

APPROVED BY

resolution of the annual General Meeting of Shareholders
of IDGC of Volga, JSC dated June 16, 2015
Minutes No. 9/2015 dated June 18, 2015

Chairman of the Meeting

_____ V.A. Ryabikin

**ARTICLES OF ASSOCIATION
of Public Joint-Stock Company
Interregional Distribution Grid Company of Volga
(new version)**

Saratov 2015

Article 1. General Provisions

1.1. Public Joint-Stock Company Interregional Distribution Grid Company of Volga (hereafter "Company") is established by the decision of the founder (Ordinance of the Chairman of the Management Board of RAO UES of Russia, JSC No. 191p dated June 22, 2007) in compliance with the Civil Code of the Russian Federation, the Federal Law "On Joint-Stock Companies" and other laws and regulations of the Russian Federation.

1.2. In its activities the Company shall be governed by the Civil Code of the Russian Federation, the Federal Law "On Joint-Stock Companies", the Federal Law "On Power Industry", the Federal Law "On Power Industry Performance Peculiarities during the Transition Period and On Amending Separate Acts of the Russian Federation and Cancellation of Separate Acts of the Russian Federation due to Adoption of Law "On Power Industry", other legal acts of the Russian Federation and these Articles of Association.

1.3. The full Company's name in Russian is Публичное акционерное общество «Межрегиональная распределительная сетевая компания Волги». The former full Company's name in Russian was Открытое акционерное общество «Межрегиональная распределительная сетевая компания Волги».

The full Company's name in English is Public Joint-Stock Company Interregional Distribution Grid Company of Volga.

1.4. The abbreviated business name in Russian is ПАО «МРСК Волги». The former abbreviated business name in Russian was ОАО «МРСК Волги».

The abbreviated business name in English is IDGC of Volga, PJSC. The former abbreviated business name in English was IDGC of Volga, JSC.

1.5. Company's Location: 42/44, ul. Pervomayskaya, Saratov, 410031, the Russian Federation.

1.6. The Company has been established to operate for indefinite period of time.

1.7. Based on the resolution of the Management Board of RAO UES of Russia, JSC that performs the functions of Extraordinary General Meeting of Shareholders of IDGC of Volga, JSC dated December 25, 2007, the Company was reorganized by affiliation with Volzhskaya IDC, JSC, Penzaenergo, JSC, Mordovenergo, JSC, Orenburgenergo, JSC, and Chuvashenergo, JSC. In accordance with:

Transfer act, approved by the extraordinary General Meeting of Shareholders of Volzhskaya IDC, JSC, dated January 18, 2008 (Minutes No. 6 dated January 24, 2008),

Transfer act, approved by the extraordinary General Meeting of Shareholders of Penzaenergo, JSC, dated January 18, 2008 (Minutes No. 21 dated January 24, 2008),

Transfer act, approved by the extraordinary General Meeting of Shareholders of Mordovenergo, JSC, dated January 18, 2008 (Minutes No. 1 dated January 24, 2008),

Transfer act, approved by the extraordinary General Meeting of Shareholders of Orenburgenergo, JSC, - Management Board of RAO UES of Russia, JSC, Minutes No. 1804пр/1 dated January 19, 2008),

Transfer act, approved by the extraordinary General Meeting of Shareholders of Chuvashenergo, JSC, - Management Board of RAO UES of Russia, JSC, Minutes No. 1804пр/2 dated January 19, 2008),

from time of making the entry on Volzhskaya IDC, JSC, Penzaenergo, JSC, Mordovenergo, JSC, Orenburgenergo, JSC, and Chuvashenergo, JSC, in the Unified State Register of Legal Entities the Company shall be deemed the legal successor of all of the specified companies with respect to all their rights and obligations.

Article 2. Company's Legal Status

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

2.2. The Company shall be deemed a legal entity and a public joint-stock company under the law of the Russian Federation.

2.3. The Company owns separate property and shall be liable for its obligations to the extent of all its property, may in its own name acquire and exercise property and personal non-property rights, assume responsibilities, and act as a claimant and defendant in court.

2.4. The Company has the right to open bank accounts in and outside the Russian Federation in the established manner.

2.5. The Company is liable for its obligations to the extent of all its property.

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

Shareholders are not liable for the obligations of the Company, with the exception of the cases provided for by the law of the Russian Federation.

Shareholders may assign their shares without the consent of the other shareholders or the Company.

Shareholders bear the risk of losses associated with its activities to the extent of the value of their shares.

2.6. The Company has a round seal bearing its full company name in Russian and indicating its location.

The Company has the right to have stamps and letterheads bearing its name, its own logo, as well as a trademark registered in the established manner, and other means of visual identification.

2.7. The Company has the civil rights and assumes the responsibilities necessary to engage in any type of activity not prohibited by federal laws.

2.8. The Company may establish branches and open representative offices on and outside the territory of the Russian Federation.

Branches and representative offices are not legal entities, act on behalf of the Company and on the basis of the regulations approved by the Company.

Branches and representative offices are assigned property by the Company, with such property to be recorded both on their separate balance sheets and on the balance sheet of the Company.

