

APPROVED
by the Board of Directors of
RAO UES of Russia
on September 28, 2001, minutes No. 101

(As amended by the Board of Directors of RAO UES of Russia on June 28, 2003, minutes No. 144; August 1, 2003 (minutes No. 146); September 3, 2004 (minutes No. 176); July 29, 2005 (minutes No. 200); July 28, 2006 (minutes No. 225))

1. General Provisions

1.1. The Strategy and Reforming Committee under the Board of Directors of RAO UES of Russia (hereinafter the "Committee") shall be a supervisory body under the Board of Directors of the Company.

1.2. These Regulations are prepared in accordance with paragraph 13 of Article 65 of the Federal Law No. 208-FZ "On Joint-Stock Companies" dated December 26, 1995 and paragraphs 11.1.16 of the Charter of the Company, the resolution of the Board of Directors of the Company dated August 31, 2001 and minutes No. 99.

1.3. For the purposes of these Regulations, the following key terms shall apply:

The Company – the parent company of RAO UES of Russia, including its branches, representative offices and other stand-alone subdivisions

The Holding Company – the Company and its subsidiaries and dependent companies (SDCs)

2. Jurisdiction of the Committee

The jurisdiction of the Committee shall include resolving the following issues:

2.1. In the field of development and implementation of the Holding Company strategy:

2.1.1. Analysis of proposals and elaboration of recommendations to the Board of Directors of the Company for the preparation, amendment, supplement and implementation of the Holding Company strategy

2.1.2 Monitoring of implementation of the strategy approved by the Board of Directors of the Company.

2.1.3. Analysis of proposals and elaboration of recommendations to the Board of Directors of the Company for the formation of standards for the preparation of roadmaps of the Holding Company entities and (as appropriate) for the consideration of specific plans.

2.2. In the field of investment policy of the Holding Company:

2.2.1. Preparation of recommendations for the investment policy of the Holding Company, including the development of the key principles for the formation of investment policy.

2.2.2. Elaboration of standards (formats) for the provision of information for evaluating the feasibility of investment projects.

2.2.3. Analysis of investment policy of the Holding Company entities for the purpose of evaluating the conformity of their investment programs and projects with the key principles of the investment policy of the Holding Company.

2.2.4. Pursuant to a resolution of the Committee analysis and elaboration of recommendations for programs and projects which fail to comply with the investment policy of the Holding Company and other investment projects.

2.2.5. Monitoring of implementation of the investment policy of the Holding Company approved by the Board of Directors.

2.3. In the field of restructuring of the Holding Company entities:

2.3.1. Consideration of projects for the restructuring of the Holding Company entities, including the development of principles (including provisions, procedural rules or any other regulatory documents) for the formation and organization of management of wholesale generation companies (WGCs), territorial generation companies (TGCs), the issues of taking into account the interests of shareholders of RAO UES of Russia;

2.3.2. Preparation of recommendations and reports on the issues specified in paragraph 2.3.1 (with due consideration of the opinions of various groups of shareholders) and their submission for consideration by the Board of Directors of the Company.

2.3.3. Monitoring of the process of formation and organization of management of WGCs, TGCs with due consideration of the interests of shareholders of the Company.

2.3.4. Raising the transparency of decisions adopted during the restructuring of the Holding Company.

3. Number of Members and Composition of the Committee

3.1. The Committee shall be composed of 20 members, namely:

- representatives of the state – 5 people;
- managers of the Company – 4 people;
- representatives of the community of minority shareholders and potential strategic investors: 11 people or less.

3.2. The Committee shall be headed by the Chairman. The Chairman of the Committee shall be approved by the Board of Directors of the Company.

The Chairman of the Committee shall organize its work, convene and chair the Committee meetings.

In the absence of the Chairman of the Committee the Chairman's functions shall be performed by the Deputy Chairman. The Deputy Chairman of the Committee shall be approved by the Committee.

The Chairman of the Committee shall be entitled to engage a maximum of 6 other persons in the work of the Committee as experts in an advisory capacity.

3.3. In the event of involvement of outside entities in the activities of the Committee for a fee:

- terms of reference shall be formed and approved by the Committee;
- outside entities shall be retained in accordance with the procedures existing in the Company;
- work shall be accepted pursuant to the resolutions of the Committee.
- the services rendered by outside entities shall be paid using the funds of the Company.

