

Enclosure № 3
to minutes № 9 of IDGC of North-West's
annual General Meeting of Shareholders
dated 25 June 2014

APPROVED
by IDGC of North-West's
annual General Meeting of Shareholders
on 25 June 2014 (minutes № 9)
Chairman of the meeting
_____ / S.G. Titov/

Articles of Association
of «Interregional Distribution Grid Company of North-West»
Joint Stock Company
(new version)

Article 1. General provisions

1.1. "Interregional Distribution Grid Company of North-West", Joint Stock Company (hereinafter referred to as the "Company") was founded under the resolution of the founder (Decree # 153r (153p) of Chairperson of the Management Board of JSC RAO "UES of Russia" dated 9 December 2004) in accordance with the Civil Code of the Russian Federation, the Federal Law "On Joint Stock Companies", and other regulatory legal acts of the Russian Federation.

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

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

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

1.5. The Company's seat: 31 Sobornaya Street, Leningrad Region, Gatchina city, Russia 188300.

1.6. The Company was created for an indefinite term.

1.7. Based on the resolution of the Company's extraordinary general meeting of shareholders as of 25 December 2007, the Company was reorganized in the form of accession of JSC "Arkhenenergo", JSC "Vologdaenergo", JSC "AEK Komienergo", JSC "Karelenergo", JSC "Kolenergo", JSC "Novgorodenergo", and JSC "Pskovenergo" with it.

In accordance with:

the delivery and acceptance statement approved by the general meeting of shareholders of JSC "Arkhenenergo" as of 17 December 2007, (Minutes # 2 as of 26 December 2007),

the delivery and acceptance statement approved by the general meeting of shareholders of JSC "Vologdaenergo" as of 20 December 2007, (Minutes # 3 as of 25 December 2007),

the delivery and acceptance statement approved by the general meeting of shareholders of JSC "AEK Komienergo" as of 20 December 2007, (Minutes # 24 as of 26 December 2007),

the delivery and acceptance statement approved by the general meeting of shareholders of JSC "Karelenergo" as of 25 December 2007, (Minutes # 1795pr/1 (1795np/1) as of 25 December 2007),

the delivery and acceptance statement approved by the general meeting of shareholders of JSC "Kolenergo" as of 17 December 2007, (Minutes # 21 as of 26 December 2007),

the delivery and acceptance statement approved by the general meeting of shareholders of JSC "Novgorodenergo" as of 17 December 2007, (Minutes # 2 as of 26 December 2007),

the delivery and acceptance statement approved by the general meeting of shareholders of JSC "Pskovenergo" as of 17 December 2007, (Minutes # 20 as of 26 December 2007),

upon entering a record into the Unified State Register of Legal Entities on termination of activities of JSC "Arkhenenergo", JSC "Vologdaenergo", JSC "AEK Komienergo", JSC "Karelenergo", JSC "Kolenergo", JSC "Novgorodenergo", and JSC "Pskovenergo", the Company is a legal successor in title to each of the mentioned companies with regard to all of their rights and liabilities".

Article 2. The Company's Legal Status

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

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

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

2.4. The Company shall be legally entitled to open bank accounts in the territory of the Russian Federation and outside it.

2.5. The Company shall be liable for its obligations by all the property it possesses.

The Company shall not be liable for the obligations of the Russian Federation and its shareholders.

The Company is not liable for the obligations of the State and authorities thereof as well as for those of its shareholders.

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

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

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

The Company shall be entitled to possess stamps and letterhead forms containing its business name, its own logotype, and legally registered trademark and other means of visual identification.

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

2.8. The Company shall be entitled to establish branches and open representative offices both in the territory of the Russian Federation and outside it.

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

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

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

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

The information on the Company's branches and representative offices are stated in the Annex to these Articles of Association.

2.9. The Company shall be entitled to have subsidiaries and dependent companies vested with the rights of legal entities in the territory of the Russian Federation, established in accordance with the Federal Law "On Joint Stock Companies" and other federal laws and these Articles of Association; outside the territory of the Russian Federation - in accordance with the laws of the foreign state at the location of the subsidiary or dependent company, unless otherwise envisaged by the international agreement of the Russian Federation.

Article 3. The Goal and Lines of the Company's Activities

3.1. The major goals of the Company's activities shall be:

- profit generation by the Company;

- performance of efficient and reliable functioning of the facilities of the distribution electric grid complex;
- provision of stable development of the distribution electric grid complex;
- provision of reliable and high-quality energy supply to consumers (in respect of delivery and transmission of electric energy).

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

- provision of electric power transmission services;
- operational process management;
- provision of services of engineering connection of power receiving devices (power installations) of legal entities and individuals to power grids;
- performance of functions on accumulation, transmission and processing of technological information, including the data on measurements and counting;
- exercise of control over safe maintenance of consumers' electric devices connected to the power grids of the Company;
- activity on electric power grids operation;
- provision of services on exercising powers of the sole executive body of business entities;
- provision of services on trust property management;
- carrying out of operations with securities in accordance with the procedures determined by the existing Russian Federation laws;
- carrying out of agent activities;
- project and cost estimate, research and development, and design activities;
- provision of transportation and forwarding services;
- provision of consulting, consultation and information services;
- carrying out of the activities determining the conditions of parallel work in accordance with the regimes of the Unified energy System of Russia within the framework of agreement relations;
- operation under agreements with owners of power facilities that are not registered on the Company's balance sheet;
- ensuring of the functionability and sound work of the electric grid equipment in accordance with the applicable regulatory requirements, carrying out of maintenance works, diagnostics, repairs of electric grids and other power grid facilities;
- carrying out of tests and measurements as regards power installations (including those possessed by consumers);
- ensuring of functionability and sound work, carrying out of maintenance, diagnostics and repairs in respect of process-oriented communication grids, measurement and accounting means, relay protection equipment and emergency automation devices and other process-oriented equipment related to functioning of the electric grid business;
- development of long-term estimates, prospective and current plans for the development of electric grid complex, target comprehensive research and development, economic and social programs;
- development of power supply grids and other power objects including designing, engineering survey, construction, reconstruction and equipping improvement, assembling and alignment;
- development of grids of process-oriented communication and telemechanics, measurement and accounting means, relay protection and emergency automation equipment, and other process-oriented equipment related to functioning of the electric grid complex, including designing, civil survey, construction, reconstruction, re-equipment, assembling and alignment;
- exploitation of explosion, chemical- and fire hazardous production facilities;
- conductance of activities with regard to scientific research, engineering development and technological works inclusive of development, creation and adoption of new machinery, technologies and methods and improvement of those already available with a view of enhancing reliability, quality,

economic efficiency and environmental safety of consumer power supply, creation of conditions for the development of the power supply system of Russia, implementation of sector R&D and innovation programs, participation in the formation of sector R&D funds;

- carrying out of production control over the condition of industrial safety of hazardous industrial objects;

- organization of work ensuring labor protection;

- liquidation of process-oriented disturbances at electric power grid facilities;

- carrying out of activities related to works and services of the nature protection;

- activities, the process of implementation of which is related to influencing the environment, formation, collection, use, utilization, storing and burial, displacement and transportation and placement of industrial wastes;

- activities related to exploitation of aquatic objects;

- activities related to use of natural resources including subsoil assets and forests;

- activities related to the sphere of metrology;

- activities related to manufacturing and repairing of measurement means;

- activities related to providing services of assembly, repair and maintenance of devices and instruments for measurements, control, testing, navigation, target location and other purposes;

- activities related to handling of hazardous wastes;

- activity related to preventing and fighting of fires;

- carrying out of works on assembling, repair and maintenance of fire safety means of buildings and constructions;

- organization and carrying out of works with the personnel, including training and further education, checking of the personnel's knowledge in the machine operation rules, fire safety rules and labour safety rules, and other rules and regulations in accordance with the applicable regulatory documentation at power industry enterprises;

- transportation of passengers and cargoes by automobile, rail, air and internal water transport means (including hazardous cargoes);

- activities related to maintenance and repairs of the rolling system at the railway vehicles;

- activities related to maintenance and repairs of equipment used at the railway vehicles;

- loading and unloading activities at the railway vehicles (including hazardous cargoes);

- loading and unloading activities at internal water transport (including hazardous cargoes);

- operation, maintenance and repairs of automobile, railway, air and internal water transport means and loading mechanisms used for process-oriented purposes;

- foreign economic activities;

- storage of oil, gas, and products of their processing;

- activities related to exercising the functions of the customer and developer;

- preparation of capital construction objects design documentation;

- engagement in construction, reconstruction and capital repair activities;

- services of the local, inter-zone and inter-city telephone communication;

- leasing of communication channels;

- telematic services (including e-mail, service of access to information resources, information and enquiry service, Telefax, Comfax, Bureaufax, service of message processing, voice message service, oral information transmission service);