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

The Company shall be liable for the activities of a branch and a representative office which it establishes.

The information on the Company's branches and representative offices is specified in the Appendix hereto.

2.9. The Company may have subsidiaries with the rights of a legal entity in the Russian Federation established in accordance with the Federal Law "On Joint-Stock Companies" and other federal laws and these Articles of Association, and outside the Russian Federation – in accordance with the law of the foreign country where the subsidiary is located, unless otherwise stipulated by an international agreement of the Russian Federation.

2.10. For the purposes of these Articles of Association, a subsidiary is a business entity in which the Company holds more than twenty (20) percent of voting stocks (shares).

Article 3. Objective and Types of the Company's Activities

3.1. The core business activities of the Company shall be as follows:

- profit generation;
- efficient and reliable operation of the distribution grid complex;
- ensuring sustainable distribution grid complex development; and

- ensuring reliable and high quality power supply to consumers (with regard to power supply and transmission).

3.2. To generate profit and cover the Company's needs the Company shall be entitled to conduct any activities not prohibited by law, including:

- power transmission services;
- dispatch and operation control;
- technological connection of power receivers (power systems) of legal entities and natural persons to power grids;
- services for collection, transmission and processing of technical data, including metrological data;
- inspecting the safety of electric systems of customers connected to power grids of the Company;
- operating power grids;
- energy saving activity and activity on enhancement of energy efficiency;
- activities related to energy inspection (energy audit) and provision of energy services;
- drawing up schedules of emergency restriction of the consumption regime;
- control measurement of load flow and levels of grids pressure;
- rendering services for assessment of workplaces' conformity with the working conditions;
- exercising authority of the Sole Executive Body of business entities;
- property trust services;
- transactions with securities in accordance with the procedure provided for by the law of the Russian Federation currently in force;
- acting as an agency;
- design and estimate, prospecting works and research and development;
- forwarding services;
- consulting, information and consultation services;
- works which govern the conditions of parallel operations in accordance with the regimes of the Unified Energy System of Russia within the framework of contractual relationships;
- operations under contracts with power facilities owners not included in the Company's balance sheet;
- ensuring normal operation and good condition of equipment of electric networks in accordance with the effective regulatory requirements, maintenance, troubleshooting, repair of electric networks and other components of power grid industry;
- testing and measuring of power units (including consumers);
- ensuring normal operation and good condition, maintenance, troubleshooting, and repair of technological communication networks, measuring and recording devices, relay protection equipment and emergency control system and other technological equipment related to power grid industry components operation;
- development of long-term forecasts and development of perspective and on-going plans of distribution grid complex development, complex specific research and technology, economic and social programs;
- development of power grids and other electric grid facilities, including design, engineering survey, construction, reconstruction, re-equipment, installation and adjustment;
- development of technological communication networks and teleautomatics, measuring and metering devices, relay protection equipment and emergency control system and other technological equipment related to power grid industry components operation, including design, engineering survey, construction, reconstruction, re-equipment, installation and adjustment;
- operating explosive, chemically and fire hazardous industrial facilities;
- scientific, research, development and technological activities (R&D), including development, creation, implementation and modernization of equipment and facilities, technologies and techniques to improve reliability, quality, efficiency and environmental sustainability of the power supply services for customers; creation of conditions for development of the Russian electric energy system; implementation of R&D funds and innovative development programs;

participation in setup of sector-specific R&D funds; industrial safety supervision at hazardous production facilities;

- organization of labor safety procedures;
- elimination of power system disturbances at distribution grid facilities;
- activities related to works and services intended for nature protection purposes;
- activities having environment impact or related to formation, collection, use, deactivation, storage, dumping, removing, transportation and disposal of industrial wastes;
- water body use;
- use of natural resources, including mineral and forest resources;
- metrology activities;
- production and repair of measuring devices;
- rendering services involving installation, repair, and maintenance of measuring, control, testing, navigation and detection and other devices and tools;
- hazardous waste management;
- fire control activities;
- installation, repair and maintenance of building and structures fire safety facilities;
- organization and performance of staff development works, including training and further training, operational instructions and safety knowledge assessment, as well as assessments of other knowledge of other rules and instructions in accordance with the applicable regulatory documents at power industry plants;
- passenger and cargo transportation by road, rail, air or inland water transport (including hazardous cargo transportation);
- maintenance and repair of rolling stock for railway transport;
- maintenance and repair of technical equipment used for railway transport;
- handling operations for railway transport (including hazardous cargo transportation);
- handling operations for inland water transport (including hazardous cargo transportation);
- operation, maintenance and repair of road, rail, air and inland water transport and lifting equipment used for technological purposes;
- foreign economic activity;
- storage of oil, gas and their products;
- activities related to client-developer functions;
- drawing up project documentation for capital construction facilities;
- carrying out construction, reconstruction and overhaul activity;
- local, intra-zone and long distance telephone communication services;
- communication channel lease;
- telematic services (including electronic mail service, access to information resources service, information service, Telefax, Comfax, Burofax services, message handling service, voice message service, voice data transmission service);
- data transmission services;
- use of orbital frequency resources and radio frequency for TV and radio broadcasting (including additional information broadcasting);
- building, structure, equipment, vehicles and machinery lease;
- implementation of organizational, practical and preventive measures to ensure overall security (counter-terrorism and anti-crime measures, economic security, anti-corruption measure and information security);
- activities related to technical protection of the confidential information;
- mobilization, civil defense, and emergency management activities organization and performance;
- state secrets protection, activities related to the use of information constituting a state secret in accordance with the law and other regulations of the Russian Federation;
- organization and implementation of security and protection measures with respect to information constituting commercial secret;

