

Appendix 5  
to Minutes No. 1452 pr/4  
of the Meeting of the Management Board of RAO UES of Russia of May 16, 2006

APPROVED  
by the Management Board of RAO UES of Russia  
Minutes No. \_\_\_\_  
dated \_\_\_\_\_, 200 6

Chairman of the Management Board  
(*Signature*) A. B. Chubais

**ARTICLES OF ASSOCIATION**  
**OF**  
**OPEN JOINT-STOCK COMPANY**  
**TERRITORIAL GENERATION COMPANY 4**

Moscow  
2006

## **ARTICLE 1. GENERAL**

1.1. Open Joint-Stock Company Territorial Generation Company 4, hereinafter referred to as the "Company," is established in accordance with the resolution of its sole founder RAO UES of Russia (Resolution No. 94r of April 18, 2005).

1.2. The Company shall operate in conformity with the Civil Code of the Russian Federation, the Federal Law on "Joint-Stock Companies", the Federal Law "On the Electric Power Industry", the Federal Law "On Specific Features of Functioning of Electric Power Industry During the Transitional Period and On Amendments into Certain Legislative Acts of the Russian Federation and On Recognizing Certain Legislative Acts of the Russian Federation to Have Lost Their Force in Connection with the Adoption of the Federal Law "On the Electric Power Industry," other regulatory legal acts of the Russian Federation, and these Articles of Association.

1.3. The full trade name of the Company in the Russian language is "Открытое акционерное общество «Территориальная Генерирующая Компания № 4»."

1.4. The short trade name of the Company is "ОАО «ТГК-4»" in the Russian language and "JSC "TGC-4"" in the English language.

The Company is located at: Russian Federation, 392030, Tambov, Proyezd Energetikov 7.

1.5. The period of duration of the Company shall be perpetual.

## **ARTICLE 2. LEGAL STATUS OF THE COMPANY**

2.1. The legal status of the company is in accordance with the Civil Code of the Russian Federation, the Federal Law "On Joint Stock Companies", other regulations of the Russian Federation, and these Articles of Association.

2.2. The Company shall be a corporate entity pursuant to the laws of the Russian Federation.

2.3. The Company shall have its solitary property accounted for in its independent balance; the Company shall be entitled, in its own name, to acquire and exercise property rights and personal non-property rights, incur obligations, and act as a claimant or a defendant before a court or arbitration.

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

2.5. The Company shall be liable with respect to its obligations with all of its assets.

The Company shall not be held liable with respect to the obligations of the Russian Federation and its shareholders.

The shareholders shall not be held liable with respect to the obligations of the Company, unless otherwise provided for by the laws of the Russian Federation.

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

The shareholders of the Company shall bear a risk of losses resulting from the Company's activities within the value of their shares

2.6. The Company shall have its official round seal with its full trade name in the Russian language with the Company's location indicated on it.

The Company shall have its corporate stamp and letterheads with its trade name, its corporate design, as well as its trademarks registered in accordance with the established procedure and other means of corporate visual identification.

2.7. The Company shall have civil rights and obligations necessary to exercise any activities that are not forbidden by the federal laws.

2.8. The Company may establish its branch offices and representative offices within and outside the territory of the Russian Federation.

The subsidiaries and affiliates of the Company shall not be independent corporate entities; they shall act on behalf of the Company and under the regulations established by the Company.

The subsidiaries and affiliates of the Company shall have their property accounted for in their independent balances as well as in the balance of the Company.

The branch manager or the representative office manager of the Company shall act under a letter of attorney issued by the Company.

The Company shall be held liable with respect to the activities of its branch offices and representative offices.

The information concerning the branch offices and representative offices is listed in the Appendix to these Articles of Association.

2.9. The Company may have its subsidiaries and affiliates that shall have the rights of corporate entities within the territory of the Russian Federation established in accordance with the Federal Law "On Joint Stock Companies", any other federal laws, and these Articles of Association; and outside the territory of the Russian Federation in accordance with the applicable laws of a foreign state where its subsidiaries or affiliates are located, unless otherwise provided for by an international agreement of the Russian Federation.

### **ARTICLE 3. PURPOSE AND SCOPE OF BUSINESS OF THE COMPANY**

3.1. The purpose for which the Company is established is to make a profit.

3.2. The Company shall have the right to perform any activities to make a profit, with the exception of cases when in conflict with the laws of the Russian Federation that shall include as follows:

- exercise of powers of executive bodies at joint-stock companies and other business companies under the procedure set forth in the laws of the Russian Federation and under management agreements.
- trust management of property;
- consultancy services,
- securities business in accordance with the procedure prescribed by the applicable laws of the Russian Federation;
- agency activities;
- research and development;
- foreign economic activities;
- forwarding services;
- supply (sale) of electric and thermal energy;
- acquisition (purchase) of electric and thermal energy from the wholesale market of electric power (capacity);
- operations determining the conditions of parallel operations in accordance with the modes of the Unified Energy System of Russia under contracts;
- operation of power facilities not accounted for in the balance sheet of the Company under the agreements with the owners of the said power facilities;
- environment-related activities;
- activities related to environmental impact, environmental protection and natural resources utilization, industrial waste utilization, burial of wastes, and removal of industrial wastes;
- supervision over safe operation of consumers' electric and thermal facilities connected to thermal and electric networks of the Company;
- educational activities including extended education activities;

- training and control of the knowledge of rules, regulations, and instructions related to technical maintenance, labor protection, industrial and fire safety;
- provision of training concerning preparedness activity, civil defense, emergency situations and protection of national security information in accordance with the laws of the Russian Federation;
- protection activities to the benefit of inherent security exclusively under the Security Service to be established by the Company, which activities are governed by the Law of the Russian Federation "On Private Detective and Guarding Activities in the Russian Federation" and the laws of the Russian Federation;
- generation of electric and thermal energy;
- organization of energy saving modes of operation for the power plant equipment;
- maintenance of electric supply schedules under relevant contracts;
- operation of power equipment in compliance with applicable regulatory requirements; timely and quality power equipment maintenance, and technical upgrading and retrofitting of power facilities;
- provision of power supply services to consumers connected to the electric and thermal networks of the Company under related agreements;
- implementation of new technologies and equipment capable of providing effective, safe and environment-friendly operation of the Company's facilities;
- operation of thermal networks;
- development of communication facilities and provision of communication services;
- storage of oil and its derivatives;
- operation of explosion-hazardous production facilities;
- operation of fire-hazardous production facilities;
- operation and servicing of Gosgortekhnadzor's facilities;
- maintenance of buildings and structures;
- metrological support to production facilities;
- activities related to handling hazardous wastes;
- operation of internal gas networks;
- maintenance of measurement instruments;
- other activities;

3.3. As required by the federal laws of the Russian Federation, specific activities of the Company may be performed if duly permitted (licensed) in accordance with the laws of the Russian Federation.

The Company's right to perform activities to be licensed shall commence from the date of the acquisition of licenses to be obtained or within the term indicated therein, and shall terminate upon expiry of such licenses, unless otherwise provided for by the law or other legal acts.

#### **ARTICLE 4. AUTHORIZED CAPITAL OF THE COMPANY**

4.1. The Authorized Capital of the Company shall be equal to the par value of the Company's shares acquired by the shareholders (outstanding shares).

The Authorized Capital of the Company shall be Ten Million (10,000,000) Russian Rubles.

4.2. The number of the Company's outstanding registered ordinary shares, each with the same par value of one (1) kopeck, shall be one billion (1,000,000,000) shares, in the total amount equal to a par value of Ten Million (10,000,000) Russian Rubles.

4.3. The Authorized Capital of the Company may be

- increased by means of an increase in the par value of shares or by means of additional issue of shares;

- decreased by means of a reduction in the par value of shares by means of reduction in the total number of such shares, including by means of purchase and retirement of a portion of outstanding shares of the Company as prescribed by these Articles of Association.

44. The Company shall have the right to increase the Authorized Capital only after it is paid for in full.

The Company shall not have the right to increase the Authorized Capital to cover the losses incurred by the Company, or reimburse overdue accounts payable .

4.5. The Authorized Capital of the Company may be decreased in the order prescribed by the laws of the Russian Federation and pursuant to these Articles of Association.

The Company shall decrease its Authorized Capital as provided for in the Federal Law "On Joint Stock Companies."

4.6. The Company shall have the right to acquire its outstanding shares by decision of the General Meeting of Shareholders of the Company on decrease of the Authorized Capital of the Company by means of acquiring a portion of the outstanding shares with a view to reducing the total number of the said shares.

The General Meeting of Shareholders shall not have the right to take any decision to decrease the Authorized Capital by means of acquiring a portion of outstanding shares with a view to reduce their total number, if the par value of the shares in circulation shall be less than the minimum size of the Authorized Capital of the Company determined in accordance with the Federal Law "On Joint Stock Companies."

The shares acquired by the Company as specified in this paragraph, shall be retired on their acquisition.

Payment for the shares acquired as specified in this paragraph, may be made in cash and/or by means of any other property as decided by the General Meeting of Shareholders.

4.7. The Company shall declare additionally to the outstanding shares:

One trillion, two hundred and sixty-five billion, two hundred million (1,265,200,000,000) registered ordinary shares, each with a par value of one (1) kopeck in the total amount of Twelve Billion, Six Hundred and Fifty-Two Million (12,652,000,000) Russian Rubles.

Sixteen billion, five hundred million (16,500,000,000) registered preference shares, each with a par value of one (1) kopeck, in the total amount of One Hundred and Sixty-Five Million (165,000,000) Russian Rubles.

The registered ordinary shares declared by the Company for promotion, shall grant to their owners the rights to the extent specified in paragraph 6.2 of these Articles of Association.

The registered preference shares declared by the Company for promotion, shall grant to their owners the rights to the extent specified in paragraph 6.3 of these Articles of Association.

## **ARTICLE 5. SHARES, DEBENTURE BONDS AND OTHER ISSUE-GRADE SECURITIES OF THE COMPANY**

5.1. The Company distributes ordinary shares and shall have the right to distribute one or several types of preference shares, debenture bonds, and other issue-grade securities as prescribed by the laws of the Russian Federation.

5.2. The Company shall have the right to distribute any additionally issued shares by means of a public offering or private offering and through conversion.

5.3. The Company shall distribute shares and other securities convertible into shares in accordance with the legal acts of the Russian Federation.

5.4. The ordinary shares of the Company shall not be converted into preference shares, debenture bonds, or other securities.

5.5. In cases prescribed by the Federal Law "On Joint Stock Companies", the shareholders of the Company shall exercise their preemptive right to purchase shares and other issue-grade securities additionally distributed by means of subscription, convertible into shares in proportion to the number of the shares of relevant category (class) owned by each of the shareholders.

5.6. In the event of exercising the preemptive right to acquire additional shares, or in the event of consolidation, when the shareholders may not purchase a whole number of shares, fractional shares are formed.

The fractional share shall present its owner with the rights given by the shares of the relevant category (class) in the amount corresponding to a part of a whole share formed thereby.

The fractional shares shall have the circulation equal to the circulation of a whole share. In the event one person acquires two or more fractional shares of the same category (class), these shares shall form one whole and/or one fractional share equal to the sum of these fractional shares.

5.7. Payment for the additional shares distributed by means of subscription, may be made in cash, in securities, by means of any other property, by means of property or proprietary rights, or any other valuable rights.

The payment for the additionally issued shares shall be determined by the decision on distribution thereof.

The payment for any other issue-grade securities shall be made only in cash.

5.8. The Company shall be entitled to acquire the outstanding shares pursuant to the decision of the Board of Directors of the Company (under paragraph 2 of Article 72 of the Federal Law "On Joint Stock Companies").

The Board of Directors shall not be entitled to make a decision on acquisition of shares by the Company if the par value of the Company's shares in circulation is less than 90 percent of the Authorized Capital of the Company.

