extraordinary General Meeting of Shareholders, members of the Audit Commission shall be elected for the period until the date of the Annual General Meeting of Shareholders of the Company.

The Company's Audit Commission shall include 5 (Five) persons.

24.2. The powers of all or some members of the Company's Audit Commission may be early terminated under the resolution of the General Meeting of Shareholders of the Company.

24.3. The competence of the Company's Audit Commission shall include:

- confirmation of reliability of data contained in the annual report of the Company, annual accounting reports, profit and loss statement of the Company;

- financial analysis of the Company, identifying ways of the Company's financial condition improvement and development of guidelines to the Company's management bodies;

- preparation and conduct of audit (inspection) of financial and business activity of the Company, particularly:

- audit (inspection) of financial, accounting, payment and calculation documents as well as other documents of the Company related to the Company's financial and business activity to determine whether these documents comply with the laws of the Russian Federation, the Articles of Association, internal and other documents of the Company.

- control over safety and use of fixed assets;

- control over compliance with the established procedure for charge-off of debts of insolvent debtors;

- control over expenditure of monetary funds of the Company in accordance with the approved business plan and budget of the Company;

- control over establishment and use of the reserve fund and other special funds of the Company;

- check of accuracy and timeliness of calculation and payment of dividends upon shares of the Company, interest income from bonds, income from other securities;

- check of performance of instructions given formerly for elimination of violations and defects revealed in the course of previous audits (inspections);

- other actions (measures) related to check of financial and business activity of the Company.

24.4. All resolutions on issues referred to the competence of the Audit Commission shall be

adopted by a majority of votes of the total number of its members.

24.5. The Audit Commission of the Company may, and, in case of revelation of grave violations in financial and business activity of the Company, shall require convening an Extraordinary General Meeting of the Company.

24.6. The procedure for activities of the Company's Audit Commission shall be established by the Company's internal document approved by the General Meeting of Shareholders of the Company.

The Audit Commission may, in accordance with the resolution on audit (inspection), engage experts in the relevant fields of law, economics, finances, accounting, management, economic security and other fields of knowledge, including specialised organisations, for conduct of audit (inspection).

24.7. Audit (inspection) of the Company's financial and business activities is conducted following the results of the Company's activity for a year, and may be also conducted at any time at the initiative of the Audit Commission of the Company, upon the resolution of the General Meeting of Shareholders, the Board of Directors of the Company or at the request of the Company's Shareholder (Shareholders) holding in total not less than 10 per cent of voting shares of the Company.

24.8. The General Meeting of Shareholders of the Company shall approve the Auditor of the Company every year for audit and confirmation of annual financial statements of the Company.

24.9. The amount of the Auditor's fee shall be determined by the Company's Board of Directors.

24.10. The Company's Auditor shall check financial and business activity of the Company in accordance with requirements of the laws of the Russian Federation and under the agreement between the Company and the Auditor.

24.11. Following the results of audit of the Company's financial and business activity, the Company's Auditor shall prepare the opinion containing:

- confirmation of accuracy of the data contained in reports and other financial documents of the Company;

- information on facts of violation of procedure for accounting and financial reporting established by regulations of the Russian Federation as well as violation of regulations of the Russian Federation in the course of financial and business activities carried out by the Company.

The procedure and terms of preparation of the opinion following the results of audit of the Company's financial and business activity shall be established by regulations of the Russian Federation and internal documents of the Company.

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

25.1. The Company shall keep accounting records and submit financial reports pursuant to the procedure established by the law of the Russian Federation and these Articles of Association.

25.2. In accordance with the laws of the Russian Federation and these Articles of Association, the Company's General Director shall be responsible for organisation and accuracy of accounting in the Company, submission of annual financial statements and other financial reports to the relevant governmental authorities in due time as well as for representation of information on the Company's activity furnished to Shareholders of the Company, creditors and mass media.

25.3. The accuracy of data contained in the Company's annual report and annual financial statements shall be confirmed by the Audit Commission and the Auditor of the Company.

25.4. The annual report, annual financial statements, profit and loss statement and allocation of profit and losses of the Company, shall be preliminarily approved by the Company's Board of Directors not later than 30 (thirty) days prior to the date of the Annual General Meeting of Shareholders of the Company.

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

26.1. The Company shall keep the following documents:

- 1) Resolution on incorporation of the Company;
- 2) the Articles of Association of the Company, amendments and supplements made to the Articles of Association of the Company and registered pursuant to the established procedure, the certificate of state registration of the Company;
- 3) documents certifying the Company's rights to the property recorded in its balance sheet;
- 4) internal documents of the Company approved by the management bodies of the Company;
- 5) regulations on branch offices and representative offices of the Company;
- 6) annual reports;
- 7) the prospectus for securities, the quarterly report of the issuer and other documents containing information subject to publishing and disclosing otherwise in compliance with the federal laws;
- 8) accounting statements;
- 9) accounting reports;
- 10) minutes of General Meetings of the Company's Shareholders, meetings of the Board of Directors, the Audit Committee and the Management Board of the Company;
- 11) voting ballots and powers of attorney (copies of powers of attorney) authorising participation in the General Meeting of Shareholders;
- 12) reports of independent appraisers;
- 13) lists of affiliates of the Company;
- 14) lists of persons entitled to participate in the General Meeting of Shareholders and persons entitled to receive dividends as well as any other lists drawn up by the Company to enable its Shareholders to exercise their rights in accordance with requirements of the Federal Law "On Joint Stock Companies";
- 15) opinions of the Company's Audit Commission, the Company's Auditor, state and municipal financial supervisory bodies;
- 16) notices on the execution of the shareholders' agreement submitted to the Company, and the list of persons having entered into such agreements;
- 17) judicial acts regarding the disputes related to the establishment of the Company, management thereof and participation therein;
- 18) any other documents provided for by the laws of the Russian Federation, these Articles of Association, the Company's internal documents and resolutions of management bodies of the Company.