- services on data transmission;

- use of orbital frequency resources and radio frequencies for TV and radio broadcasting, including additional information broadcasting;

- leasing of buildings, structures, equipment, machines and mechanisms;

- carrying out organizational, practical and preventive measures to ensure integrated security (anti-terrorism and anti-criminal protection, economic security, corruption fighting and information security);

- activities on technical protection of confidential information;
- organization and carrying out of actions related to mobilization training, civil defense, prevention and liquidation of emergency situations;
- protection of the state secret, realization of the works related to use of the state secret information, according to the laws and other legislative normative enactments of the Russian Federation;
- organization and carrying out of actions on safety and protection of the trade secret information;
- purchase (receipt) of electric energy (capacity) from the wholesale electric power market and from electric energy producers in the retail market in order to resale it to consumers in the retail market in case of obtaining the status of the guaranteeing supplier of electric energy, in accordance with the procedures established by the Russian Federation laws;
- selling (delivery) of electric energy (capacity) to consumers in the retail market in case of obtaining the status of the guaranteeing supplier of electric energy, in accordance with the procedures established by the legislation of the Russian Federation;
- medical activity, including sanatorium service;
- educational activity;
- operation and servicing of the objects supervised by the Federal Service for the Atomic, Technical and Environmental Supervision (Rostehnadzor) of the Russian Federation;
- activities in the field of energy survey (energy audit) and provision of energy services;
- engagement in energy saving and energy efficiency improvement activities;
- elaboration of emergency consumption mode limitation schedule;
- Control measurement of power flow, loads and voltage levels in electric power grid networks;
- provision of services for workplace labor conditions attestation.
- realization of other types of activities which are not forbidden by the federal laws.

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

The Company's right to carry out the activities that require obtaining a license shall come into effect upon obtaining of such license, or within the period stipulated in it, and shall be terminated upon its expiry, unless otherwise stipulated by the law or other legislative enactments.

Article 4. The Company's Authorized Capital

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

The authorized capital of the Company shall amount to 9,578,592,313 (nine billion, five hundred and seventy-eight million, five hundred and ninety-two thousand, three hundred and thirteen) rubles and 80 kopecks.

4.2. The Company placed ordinary shares of the equal par value of 10 (ten) kopecks each in the number of 95,785,923,138 (ninety-five billion, seven hundred and eighty-five million, nine hundred and twenty-three thousand, one hundred and thirty-eight) pieces for the total par value amount of 9,578,592,313 (nine billion, five hundred and seventy-eight million, five hundred and ninety-two thousand, three hundred and thirteen) rubles and 80 kopecks.

4.3. The Company's authorized capital may be:

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

4.4. The Authorized Capital of the Company may be increased only after having been paid up in full. Payment for shares additionally issued by the Company by way of setoff of claims to the Company shall be allowed in cases provided for by Federal Law On Joint-Stock Companies.

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

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

4.6. The Company declares additional placement of 1,076,862 (one million, seventy-six thousand, eight hundred and sixty-two) pieces of ordinary registered shares of 10 (ten) kopecks par value each for the total par value amount of RUR 107,686 (one hundred and seven thousand, six hundred and eighty-six) rubles and 20 kopecks.

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

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

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

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

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

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

5.5. The Company's shareholders, in the cases vested in the Russian Federation laws, shall have a preferential right to acquire the additional shares and equity securities placed through the open subscription and convertible into shares, in the number pro rata to the number of the shares of this category owned by them.

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

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

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

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

The form of payment of additional shares shall be determined by the decision on their placement.

The payment of other securities shall be allowed only in cash.

Article 6. Rights of the Company's Shareholders

6.1. A person owning the Company's shares on the grounds stipulated by the Russian Federation laws and these Articles of Association shall be considered the Company's shareholder.

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

volume of rights.

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

1) to participate personally or through representatives in the Company's general meeting of shareholders with the right to vote on all items within their competence;

2) to introduce moves in the agenda of the general meeting according to the Russian Federation laws and these Articles of Association;

3) to obtain information on the Company activities and get acquainted with the Company's documents in accordance with Article 91 of the Federal Law "On Joint Stock Companies" and other regulatory and legal enactments and these Articles of Association;

4) to receive dividends declared by the Company;

5) the preferential right to acquire additional shares and equity securities, which are convertible into shares, placed through subscription, in the number which is proportional to the number of ordinary shares owned by them in the events vested in the Russian Federation laws;

6) to receive a part of the Company's property in case of its liquidation;

7) to exercise other rights stipulated in the Russian Federation laws and these Articles of Association.

Article 7. Dividends

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

The Company shall be obliged to pay the declared dividends per each category (type) of shares unless otherwise stipulated by the Federal Law "On Joint-Stock Companies".

7.2. The decision on payment (declaring) of dividends shall be made by the Company's general meeting of shareholders. The said decision shall determine the amount of dividend on shares per each category (type), such dividend payment form, procedure for payment of dividend in non-monetary form, date as whereof the persons having the right to receive dividend are determined.

The decision regarding establishment of the date as whereof the persons having the right to receive dividend are determined shall be taken solely on the suggestion of the Board of Directors of the Company.

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

The Company's general meeting of shareholders shall be entitled to make a decision not pay dividends per ordinary shares.

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

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

7.5. The term for payment of dividend to a nominal holder or a trustee being a professional participant of the security market that are registered in the register of shareholders shall not be in excess of 10 (ten) business days, to other persons registered in the register of shareholders – 25 (twenty-five) business days from the date when the persons having the right to receive dividend were determined.

The date as whereof the persons having the right to receive dividend are determined in accordance with the dividend payment (announcement) decision can not be established more than 10 (ten) days prior to the dividend payment (announcement) decision taking date or more than 20 (twenty) days after the date when such decision was taken.

Dividend shall be payable to persons who were holders of shares of the corresponding category (type) or persons who exercised rights under such shares in accordance with federal laws as of the transaction day end on the date as whereof the persons having the right to receive dividend are determined in accordance with the dividend payment (announcement) decision.

Payment of dividend in monetary form shall be effected via a non-cash scheme by the Company or, by instruction of the latter, by the Registrar carrying out maintenance of the registers of shareholders of the Company or a credit organization.

Payment of dividend in monetary form to individuals whose rights to shares are accounted for in the register of shareholders of the Company shall be effected by way of postal remittance of monies or, subject to the said persons having submitted a corresponding application, by way of monies remittance to their banking accounts, with payment to other persons whose rights to shares are accounted for in the register of shareholders of the Company effected by way of monies remittance to their banking accounts. The Company's duty concerning payment of dividend to the said persons shall be deemed discharged from the date when the monies being transmitted were accepted by the federal postal service organization or from the date when the monies were received by the credit organization where the person having the right to receive such dividend has had a banking account opened.

Persons having the right to receive dividend, their rights to shares accounted for by a nominal holder, shall receive dividend in monetary form following the procedure established by the Russian Federation legislation on securities. The nominal holder having had dividend remitted to them but failed to discharge such dividend transfer duty as established by the Russian Federation legislation on securities due to causes beyond their reasonable control shall be obliged to return such dividend to the Company within 10 (ten) days upon expiry of one month from the dividend payment term final date.

7.6 The person having failed to receive announced dividend in connection with the Company or the registrar failing to avail of accurate address data and essential banking details as required or in connection with otherwise caused delay on the part of the creditor shall be entitled to demand payment of such dividend (unclaimed dividend) within three days from the date when decision on such dividend payment was taken.

If defaulted, the term specified for unclaimed dividend payment request filing shall not be recovered except when a person having the right to receipt of dividend has failed to file such request influenced by violence or threat.

Upon expiry of such term specified in this Clause dividend announced but unclaimed by shareholders shall be re-included in unallocated profit of the Company with the duty to pay such dividend terminated.

Article 8. The Company's Funds

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

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

8.2. The Company's Reserve Fund shall be aimed to cover the Company's losses and repay the Company's bonds and redeem the Company's shares should any other means be not available.

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

8.3. In accordance with the requirements of the Russian Federation laws, the Company shall be entitled to set up other funds ensuring its business and financial activity as an entity of civil turnover.

Article 9. The Company's Governance and Control Bodies

9.1 The Company's governance bodies shall be:

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

9.2. The body performing control over the Company's financial and economic activities shall be the Company's Auditing Committee.

Article 10. The Company's General Meeting of Shareholders

10.1. The general meeting of shareholders shall be the Company's supreme governance body.

10.2. The issues falling within the competence of the General Meeting of Shareholders shall be the following:

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

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

10.3. Issues within the competence of the Company's General Meeting of Shareholders shall not be put for decision-making to the Company's Board of Directors and the Company's General Director.