The shares acquired by the Company under this paragraph, shall not grant any voting rights, shall not be included in the voting results, and shall not be used for any distribution of dividends. Such shares shall be sold at their fair market price within one year from the date of purchase thereof. Otherwise, the General Meeting of Shareholders shall approve a decision to decrease the Authorized Capital of the Company by means of retirement of such shares.

The payment for the shares purchased under this paragraph may be made, by approved decision of the Board of Directors, in cash and/or in other property.

## **ARTICLE 6. RIGHTS OF THE SHAREHOLDERS**

6.1. A shareholder is an individual owning shares of the Company on the grounds provided by the laws of the Russian Federation and by these Articles of Association.

6.2. Each registered ordinary share of the Company shall grant to the shareholder, the owner thereof, an equal scope of rights.

The shareholders owning registered ordinary shares of the Company shall have the right:

1) to participate in the General Meeting of Shareholders of the Company in person or through their proxies voting on any issues falling within the competence of the general meeting of shareholders;

2) to propose items to the agenda of the General Meeting of Shareholders in accordance with the procedure prescribed in the laws of the Russian Federation and these Articles of Association.

3) to obtain information concerning the activities of the Company and to have access to the internal documents of the Company in accordance with Article 91 of the Federal Law "On Joint Stock Companies", and other legal regulations and these Articles of Association;

4) to receive dividends as prescribed by the Company;

5) to exercise the preemptive right to purchase by means of public offering of any additionally issued shares or issue-grade securities convertible into shares, in the amount in proportion to the quantity of ordinary shares owned by them;

6) to obtain a portion of the Company's property in the event of the liquidation of the Company;

7) to exercise any other rights provided for in the applicable laws of the Russian Federation and these Articles of Association;

6.3. The preference shares of the Company shall grant to the shareholders owning them, the equal scope of rights, and shall have the same par value.

The shareholders owing the preference shares shall be entitled:

1) to obtain the dividends declared by the Company;

2) to participate in the General Meeting of Shareholders voting on the issues of restructuring and liquidation of the Company;

3) to participate in the General Meeting of Shareholders voting on the issues of amendments and supplements in the Articles of Association, infringing the rights of the shareholders owning the preference shares.

The decision on making amendments and supplementsshall be approved if it is supported by three-fourths of the shareholders' votes owning the voting sharesand participating in the General Meeting of Shareholders,with t he exception of the votes of shareholders owning the preference shares, which rights are limited, and three-fourths of votes of all the shareholders owning the preference shares.

4) to exercise the preemptive right to purchase by means of public offering any additionally issued shares or issue-grade securities convertible into shares, in the amount in proportion to the quantity of ordinary shares owned by them;

5) to participate in the General Meeting of Shareholders voting on any issues falling within the competence of the General Meeting of Shareholders commencing from the meeting that follows the annual Meeting of Shareholders, where irrespective of reasons, no decision was approved on paying dividends, or a decision was approved on incomplete paying of dividends on preference shares.

The shareholders owning preference shares shall have their right terminated to participate in the General Meeting of Shareholders from the time of the first payment in full of the dividends on the said shares.

6) to obtain a portion of the Company's property in the event of the liquidation of the Company on the conditions specified in paragraph 6.4 of these Articles of Association;

7) to obtain information pertaining to the activities of the Company and to have access to the internal documents of the Company in accordance with Article 91 of the Federal Law "On Joint Stock Companies", and other legal regulations and these Articles of Association;

8) to exercise any other rights as provided for in the laws of the Russian Federation;

6.4. In the event of the liquidation of the Company, the rest of the Company's property after settlements with creditors shall be distributed by the Liquidation Committee among the shareholders as follows:

- first, the payments shall be made for shares to be purchased pursuant to Article 75 of the Federal Law "On Joint Stock Companies";

- second, the payments shall be made on the dividends charged but unpaid, on preference shares and par value (realization value) of the preference shares owned by the shareholders;

- third, the property shall be distributed among the shareholders owning ordinary and preference shares in proportion to their shareholding in the Authorized Capital of the Company.

In the event that the Company's property does not cover the payment of charged but unpaid dividends and the realization value determined by these Articles of Association to all the shareholders owning preferenceshares, the property shall be distributed among the shareholders owning preference shares in proportion to the quantity of the shares of this class owned by them.

## **ARTICLE 7. DIVIDENDS**

7.1. The Company shall be entitled according to the results of the first quarter, half-year, nine months of financial year, and/or according to the results of financial year to approve a decision to pay (declare) dividends on the outstanding shares. The decision to pay (declare) dividends based upon results of the first quarter, half-year, nine months of financial year may be taken within three months after expiration of the relevant period.

The Company shall pay the dividends declared for each class of shares.

7.2. The decision to pay (declare) dividends including decisions pertaining to the dividend rate and the means of payment thereof, on shares of each category (class) shall be approved by the General Meeting of Shareholders of the Company.

The dividend rate shall not exceed the rate advised on by the Board of Directors of the Company.

The General Meeting of Shareholders shall be entitled to take a decision on delegating the dividends for shares of some categories (class) or make a short payment of dividends on preference shares, which size of dividends is determined by these Articles of Association.

7.3. The total amount paid as dividends on each preference share shall be established at the rate of ten (10) percent of the net profit of the Company according to the results of financial year divided by the number of shares equal to twenty-five (25) percent of the Authorized Capital of the Company.

In the event that the amount of dividends paid by the Company on each ordinary share in a certain year exceeds the amount payable as dividends on each preferenceshare, the dividend rate paid for the latter shares shall be increased up to the dividend rate paid for ordinary shares.

7.4. The Company shall not have the right to decide (declare) on payment of dividends for ordinary shares, unless it was decided to pay in full for dividends on preference shares, the dividend rate thereof shall be determined by paragraph 7.3 of these Articles of Association.

7.5. In the cases provided for in the laws of the Russian Federation, the Company shall not decide (declare) on dividend payment for shares and shall not have the right to pay the dividends declared for shares.

7.6. The source of dividend payment shall be the Company's profit after tax (the Company's net profit). The Company's net profit shall be determined in accordance with the accounting statements of the Company. Dividends relating to preferenceshares of a certain class may also be paid from special funds established by the Company for such purposes.

7.7. The Company shall not have the right to pay dividends relating to preferenceshares by any other means except those specified in these Articles of Association.

7.8. The term of dividend payment shall be defined by the General Meeting of Shareholders and shall not exceed 60 (Sixty) days from the day on which the decision of their payment was made.

## **ARTICLE 8. FUNDS OF THE COMPANY**

8.1. The Company shall establish its reserve fund in the amount of five (5) percent of the Authorized Capital.

The amount of annual deductions to the reserve fund of the Company shall be equal to five (5) percent of the net profit of the Company until the reserve fund reaches the amount specified.



8.2. The reserve fund of the Company shall serve to cover for losses of the Company and to retire debenture bonds or to purchase the shares of the Company in the event of lack of other funds. The reserve fund of the Company shall not be used for other purposes.

8.3. The Company shall be entitled to establish other funds as provided for in the laws of the Russian Federation that shall maintain its economical and financial activity as of the civil turnover subject.

## **ARTICLE 9. THE COMPANY'S MANAGEMENT BODIES AND INTERNAL AUDIT**

9.1. The management bodies of the Company shall be as follows:

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

9.2. The internal audit body of the economical and financial activities of the Company shall be the Internal Audit Commission of the Company.

## **ARTICLE 10. GENERAL MEETING OF SHAREHOLDERS**

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

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

- 1) to amend the Articles of Association of the Company and approve revised versions of these Articles of Association of the Company;
- 2) to decide on reorganization of the Company, including approval of agreements on company's merger (company's takeover);
- 3) to decide on liquidation of the Company, appoint the Liquidation Committee and approve liquidation balance sheets: intermediate and closing balance sheets;
- 4) to determine the number, par value, category (class) of the authorized shares, and the scope of rights assigned to such shares;
- 5) to approve an increase in the Authorized Capital of the Company by means of an increase in the par value of shares or by means of distribution of additionally issued shares;
- 6) to approve a reduction in the Authorized Capital of the Company by means of decreasing the par value of shares, purchasing a portion of shares by the Company for the purpose of reducing the total number thereof, and by means of retiring the shares purchased and repurchased by the Company;
- 7) to split and consolidate the Company's shares;
- 8) to decide on distribution made by the Company, of debenture bonds convertible into shares and other issue-grade securities convertible into shares;
- 9) to elect members of the Board of Directors of the Company and to decide on early termination of their powers;
- 10) to elect members of the Internal Audit Commission of the Company and to decide on early termination of their powers;
- 11) to appoint the External Auditor;
- 12) to decide on transfer of power of the Sole Executive Body of the Company to a management organization (manager) and on early termination of a management organization's (manager's) power;

13) to approve annual reports and annual accounting statements, including profit and loss statements (income statements) of the Company, approve distribution of profits (including payment (declaration) of dividends, except for the profit distributed in the form of dividends based upon results of the first quarter, half-year, nine months of financial year) and losses of the Company according to the performance in the financial year;

14) to pay (declare) dividends based upon results of the first quarter, half-year, nine months of financial year;

15) to approve procedures for the holding of the General Meeting of Shareholders;

16) to decide on approval of transactions in the cases provided for in Article 83 of the Federal Law "On Joint Stock Companies";

17) to decide on approval of material transactions in the cases provided for in Article 79 of the Federal Law "On Joint Stock Companies";

18) to decide on participation in holding companies, financial and industrial groups, associations and other forms of amalgamation of business;

19) to approve the internal documents governing the activities of the Company's bodies;

20) to decide on remuneration and/or compensation payable to the members of the Internal Audit Commission of the Company;

21) to decide on remuneration and/or compensation payable to the members of the Board of Directors of the Company;

22) to consider other issues as provided for in the Federal Law "On Joint Stock Companies."

10.3 No issue falling within the competence of the General Meeting of Shareholders shall be resolved by the Board of Directors of the Company, the Management Board and the Director General of the Company.

The General Meeting of Shareholders shall not have the right to consider and resolve issues beyond their competence as defined by the Federal Law "On Joint Stock Companies."

10.4. Any decision made by the General Meeting of Shareholders on issues put to a vote shall be approved by a majority of votes of the shareholders owning voting shares in the Company and participating in the General Meeting of Shareholders unless otherwise provided for in the Federal Law "On Joint Stock Companies."

10.5. Any decision of the General Meeting of Shareholders of the Company shall be approved by three fourths of votes of the shareholders owning voting shares and participating in the General Meeting of Shareholders on the following issues:

- to amend the Articles of Association of the Company and approve revised versions of these Articles of Association of the Company;

- to decide on reorganization of the Company including approval of agreements on merger (takeover);

- to decide on liquidation of the Company, appoint the Liquidation Committee and approve liquidation balance sheets: intermediate and closing balance sheets;

- to determine the number, par value, category (class) of the authorized shares, and scope of rights assigned to such shares;

- to distribute shares (issue-grade securities of the Company convertible into shares) by means of private offering as per decision made by the General Meeting of Shareholders on increase of the Authorized Capital by means of distribution of additionally issued shares (on distribution of issue-grade securities of the Company convertible into shares);

- to distribute ordinary shares by means of public offering constituting more than 25 (Twenty-Five) percent of earlier distributed ordinary shares;

- to distribute, by means of public offering, issue-grade securities convertible into ordinary shares that may be converted into ordinary shares constituting more than 25 (Twenty-Five) percent of earlier distributed ordinary shares;

- to approve material transactions relating to property as their subject-matter, with the value exceeding fifty (50) percent of the balance sheet assets of the Company.

The decision to approve transactions of interest where and as provided for in Article 81 of the Federal Law "On Joint Stock Companies", shall be made by the General Meeting of Shareholders in accordance with Article 83 of the Federal Law "On Joint Stock Companies."