26.2. The Company shall keep the documents specified in Clause 26.1 of this Article at the location of the executive body of the Company pursuant to the procedure and within time-limits established by the Central Bank of the Russian Federation.

26.3. In case of reorganisation of the Company, all documents shall be transferred to a legal successor pursuant to the established procedure.

26.4. In case of liquidation of the Company, documents for permanent storage which are of scientific and historical importance shall be transferred for state custody to the Federal Archive Service of Russia, documents relating to personnel (orders, personnel files, personal registration cards etc.) shall be transferred for custody to the relevant archive of the constituent entity of the Russian Federation.

The documents shall be transferred and arranged in compliance with requirements of archive authorities.

Information on the Company shall be provided to them in accordance with requirements of the law of the Russian Federation.

26.5. The Company shall provide the Company's Shareholders with access to documents provided for by Clause 26.1 of this Article, taking into account any limitations established by the laws of the Russian Federation.

The Shareholders (Shareholder) holding in total not less than 25 (twenty five) per cent of the

Company's voting shares shall have the right of access to the accounting statements and minutes of meetings of the Management Board of the Company.

26.6. Documents provided for by Clause 26.1 of this Article shall be submitted by the Company for familiarisation in the premises of the executive body of the Company within 7 (seven) days except for the documents specified in Sub-clause 17 of Clause 26.1 which shall be submitted within 3 (three) days following the date of the relevant requirement.

The Company shall provide the persons having the right of access to documents specified in Clause 26.1 of this Article, with copies of the said documents upon their request.

26.7. The amount of fee shall be fixed by the General Director of the Company and shall not exceed the amount of expenses for making copies of documents.

26.8. The Company shall provide the Shareholders and employees of the Company with access to information in compliance with requirements of the law on state and commercial secret.

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

27.1. The Company may be voluntarily reorganised by way of merger, consolidation, de-merger, split-off and conversion as well as on grounds and pursuant to the procedure established by the Civil Code of the Russian Federation and Federal laws.

27.2. The Company may be liquidated under the court decision or voluntarily pursuant to the procedure established by the Civil Code of the Russian Federation, the Federal Law "On Joint Stock Companies" and these Articles of Association.

27.3. On reorganisation, liquidation of the Company or close-down of work containing information representing state secret, the Company shall secure safety of this information or its medium by means of development and implementation of secrecy order measures, information security, technical intelligence controls/countermeasures, security and fire safety.

Appendix #1  
to the Articles of Association of  
Interregional Distribution Grid Company  
of Centre, Joint Stock Company

**List of branches and representative offices  
of IDGC of Centre, JSC**

<b>No.</b>	<b>Trade Name</b>	<b>Location</b>
<b>1.</b>	Branch of IDGC of Centre, JSC - Belgorodenergo	42 Preobrazhenskaya St., Belgorod, 308000, the Russian Federation
<b>2.</b>	Branch of IDGC of Centre, JSC - Bryanskenergo	35 Sovetskaya St., Bryansk, 241000, the Russian Federation
<b>3.</b>	Branch of IDGC of Centre, JSC - Voronezhenergo	2 Arzamasskaya St., Voronezh, 394033, the Russian Federation
<b>4.</b>	Branch of IDGC of Centre, JSC - Kostromaenergo	53 Mir Avenue, Kostroma, 156961, the Russian Federation
<b>5.</b>	Branch of IDGC of Centre, JSC - Kurskenergo	27 K. Marx St., Kursk, 305029, the Russian Federation
<b>6.</b>	Branch of IDGC of Centre, JSC - Lipetskenergo	33 50 let NLMK St., Lipetsk, 398001, the Russian Federation
<b>7.</b>	Branch of IDGC of Centre, JSC - Orelenergo	2 Mir Square, Orel, 302030, the Russian Federation
<b>8.</b>	Branch of IDGC of Centre, JSC - Tambovenergo	23 Morshanskoe shosse, Tambov, 392680, the Russian Federation
<b>9.</b>	Branch of IDGC of Centre, JSC - Smolenskenergo	33 Tenisheva St., Smolensk, 214019, the Russian Federation
<b>10.</b>	Branch of IDGC of Centre, JSC - Tverenergo	1 Bebel St., Tver, 170006, the Russian Federation
<b>11.</b>	Branch of IDGC of Centre, JSC - Yarenergo	12 Voinov St., Yaroslavl, 150003, the Russian Federation