The General Meeting of Shareholders shall not be entitled to consider and take decisions on the items which are not referred to its competence by the Federal Law "On Joint Stock Companies".

10.4. The decision of the General Meeting of Shareholders on the item put to the vote shall be taken by a majority vote of shareholders – owners of the Company's voting shares, who participate in the meeting, unless otherwise specified in the Federal Law "On Joint Stock Companies".

10.5. The decisions of the General Meeting of Shareholders shall be taken by a majority vote equal to three-fourths of votes of shareholders – owners of the Company's voting shares, who participate in the meeting, on the following items:

- amending of the Articles of Association and approval of the revised Articles of Association;
- restructuring of the Company;
- liquidation of the Company; appointment of the liquidation commission and approval of the interim and final liquidation balances;
- determining of the quantity, par value, category (type) of declared shares and the rights granted by these shares;
- reduction of the Company's authorized capital by way of reduction of the par value of shares or by way of additional shares placement;
- placement of shares (the Company's equity securities convertible into shares) by means of closed subscription under the decision of the General Meeting of Shareholders about an increase in the Company's authorized capital by way of additional shares placement (about placement of the Company's equity securities convertible into shares);
- placement of the ordinary shares by means of open subscription, the number of which exceeds 25 (twenty-five) percent of the earlier placed ordinary shares;
- placement of equity securities convertible into ordinary shares by means of open subscription which may be converted into ordinary shares representing more than 25 (twenty-five) percent of the earlier placed ordinary shares;
- decision-making on approval of a large transaction, the subject matter of which is the property, the price of which exceeds 50 (fifty) percent of the Company's book value;
- decision-making on applying for delisting of the Company's shares and (or) the Company's issue-grade securities convertible to the Company's shares
- in other cases as set out in the Federal Law "On Joint-Stock Companies".

The decision on approval of an interested-party transaction in conformity with Article 83 of the Federal Law "On Joint-Stock Companies" shall be taken by the Company's General Meeting of

Shareholders by the majority of votes of all shareholders - owners of voting shares, who are not interested in the transaction.

10.6. Decisions on the items specified in subclauses 2, 5, 7, 8, 12-20 of clause 10.2. of Article 10 hereof, and also about reduction of the Company's authorized capital by way of reduction of the par value of shares and on establishment of the date as whereof the persons having the right to receive dividend are determined shall be taken by the General Meeting of Shareholders only under the proposal of the Company's Board of Directors.

10.7. The Company's General Meeting of Shareholders shall not be entitled to make a decision on the items which are not included in the agenda of the Company's General Meeting of Shareholders, as well as to change the agenda.

The decisions of the General Meeting of Shareholders taken in respect of the items, which are not included into the agenda of the General Meeting of Shareholders (excepting the event when all of the Company's shareholders took part in it), or in violation of the competence of the General Meeting of Shareholders, in the event of absence of quorum for carrying out the General Meeting of Shareholders or without the shareholders' majority vote required to take the decision, shall not be effective irrespective of filing an appeal through judicial procedures.

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

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

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

10.9. The Company's General Meeting of Shareholders may be held in the place of the Company's seat either in Saint Petersburg or in Moscow.

The specific address for carrying out the Company's General Meeting of Shareholders shall be determined by the Board of Directors at solution of issues related to carrying out of the General Meeting of Shareholders.

10.10. Functions of the person presiding over the General Meeting of Shareholders shall be exercised by the Chairman of the Board of Directors.

In case of absence of the Chairman of the Board of Directors, the functions of the person presiding over the General Meeting of Shareholders shall be exercised by the Deputy Chairman of the Board of Directors.

In case of absence of the Chairman of the Board of Directors and his/her Deputy, the functions of the person presiding over the General Meeting of Shareholders shall be exercised by any member of the Board of Directors under the decision of the Company's Board of Directors or under the decision of members of the Board of Directors who attend the General Meeting of Shareholders.

If the persons who preside over the Company's General Meeting of Shareholders according to this clause are absent at the extraordinary general meeting held under the decision of the persons entitled to demand carrying out of the Company's extraordinary general meeting, the Chairman of the Company's General Meeting of Shareholders shall be the person who made a decision on carrying out of the Company's extraordinary General Meeting of Shareholders (his/her representative), or if the decision on carrying out the Company's extraordinary general meeting shareholders is taken by several persons - one of these persons defined by their decision.

10.11. In the absence of quorum required for arrangement of the annual General Meeting of Shareholders upon court decision, a duplicative General Meeting of Shareholders shall be arranged within 60 days with the same agenda. In such a case a repeated recourse to the court shall not be

required. The duplicative General Meeting of Shareholders shall be arranged by the person or the Company body specified in the court decision; in case such person or the Company body has failed to convene the annual General Meeting of Shareholders within the term as specified in the court decision the duplicative General Meeting of Shareholders shall be convened or arranged by other persons or the Company body having filed the action with the court provided such persons or the Company body are specified in the court decision. In the absence of quorum required for arrangement of an extraordinary General Meeting of Shareholders upon court decision a duplicative General Meeting of Shareholders shall not be arranged.

Article 11. Holding of the Company's General Meeting of Shareholders in the Form of Joint Presence

11.1. The Company's annual General Meeting of Shareholders shall be held not earlier than two months and not later than six months after the end of the financial year.

The annual General Meeting of Shareholders shall obligatorily undertake the issues of election of the Board of Directors, the Auditing Committee, approval of the Company's Auditor, approval of the Company's Annual Report presented by the Company's Board of Directors, the annual accounting reports, including the Company's profit and loss statement (accounts of profit and loss) and distribution of profit (including payment (declaring) of dividends, except for the profit distributed as dividends following the results of the first quarter, half of a year, nine months of a financial year) and loss of the Company following the results of a financial year, and other issues falling within the competence of the Company's General Meeting of Shareholders.

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

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

11.3. The functions of the Returning Board at the General Meeting of Shareholders shall be exercised by the professional participant of the securities market which keeps the register of the Company's shareholders (the Company's registrar).

11.4. The list of the persons who are entitled to participate in the General Meeting of Shareholders shall be made on the basis of the data of the Company's shareholders register.

The date of drawing up the list of the Company's persons who are entitled to participate in the Company General Meeting of Shareholders may not be scheduled earlier than 10 (ten) days after the date of decision-making on carrying out the Company's General Meeting of Shareholders and more than 50 (fifty) days prior to the date of carrying out the General Meeting of Shareholders except for the case stipulated by clause 14.9. of these Articles of Association.

11.5. The announcement on carrying out of the General Meeting of Shareholders shall be placed on the Company's site in the Internet information and telecommunication network at www.mrsksevizap.ru no later than 30 (thirty) days prior to the date of its carrying out.

11.6. Bulletins for voting on the agenda items shall be sent by the registered post to the address specified in the list of the persons who are entitled to participation in the General Meeting of Shareholders, or shall be handed over under a signed receipt to each person specified in the list of persons who are entitled to participation in the General Meeting of Shareholders no later than 20 (twenty) days prior to the date of carrying out the General Meeting of Shareholders.

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

11.7. The information (material) on the agenda items of the General Meeting of Shareholders within 20 (twenty) days, and in case of carrying out the General Meeting of Shareholders, the

agenda of which contains an item on reorganization of the Company - within 30 (thirty) days before carrying out the General Meeting of Shareholders should be available to the persons who are entitled to participation in the General Meeting of Shareholders in the premises of the Company's executive office and other places, the addresses of which are specified in the announcement on carrying out of the General Meeting of Shareholders. During carrying out of the General Meeting of Shareholders, the specified information (materials) should be available to the persons who take part in it.

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

11.8. The right to participation in the General Meeting of Shareholders shall be carried out by the shareholder both personally and through his/her representative.

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

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

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

11.10. The General Meeting of Shareholders shall be competent (shall have a quorum) if the shareholders possessing in aggregate more than a half of votes of the Company's placed voting shares took part in it.

Those shareholders are recognized to have participated in the General Meeting of Shareholders who registered for participation in it, and those shareholders whose bulletins were received no later than two days prior to the date of carrying out the General Meeting of Shareholders.

If the agenda of the General Meeting of Shareholders includes items, voting on which is carried out by different compositions of voting persons, definition of the quorum for decision-making on these items shall be performed separately.

At the same time, the absence of the quorum for decision-making on the items, the voting on which is carried out by one composition of voting persons, does not interfere with decision-making on the items, the voting on which is carried out by another composition of voting persons, for taking which the quorum is present.

11.11. If the quorum for carrying out the Company annual General Meeting of Shareholders is absent, a repeated General Meeting of Shareholders of the Company with the same agenda shall be held. If the quorum for carrying out the Company extraordinary General Meeting of Shareholders is absent, a repeated General Meeting of Shareholders of the Company with the same agenda may be held.