10.6. Any issues specified in subparagraphs 2,5,7,8,2- 21, Article 10 of these Articles of Association that are to be considered by the General Meeting of Shareholders, shall be considered thereby solely at the suggestion of the Board of Directors.

10.7. The General Meeting of Shareholders shall not be entitled to approve any decision which is not included in the agenda or change the agenda.

10.8. Voting at the General Meeting of Shareholders shall be in accordance with the "one vote per one voting share" rule, except for cumulative voting on election of the members of the Board of Directors.

At cumulative voting, the number of voices owned by each shareholder, shall be multiplied by a number of persons to be elected to the Board of Directors; the shareholder shall be entitled thereby to give all his/her votes for one nominee or distribute his/her votes between two or more nominees.

The nominees acquiring a majority of votes shall be considered as elected to the Board of Directors.

10.9 The General Meeting of Shareholders may take place at the location of the Company both in Moscow or in Tula, or at any other location as specified by the internal document of the Company regulating the operating procedures of the General Meeting of Shareholders.

The exact address where the General Meeting of Shareholders may take place, shall be determined by the Board of Directors when resolving issued related to preparation procedures for the General Meeting of Shareholders.

10.10. The functions of the person chairing the General Meeting of Shareholders shall be exercised by the Chairman of the Board of Directors.

In the event of absence of the Chairman of the Board of Directors or his/her deputy, the functions of the Chairman at the General Meeting of Shareholders, as per decision of the members of the Board of Directors present at the General Meeting of Shareholders, may be exercised by any other member of the Board of Directors.

10.11. In the event that all voting shares of the Company are owned by one shareholder, decisions on issues falling within the competence of the General Meeting of Shareholders shall be made by this shareholder (via shareholder's proxy), in writing and shall be brought to the notice of the Company; thereby, Articles 10 -15 of these Articles of Association specifying the procedure and terms of preparation, convening and holding of the General Meeting of Shareholders shall not be used except for the provisions pertaining to the terms of the Annual General Meeting of Shareholders.

## **ARTICLE 11. GENERAL MEETING OF SHAREHOLDERS WITH VOTING IN PERSON**

11.1. The annual General Meeting of Shareholders shall be held annually: not earlier than two months and not later than six months from the end of the financial year.

The annual General Meeting of Shareholders shall include issues on electing the Board of Directors, the Internal Audit Commission, the approval of the External Auditor, the approval of annual reports and annual accounting statements, including profit and loss statements (income statements) of the Company, approval of distribution of profits (including payment (declaration) of dividends, except for the profit distributed in the form of dividends based upon results of the first

quarter, half-year, nine months of the financial year) and losses of the Company according to the performance in the financial year.

11.2. The General Meeting of Shareholders shall be held in person by shareholders and their authorized representatives for discussion of agenda issues and approval of decisions on issues put to a vote).

The decisions of the General Meeting of Shareholders may be made in the form of absentee voting (in the form of polling) in accordance with Article 12 of these Articles of Association.

The General Meeting of Shareholders that includes issues on its agenda with regard to election of the Board of Directors of the Company, the Internal Audit Commission of the Company, approval of the External Auditor, and other issues under subparagraph 13, paragraph 10.2, Article 10 of these Articles of Association, shall be held in person only .

11.3. The functions of the Counting Committee at the General Meeting of Shareholders shall be exercised by a professional market maker being the Registrar of the Shareholder Register (the Registrar of the Company).

11.4. The list of persons entitled to participate in the General Meeting of Shareholders shall be compiled on the basis of the register records of the Company's shareholders.

The date of compilation of the list of persons entitled to participate in the General Meeting of Shareholders of the Company shall not be established prior to the date of the decision on holding the General Meeting of Shareholders of the Company, and not later than fifty (50) days prior to the date of the General Meeting of Shareholders of the Company with the exception of the cases under paragraph 14.9 of these Articles of Association.

11.5. The notice relating to the General Meeting of Shareholders of the Company shall be sent (or delivered) to each person indicated in the list of persons entitled to participate in the General Meeting of Shareholders, and shall be published by the Company in the Rossiyskaya Gazeta newspaper and allocated on the website of the Company on the Internet not later than thirty (30) days prior to the General Meeting of Shareholders.

In the event that the person registered in the Shareholder Register of the Company is a nominee shareholder; the notice pertaining to the General Meeting of Shareholders shall be delivered at the nominee shareholder's address if no other mailing address is provided in the list of persons entitled to participate in the General Meeting of Shareholders, where the notice pertaining to the General Meeting of Shareholders shall be delivered.

11.6. The ballots relating to the agenda issues shall be delivered by registered letter at the address indicated in the list of persons entitled to participate in General Meeting of Shareholders, or served to each person entitled to participate in the General Meeting of Shareholders against receipt not later than twenty (20) days prior to the General Meeting of Shareholders.

Each person included in the list of persons entitled to participate in the General Meeting of Shareholders shall be given one copy of the voting bulletin if voting on all issues, or one copy of two or more ballots if voting on different issues.

11.7. The information (materials) on the agenda of the General Meeting of Shareholders , within twenty (20) days, in the event of the General Meeting of Shareholders which agenda contains issue on reorganization of the Company, within thirty (30) days prior to the General Meeting of Shareholders, shall be accessible to the persons entitled to participate in the General Meeting of Shareholders, to familiarize themselves with the said information in the quarters of the executive body of the Company or any other places which addresses are listed in the notice relating to the General Meeting of Shareholders. The said information (materials) shall be also allocated on the website of the Company on the Internet not later than ten (10) days prior to the General Meeting of Shareholders. The said information (materials) shall be made accessible to the persons participating in the General Meeting of Shareholders during the meeting.

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

11.8. Any shareholder shall be entitled to participate in the General Meeting of Shareholders in person or via his/her proxy.

In the event that a share of the Company is in co-ownership, the said persons shall be given one copy of the voting bulletin if voting on all issues, or one copy of two or more ballots if voting on different issues; the powers to vote at the General Meeting of Shareholders shall be exercised at the discretion of one of the co-owners or via their common proxy.

The powers of each of the said persons shall be confirmed in the prescribed manner.

11.9. At the General Meeting of Shareholders held in the form of presence at a meeting, the persons included in the list of the persons entitled to participate in the General Meeting of Shareholders (their proxies) shall be entitled to participate in such a meeting or send the filled-up ballots to the Company.

11.10. The General Meeting of Shareholders shall be deemed to be competent (have a quorum) if attended by the shareholders of the Company owning more than half of the votes of the outstanding voting shares in the Company.

The shareholders shall be deemed to have participated in the General Meeting of Shareholders if they register for participation therein or if their ballots are received not later than two days prior to the General Meeting of Shareholders.

In the event that the agenda of the General Meeting of Shareholders includes any issues which shall each be voted upon by a different composition of voters, the quorum shall be determined for each of such issues separately.

However, if any composition of voters fails to constitute a quorum, it shall not be prevented from resolving the issues which shall be voted upon by a different composition of voters, for which the quorum is present.

11.11. In the event that the Annual General Meeting of Shareholders has no quorum, the General Meeting of Shareholders shall be reconvened and shall have the same agenda. In the event that an extraordinary General Meeting of Shareholders has no quorum, the General Meeting of Shareholders shall be reconvened and shall have the same agenda.

The decision to reconvene the General Meeting of Shareholders shall be made by the Board of Directors of the Company.

The General Meeting of Shareholders reconvened for the meeting that failed to take place, shall be deemed to be competent if attended by the shareholders owning, in the aggregate, thirty or more percent of the votes of the outstanding voting shares of the Company.

In the event that the reconvened General Meeting of Shareholders be held not earlier than 40 (Forty) days after the General Meeting of Shareholders that failed to take place, the persons entitled to participate in the General Meeting of Shareholders shall be determined in accordance with the list of persons entitled to participate in the General Meeting of Shareholders that failed to take place.

11.12. The minutes of the General Meeting of Shareholders shall be prepared in two copies within 15 (Fifteen) days from the date when the General Meeting of Shareholders is brought to a close. Both copies shall be signed by the person chairing the General Meeting of Shareholders and the Secretary of the General Meeting of Shareholders.

11.13. Any voting results and decisions approved by the General Meeting of Shareholders of the Company may be announced at the General Meeting of Shareholders.

In the event that the voting results and decisions approved by the General Meeting of Shareholders of the Company failed to be announced at the General Meeting of Shareholders, the decisions made by the General Meeting of Shareholders and the voting results shall be published in

the *Rossiyskaya Gazeta* newspaper within ten (10) days after the minutes on the voting results are prepared.

## **ARTICLE 12. GENERAL MEETING OF SHAREHOLDERS WITH ABSENTEE VOTING**

12.1. Any decisions of the General Meeting of Shareholders may be made without a meeting held in person (without joint presence of shareholders to discuss agenda issues and approve decisions put to a vote) by absentee voting (by means of ballots).

Any voting on agenda issues of General Meeting of Shareholders held in the form of absentee voting shall be done solely with the use of ballots.

12.2. The General Meeting of Shareholders with the agenda that includes the issues with respect to election of the Board of Directors of the Company, the Internal Audit Commission, approval of the External Auditor, and the issues under subparagraph 13, paragraph 10.2, Article 10 of these Articles of Association, shall not be held in the form of absentee voting.

The reconvened General Meeting of Shareholders for the General Meeting of Shareholders that failed to take place shall not be held in the form of absentee voting (polling). This reconvened meeting shall be held in person.

12.3. The list of persons entitled to participate in absentee voting on agenda issues at the General Meeting of Shareholders shall be made in accordance with the Shareholders Register of the Company.

The date of compilation of such list of persons entitled to participate in absentee voting on agenda issues of the General Meeting of Shareholders of the Company shall not be established earlier than the date of the decision on holding the General Meeting of Shareholders of the Company, and not later than fifty (50) days prior to the deadline date for receipt of ballots by the Company.

12.4. The notice relating to the General Meeting of Shareholders of the Company by means of absentee voting shall be sent (delivered) to each person indicated in the list of persons entitled to participate in the General Meeting of Shareholders, and shall be published by the Company in the *Rossiyskaya Gazeta* newspaper and allocated on the website of the Company on the Internet not later than thirty (30) days prior to the deadline date for receipt of ballots by the Company.

12.5. The ballots relating to the agenda issues shall be delivered by registered letter at the address indicated in the list of persons entitled to participate in General Meeting of Shareholders, or delivered to each person entitled to participate in the General Meeting of Shareholders against receipt not later than twenty (20) days prior to the deadline date for receipt of ballots by the Company.

Each person included in the list of persons entitled to participate in the General Meeting of Shareholders shall be given one copy of the voting bulletin if voting on all issues or one copy of two or more ballots if voting on different issues.

The familiarizing procedure with the information (materials) on agenda issues for the persons entitled to participate in the General Meeting of Shareholders and the list of such information (materials) shall be established by a decision of the Board of Directors of the Company.

12.6. The General Meeting of Shareholders shall be deemed to be competent (have a quorum) if attended by the shareholders of the Company owning more than half of the votes of the outstanding voting shares in the Company.

The shareholders shall be deemed to have participated in the General Meeting of Shareholders held in the form of absentee voting if their ballots are received not later than the deadline date for receipt of ballots indicated therein.

12.7. The minutes on results of the voting shall be made and signed by the Registrar of the Company within 15 (Fifteen) days after the deadline date for receipt of ballots in two copies.

The minutes of the General Meeting of Shareholders shall be made in two copies within 15 (Fifteen) days after the deadline date for receipt of ballots by the Company. Both copies shall be signed by the Chairman of the Board of Directors of the Company and by the Secretary of the General Meeting of Shareholders.

12.8. The decisions made by the General Meeting of Shareholders and the results of the voting thereof shall be published in the form of report in the Rossiyskaya Gazeta newspaper within ten (10) days after the minutes on the voting results are prepared.