4. Regulation of Activities of the Committee

The Committee shall act in accordance with these Regulations and the Rules of Operation of the Committee developed by the Committee and approved by the Board of Directors of the Company.

5. Funding for the Committee.

5.1. The Committee shall be financed in accordance with the Budget of the Committee approved by the Board of Directors of the Company as proposed by the Chairman of the Committee at the meeting of the Board of Directors of the Company which approves the composition of the Committee for the next period of work (period between the dates of Annual General Meetings of the Company).

5.2. The fixed monthly remuneration of the Chairman and members of the Committee shall be approved by the Board of Directors of the Company on an annual basis along with the budget of the Committee.

5.3. The amount of remuneration payable to experts shall be established by order of the Chairman of the Committee.

5.4. Members and experts of the Committee shall be remunerated only if they participate at least in 50% of the Committee meetings in the reporting month.

5.5. Budget allocation by expense item shall fall within the jurisdiction of the Chairman of the Committee.

6. Remuneration of Members of the Committee.

For the purposes of accomplishing the objectives specified in section 2 the Chairman of the Committee or Deputy Chairman, any member or expert of the Committee as instructed by the Chairman shall be entitled to visit the functions, electrical facilities incorporated in the Company, hold meetings on issues falling within the jurisdiction of the Committee with the employees of the Company, representatives of investment community both inside and outside the Russian Federation.

Members и experts of the Committee participating in the above-mentioned visits and meetings shall be:

- paid daily allowances in the amount established for the employees of the executive office of the Company;
- reimbursed for expenses in connection with the acquisition of round-trip travel documents:
 - by air: business class ticket;
 - by train: "SV" category sleeping car of express trains;
 - by car (with the exception of taxi and car rental): at existing travel rates in a particular area;
- reimbursed for expenses in connection with reservation and accommodation in a suite at a hotel including additional hotel services (insurance, refrigerator, TV set, except for pay channels) – actual costs.

Members and experts of the Committee shall be paid daily allowances and reimbursed for expenses in holding the above-mentioned meetings using the funds of the Company within one month of the final date of the quarter during which meetings were held and visits were made under appropriate payment documents.

7. Rights, Duties and Liability of the Committee

7.1. The Chairman of the Committee or the person defined by the Chairman shall be entitled to participate in the meetings of the Board of Directors of the Company on issues falling within the jurisdiction of the Committee.

7.2. Members and experts of the Committee shall be entitled to request through the Chairman information from the executive body of the Company necessary to accomplish the objectives set for the Committee.

7.3. If a Committee member has a financial interest in the transaction to which the Company is or intends to be a party or in the event of any other conflict of interest between the above-mentioned person and the Company with respect to any existing or expected transaction, such member shall be obliged to inform the Committee of his/her interest prior to the adoption of a decision (execution of a transaction). The Committee member who informed the Committee of his/her financial interest or any other conflict of interest in the above-mentioned manner may participate in voting on such transaction. The fact of notification shall be reflected in the Minutes и Resolution of the Committee.

Members of the Committee shall be deemed to have a personal financial interest if they are involved in employment relationship or hold owner or creditor rights with respect to:

- legal entities which are suppliers of goods or services to the Company;
- large consumers of goods or services produced by the Company;
- may benefit from the management of the Company's property;
- own property formed by the Company in whole or in part;
- natural persons to which any of the above-mentioned definitions may apply.

7.4. Members and experts of the Committee shall be obliged to perform their work on the Committee in good faith and in a manner which they consider most beneficial for the Company.

7.5. Any violation by a Committee member or expert of the requirements established by these Regulations and the Rules of Operation of the Committee shall entitle the Board of Directors of the Company to consider expelling him/her from the Committee.

7.6. If any member or expert of the Committee participates in less than 50% of the in-person meetings of the Committee during a corporate year (period between regular meetings of shareholders) this may entitle the Board of Directors of the Company to consider expelling him/her from the Committee.

7.7. Information on the activities of the Committee shall be published on website of the Company.

7.7. Support for the operation of the Committee shall be provided by the Executive Secretary of the Committee appointed by the Committee.