The decision on convocation of a repeated General Meeting of Shareholders of the Company shall be taken by the Company's Board of Directors.

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

When a repeated General Meeting of Shareholders is held less than 40 (forty) days after the General Meeting of Shareholders which did not take place, the persons who are entitled to

participation in the General Meeting of Shareholders shall be defined in conformity with the list of the persons who had the right to participation in the meeting which did not take place.

If the quorum is absent for carrying out of the annual General Meeting of Shareholders based on the court judgment, a repeated General Meeting of Shareholders with the same agenda shall be held no later than in 60 (sixty) days. The repeated General Meeting of Shareholders shall be convened and held by the Company's person or body as stated in the court judgment.

If the quorum is absent for carrying out of the extraordinary General Meeting of Shareholders based on the court judgment, a repeated General Meeting of Shareholders shall not be held.

11.12. The minutes of the General Meeting of Shareholders shall be made up no later than 3 (three) business days after closing of the General Meeting of Shareholders in two counterparts. Both the counterparts shall be signed by the person presiding over the General Meeting of Shareholders and the secretary of the General Meeting of Shareholders (Corporate Secretary).

11.13. Decisions taken by the General Meeting of Shareholders of the Company and the results of the voting can be declared at the General Meeting of Shareholders of the Company in the course whereof voting was arranged and shall be communicated to the persons included in the list of persons having the right to participate in the General Meeting of Shareholders of the Company in the form of a Report on Voting Results following the procedure stipulated for notice of arrangement of the General Meeting of Shareholders of the Company within 4 (four) business days from the closure date of the General Meeting of Shareholders of the Company.

If, as of the date of generation of the list of persons having the right to participate in the General Meeting of Shareholders of the Company, the person registered in the register of shareholders of the Company is a nominal holder of shares, the Report on Voting Results shall be forwarded to such nominal holder of shares in the electronic form (in the form of an electronic document with an electronic signature affixed thereto). The nominal holder shall be obliged to communicate the Report on Voting Results, received by them in accordance with this clause of the Articles of Association, to their depositors following the procedure and within the term established by regulatory legal instruments of the Russian Federation or the contract concluded with a depositor.

Article 12. Holding of the General Meeting of Shareholders in the Form of Absentee Voting

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

Voting on the items of the agenda of the General Meeting of Shareholders held in the form of absentee voting shall be carried out only by bulletins for voting.

12.2. The General Meeting of Shareholders, the agenda of which includes items on election of the Company's Board of Directors, the Company's Auditing Committee, approval of the Company's Auditor, and items stipulated by subclause 13 of clause 10.2 of Article 10 of these Articles of Association, may not be held in the form of absentee voting.

A new General Meeting of Shareholders shall not be carried out as absentee voting (poll) instead of the General Meeting of Shareholders which did not take place and which was to be carried out as joint presence.

12.3. The list of the persons who are entitled to participate in the absentee voting on the agenda items of the General Meeting of Shareholders shall be made on the basis of the data of the Company's shareholders register.

The date of drawing up the list of the persons who are entitled to participate in the absentee voting on the agenda items of the General Meeting of Shareholders may not be fixed earlier than 10

(ten) days after the date of decision-making on carrying out the General Meeting of Shareholders of the Company and more than 50 (fifty) days prior to the date of the deadline for receipt of bulletins by the Company.

12.4. The announcement on carrying out the General Meeting of Shareholders in the form of absentee voting shall be posted on the Company's site in the Internet information and telecommunication network at www.mrsksevzap.ru no later than 30 (thirty) days before the deadline for receipt of bulletins.

12.5. Bulletins for voting on the agenda items shall be sent by registered mail to the address indicated in the list of the persons who are entitled to participation in the General Meeting of Shareholders, or shall be handed over under a signed receipt to the person indicated in the list of persons who are entitled to participation in the General Meeting of Shareholders no later than 20 (twenty) days prior to the deadline for receipt of bulletins by the Company.

Each person included in the list of persons entitled to participation in the General Meeting of Shareholders shall be provided with one copy of the bulletin for voting on all items or one copy of two and more bulletins for voting on different items.

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

12.6. The General Meeting of Shareholders held in the form of absentee voting shall be competent (shall have a quorum) if the shareholders owning in aggregate more than a half of votes of the Company's placed voting shares took part in it.

Those shareholders are recognized to have taken part in the General Meeting of Shareholders in the form of absentee voting, whose bulletins are received before the deadline for receipt of bulletins by the Company.

12.7. The minutes on the results of voting shall be made and signed in two counterparts by the Company's registrar no later than 3 (three) business days after the deadline for receipt of bulletins.

The minutes of the General Meeting of Shareholders shall be made in two counterparts no later than 3 (three) business days after the end of receipt by the Company of bulletins. Both the counterparts are signed by Chairman of the General Meeting of Shareholders and Secretary of the General Meeting of Shareholders (Corporate Secretary).

12.8. Decisions taken by the General Meeting of Shareholders and voting results shall be communicated to the persons included in the list of persons having the right to participate in the General Meeting of Shareholders in the form of a Report on Voting Results following the procedure stipulated for notice of arrangement of the General Meeting of Shareholders within four business days from the ballots collection completion date with the General Meeting of Shareholders arranged in the form of absentee voting.

If, as of the date of generation of the list of persons having the right to participate in the General Meeting of Shareholders, the person registered in the register of shareholders of the Company is a nominal holder of shares, the Report on Voting Results shall be forwarded to such nominal holder of shares in the electronic form (in the form of an electronic document with an electronic signature affixed thereto). The nominal holder shall be obliged to communicate the Report on Voting Results, received by them in accordance with this clause of the Articles of Association, to their depositors following the procedure and within the term established by regulatory legal instruments of the Russian Federation or the contract concluded with a depositor.

Article 13. Proposals to the Agenda of the Company's Annual General Meeting of Shareholders

13.1. The Company shareholders (shareholder) who are (is) in aggregate owner(s) of at least 2 (two) percent of the Company's voting shares no later than 60 (sixty) days after the end of the financial year shall be entitled to propose items for the agenda of the annual General Meeting of Shareholders and to recommend candidates for the Company's Board of Directors and the Company's Auditing Committee, the number of which may not exceed the number of members of the corresponding body.

13.2. The proposal on inclusion of items into the agenda of the General Meeting of Shareholders and the proposal on recommendation of candidates shall be made in writing and shall contain the name (naming) of the shareholders (shareholder) who introduced them, quantity and category (type) of shares belonging to them and shall be signed by the shareholders (shareholder).

13.3. The proposal on inclusion of items into the agenda of the General Meeting of Shareholders shall contain the wording of each proposed item, and the proposal on recommendation of candidates - name and data of the document proving the identity (series and (or) number of the document, date and place of its issuing, the agency which issued the document) of each proposed candidate, the name of body he/she is nominated for.

13.4. The Company's Board of Directors shall be obliged to consider the received proposals and to make the decision on their inclusion into the agenda of the Company's General Meeting of Shareholders or on refusal to include them into the specified agenda no later than 5 (five) days after the expiration of the term set out in clause 13.1. of this Article.

13.5. The Company's Board of Directors shall be entitled to refuse to include the items proposed by the shareholder (shareholders) into the agenda of the General Meeting of Shareholders and to refuse to include the recommended candidates into the list of nominees for voting when electing the corresponding body of the Company on the bases stipulated by the Federal Law "On Joint-Stock Companies" and other legal enactments of the Russian Federation.

13.6. The grounded decision of the Company's Board of Directors on refusal to include an item into the agenda of the Company General Meeting of Shareholders or a candidate into the list of nominees for voting when electing the corresponding body of the Company shall be sent to the shareholder (shareholders) who proposed an item or recommended a candidate, no later than 3 (three) days from the moment of its taking.

13.7. The Company's Board of Directors shall not be entitled to change the wording of the items proposed for inclusion into the agenda of the General Meeting of Shareholders, and (if available) in the wording of decisions on such items.

Besides the items proposed for inclusion into the agenda of the General Meeting of Shareholders by shareholders, and in case of absence of such proposals, absence or insufficient quantity of the candidates proposed by shareholders for forming the respective body, the Company's Board of Directors shall be entitled to include items or candidates into the list of nominees in the agenda of the General Meeting of Shareholders at their own discretion.

Article 14. Convocation of the Company's Extraordinary General Meeting of Shareholders

14.1. The meetings held besides the Company's annual General Meeting of Shareholders shall be extraordinary.

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

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

Such General Meeting of Shareholders should be held within 50 (fifty) days from the moment of representation of the demand about carrying out the Company's extraordinary General Meeting of Shareholders, except for the case as set out in clause 14.9. of these Articles of Association.

14.4. The demand on carrying out the Company's extraordinary General Meeting of Shareholders shall contain the items subject to inclusion into the agenda of the meeting.