### **ARTICLE 13. PROPOSALS TO THE AGENDA OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY**

13.1. The shareholder(s) owning in the aggregate at least two (2) percent of the voting shares of the Company, shall be entitled to submit proposals to the agenda of the annual General Meeting of Shareholders and nominate candidates for the Board of Directors of the Company and the Internal Audit Commission whose number shall not exceed the number of members of the body in question. Such proposals shall be submitted to the Company not later than 60 (Sixty) days after the expiration of the financial year.

13.2. Proposals to be submitted to the agenda of the General Meeting of Shareholders and proposals pertaining to nominees shall be made in written form indicating a name (designation) of the shareholder(s) who submit such proposals, the quantity and category (class) of shares owned by them; such proposals shall be signed by the shareholder(s).

13.3. Proposals to be submitted to the agenda of the General Meeting of Shareholders shall contain a wording of each proposed issue; a nomination of candidates shall have the name of each proposed candidate and the designation of the body where this candidate is proposed to be elected.

13.4. The Board of Directors of the Company shall consider the submitted proposals and shall make a decision to include them into the agenda of the General Meeting of Shareholders, or shall reject to include them into the said agenda within five (5) days after expiration of the period under paragraph 13.1 of this Article.

13.5. The Board of Directors shall have the right to reject to include the proposal submitted by the shareholder(s) into the agenda of the General Meeting of Shareholders, and to reject to include the nominees into the list of candidates to be elected to the relevant body of the Company on the grounds specified by the Federal Law "On Joint Stock Companies" and other regulations of the Russian Federation.

13.6. The motivated decision made by the Board of Directors of the Company with regard to their rejection to include the proposals submitted by the shareholder(s) into the agenda of the General Meeting of Shareholders, and to include the nominees into the list of candidates to be elected to the relevant body of the Company, shall be delivered to the shareholder (shareholders) who submitted such proposal or nominated a candidate within three (3) days from the approval of the said decision.

13.7. The Board of Directors of the Company shall not be entitled to make changes in the wording of the proposals submitted to be included in the agenda of the General Meeting of Shareholders and into the wording of the decisions made on such issues, if there are any.

In addition to the proposals submitted by the shareholders to be included in the agenda of the General Meeting of Shareholders, and in the event of absence of such proposals and absence of nominees or insufficient number of nominees proposed by the shareholders to form a relevant body, the Board of Directors of the Company shall have the right to include into the agenda of the General Meeting of Shareholders any issues or nominees into the list of nominees at their own discretion.

## **ARTICLE 14. CONVENING OF AN EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY**

14.1. Any meeting of shareholders of the Company except for the annual General Meeting of Shareholders shall be deemed to be an extraordinary General Meeting of Shareholders.

14.2. Any extraordinary General Meeting of Shareholders shall be convened pursuant to the relevant decision of the Board of Directors at its own discretion, at the request of the Internal Audit Commission, the Company Auditor, as well as at the request of any shareholder(s) owning at least ten (10) percent of the Company's voting shares as of the date of such request.

14.3. Any extraordinary General Meeting of Shareholders held at the request of the Internal Audit Commission, the Company Auditor, any shareholder(s) owning at least ten (10) percent of the Company's voting shares shall be convened pursuant to the relevant decision of the Board of Directors.

An extraordinary General Meeting of Shareholders shall be convened not later than forty (40) days from the request to convene such extraordinary General Meeting of Shareholders of the Company unless otherwise provided for in paragraph 14.9, Article 14 of these Articles of Association.

14.4. The request to convene the extraordinary General Meeting of Shareholders of the Company shall contain the issues that shall be included in the agenda of the Meeting.

The persons (person) who request to convene the extraordinary General Meeting of Shareholders of the Company shall be entitled to propose a draft decision of this extraordinary General Meeting of Shareholders and a proposal for the procedures of this meeting. In the event that the request to convene this extraordinary General Meeting of Shareholders of the Company contains a proposal of nomination, this proposal shall fall under the relevant provisions of Article 13 of these Articles of Association.

The Board of Directors of the Company shall not be entitled to make changes to the wording of agenda issues, the wording of decisions on such issues or change the procedures proposed for an extraordinary General Meeting of Shareholders of the Company convened at the request of the Internal Audit Committee of the Company, the Company Auditor, or shareholder(s) owning at least ten (10) percent of the Company's voting shares.

14.5. If any request to convene an extraordinary General Meeting of Shareholders of the Company is made by shareholder(s), it shall contain the name (designation) of the shareholder(s), who request to convene the meeting, indicating the quantity and category (class) of the shares of the Company owned by them (him/her).

Any request to convene the extraordinary General Meeting of Shareholders of the Company shall be signed by the person(s) who requests to convene the extraordinary General Meeting of Shareholders of the Company.

14.6. Within five (5) days from the date of request made by the Internal Audit Commission, the Company Auditor, or any shareholder(s) owning at least ten (10) percent of the Company's voting shares to convene the extraordinary General Meeting of Shareholders of the Company, the Board of Directors of the Company shall decide to convene or refuse to convene this extraordinary General Meeting of Shareholders.

14.7. The decision of the Board of Directors to convene the extraordinary General Meeting of Shareholders or the motivated decision to refuse to convene the said meeting shall be delivered to the persons requesting its convening not later than three (3) days from the date of such decision.

14.8. If the Board of Directors of the Company shall make no decision to convene the extraordinary General Meeting of Shareholders of the Company or shall decide to refuse to convene the said meeting within the term specified in paragraph 14.6, Article 14 of these Articles of



Association, an extraordinary General Meeting of Shareholders may be convened by the bodies or persons who request such convening.

Thereby, the bodies and persons convening such extraordinary General Meeting of Shareholders shall have the requisite powers as provided for in the Federal Law "On Joint Stock Companies" and in these Articles of Association to convene and hold an extraordinary General Meeting of Shareholders.

14.9. In the event that the proposed agenda of an extraordinary General Meeting of Shareholders contains an issue on election of the Board of Directors:

14.9.1. The General Meeting of Shareholders shall be held within seventy (70) days from the time the request was put forward to convene an extraordinary General Meeting of Shareholders.

14.9.2. The Company's shareholder(s) owning in the aggregate at least two (2) percent of the Company's voting shares shall be entitled to propose nominees to the Board of Directors of the Company whose number shall not exceed the number of the Board of Directors of the Company.

Such proposals shall be delivered to the Company not later than thirty (30) days prior to an extraordinary General Meeting of Shareholders.

The Board of Directors of the Company shall consider the received proposals and decide whether to include the proposed nominees into the list of candidates to be voted upon and elected to the Board of Directors of the Company or to refuse to include such nominees into the said list not later than 5 (five) days after the expiration of the term as specified in subparagraph 2 of this paragraph.

14.9.3. The date of compilation of the list of persons entitled to participate in the General Meeting of Shareholders of the Company shall not be established prior to the date of the decision on holding the General Meeting of Shareholders of the Company, and not later than sixty-five (65) days prior to the date of holding the General Meeting of Shareholders of the Company.

14.9.4. Any notice of an extraordinary General Meeting of Shareholders shall be given not later than fifty (50) days prior to this meeting.

## **ARTICLE 15. BOARD OF DIRECTORS OF THE COMPANY**

15.1. The Board of Directors shall be responsible for the general management of the Company except for the issues falling within the competence of the General Meeting of Shareholders as provided for in the Federal Law "On Joint Stock Companies" and these Articles of Association.

The following issues shall fall within the competence of the Board of Directors:

- 1) to define priority activities of the Company;
- 2) to convene the annual General Meeting of Shareholders and an extraordinary General Meeting of Shareholders unless otherwise provided for in paragraph 14.8, Article 14 of these Articles of Association, and to announce the date of convening a new General Meeting of Shareholders instead of the meeting that failed to take place due to absence of quorum;
- 3) to approve the agenda of the General Meeting of Shareholders;
- 4) to elect the Corporate Secretary of the Company and to request earlier termination of his/her functions;
- 5) to set the date of compilation of the list of shareholders entitled to participate in the General Meeting of Shareholders, to approve the estimate of expenditures for holding of the General Meeting of Shareholders and to resolve other issues in connection with arrangement and holding of the General Meeting of Shareholders;
- 6) to put forward issues to be resolved by the General Meeting of Shareholders as specified in subparagraph 2, 5, 7, 8, 12-21, paragraph 10.2, Article 10 of these Articles of Association;

7) to decide on distribution of debenture bonds and other issue-grade securities by the Company unless otherwise provided for in the Federal Law "On Joint Stock Companies" and these Articles of Association;

8) to approve the decision on issue of securities, an offering statement, a report on results of issue of securities, reports on results of purchase of shares from the Company's shareholders, reports on results of repurchase of shares from the Company's shareholders, to approve the quarterly report on issuer of issue-grade securities;

9) to determine value (money value) of property, offering price, and repurchase price of issue-grade securities as and where provided for in the Federal Law "On Joint Stock Companies" and when resolving the issues specified in subparagraphs 10, 11, 26, 27, 28, 37, 38, paragraph 15.1, Article 15 of these Articles of Association;

10) to purchase shares, debenture bonds, and other securities issued by the Company as and where provided for in the Federal Law "On Joint Stock Companies";

11) to dispose (sell) of the Company's shares that became disposable by the Company by means of their purchase and repurchase from the Company's shareholders and in any other cases as and where provided for in the Federal Law "On Joint Stock Companies";

12) to elect the Director General of the Company and to early terminate his/her powers including the early termination of the employment agreement concluded with him/her;

13) to determine the number of the Company's Management Board members, to elect the members of the Management Board, to early terminate their powers including the early termination of the Contract of Employment concluded with them;

14) to approve the provisions of agreements (including the term of powers and the amount of remuneration and compensation) concluded with the Director General of the Company, the members of the Management Board, a management organization (manager), to change the said agreements;

15) to recommend the amount of remuneration and compensation payable to the members of the Internal Audit Commission and determine the amount of remuneration for the services provided by the Auditor;

16) to recommend the amount of dividends and the procedure for dividend payment, to approve the provisions on dividend policy;

17) to approve the internal documents of the Company that determine the order of formation and utilization of the Company's funds;

18) to decide on utilization of the Company's funds, to approve the estimates of application of special-purpose funds and to consider performance reports on the estimates of application of special-purpose funds;

19) to approve the internal documents of the Company except for the internal documents falling within the competence of the General Meeting of Shareholders and other internal documents falling within the competence of the executive bodies of the Company;

20) to determine the Company's purchase policy and to approve the Provisions on procedures of administered purchases of goods, work and services, to approve the head of the central purchasing authority of the Company and its members; to approve the annual purchasing package program, and to decide on other issues pursuant to the other documents approved by the Company that regulate the purchasing activities of the Company;

21) to approve the standards of the Company in the field of business planning;

22) to approve the business plan (corrected business plan) including the program of technical retooling, retrofitting and development; the investment program and the report on results of their performance; to approve (to correct) the list and target values of the cash flow of the Company; to consider the corrections for the cash flow specified by the Management Board of the Company;

23) to approve the target values (corrected values) of the key performance measurements of the Company and the reports thereon;

24) to establish branch offices and representative offices, to perform their liquidation, including the changes made into the Articles of Association connected with establishing of branch offices and representative offices (including changing information about designations and locations of the branch offices and representative offices of the Company) and their liquidation; to approve the provisions on branch offices and representative offices;

25) to preliminarily approve transactions (including several interrelated transactions) which subject shall be property, work and/or services, and which costs (money value) shall be more than two (2) percent of the Company's balance sheet assets; the costs shall be determined by the Company's accounting statements as of the deadline reporting date (if any other percent or transaction costs are not set by a decision of the Board of Directors of the Company) with the exception of the transactions made in the course of normal economic activities of the Company, transactions connected with distribution made by means of subscription (sales) of ordinary shares of the Company, and transactions connected with distribution of issue-grade securities convertible into ordinary shares of the Company with regard to subparagraphs 26-38, paragraph 15.1 of these Articles of Association;

26) to preliminarily approve transactions which subject shall be the Company's real estate including land and construction-in-progress facilities as specifically defined by individual decisions made by the Board of Directors of the Company (e.g. by means of determining an amount and/or a list thereof), as well as any such transactions with real estate including transactions with land and arrears of housing, if such cases (amount, list) are not specified;

27) to preliminarily approve decisions on transactions made by the Company (including several interrelated transactions) connected with lease and/or leasing property that shall constitute the permanent assets, immaterial assets, arrears of housing for the purpose of using them for generation, transmission, distribution and/or sale of electric and/or thermal energy, to render services of electric power system dispatching including changes made and termination of the said transactions in cases as specified by individual decisions made by the Board of Directors of the Company (e.g. by means of determining size and/or list thereof), as well as to approve any of the said transactions if such cases (size, list) are not specified;

28) to preliminarily approve decisions on settlement of transactions made by the Company (including several interrelated transactions) that shall be connected with disposal or possibility of disposal, with delivery to fiduciary management as well as delivery, by agreement of ordinary partnership, to joint activity of the Company's property that constitutes permanent assets, immaterial assets, arrears of housing for the purpose of using them for generation, transmission, distribution and/or sale of electric and/or thermal energy, to render services of electric power system dispatching including changes made and termination of the said transactions in cases as specified by individual decisions made by the Board of Directors of the Company (e.g. by means of determining size and/or list thereof), as well as to approve any of the said transactions if such cases (size, list) are not specified;

29) to preliminarily approve transactions (including several interrelated transactions) that shall be connected with disposal or possibility of disposal of property that constitutes permanent assets, immaterial assets, arrears of housing for the purpose of not using them for generation, transmission, dispatching, distribution of electric and thermal energy in cases as specified by an individual decision made by the Board of Directors of the Company by means of approval of the relevant register for the said property;

30) to preliminarily approve transactions that shall be connected with delivery to fiduciary management of shares (shareholding) of subsidiaries and affiliates as well as transactions that shall be connected with Company's creation of rights and/or liabilities on debenture bonds or bills of

exchange (including transactions on purchase and sales of debenture bonds, cession of rights on debenture bonds, purchase of bill of exchange, acceptance of bill of exchange, on endorsing and avalizingof bills of exchange, acceptance thereof through mediation, as well as settlement) in the cases specified by individual decisions made by the Board of Directors of the Company (e.g. by means of specifying size and/or list) as well as any said transactions if such cases (size, list) are not specified (with respect to the provisions of subparagraph 33, paragraph 15.1, Article 15 of these Articles of Association);

31) to preliminarily approve transactions (including several interrelated transactions) which subject shall be extension or postponement of fulfillment of civil law obligations wherein the Company shall participate, and the fulfillment term of such obligations shall be exceeded by more than three months, or to make an agreement on termination fee or revival of such obligations, or to concede rights (claims) or to assign the debt under such obligations . The said transactions shall be subject to approval if the scope of obligations (size of indebtedness) shall be more than 2 percent of the balance sheet asset of the Company as recorded in the accounting statements as of the deadline reporting date (if no other interest or transaction costs are set by a decision of the Board of Directors);

32) to preliminarily approve transactions that shall be connected with transfer of property of the Company without compensation or property rights (claims) to the Company or to any third party; to approve transactions that shall be connected with relief from property obligation toward the Company or any third party, to approve transactions that shall be connected with rendering free of charge services (performance of work) by the Company to any third party in cases (to the extent) as specified by individual decisions made by the Board of Directors of the Company; to decide on making such transactions when the said cases (extent) are not specified;

33) to determine the credit policy of the Company relating to issue of loans by the Company, conclusion of credit agreements, loan agreements, banker's bond agreements, granting of guarantees, incurrence of liabilities on bill of exchange (issue of promissory notes and transfer notes), pledging the property; to decide on making the said transactions by the Company in cases, when the decision procedure is not specified by the lending policy of the Company, as well as to make decisions under procedures as specified by the credit policy of the Company, to make decisions on bringing the position for debts of the Company in balance with the quotas established by the credit policy of the Company;

34) to preliminarily approve transactions that may involve obligations expressed in foreign currency (or obligations which value depends on rates of foreign currency), in cases and sizes as specified by individual decisions made by the Board of Directors of the Company as well as in cases when the said cases (sizes) are not determined by the Board of Directors of the Company;

35) to approve material transactions where and as provided for in Article X of the Federal Law "On Joint Stock Companies";

36) to approve transactions where and as provided for in Article XI of the Federal Law "On Joint Stock Companies";

37) to decide on the Company's participation in other organizations (on joining an operating company or establishing a new company including approval of constituent documents) as well as (inclusive of the provisions of subparagraph 38, paragraph 15.1, Article 15 of these articles of Association) on purchase, sale and encumbrance of shares and fractions of shares in the authorized capitals of the organizations wherein the Company participates, on change in interest in the authorized capital of the relevant organization, on termination of Company's participation in other organizations;

38) to decide on making one or several interrelated transactions by the Company on sale, pledging or any other encumbrance of shares and fractions of shares of subsidiaries and affiliates that do not perform generation, transmission, dispatching, distribution and sales of electric and

thermal energy, if the market price of shares or fractions of shares being the subject of transaction determined in accordance with a conclusion of the independent appraiser shall exceed 30 Million Rubles as well as in other cases (sizes) as specified by individual decisions made by the Board of Directors of the Company;

39) to decide on nominees put forward by the Company to be elected to the positions of the sole executive body, to any other management bodies, to the control authorities as well as on nominee of the auditor of the organizations wherein the Company participates;

40) to approve the Registrar of the Company and the terms and conditions of the contract with the Registrar, as well as the termination of such contract;

41) to elect the Chairman of the Board of Directors of the Company and to early terminate his/her powers;

42) to elect the Deputy Chairman of the Board of Directors of the Company and to early terminate his/her powers;

43) to decide on powers termination of a management organization (manager);

44) to decide on appointment of the acting Director General of the Company in cases under paragraphs 21.8, 21.9, Articles 21 of these Articles of Association;

45) to bring to disciplinary responsibility the Director General and the members of the Management Board of the Company and to reward them in accordance with the Labor Law of the Russian Federation;

46) to consider the Company's reports made by the Director General of the Company (including his/her report on performance of his/her functions), on implementation of decisions made by the General Meeting of Shareholders and the Management Board of the Company;

47) to approve the procedures of cooperation of the Company with organizations the Company participates in;

48) to determine the position of the Company (representatives of the Company) on the following agenda issues of General Meetings of Shareholders (members) (with the exception of the cases when the functions of the General Meetings of Shareholders (members) of subsidiaries and affiliates of the Company are overtaken by the Board of Directors of the Company) and the management board meetings of subsidiaries and affiliates including the instruction whether to participate or not to participate in the voting on agenda issues, or whether to vote upon the decision drafts with "for" or "against" or "abstained":

a) on definition of an agenda of the general meeting of shareholders (members) of subsidiaries and affiliates;

b) on reorganization, liquidation of subsidiaries and affiliates;

c) on definition of number of the board of directors of subsidiaries and affiliates, on nomination and election of their members and on early termination of their powers;

d) on definition of quantity, par value, category (class) of authorized shares of subsidiaries and affiliates, and on the rights afforded by the shares;

e) on increase of authorized capital of subsidiaries and affiliates by means of an increase in the par value of shares or distribution of additionally issued shares;

f) on distribution of securities of subsidiaries and affiliates convertible into ordinary shares;

g) on splitting and consolidating of shares of subsidiaries and affiliates;

h) on approval of material transactions made by subsidiaries and affiliates;

i) on participation of subsidiaries and affiliates in other organization (on entering any other organization or establishing a new organization) as well as its acquisition, disposal and encumbrance of shares and fractions of shares in authorized capitals of organizations wherein subsidiaries and affiliates participate, on changing the authorized capital contribution of a relevant organization;

j) on making transactions by subsidiaries and affiliates (including several interrelated transactions) connected with disposal or possibility of disposal of property constituting the permanent assets, immaterial assets, arrears of housing, for the purpose of using them for generation, transmission, dispatching, distribution of electric and thermal energy in cases (quantities) determined by the procedures of cooperation of the Company with organizations wherein the Company participates, approved of by the Board of Directors of the Company;

k) on approval of target values of key performance measurements (corrected key performance measurements) of subsidiaries and affiliates and reports on performance of planned values of annual and quarterly key performance measurements of subsidiaries and affiliates;

l) on approval of a business plan (corrected business plan) of subsidiaries and affiliates and approval (consideration) of report on performance of the said business plan of subsidiaries and affiliates;

m) on approval of distribution of profit and loss according to the results of financial year of subsidiaries and affiliates;

n) on recommendations relating to a size of dividend for the shares of subsidiaries and affiliates and procedures of dividend payment;

o) on dividend payment (declaration) according to the results of the first quarter, half-year, nine months of the financial year as well as according to the results of the financial year of subsidiaries and affiliates;

p) on approval (correction) of investment programs of subsidiaries and affiliates and on approval (correction) of report on investment program performance of subsidiaries and affiliates;

r) on approval of provisions on insurance coverage of subsidiaries and affiliates as well as on approval of insurers (approval of results for election of insurers) of subsidiaries and affiliates and insurance broker performing election of subsidiaries and affiliates insurers;

s) on approval of insurance coverage programs of subsidiaries and affiliates and changes made in the insurance coverage program of subsidiaries and affiliates;

t) on report's consideration made by the sole executive body of subsidiaries and affiliates, on insurance coverage procurement of subsidiaries and affiliates;

u) on making amendments and supplements in the constituent documents of subsidiaries and affiliates;

v) on remuneration payment procedures to the members of the board of directors and the internal audit commission of subsidiaries and affiliates;

49) to determine the position of the Company (representatives of the Company) on the following agenda issues of meetings of the board of directors of subsidiaries and affiliates including the instruction whether to participate or not to participate in the voting on agenda issues, or whether to vote upon the decision drafts with "for" or "against" or "abstained":

a) on determination of the position of subsidiaries and affiliates' representatives on the agenda issues of the general meetings of shareholders (members) and meetings of boards of directors of affiliated companies and companies dependant on subsidiaries and affiliates pertaining to settlement (approval) of transactions (including several interrelated transactions) with respect to disposal or possibility of disposal of property constituting permanent assets, immaterial assets, arrears of housing for the purpose of using them for generation, transmission, dispatching and distribution of electric and thermal energy in cases (quantity) determined by the cooperation procedure of the Company with organizations wherein the Company participates, and approved by the Board of Directors of the Company;

b) on determination of the position of subsidiaries and affiliates' representatives on the agenda issues of the general meetings of shareholders (members) and meetings of boards of directors of affiliated companies and companies dependant on subsidiaries and affiliates, performing generation, transmission, dispatching, distribution and sale of electric and thermal energy, on

reorganization, liquidation, increase of authorized capital of such companies by means of increase in par value of shares or distribution of additionally issued shares, distribution of securities convertible into ordinary shares;

50) to approve nominees for certain positions in the executive authorities of the Company, that shall be determined by the Board of Directors of the Company;

51) to approve the general structure of the executive authorities and to make changes therein;

52) to determine trends in securing insurance coverage as well as approval of the Insurer of the Company;

53) to establish committees of the Board of Directors of the Company, to elect members of the committees and to early terminate their powers;

54) to approve provisions on committees of the Board of Directors of the Company;

55) to determine the procedure of election and approval of the independent appraiser(s) for estimation of share value, property value and other assets of the Company in the cases provided for in the federal Law "On Joint Stock Companies", in these Articles of Association as well as in individual decisions made by the Board of Directors of the Company;

56) to resolve issues in accordance with these Articles of Association connected with preparation and holding procedure of general meetings of shareholders of companies established as a result of reorganization of the Company in the form of split-off or split-up;

57) to recommend the Director General of the Company for a government award for special labor merits towards the Company;

58) to preliminarily approve the collective agreement, the agreements concluded by the Company when regulating social and labor relations;

59) to approve a nominee for the financial adviser engaged pursuant to the Federal Law "On the Securities Market" as well as nominees for securities issue organizers and transaction consultants directly connected with raising funds in the form of public loans;

60) to approve the internal document of the Company defining the form, structure and contents of the annual Report of the Company;

61) to resolve issues on confession of actions brought against the Company in court, on conclusion of amicable agreements on the said actions by the Company, and withdrawal of claims of the Company in the amount exceeding 2 percent of the balance-sheet value of the Company's assets defined by its accounting statement on the deadline reporting day (if no other interest or cost of action was established by the decision of the Board of Directors);

62) to resolve any other issues falling within the competence of the Board of Directors as specified in the Federal Law "On Joint Stock Companies" and these Articles of Association;

15.2. The issues falling within the competence of the Board of Directors of the Company may not be transferred for solution by the Director General and the Management Board of the Company.