The persons (person) demanding convocation of the Company's extraordinary General Meeting of Shareholders shall be entitled to present the draft decision of the Company's extraordinary General Meeting of Shareholders, the proposal on the form of carrying out of General Meeting of Shareholders. Should the requirement about convocation of the extraordinary General Meeting of Shareholders contain the proposal on recommendation of candidates, the corresponding provisions of Article 13 of these Articles of Association shall apply to such a proposal.

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

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

The demand on convocation of the Company's extraordinary General Meeting of Shareholders shall be signed by the person (persons) demanding convocation of the Company's extraordinary General Meeting of Shareholders.

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

14.7. The decision of the Company's Board of Directors on convocation of the Company's extraordinary General Meeting of Shareholders or the grounded decision on refusal of its convocation shall be sent to the persons demanding its convocation, no later than 3 (three) days from the moment of its taking.

14.8. If the Board of Directors the Company has failed to decide on convention of an extraordinary General Meeting of Shareholders within the term specified in Clause 14.6 Article 14 thereof or a decision has been taken to abandon such meeting convention the Company body or persons requesting such convention shall be entitled to file a request with a court to compel that the Company arrange an extraordinary General Meeting of Shareholders.

The court decision compelling the Company to arrange an extraordinary General Meeting of Shareholders shall specify such arrangement term and procedure.

Enforcement of court decision shall be vested in the plaintiff or, upon the latter's petition, in the Company body or any other person subject to their consent. The Board of Directors may not be such body.

In such a case the Company body or person arranging an extraordinary General Meeting of Shareholders upon court decision shall have all the authorities provided for by Federal Law *On Joint Stock Companies* as required for such meeting convention and arrangement.

In case it is the plaintiff arranging an extraordinary General Meeting of Shareholders upon court decision all the expenses as may be related to such meeting preparation and arrangement may be reimbursed by decision of the General Meeting of Shareholders out of the Company's funds.

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

14.9.1. The General Meeting of Shareholders shall be held within 95 (ninety-five) days from the moment of presentation of the demand on carrying out the Company's extraordinary General Meeting of Shareholders.

14.9.2. The Company shareholders (shareholder) who are (is) in aggregate owner(s) of at least 2 percent of the Company's voting shares shall be entitled to propose candidates for election to the Company's Board of Directors, the number of which may not exceeds the number of members of the Company's Board of Directors.

Such proposals should be received by the Company at least 30 (thirty) days prior to the date of carrying out the extraordinary General Meeting of Shareholders.

The Company's Board of Directors shall be obliged to consider the received proposals and to make the decision on their inclusion into the agenda of the extraordinary General Meeting of Shareholders or on refusal to include them into the mentioned agenda 5 (five) days at the latest after the end of the period set forth in paragraph 2 of this subclause.

14.9.3. The date of drawing up of the list of the persons who are entitled to participation in the Company's General Meeting of Shareholders may not be determined earlier than 10 (ten) days after the date of decision-making on carrying out the Company's General Meeting of Shareholders and more than 80 (eighty) days prior to the date of carrying out the Company's General Meeting of Shareholders.

14.9.4. The announcement on carrying out the extraordinary General Meeting of Shareholders should be made no later than 70 (seventy) days prior to the date of its carrying out.

Article 15. The Company's Board of Directors

15.1. The Company's Board of Directors shall perform general management of the Company's activities, except for addressing the issues referred to the competence of the General Meeting of Shareholders by the Federal Law "On Joint Stock Companies" and these Articles of Association.

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

1) setting the priority directions of the Company's activities and the Company's development strategy;

2) convocation of the Company's annual and extraordinary General Meetings of Shareholders, except for the cases set out in clause 14.8 of Article 14 of these Articles of Association, and announcement of the date of holding a new General Meeting of Shareholders instead of the meeting which did not take place due to the quorum absence;

3) approval of the Company's General Meeting of Shareholders agenda;

4) election of the secretary of the Company's General Meeting of Shareholders;

5) determining of the date of drawing up the list of persons entitled to participate in the Company's General Meeting of Shareholders, determining the date for generating the list of persons having the right to receive dividend, approval of expenses estimate for holding the Company's General Meeting of Shareholders and solution of other issues related to preparation and carrying out of the Company's General Meeting of Shareholders;

6) submission for the decision of the Company's General Meeting of Shareholders of the issues envisaged by subclauses 2, 5, 7, 8, 12-20 of clause 10.2 of Article 10 of these Articles of Association, reduction of the Company's authorized capital by way of reduction of the par value of shares as well as establishment of the date as whereof the persons having the right to receive dividend are

established;

7) the Company placing additional shares whereto specific type preferred shares convertible to ordinary shares and other types preferred shares having been previously placed by the Company are to be converted, in case such placement is relayed to increase of the Company's authorized capital as well as the Company placing bonds and/or other issue-grade securities other than shares, issue of Eurobonds and determination of the Company's policy regarding issue of issue-grade securities (other than shares) and Eurobonds;

8) approval of decision on issue (additional issue) of securities, securities prospectus and the report on securities issue (additional issue) results, notification of the securities issue (additional issue) results, reports on results of repurchase of shares from shareholders of the Company, reports on redemption of shares and reports on results of requests having been launched by shareholders of the Company for buyout of shares as may be held by them;

9) determining the price (monetary value) of the property, the price of placement or its establishment procedure and the price of buyout of equity securities in cases envisaged by the Federal Law "On Joint Stock Companies" as well as when solving issues stipulated in subclauses 11, 21, 37 of clause 15.1. of Article 15 of these Articles of Association;

10) acquisition of the shares, bonds and other securities placed by the Company in the cases envisaged by the Federal Law "On Joint Stock Companies";

11) alienation (selling) of the Company's shares which are placed at the disposal of the Company as a result of their acquisition or buyout from the Company's shareholders, as well as in other cases envisaged by the Federal Law "On Joint Stock Companies";

12) election of the Company's General Director and early termination of his/her powers, including taking the decision on early termination of the labor contract with him/her;

13) definition of the number of members of the Company's Management Board, election of the Company's Management Board members, fixing of compensations and remunerations paid to them, early termination of their powers;

14) recommendations to the Company's General Meeting of Shareholders on the amount of remunerations and compensations paid to the members of the Auditing Committee and determining the amount of remuneration of the Auditor's services;

15) recommendations on the amount of the dividend per shares and the procedure for its payment;

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

17) decision-making on the use of the Company's funds; approval of the cost estimates for the use of special-purpose funds and consideration of the results of the implementation of the cost estimates for the use of special-purpose funds;

18) approval of the Company's internal documents, except for the internal documents, the approval of which is referred to the competence of the General Meeting of Shareholders and other internal documents, the approval of which is referred to the competence of the Company's executive bodies;

19) approval of the business plan (revised business plan), including the investment program, and the quarterly report on the results of their implementation, as well as approval (revising) of target values of the Company's cash flow;

19.1) consideration of the investment program, including the changes thereto;

20) foundation of the Company's branches and opening of the Company's representative offices, their liquidation, and amending the Company's Articles of Association in connection with the foundation of the Company's branches and opening of the Company's representative offices (including changing of the information on the names and location of the Company's branches and representative offices) and their liquidation;

21) making the decision on the participation of the Company in other entities (entering into

the operating entity or creation of a new entity, including approval of constituent documents) and on purchase, alienation and encumbrance of shares and stakes in the authorized capitals of the entities, in which the Company participates, change of the stake in the authorized capital of the corresponding entity, and termination of the Company's participation in other entities;

22) determining of the Company's credit policy as to provision by the Company of loans, signing facility agreements and loan agreements, issuing of guarantees, incurring liabilities in respect of bills (issuing of an ordinary and transfer bill), pledging of property and making the decision on the above mentioned deals of the Company in cases when the procedure for the decision-making of them is not determined by the Company's credit policy as well as decision making in accordance with the order envisaged by the Company's credit policy on bringing the debt position of the Company in compliance with the limits determined by the Company's credit policy;

23) approval of large deals in cases envisaged by Chapter X of the Federal Law "On Joint Stock Companies";

24) approval of deals in cases envisaged by Chapter XI of the Federal Law "On Joint Stock Companies";

25) approval of the Company's registrar, terms of the agreement signed with it and its termination;

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

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

28) election of the Company's Corporate Secretary and the early termination of his/her powers;

29) tentative approval of decisions on the Company's deals related to the gratuitous transfer of the Company's property or property rights (demands) to itself or the third party; deals connected with the liberation from property liabilities to itself or a third party; deals related to the gratuitous provision of services by the Company (carrying out of works) to third party, in cases (amount) determined by separate decisions of the Company's Board of Directors, and decision-making on these deals by the Company in cases when the above-mentioned cases (amount) are not determined;