15.3. The members of the Board of Directors shall act in the Company's interests when exercising their rights and functions; the members of the Board of Directors shall exercise their rights and functions with good faith and reason;

15.4. The members of the Board of Directors shall be liable to the Company for any losses incurred by the Company due to their wrongful acts (failure to act), unless any other grounds or extent of liability are specified in federal laws.

However, the members of the Board of Directors who vote against, or do not participate in the voting on any decision resulting in losses incurred by the Company shall not be held liable.

## **ARTICLE 16. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY**

16.1. The number of the members of the Board of Directors to be elected shall be 11 (Eleven) persons.

16.2. The members of the Board of Directors of the Company shall be elected by the General Meeting of Shareholders in accordance with the procedure set forth in paragraph 10.8., Article 10 of these Articles of Association for a term until the next annual General Meeting of Shareholders.

If the Board of Directors of the Company is elected by an extraordinary General Meeting of Shareholders, the members of the Board of Directors shall be elected for a term until the next annual General Meeting of Shareholders.

If the annual General Meeting of Shareholders is not held at the time specified in paragraph 11.1 Article 11 of these Articles of Association, the powers of the Board of Directors shall be earlier terminated, except for the powers to prepare, convene, and hold the annual General Meeting of Shareholders.

16.3. Only a natural person shall be elected as a member of the Board of Directors of the Company.

16.4. The persons elected to the Board of Directors of the Company may be elected an unlimited number of times .

16.5. The powers of the Board of Directors may be earlier terminated by the decision of the General Meeting of Shareholders.

#### **ARTICLE 17 CHAIRMAN OF THE BOARD OF DIRECTORS OF THE COMPANY**

17.1. The Board of Directors shall elect any of its members as the Chairman of the Board of Directors by a majority of votes belonging to the total number of the elected members of the Board of Directors of the Company.

The Board of Directors may at any time reelect the Chairman of the Board of Directors by a majority of votes belonging to the total number of the elected members of the Board of Directors of the Company.

17.2. The Chairman of the Board of Directors shall arrange the work of the Board of Directors, convene meetings of the Board of Directors, shall chair the said meetings, and insure that the minutes of meetings of the Board of Directors are properly kept, shall chair the General Meeting of Shareholders.

17.3. In the event that the Chairman of the Board of Directors is not present at any meeting of the Board of Directors, his/her functions shall be performed by the Deputy Chairman of the Board of Directors elected from the members of the Board of Directors of the Company by a majority of votes.

#### **ARTICLE 18. MEETINGS OF THE BOARD OF DIRECTORS**

18.1. The procedure for convening and holding meetings of the Board of Directors shall be in accordance with the internal document approved by the General Meeting of Shareholders of the Company.

18.2. The meetings of the Board of Directors of the Company shall be convened as and when necessary but at least once in a quarter of a year.

The Chairman of the Board of Directors (or the Deputy Chairman of the Board of Directors in the cases specified under paragraph 17.3, Article 17 of these Articles of Association) shall convene meetings of the Board of Directors at his/her own discretion or at the request of any member of the Board of Directors, the Internal Audit Commission, the Company Auditor, the Management Board or Director General of the Company.



18.3. The first meeting of the Board of Directors of the Company, elected in new composition, shall consider issues on election of the Chairman of the Board of Directors, the Deputy Chairman of the Board of Directors, and the Corporate Secretary of the Company.

The said meeting of the Board of Directors shall be convened by one of the members of the Board of Directors of the Company in accordance with the internal document regulating the procedure of convening and holding meetings of the Board of Directors of the Company.

18.4. Any decision of the Board of Directors may be approved by absentee voting (polling). In the event of absentee voting, each member of the Board of Directors shall receive materials containing agenda issues and a polling form indicating the deadline date to which the said voting bulletin filled up and signed by a member of the Board of Directors shall be delivered to the Board of Directors of the Company.

18.5. Any member of the Board of Directors absent at a meeting of the Board of Directors shall be entitled to present his/her opinion on agenda issues in writing pursuant to the procedure specified by the internal document regulating the procedure of convening and holding meetings of the Board of Directors.

18.6. No right of voting may be transferred by any member of the Board of Directors of the Company to any other person or member of the Board of Directors of the Company.

18.7. Decisions at any meeting of the Board of Directors of the Company shall be approved by a majority of votes from the members present at such meeting unless otherwise provided for in the applicable law and these Articles of Association.

In the event that the transaction shall be simultaneously approved by virtue of several justifications (established by these Articles of Association and by Article X or Article XI of the Federal Law "On Joint Stock Companies"), its procedure shall use the provisions of the Federal Law "On Joint Stock Companies."

18.8. Decisions of the Board of Directors pertaining to approval of material transactions shall be approved unanimously by all Members of the Board of Directors.

Decisions of the Board of Directors shall be approved by a majority of three-fourths of votes from the elected Members of the Board of Directors on the following issues:

- termination of powers of a management organization (manager) as well as on nomination of the acting Director General of the Company;
- convening of an extraordinary General Meeting of Shareholders in the cases specified in paragraphs 21.8., 21.9, Article 21 of these Articles of Association.

When the Board of Directors of the Company makes a decision specified in this paragraph of these Article of Association the votes of the retired members of the Board of Directors shall not be taken into account.

The retired members of the Board of Directors of the Company are understood as persons who quit the Board of Directors due to their decease, or being recognized by the court as legally incapable or missing persons.

18.9. Any decisions made by the Board of Directors shall be approved by a majority of three-fourths of the votes from the Members of the Company's Board of Directors participating in the meeting, on the following issues:

- deciding on participation of the Company in other organizations (including approval of the constituent documents), change in interest (quantity of shares, size of stake and shareholding), encumbrance of shares (interest) and termination of the Company's participation in other organizations which major activity shall be generation and/or transmission of electric and thermal energy;
- establishment of committees of the Company's Board of Directors, election of committee members and early termination of their powers;
- approval of provisions on the committees of the Company 's Board of Directors.

18.10. Any decisions made by the Board of Directors on issues under subparagraphs 27, 28, 33, 38, 47-49, paragraph 15.1, Article 15 of these Articles of Association, shall be approved by a majority of two-thirds of votes from the members of the Company's Board of Directors participating in the meeting.

18.11. Any decision to approve transactions of interest shall be approved by the Company's Board of Directors where and as provided for in Article 83 of the Federal Law "On Joint Stock Companies";

18.12. The voting at the meeting of the Board of Directors shall be in accordance with the "one vote per one member of the Board" rule. In the event of the equality of voices when voting at the meeting, the Chairman of the Board of Directors shall have the casting vote.

18.13. Any meeting of the Board of Directors shall have a quorum if attended by 1/2 or more of the elected members of the Board of Directors of the Company.

In the event that the number of the members of the Company's Board of Directors becomes less than the number that constitutes the quorum, the Company's Board of Directors shall decide on convening an extraordinary General Meeting of Shareholders. The members of the Board of Directors attending the meeting shall be entitled to convene only this extraordinary General Meeting of Shareholders. Thereby, the quorum for holding the meeting of the Board of Directors shall constitute at least one half of the number of attending members of the Board of Directors.

18.14. The minutes shall be kept at each meeting of the Board of Directors. The minutes of the meeting of the Board of Directors shall be prepared and signed within three (3) days from the date when the meeting of the Board of Directors is brought to a close by the person chairing the meeting and by the Corporate Secretary of the Company, and both shall bear responsibility for the accuracy of the minutes. The minutes shall be accompanied by all the materials in respect to the agenda of the meeting and the documents approved by the Board of Directors.

In the event that the decisions approved by the Board of Directors shall be made by means of absentee voting, the minutes shall be accompanied by a polling form signed by the members of the Board of Directors.

## **ARTICLE 19. CORPORATE SECRETARY OF THE COMPANY**

19.1. The Company's Board of Directors shall elect the Corporate Secretary to observe the procedures of preparation and holding of the General Meeting of Shareholders and the activities of the Board of Directors.

19.2. The agreement with the Corporate Secretary in the name of the Company shall be signed by the Chairman of the Company's Board of Directors or by the person authorized by the Company's Board of Directors.

19.3. The terms of the agreement concluded with the Corporate Secretary of the Company including the size of remuneration shall be defined by the Company's Board of Directors or by the person authorized by the Company's Board of Directors.

19.4. The Corporate Secretary of the Company shall participate in preparation and holding of the General Meeting of Shareholders within his/her competence meeting the requirements of the applicable law, these Articles of association and other internal documents of the Company.

19.5. The Corporate Secretary of the Company shall participate in the relevant procedure of notifying the persons entitled to participate in the General Meeting of Shareholders, in the procedure of notifying of the General Meeting of Shareholders, of preparation and delivering ballots (in person) to the shareholders.

19.6. The Corporate Secretary of the Company shall collect a set of documents to be presented to the General Meeting of Shareholders, and shall present copies of the relevant

documents at the request of the persons entitled to participate in the General Meeting of Shareholders.

19.7. The Corporate Secretary of the Company shall have the filled-up ballots collected to deliver to the Company, and shall have them delivered in due time to the Registrar.

19.8. The Corporate Secretary of the Company shall provide for observance of the registration procedures of the participants of the General Meeting of Shareholders and shall organize keeping the minutes of the General Meeting of Shareholders.

19.9. The Corporate Secretary of the Company shall answer the questions of the participants of the General Meeting of Shareholders in regard to the procedures of preparation and holding of the General Meeting of Shareholders.

19.10. The Corporate Secretary of the Company shall provide for preparation and holding of the meetings of the Company's Board of Directors in accordance with the requirements of the laws of the Russian Federation, these Articles of Association and the internal documents of the Company.

19.11. The Corporate Secretary of the Company shall notify all the members of the Company's Board of Directors of a meeting of the Company's Board of Directors; if required, shall have polling forms sent (delivered) to them; shall have the filled-up polling forms and the opinions (in writing) of the members of the Company's Board of Directors absent at the meeting, collected and shall have them delivered to the Chairman of the Company's Board of Directors.

19.12. The Corporate Secretary of the Company shall keep the minutes of the meeting of the Company's Board of Directors.

19.13. The Corporate Secretary of the Company shall render assistance to the members of the Company's Board of Directors to provide them with the information requisite for exercising their functions.

19.14. The Corporate Secretary of the Company shall give explanations to the members of the Company's Board of Directors in regard to the requirements of the applicable laws of the Russian Federation, these Articles of Association, and the internal documents of the Company relating to the procedures of preparation and holding of the General Meeting of Shareholders, meetings of the Company's Board of Directors disclosure (furnishing) of information related to the Company.

19.15. The Corporate Secretary of the Company shall exercise other functions where and as provided for in the applicable laws, these Articles of Association and the internal documents of the Company.

19.16. The authorities and executives of the Company shall render assistance to the Corporate Secretary of the Company in performing his/her functions.

19.17. The Corporate Secretary of the Company shall inform the Chairman of the Company's Board of Directors, in reasonable time, of all the cases obstructing observation of the procedures, which observation is relevant to the Corporate Secretary's functions (i.e. actions or inactions of the authorities or executives of the Company, of the Registrar of the Company, other cases obstructing the procedure of preparation and holding of the General Meeting of Shareholders of the Company and meetings of the Company's Board of Directors, disclosure (furnishing) of information).

## **ARTICLE 20. COMMITTEES OF THE BOARD OF DIRECTORS OF THE COMPANY**

20.1. The Committees of the Board of Directors shall be formed by the relevant decision approved by the Board of Directors.

20.2. The Committees of the Board of Directors shall be formed to resolve the issues that fall within the competence of the Board of Directors or to be studied by the Board of Directors by

means of controlling the activities of the executive body of the Company and developing recommendations required by the Board of Directors and the executive body of the Company.

20.3. The following committees shall be formed in the Board of Directors:

20.3.1. Auditing Committee .

20.3.2. Strategy, Development, Investments, Restructuring and Corporate Management Committee.

20.3.3. Budget and Finance Committee.

20.3.4. Personnel and Remuneration Committee.

20.4. Any other committees of the Board of Directors may be formed by the Board of Directors' decision.

20.5. The Auditing Committee shall develop recommendations with respect to nomination of the Company's Auditor, shall estimate the Auditor's report, the effectiveness of the internal audit procedures of the Company, and shall prepare proposals of improvement thereof.

20.6. The Strategy, Development, Investments, Restructuring and Corporate Management Committee shall play the key role in determining strategic targets of the Company's activity, developing priorities of its activity, including organizing the system of corporate management, estimating the effectiveness of the Company's activity in the longer term, developing recommendations to be given to the Board of Directors in correcting the existing strategy of the Company's development.

20.7. The Budget and Finance Committee shall develop recommendation in respect to forming, executing and correcting the financial and economic plan (business plan, budget) of the Company, shall provide for the control made by the Board of Directors over the financial and economic activity of the Company, forming and executing the financial and economic plan of the Company, operating efficiency of the risk management system of the Company.

20.8. The Personnel and Remuneration Committee shall assist in engaging qualified personnel in managing the Company and creating incentives required for their successful work.

20.9. The committees of the Board of Directors shall consider in advance the agenda issues of the meeting of the Board of Directors falling within their competence and shall develop recommendations therefore. The Company's Board of Directors when making decisions on the agenda issues of the meeting shall consider the relevant recommendations given by the committees of the Company's Board of Directors.

20.10. The committees of the Board of Directors shall have at least 1 (One) member in each committee representing the shareholders of the Company owning, in the aggregate' at least 25 (Twenty-Five) percent of the voting shares of the Company.

20.11. The issues related to activities of the committees that may not be regulated under these Articles of Association and by the provisions on relevant committees shall be regulated by individual decisions made by the Company's Board of Directors.

## **ARTICLE 21. EXECUTIVE BODIES OF THE COMPANY**

21.1. The sole executive body of the Company, the Director General, shall be responsible for the day-to-day management of the Company.

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

21.3. The General Meeting of Shareholders may decide to delegate the powers of the sole executive body of the Company to a management organization or to a manager by agreement.

The rights and obligations of a management organization (manager) to manage the current activities of the Company shall be defined in accordance with the applicable laws of the Russian

Federation and the agreement concluded between such management organization (manager) and the Company.

The agreement concluded with the said management organization (manager) in the name of the Company shall be signed by the Chairman of the Company's Board of Directors or by the person authorized by the Company's Board of Directors.

The conditions of the agreement concluded with such management organization (manager), including the term of powers, shall be determined by the Company's Board of Directors.

21.4. The formation of the executive bodies of the Company and early termination of their powers shall be performed pursuant to the decision made by Company's Board of Directors with the exception of the cases specified in the federal laws and these Articles of Association.

21.5. The rights and obligations of the Director General and the members of the Management Board to manage the current activities of the Company shall be determined by the laws of the Russian Federation, these Articles of Association and the employment agreement concluded by each member with the Company.

The employment agreement in the name of the Company shall be signed by the Chairman of the Company's Board of Directors or by the person authorized by the Company's Board of Directors.

The provisions of the employment agreement including the term of powers shall be determined by the Company's Board of Directors.

The rights and obligations of the employer in the name of the Company with regard to the Director General and the members of the Management Board shall be exercised by the Chairman of the Company's Board of Directors or by the person authorized by the Company's Board of Directors.

21.6. In the event that the Director General and members of the Management Board hold any other office in management bodies of other organizations at the same time, or have any other gainful employment at other organizations, this shall be allowed only by consent of the Company's Board of Directors.

21.7. The Company's Board of Directors shall have the right to make a decision on termination of powers of the Director General of the Company and the members of the Management Board of the Company at any time, and on establishing new executive bodies.

The powers of the Director General and the members of the Management Board may be terminated as provided for in the applicable laws of the Russian Federation and under the employment agreement concluded by each member with the Company.

21.8. The General Meeting of Shareholders shall have the right to make a decision on early termination of powers of a management organization (manager) at any time.

The Company's Board of Directors shall be entitled to decide to terminate the powers of a management organization or manager. Concurrently with the said decision, the Company's Board of Directors shall make a decision on appointing an acting Director General of the Company and on holding an extraordinary General Meeting of Shareholders to resolve the issue on early termination of powers of a management organization (manager) and if not otherwise decided by the Board of Directors, on delegating the powers of the sole executive body of the Company to a management organization (manager).

21.9. In the event that a management organization (manager) is not capable of exercising their functions, the Company's Board of Directors shall be entitled to decide on appointing an acting Director General of the Company and on holding an extraordinary General Meeting of Shareholders to resolve the issue on early termination of powers of a management organization (manager) and if not otherwise decided by the Board of Directors, on delegating the powers of the sole executive body of the Company to a management organization (manager).

21.10. The acting Director General of the Company shall perform the duties of management the current activities of the Company within the competence of the Director General of the Company, if not otherwise decided by the Company's Board of Directors.

21.11. The Director General, the members of the Management Board of the Company, the acting Director General of the Company as well as a management organization (manager) when exercising their rights and performing their obligations shall act in the interests of the Company, shall exercise their rights and functions shall exercise their rights and functions with good faith and reason.

21.12. The Director General, the members of the Management Board of the Company, the acting Director General of the Company as well as a management organization (manager) shall bear responsibility towards the Company for eventual losses inflicted to the Company through their culpable actions (inactions) if no other grounds and scope of responsibility are not specified by the federal laws of the Russian Federation.

The members of Management Board shall bear no responsibility if they voted against the decision involving the losses inflicted to the Company, or did not participate in the voting.

## **ARTICLE 22. MANAGEMENT BOARD OF THE COMPANY**

22.1. The Management Board of the Company shall act under these Articles of Association and the Regulations for Management Board approved by the General Meeting of Shareholders, setting forth the terms and procedure for convening and holding such meetings and the decision procedure.

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

1) to develop and submit for consideration to the Board of Directors long-term plans on implementation of core activities of the Company;

2) to prepare a business plan (corrected business plan) of the investment program and a report on results of their performance as well as to approve and correct the cash flow in accordance with the list and the cash flow target values approved by the Board of Directors of the Company and to submit to the Board of Directors of the Company for further approval;

3) to prepare a program of technical retooling, restructuring and development of the Company;

4) to approve quarterly and monthly financial plans of the Company and reports thereof;

5) to prepare an annual purchase activities program of the Company, to approve quarterly programs of purchase activities within the annual program of the Company, as well as prepare reports on performance of these annual and quarterly programs of purchase activities the Company's;

6) to prepare a report on financial and economic activity of the Company, on implementation of decisions by Management Board, made by the General Meeting of Shareholders and the Board of Directors;

7) to decide on the transactions conducted by the Company (including several interrelated transactions) which subject shall be property, work and/or services, and which costs (money value) shall equal more than 1 (One) percent of the Company's balance sheet asset determined by the Company's accounting statements for the deadline reporting date with the exception of any other transactions which decision of settlement falls within the competence of the Company's Board of Directors under these Articles of Association;

8) to decide on transactions to be conducted by the Company (including several interrelated transactions) which subject shall be extension or postponement of fulfillment of civil law obligations wherein the Company shall participate, and the term of fulfillment of such obligations

and which fulfillment is exceeded by more than three months or a conclusion of an agreement on termination fee or revival of such obligations, or cession of rights (claims) or assignment of debt under such obligations. The said transactions shall be subject to approval if the extent of obligations (size of indebtedness) shall be more than 1 percent of the balance sheet asset of the Company as recorded in the accounting statements on the deadline reporting date, and if decision-making on approval of such transactions shall not fall within the competence of the Company's Board of Directors under these Articles of Association;

9) to decide on admission of claims and claims filed in court against the Company, and on withdrawal of claims in the amount exceeding 1 percent of the balance sheet asset of the Company as recorded in the accounting statements for the deadline reporting date;

10) to take a preliminary consideration and to submit recommendations to the Company's Board of Directors on proposals made to the Company's Board of Directors in the manner required by the internal document of the Company that governs the operating procedures of the Company's Management Board;

11) to approve plans and activities for training and advanced training of the Company's personnel;

12) to decide on appointment of branch managers and/or representatives of the Company;

13) to provide social security for the personnel of the Company;

14) to decide on issues that fall within the competence of the superior management bodies of dependant companies, 100 (One Hundred) percent of the Authorized Capital or all the voting shares thereof belonging to the Company (with regard to subparagraph 48, paragraph 15.1 of these Articles of Association);

15) to consider the reports made by the deputies of the Director General of the Company, heads of departments of the Company that shall contain results on fulfillment of the approved plans, programs and instructions, to consider reports, documents and other information relating to the activity of the Company and its subsidiaries and affiliates;

16) to decide on other issues on management of the day-to-day activities of the Company in accordance with the resolutions of the General Meeting of Shareholders, the Company's Board of Directors as well as the issues submitted for the Management Board's consideration by the Director General of the Company.

22.3. The members of the Management Board of the Company shall be elected by the Board of Directors of the Company in the number determined by the Board of Directors of the Company at the suggestion of the Director General of the Company.

The minimum number of the members of the Management Board of the Company shall be three.

22.4. The Management Board shall be competent if the meeting (absentee voting) is attended at least by one half of the elected members of the Management Board.

All the decisions shall be made by the Management Board with a simple majority of votes from the number of members of the Management Board who attend the meeting (or participate in absentee voting).

No vote may be transferred by any member of the Management Board of the Company to any other person including any other member of the Management Board of the Company.

## **ARTICLE 23. DIRECTOR GENERAL OF THE COMPANY**

23.1. The Director General shall be responsible for the day-to-day management of the Company pursuant to the decisions made by the General Meeting of Shareholders, the Board of Directors and the Management Board of the Company and approved within their competence.

23.2. The competence of the Director General covers all issues relating to the day-to-day management of the Company except for the issues falling within the competence of the General Meeting of Shareholders, the Board of Directors and the Management Board of the Company.