30) decision-making on temporary termination of the powers of the managing entity (managing director);

31) decision-making on the appointment of the Acting General Director of the Company in the cases determined by separate decisions of the Company's Board of Directors, and his/her calling to an account;

32) calling to an account of the Company's General Director and his/her remuneration in accordance with the labor laws of the Russian Federation;

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

34) approval of the procedure of the Company's interaction with the entities, in which the Company participates;

35) Definition of the Company's position (position of the Company's representatives), including the assignment to take or not to take part in voting on the agenda items, to vote on draft decisions "for", "against" or "abstained", on the following items of the agenda of general shareholder (participant) meetings of subsidiaries and dependent entities (hereinafter referred to as the "SDE"), and meetings of the SDE's boards of directors:

a) on determining of the agenda of the general meeting of shareholders (participants) of SDE (except for SDE where the Company owns 100 (one hundred) per cent of the authorized capital);

b) on the SDE reorganization and liquidation;

c) on determining of the number of members of the SDE's governance and control bodies,

recommendation, election of their members and early termination of their powers, recommendation, election of the SDE's sole executive body and early termination of its powers;

d) on determining of the number, par value, category (type) of the SDE's declared shares and the rights granted by these shares;

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

f) on placement of the SDE's securities convertible into ordinary shares;

g) on fractioning and consolidation of the SDE's shares;

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

i) on participation of SDE in other entities (on entering into the existing entities or on the foundation of a new one), as well as on the acquisition, alienation, encumbrance of shares and stakes in the authorized capitals of the entities, in which the SDE participates, change of the stake in the authorized capital of the respective entity;

j) on the deals made by SDE (including several associated deals) related to purchase, alienation or a possibility of alienation of property representing fixed assets, intangible assets, objects of unfinished construction, the purpose of the use of which is production, transmission, dispatching, distribution of electric and heating energy in the events (amount) defined by the procedure of interrelation of the Company with the entities, in which the Company participates, approved by the Company's Board of Directors;

k) on amending the SDE's constituent documents;

l) on determining of the procedure of remuneration payment to the members of the SDE's board of directors and auditing committee;

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

n) on approval of the report on the implementation of planned values of annual and quarter key performance indicators;

o) on approval of the business plan (revised business plan), which includes the investment program, and approval of the quarterly report on the results of their implementation;

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

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

r) on recommendations in respect of the amount of dividend per shares and the procedure of its payment;

s) on payment (declaring) of dividends following the results of the first quarter, half of a year, nine months of a financial year, and following the results of a financial year;

t) on consideration of the investment program, including the changes thereto;

u) on reduction of the SDE authorized capital by way of reduction of the nominal value of shares, by way of SDE purchasing part of shares with a view of decreasing their total number as well as by way of redemption of shares purchased or bought out by SDE.

36) determination of the position of the Company (representatives of the Company) on the following items of the agenda of the SDE's board of directors' meetings (including the assignment to participate or not to participate in voting on the items of the agenda, to vote on draft decisions "for" "against", or "abstained":

a) on the determining the SDE's representatives position on the items of the agendas of the general meetings of shareholders (participants) and the meetings of the board of directors of the entities which are subsidiary and dependent in relation to SDE concerning the completion (approval) of deals, including several associated deals related to purchase, alienation or a possibility of alienation of the property representing fixed assets, intangible assets, objects of unfinished construction, the purpose of the use of which is production, transmission, dispatching, distribution of electric and heating power in cases (amounts) determined by the procedure of cooperation of the Company with the entities, in which the Company participates approved by the Company's Board of

Directors;

b) on determining of the SDE's representatives position on the items of the agendas of the general meetings of shareholders (participants) and the meetings of the board of directors of the entities which are subsidiary and dependent in relation to SDE, participating in production, transmission, dispatching, distribution of electric and heating power, reorganization and liquidation, increase of the authorized capital of these entities through the increase of the par value of shares or through the placement of additional shares, securities convertible into ordinary shares;

37) tentative approval of the decisions on the completion by the Company:

a) of deals, the subject matter of which shall be the Company's non-current assets in the amount exceeding 10 percent of the book value of these assets as of the date of decision-making on the completion of this deal;

b) of deals (including several associated deals) related to purchase, alienation or a possibility of alienation of the property representing fixed assets, intangible assets, objects of incomplete construction, the purpose of use of which is production, transmission, dispatching, distribution of electric and thermal energy in the cases (amounts) determined by separate decisions of the Company's Board of Directors or if the Board of Directors has failed to determine such cases (amounts);

c) of deals (including several associated deals) related to purchase, alienation or a possibility of alienation of the property representing fixed assets, intangible assets, objects of incomplete construction, the purpose of use of which is not production, transmission, dispatching, distribution of electric and thermal energy in the cases (amount) determined by separate decisions of the Company's Board of Directors or if the Board of Directors has failed to determine such cases (amounts);

d) transactions for fixed assets acceptance of delivery for temporary ownership and usage or for temporary usage for a term of over 5 (five) years in the cases (amount) determined by separate decisions of the Company's Board of Directors or if the Board of Directors has failed to determine such cases (amounts).

38) recommendation by the Company of persons for the election to the position of the sole executive body, to other management bodies, bodies of control, and candidates for the auditor of the entities, in which the Company participates, which carry out production, transmission, dispatching, distribution and selling of electric and heating power, as well as repairs and maintenance types of activities;

39) determining the Company's policy in the field of insurance, carrying out control over provision for the Company's insurance protection including the approval of the Company's Insurer;

40) approval of the organizational structure of the Company's executive body and its amending;

41) approval of the regulation for remunerative incentives of the General Director, regulation for remunerative incentives of the Company's top managers; approval of the list of the Company's top managers;

42) approval of candidates for certain positions of the Company's executive body defined by the Company's Board of Directors;

43) tentative approval of the collective agreement, the agreements concluded by the Company within the framework of the regulation of social and labor relations;

44) creation of committees under the Company's Board of Directors, election of members of the Committees under the Company's Board of Directors and early termination of their powers, election and early termination of powers of chairmen of committees under the Company's Board of Directors;

45) approval of the candidate for the independent appraiser (appraisers) for determining of the Company's shares value, property and other assets in cases envisaged by the Federal Law "On Joint Stock Companies", these Articles of Association and separate decisions of the Company's Board

of Directors;

46) approval of the candidate for the financial consultant involved in accordance with the Federal Law "On the Securities Market" as well as the nominees of securities issuance organizers and consultants on the deals directly related to the attraction of means in the form of public loans;

47) tentative approval of the deals, which could lead to occurrence of liabilities expressed in the foreign currency (or liabilities, the volume of which is attached to the foreign currency), transactions with derivative financial instruments in cases and amounts determined by separate decisions of the Company's Board of Directors and if the said cases (amounts) are not determined by the Company's Board of Directors, determining the Company's policy concerning effecting transactions with derivative financial instruments ;

48) determining of the Company's purchasing policy, including approval of the Regulations for Procurement of Goods, Works and Services, approval of the head of the Company's Central Purchasing Body and its members, and approval of the procurement plan and decision-making on other items in accordance with the documents approved by the Company, which regulate the Company's purchasing activities;

49) decision-making on recommendation of the Company's General Director for state awarding;

50) approval of the target values (revised values) of the Company's key performance indicators (KPI) and the reports on their implementation;

51) determining of the Company's policy aimed to improve the stability of the power grids distribution complex and other power energy complex facilities, including approval of the Company's strategic programs for improvement of the stability of the power grid complex, development of the power grid complex and its safety;

52) determining of the Company's housing policy as regards providing corporate aid to the employees of the Company for improving their living conditions in the form of subsidies, compensation of their costs, interest-free loans and decision-making on provision by the Company of the specified aid in cases, when the procedure of its provision is not determined by the Company's housing policy;

53) filing applications for listing of the Company's shares and (or) the Company's issue-grade securities convertible to the Company's shares;

54) taking decision on the Company acceding to branch-specific and inter-branch standards, statutes and other documents in the sphere of electric power industry following different lines of the Company's activities inclusive of technical regulation;

55) other issues falling within the competence of the Board of Directors in accordance with the Federal Law "On Joint Stock Companies" and these Articles of Association.

15.2. The issues referred to the competence of the Company's Board of Directors shall not be transferred for decision-making to the Company's General Director.

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

15.4. The Board of Directors members shall bear the responsibility to the Company for the losses incurred by the Company by their wrongful actions or omission, unless other reasons and volume of responsibility are determined by federal laws.

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

Article 16. Election of the Company's Board of Directors

16.1. The number of members of the Company's Board of Directors shall be determined equal

to 11 (eleven) members.