23.3. The Director General shall be entitled to act for and on behalf of the Company without any further authorization including the limitations as specified by the applicable law, these Articles of Association and the decisions made by the Company's Board of Directors. The Director General:

- 1) shall provide for the fulfillment of the plans of the Company's activities necessary to reach the objectives of the Company;
- 2) shall organize maintenance of accounting records of the Company;
- 3) shall manage the Company's property, settle transactions in the name of the Company, grant powers of attorney, open settlement accounts and other accounts of the Company with banks, other loan institutions (as well as with other organizations - professional market makers, as provided for in the applicable law)
- 4) shall issue orders, approve (adopt) instructions, local regulations, and other internal documents of the Company within his/her competence, give orders mandatory for fulfillment by all employees of the Company;
- 5) shall approve the staffing table and post salaries of the Company's employees in accordance with the overall structure of the executive staff of the Company;
- 6) shall exercise the rights and obligations of the employer towards the employees of the Company as per the Labor Law;
- 7) shall perform the functions of the Chairman of the Management Board of the Company;
- 8) shall distribute obligations among the deputies of the Director General;
- 9) shall submit for consideration to the Board of Directors reports on financial and economic activity of subsidiaries and affiliates which shares (shareholding) the Company holds as well as information relating to other organizations the Company participates in;
- 10) shall submit to the Board of Directors annual reports, annual accounting statements, statement of profit and loss of the Company, distribution of profit and loss of the Company, not later than 45 (Forty-Five) days prior to the annual General Meeting of Shareholders.
- 11) shall resolve other issues of the current activities of the Company except for the issues falling within the competence of the General Meeting of Shareholders, the Board of Directors and the Management Board of the Company;

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

Candidates for the Director General of the Company to be elected by the Board of Directors shall be proposed in accordance with the procedure specified in the internal document governing the convening and holding of meetings of the Company's Board of Directors.

## **ARTICLE 24. INTERNAL AUDIT COMMISSION AND EXTERNAL AUDITOR**

24.1. The Internal Audit Commission of the Company shall be elected by the General Meeting of Shareholders to exercise control over the financial and economic activities of the Company for a term until the next annual General Meeting of Shareholders.

In the event that the Internal Audit Commission of the Company is elected at an extraordinary General Meeting of Shareholders, the members of the Internal Audit Commission shall be elected for the period until the annual General Meeting of Shareholders takes place.

The Internal Audit Commission of the Company shall consist of five (5) persons.



24.2. The General Meeting of Shareholders of the Company shall be entitled to decide on early termination of powers of any of or all members of the Internal Audit Commission of the Company.

24.3. The competence of the Internal Audit Commission of the Company shall be:

1) to verify information of the annual report, the statement of affairs, the statement of profit and loss of the Company;

2) to make an analysis relating to the financial condition of the Company, to estimate opportunities to improve the financial condition of the Company, and provide recommendations for the management bodies of the Company;

3) to organize and perform an audit (revision) of financial and economic activity of the Company, specifically:

- audit (revision) of the financial, accounting, payment and settlement and other documents of the Company pertaining to the financial and economic activity of the Company, and pertaining to its compliance with the laws of the Russian Federation, these Articles of Association, the internal documents and other documents of the Company;

- control over preservation and utilization of permanent assets;

- control over observation of the established procedure of depreciation for losses of insolvent borrowers' indebtedness of the Company ;

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

- control over forming and utilization of the reserve fund and other special purpose funds of the Company;

- verification of accuracy and expediency of distribution and payout of dividends on the Company's shares, debenture bonds interest, and other securities income;

- control of fulfillment of the instructions previously given to eliminate violations and defects discovered by the previous audits (revisions);

4) execution of other actions (procedures) pertaining to the financial and economic activity of the Company.

24.4. All decisions on issues falling within the competence of the internal Audit Commission shall be approved by a simple majority of votes from the total number of its members.

24.5. The Internal Audit Commission of the Company shall be entitled, and in the event of serious violations in the financial and economic activity of the Company, shall be obliged to require convening an extraordinary General Meeting of Shareholders of the Company.

24.6. The activity procedure of the Internal Audit Commission of the Company shall be determined by the internal document of the Company approved by the General Meeting of Shareholders of the Company.

The Internal Audit Commission following the decision to carry out an audit (revision) shall have the right to engage experts in the respective fields of law, economy, finances, accountancy, economic security and others, including the services of specialized organizations.

24.7. The audit (revision) of financial and economic activity of the Company may be conducted at any time on the initiative of the Internal Audit Commission of the Company, decision of the General Meeting of Shareholders, the Board of Directors, or upon request of a shareholder(s) of the Company owning in the aggregate at least 10 percent of voting shares of the Company.

24.8. The General Meeting of Shareholders shall annually approve the External Auditor to conduct an audit and verification the annual financial records of the Company.

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

24.10. The External Auditor the Company shall audit financial and economic activities of the Company in accordance with the statutory acts of the Russian Federation and under the terms and conditions of the agreement between the Company and the External Auditor.

24.11. According to the results of auditing financial and economic activities of the Company, the Internal Audit Commission of the Company, the External Auditor shall make a conclusion that shall contain:

- verification of information reliability in the reports and other financial documents of the Company;

- information on the Company's violations of the regulations of the Russian Federation pertaining to accounting and financial reporting as well as the regulations of the Russian Federation when performing financial and economic activities of the Company.

The procedure and terms of reporting on the audit results of financial and economic activities of the Company shall be determined by the regulations of the Russian Federation and the internal documents of the Company.

## **ARTICLE 25. ACCOUNTING AND REPORTING OF THE COMPANY**

25.1. The Company shall insure the proper maintenance of accounting books and records and the timely submission of financial statements in accordance with the procedure prescribed in the laws of the Russian Federation and these Articles of Association.

25.2. The Director General shall be responsible for proper maintenance and reliability of books and records of the Company, timely submission to the competent authorities of the annual report and other financial statements, as well as any information on the Company's activities submitted to the shareholders, creditors, and mass media, in accordance with the laws of the Russian Federation and these Articles of Association.

25.3. The reliability of the information in the annual report and annual financial statements of the Company shall be confirmed by the Internal Audit Commission and the External Auditor.

25.4. The annual report, the accounting balance sheet, the profit and loss statements, distribution of profits of the Company shall be subject to a preliminary approval by the Board of the Company not later than thirty (30) days prior to the date of the holding of the General Meeting of Shareholders.

## **ARTICLE 26. STORAGE OF THE COMPANY'S DOCUMENTS**

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

- 1) The decision to establish the Company;
- 2) Articles of Association of the Company, amendments and supplements to the Articles of Association of the Company registered in accordance with the established procedure, the certificate of state registration of the Company;
- 3) the documents confirming the Company's title to the property reflected in its balance;
- 4) internal documents of the Company;
- 5) bylaws of branch offices and representative offices of the Company;
- 6) annual reports of the Company;
- 7) offering statement of the Company, the issuer's quarterly reports and other documents containing information to be published or otherwise disclosed in accordance with the federal laws of the Russian Federation;
- 8) accounting documents;
- 9) accounting statements;

10) minutes of the General Meeting of Shareholders of the Company (registered in accordance with the established procedure decisions made by a shareholder owning all the voting shares of the Company) as well as minutes of meetings of the Board of Directors of the Company, the Internal Audit Commission of the Company and the Management Board of the Company;

11) ballots, as well as powers of attorney (or copies thereof) to participate in the General Meeting of Shareholders;

12) audit reports of the independent appraiser;

13) lists of the Company's affiliates;

14) lists of persons entitled to participate in the General Meeting of the Company with dividends right and other lists composed by the Company for the shareholders to exercise their rights as provided for in the Federal Law "On Joint Stock Companies";

15) opinions of the Internal Audit Commission, audit reports of the Company Auditor, and opinions of governmental and local financial control authorities;

16) any other documents as provided for in the regulations of the Russian Federation, these Articles of Association, internal documents of the Company and decisions approved by the management bodies of the Company.

26.2. The Company shall store the documents specified in paragraph 26.1 of these Articles of Association at the place of location of its executive body in accordance with the procedure and within the period prescribed by the federal executive authority for the securities market.

26.3. Upon reorganization of the Company, all documents shall be transferred to its legal successor in accordance with established procedure.

26.4. In the event of the Company's liquidation, the Company's documents subject to permanent storage, documents of scientific and historic value, shall be transferred to the state archival depositories to the Federal Archives Service of Russia; the documents relating to the staff (orders, personal files, personal data cards, personal accounts, etc.) shall be transferred to the relevant archival depositories of the constituent of the Russian Federation.

The transfer and storage of the documents shall be made in accordance with the requirements of the archival bodies.

The Company information shall be submitted to the said bodies in accordance with the laws of the Russian Federation.

26.5. The Company shall afford for the shareholders access to the documents as per paragraph 26.1. of this Article with provision for limitations specified in the laws of the Russian Federation.

The shareholder(s) owning in the aggregate at least 25 (Twenty-Five) percent of voting shares of the Company's shares shall have an access to the accountancy documents and the minutes of the Management Board meetings.

The documents as per subparagraphs 1, 2, 5–7, 13, paragraph 26.1 of this Article as well as the minutes of General Meetings of Shareholders and internal documents regulating the activities of the Company shall be allocated on the website of the Company on the Internet not later than 15 days from the date of their approval or amendments and supplements made thereto.

26.6. The documents as per paragraph 26.1 of this Article shall be submitted by the Company within seven (7) days from the date of submission of the relevant requirement for familiarization at the headquarters of the executive body of the Company.

The Company shall, at the request of the persons who have access to the documents specified in paragraph 26.1 of this Article, provide them with copies of the said documents.

The amount payable for such copies shall be defined by the Director General of the Company and shall not exceed the expenses relating to the production of such copies.

The Company shall provide the shareholders and employees of the Company with access to the information subject to the requirements of the applicable law on national security information.

## ARTICLE 27. REORGANIZATION AND LIQUIDATION OF THE COMPANY

27.1. The Company shall be entitled to voluntary reorganization in the form of merger, takeover, split-up, split-off and reorganization as well as in accordance with the procedure prescribed in the Civil Code of the Russian Federation and the federal laws of the Russian Federation.

27.2. The Company may be liquidated in pursuance of a court decision or voluntarily in accordance with the procedure provided for in the Civil Code of the Russian Federation, the Federal Law "On Joint Stock Companies" and these Articles of Association.

27.3. In the event of reorganization and liquidation of the Company, or cessation of work containing national security information, the Company shall be obliged to insure the security of such information and the carriers thereof by developing and implementing measures of confidence information protection, protection against foreign technical intelligence, security protection, and fire prevention.

### Appendix to the Articles of Association of TGC-4

#### List of Subsidiaries of TGC-4

<i>No.</i>	<i>Name of Subsidiary</i>	<i>Location of Subsidiary</i>
1.	Subsidiary of TGC-4 – Belgorod Regional Generation	308 600, Belgorod ul. Preobrazhenskaya 42
2.	Subsidiary of TGC-4 – Bryansk Regional Generation	241 902, Bryansk, ul. Komintern 1
3.	Subsidiary of TGC-4 – Voronezh Regional Generation	394 014, Voronezh, ul. Lebedeva 2
4.	Subsidiary of TGC-4 – Kaluga Regional Generation	248 009, Kaluga, Grabtsevskoye Shosse 35
5.	Subsidiary of TGC-4 – Kursk Regional Generation	305 029, Kursk, ul.K. Marxa 27
6.	Subsidiary of TGC-4 – Lipetsk Regional Generation	398 600, Lipetsk, ul.. Moskovskaya 8A
7.	Subsidiary of TGC-4– Orel Regional Generation	302 006, Orel, ul. Energetikov 6
8.	Subsidiary of TGC-4 – Ryazan Regional Generation	391 000, Ryazan, ul. Promyshlennaya 9
9.	Subsidiary of TGC-4 – Smolensk Regional Generation	214 019, Smolensk, ul. Tenishchevoy 33
10.	Subsidiary of TGC-4– Tambov Regional Generation	392 000, Tambov, Proyezd Energetikov 7
11.	Subsidiary of TGC-4 - Tula Regional Generation	300 600, Tula, ul.Timiryaseva 99
12.	Subsidiary of TGC-4 Executive Bodies	300 600, Tula, ul.Timiryaseva 99