16.2. The members of the Company's Board of Directors shall be elected at the Company General Meeting of Shareholders in accordance with the procedure stipulated by clause 10.8 of Article 10 of these Articles of Association for a period till the next Company's annual General Meeting of Shareholders.

Should the Board of Directors be elected at the Company's extraordinary General Meeting of Shareholders, the Board of Directors members shall be considered elected for the period till the date of holding of the next Company's annual General Meeting of Shareholders.

If the annual General Meeting of Shareholders was held within the time established by clause 11.1. of Article 11 of these Articles of Association, the powers of the Company's Board of Directors are terminated, except for the powers as regards convocation, preparation and carrying out of the annual General Meeting of Shareholders.

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

16.4. Persons elected to the Company's Board of Directors shall have no limitations regards the number of reelection.

16.5. According to the decision of the Company's General Meeting of Shareholders, the powers of all members of the Company's Board of Directors may be terminated early.

The decision of the General Meeting of Shareholders on early termination of powers may be taken only concerning all members of the Company's Board of Directors.

Article 17. Chairperson of the Company's Board of Directors

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

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

17.2. The Chairperson of the Board of Directors shall organize the work of the Board of Directors, convene its meetings and preside at them, organize keeping of the minutes of the meetings, and preside over the Company's General Meeting of Shareholders.

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

Article 18. Meetings of the Company's Board of Directors

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

18.2. The meetings of the Company's Board of Directors shall be held as often as necessary but not less often than every six weeks.

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

18.3. The first meeting of a newly elected Board of Directors of the Company shall obligatorily address the issues of election of the Chairperson of the Board of Directors, his/her Deputy and Corporate Secretary of the Company'.

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

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

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

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

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

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

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

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

- on suspension of the powers of the managing entity (managing director) and on appointment of the acting General Director of the Company;
- on convening of the extraordinary General Meeting of Shareholders of the Company in cases envisaged by clauses 21.11. and 21.12 of Article 21 of these Articles of Association.

When the decisions defined in this clause are made by the Company's Board of Directors, the votes of the retired members of the Board of Directors shall not be taken into account.

The retired members of the Company's Board of Directors are persons who left the membership of the Board of Directors because of their death, their recognition in a judicial procedure as incapable or missing.

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

18.10. The decisions of the Company's Board of Directors on the issues envisaged by subclauses 21-22, 34-36 of clause 15.1. of Article 15 of these Articles of Association shall be made by two-thirds majority vote of the members of the Company's Board of Directors participating in the meetings.

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

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

Should the quantity of members of the Company's Board of Directors become less than the quantity comprising the specified quorum, the Company's Board of Directors shall be obliged to make a decision on carrying out the extraordinary general meeting for election of a new structure of the Company's Board of Directors. The remained members of the Board of Directors shall be entitled to make a decision only on convocation of such an extraordinary General Meeting of Shareholders. In this case the quorum for carrying out the Board of Directors meeting is at least a half of the number of the remained members of the Board of Directors.

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

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

18.14. The decisions of the Company's Board of Directors taken in violation of the Company's Board of Directors competence, provided that the quorum for holding the Company's Board of Directors meeting is absent or provided that the majority of votes of the Company's Board of Directors members required for decision-making is absent, shall be void irrespective of initiating the procedure of appeal in their respect in the court order.

Article 19. Committees of the Company's Board of Directors

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

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

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

Article 20. The Company's Corporate Secretary

20.1. In order to ensure proper preparation of the procedure of holding the Company's General Meeting of Shareholders, the activities of the Company's Board of Directors, the Company's Board of Directors shall be entitled to elect the Corporate Secretary of the Company.

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

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

20.4. The Corporate Secretary of the Company shall participate in the preparation and holding

of the Company's General Meeting of Shareholders, meetings of the Company's Board of Directors within his/her competence in accordance with the requirements of the Russian Federation laws, these Articles of Association and other internal documents of the Company.

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

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

Article 21. The Company's Executive Bodies

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

21.2. The General Director and the Management Board shall be accountable to the Company's General Meeting of Shareholders and the Company's Board of Directors.

21.3. Under the decision of the General Meeting of Shareholders, the powers of the Company's sole executive body may be transferred to the managing entity or the managing director under an agreement.

The rights and duties of the managing entity (managing director) for realization of management by the Company's current activities shall be defined by the Russian Federation laws and the agreement concluded by the managing entity (managing director) with the Company.

The agreement with the managing entity (managing director) on behalf of the Company shall be signed by the Chairperson of the Company's Board of Directors or the person authorized by the Company's Board of Directors.

The agreement provisions with the managing entity (managing director), including as regards the term of appointment, shall be defined by the Company's Board of Directors or the person authorized by the Company's Board of Directors.

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

21.5. The rights and duties of the General Director and Management Board members related to the management by the Company's current activities shall be determined by the Russian Federation laws, these Articles of Association and labor agreement signed by each of them with the Company.

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

21.7. The terms of the labor agreement, including as regards the period of powers, shall be determined by the Company's Board of Directors or the person authorized by the Company's Board of Directors to sign the labor agreement in accordance with clause 21.6 of Article 21 of these Articles of Association.

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

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

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

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

21.11. The General Meeting of Shareholders shall be entitled any time to make a decision on the early termination of the powers of the managing entity (managing director).

The Company's Board of Directors shall be entitled to make a decision on temporary termination of the powers of the managing entity or the managing director. Simultaneously with this decision, the Company's Board of Directors shall be obliged to make a decision on appointment of the Company's acting General Director and on holding of the extraordinary General Meeting of Shareholders in order to tackle the issue of the early termination of the powers of the managing entity (managing director), and, unless otherwise decided by the Board of Directors, on transfer of powers of the Company's sole executive body to the managing entity (managing director).

21.12. Should the managing entity (the managing director) be in no position to carry out its functions, the Company's Board of Directors shall be entitled to make a decision on appointment of the acting General Director of the Company and on holding of the extraordinary General Meeting of Shareholders in order to tackle the issue of early termination of the powers of the managing entity (the managing director), and, unless otherwise decided by the Board of Directors, on transfer of powers of the Company's sole executive body to another managing entity or the managing director.

21.13. The Company's acting General Director shall carry out management by the Company's current activities within the framework of the competence of the Company's executive bodies, unless otherwise is decided by the Company's Board of Directors.

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

21.15. The Director General, Management Board members, acting General Director of the Company, as well as the managing entity (the managing director) shall bear responsibilities before the Company for the losses incurred by the Company by their wrongful actions (omissions), unless other grounds and volume of responsibility are set forth by the federal laws.

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

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

21.16. In case of temporary absence of the General Director (because of illness, business trip, holiday), performance of his/her duties on the basis of the order of the Company's General Director may be assigned to one of his/her deputies.

Article 22. The Company's Management Board

22.1. The Company Management Board shall act on the basis of these Articles of Association and Regulations for the Management Board approved by the General Meeting of Shareholders which stipulates time and order of convocation and carrying out of its meetings, and order of decision-making.

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

1) working-out of the Company's development strategy and its submission for consideration to the Board of Directors;

2) preparation of the annual (quarterly) business plan, including the investment program and the report on results of their performance, as well as approval (updating) of cash flow (budget) of the Company;

3) preparation of the annual report on the Company's financial and economic activities, on performance by the Management Board of the decisions of the Company's General Meeting of Shareholders and Board of Directors;

4) consideration of reports of the deputies of the Company's General Director, heads of the isolated structural divisions of the Company about results of performance of the approved plans, programs, instructions, consideration of reports, documents and other information on the Company's activities and its subsidiaries and dependent entities;

5) decision-making concerning the items referred to the competence of the supreme bodies of management of the economic entities, 100 (one hundred) percent of the authorized capital of which belongs to the Company (in view of subclauses 35, 36 of clause 15.1. of Article 15 of these Articles of Association);

6) preparation of the reports on financial and economic activity of the economic entities, 100 (one hundred) percent of the authorized capital of which belongs to the Company; their submission for consideration of the Board of Directors;

7) decision on making transactions dealing with properties, works and services book value whereof is equal to 1–25 per cent of the book value of assets of the Company as defined according to the accounting statements as of the latest reporting date (except for cases specified in Sub-Cause 37 of Clause 15.1 thereof);

8) solution of other issues of the Company's current activities management according to the decisions of the Company's General Meeting of Shareholders, the Company's Board of Directors, and the issues which were submitted by the Company's General Director for the Management Board's consideration.

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

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

The number of members of the Company's Management Board may not be less than 3 (three) people.

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

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

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

Article 23. The Company's General Director

23.1. The General Director shall perform the management by the Company's current activities in accordance with the decisions of the Company's General Meetings of Shareholders, Company's Board of Directors and Company's Management Board which were made in accordance with their competences.

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

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

- ensure fulfillment of the Company activity plans which are necessary for solution of his/her tasks;

- organize bookkeeping and accounting in the Company;

- make use of the Company's property and accomplish deals on behalf of the Company, issue powers of attorney, open settlement and other accounts of the Company with the banks and other credit institutions as well as in the entities and professional agents of the securities market in cases envisaged by the law;

- issue orders, approve (accept) instructions, local normative enactments and other internal documents of the Company on the issues of his/her competence, give instructions obligatory for execution by all employees of the Company;

- approve Regulations on branches and representative offices of the Company;

- in accordance with the organizational structure of the Company's executive body, approve personnel arrangements and official salaries and wages of the Company's employees;

- exercise in respect of the Company's employees the rights and obligations of the employer, envisaged by the labor law;

- perform powers of the Chairperson of the Company's Management Board;

- distribute duties among the Deputies of the Director General;

- submit for the consideration of the Board of Directors the reports on financial and economic activities of subsidiaries and dependent companies, the shares (stakes) of which are owned by the Company, as well as the information on other entities, in which the Company participates, except for the cases stipulated by subclause 6) of clause 22.2 of Article 22 of these Articles of Association;

- no later than 45 (forty-five) days prior to holding of the Company's annual General Meeting of Shareholders, submit for the consideration of the Company's Board of Directors the annual report, annual accounting reports, the Company's profit and loss account and the Company's profit and loss distribution;

- solve other issues of the Company's current activities, except for the issues referred to the competence of the Company's General Meeting of Shareholders and the Company's Board of Directors.

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

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

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

24.1. In order to ensure control over the Company's financial and economic activities, the General Meeting of Shareholders shall elect the Auditing Committee of the Company for the period

till the next annual General Meeting of Shareholders.

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

The number of members of the Auditing Committee shall be 5 (five) people.

24.2. Based on the decision of the Company's General Meeting of Shareholders, the powers of all or several members of the Company's Auditing Committee may be terminated early.

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

- confirmation of the correctness of the information contained in the annual report, annual accounting reports, profit and loss account of the Company;

- analysis of the Company's financial standing, revealing of the reserves for the improvement of the financial position of the Company and working out of recommendations for the Company's management bodies;

- arrangement and carrying out of an examination (audit) of the Company's financial and economic activities, in particular:

- examination (audit) of the financial, accounting, settlement and other documentation of the Company related with carrying out by the Company of financial and economic activities in order to ensure its compliance with the Russian Federation laws, the Articles of Association, internal and other documents of the Company;

- control over safe keeping and use of fixed capital;

- control over adherence to the order of writing off the insolvent debtors' debt to the Company's losses;

- control over cash spending of the Company in accordance with the approved business plan and budget of the Company;

- control over building up and use of the reserve and other specialized funds of the Company;

- examination of correct and timely attributing and payment of dividends per the Company's shares, interest per bonds and earnings per other securities;

- examination of the instructions issued earlier related to elimination of violations and shortages revealed by previous examinations (audits);

- carrying out of other actions (measures) related to examination of the Company's financial and economic activities.

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

24.5. The Auditing Committee shall be entitled and, in case of the revealed serious violations of the Company's financial and economic activities, obliged to demand convening of the Company's extraordinary General Meeting of Shareholders.

24.6. The procedure of activities of the Company's Auditing Committee' shall be determined by the internal document of the Company approved by the Company's General Meeting of Shareholders.

The Auditing Committee shall be entitled to involve specialists in the respective field of law, economy, finance, accounting, management, economic security and others including specialized institutions in accordance with the decision on carrying out an examination (audit) in order to carry out such examination (audit).

24.7. The examination (audit) of the Company's financial and economic activities is carried out following the outcome of the Company's activities during the year and may also be carried out any time at the initiative of the Company's Auditing Committee, under the decision of the Company's General Meeting of Shareholders, the Company's Board of Directors or upon the demand of the Company's shareholder (shareholders) possessing in total at least 10 percent of the Company's voting shares.

24.8. In order to examine and approve the Company's annual financial reports, the Company's General Meeting of Shareholders shall annually approve the Company's Auditor.

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

24.10. The Company's Auditor shall carry out examination of the financial and economic activity of the Company in accordance with the requirements of the Russian Federation laws and on the grounds of the agreement signed with it.

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

- confirmation of the correctness of the information contained in the Company's reports and other financial documents;

- information on the facts of violation by the Company of the accounting procedures and procedures of submission of financial reports envisaged by legal regulations of the Russian Federation and normative enactments of the Russian Federation during carrying out by the Company of its financial and economic activities.

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

Article 25. Bookkeeping and Accounting of the Company

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

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

25.3. The trustworthiness of the information contained in the annual report of the Company, annual accounting reports shall be confirmed by the Company's Auditing Committee and the Company's Auditor.

25.4. The annual report, annual accounting reporting, profit and loss account, profit and loss distribution of the Company shall be submitted for preliminary approval by the Company's Board of Directors no later than 30 (thirty) days prior to the date of holding Company's annual General Meeting of Shareholders.

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

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

- 1) Resolution on the foundation of the Company;
- 2) Articles of Association of the Company, amendments to the Articles of Association of the Company registered according to the established procedure, certificate on the state registration of the Company;
- 3) documents proving the Company's rights to the property registered on its balance sheet;
- 4) the Company's internal documents approved by the Company's management bodies;
- 5) regulations on the Company's branches and representative offices;
- 6) annual reports;

7) Securities prospectus, quarterly report of the issuer and other documents containing the information to be published or disclosed in a different way in accordance with the federal laws;

8) The Company shall ensure that shareholders and employees of the Company have access to information in compliance with the requirements of the legislation on state and commercial secret.

9) documents on accounting reports;

10) minutes of the Company's General Meetings of Shareholders, the Company's Board of Directors meetings, the Company's Auditing Committee, and the Company's Management Board;

11) bulletins for voting and powers of attorney (copies of powers of attorney) for participation in the General Meeting of Shareholders;

12) reports of independent appraisers;

13) lists of the Company's affiliated persons;

14) lists of the persons entitled to participate in the Company's general meeting of shareholders, and the persons entitled to receive dividends, and other lists compiled by the Company for the shareholders to exercise their rights in accordance with the requirements of the Federal Law "On Joint Stock Companies";

15) reports of the Company's Auditing Committee, the Company's Auditor, state and municipal bodies of financial control;

16) notices on entering into shareholder agreements addressed to the Company, and the lists of the persons who entered into such agreements;

17) court orders in respect of the disputes related to establishment of the Company, management by it or participation in it;

18) other documents envisaged by the Russian Federation laws, these Articles of Association, the Company's internal documents and the decisions of the Company's management bodies;

26.2. The Company shall keep the documents envisaged by clause 26.1. of this Article at the place of seat of the Company's executive body in accordance with the procedure and within the period of time determined by the Bank of Russia;

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

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

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

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

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

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

26.6. The documents stipulated by clause 26.1. of this Article shall be presented by the Company during 7 (seven) days (except for the documents as set out in subclause 17 of clause 26.1. of this Article, the time for provision of which is 3 (three) days) from the moment of making the respective enquiry for examining in the premises of the Company's executive body.

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

26.7. The amount of the fee shall be determined by the Company's General Director and shall not exceed the cost of making copies of these documents.

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

Article 27. Reorganization and Liquidation of the Company

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

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

27.3. In the event of the Company's reorganization, liquidation or discontinuation of works involving usage of details constituting state and commercial secret the Company shall ensure integrity of such information and the media concerned through development and implementation of actions for security mode maintenance, information protection, technical intelligence controls / countermeasures, security guard and fire safety.

Annex 1
to the Articles of Association of
"Interregional Distribution Grid
Company of North-West",
Joint Stock Company

List of IDGC of North-West's branches

#	Name	Seat
1	"Arkhenenergo" branch of IDGC of North-West	3 Svobody street, city of Arkhangelsk, Russian Federation, 163000.
2	"Vologdaenergo" branch of IDGC of North-West	68 Prechistinskaya Quay, city of Vologda, Vologda Region, Russian Federation, 160035.
3	"Komienergo" branch of IDGC of North-West	94 Internatsionalnaya street, city of Syktyvkar, Komi Republic, Russian Federation, 167000.
4	"Karelenergo" branch of IDGC of North-West	45 Kirova street, city of Petrozavodsk, Karelia Republic, Russian Federation, 185035.
5	"Kolenergo" branch of IDGC of North-West	2 Kirova street, Murmashy village, Murmansk Region, Russian Federation, 184364.
6	"Novgorodenergo" branch of IDGC of North-West	3 Bolshaya Sankt-Peterburgskaya street, city of Veliky Novgorod, Russian Federation, 173001.
7	"Pskovenergo" branch of IDGC of North-West	47a Sovetskaya street, city of Pskov, Russian Federation, 180000.