- purchase (receipt) of electric power (power) at the wholesale power market and from producers of electric power at the retail power market in the event of obtaining of a last resort provider status in accordance with the procedure provided for by the law of the Russian Federation;
- electric power (power) sale (supply) in the event of obtaining of a last resort provider status in accordance with the procedure provided for by the law of the Russian Federation;
- medical activities, including recreation and resort services;
- educational activities;
- operation and maintenance of facilities being under control of RF Rostekhnadzor;
- other activities not prohibited by the federal laws.

3.3. To the extent permitted by law, the Company may engage in certain types of activities only subject to a special authorization (or license), or membership in a self-regulating organization or a permit to carry out certain types of activities issued by a self-regulating organization.

The right of the Company to engage in certain types of activities requiring a permit to carry out certain types of activities issued by a self-regulating organization shall accrue as of the moment of obtaining such authorization (or license) or at the time specified therein or as of the moment of enlistment in a self-regulating organization or issuance of a permit to carry out certain types of activities by a self-regulating organization and shall terminate upon termination or expiry of an authorization (or license), or membership in a self-regulating organization, or a permit to carry out certain types of activities issued by a self-regulating organization.

Article 4. Company's Authorized Capital

4.1. The Company's authorized capital is comprised of the par value of the Company's shares acquired by Shareholders (placed shares).

The Company's authorized capital amounts to 17,857,780,114 (seventeen billion eight hundred and fifty-seven million seven hundred and eighty thousand one hundred and fourteen) rubles 60 kopecks.

4.2. The Company placed 178,577,801,146 (one hundred and seventy-eight billion five hundred and seventy-seven million eight hundred and one thousand one hundred and forty-six) ordinary shares with the par value of 10 (ten) kopecks each for the total amount at the par value of 17,857,780,114 (seventeen billion eight hundred and fifty-seven million seven hundred and eighty thousand one hundred and fourteen) rubles 60 kopecks.

4.3. The Company's authorized capital may be:

- increased by increasing the par value of its shares or by distributing additional shares;
- decreased by decreasing the par value of shares or reducing their overall quantity, including by acquisition or redemption of a portion of the placed shares in accordance with these Articles of Association.

4.4. The Company may increase its authorized capital only after it has been paid up in full.

Paying up of any additional shares, placed by the Company, is admitted only in cases stipulated in the Federal Law "On Joint-Stock Companies".

4.5. The decrease of the Company's authorized capital shall be made in accordance with the procedure provided for by the law of the Russian Federation and these Articles of Association.

The Company shall be obliged to decrease its authorized capital in the cases stipulated by the Federal Law "On Joint-Stock Companies".

4.6. In addition to the placed shares the Company authorizes the issue of 37,398,854 (thirty-seven million three hundred and ninety-eight thousand eight hundred and fifty-four) ordinary registered shares with the par value of 10 (ten) kopecks each for the total amount at the par value of 3,739,885 (three million seven hundred and thirty-nine thousand eight hundred and eighty-five) rubles 40 kopecks.

The ordinary registered shares authorized by the Company for issue confer rights provided for by Clause 6.2 of these Articles of Association to their holders.

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

5.1. The Company places ordinary shares and may place one or more types of preferred shares, bonds and other securities in accordance with the procedure provided for by the law of the Russian Federation.

5.2. Ordinary shares may not be converted into preferred shares, bonds or other securities.

5.3. Placing by the Company of its shares and other securities convertible into shares is effected in accordance with legal acts of the Russian Federation.

5.4. The Company has the right to conduct the distribution of additional shares and other issuable securities by way of their placing among the Company's Shareholders, subscription or conversion.

5.5. In those cases provided for by the law of the Russian Federation the Company's Shareholders have the preemptive right to purchase additional shares and issuable securities convertible into shares, which are placed by subscription, in the amounts proportional to the number of shares they own in the same category (type).

5.6. Where it is impossible for a Shareholder to obtain a whole number of shares when exercising the preemptive right to purchase additional shares or during the consolidation of shares, shares will be split into portions (fractional shares).

A fractional share grants the Shareholder owning it the same rights evidenced by a whole share in the corresponding category (type) in proportion to that percentage of a whole share which is represented by the fractional share.

Fractional shares circulate on a par with whole shares. If a person purchases two or more fractional shares in the same category (type), such shares form a single whole share and (or) such fractional share as equals the sum total of such fractional shares.

5.7. The form of payment for additional shares placed by subscription shall be determined by the decision on their distribution and shall correspond to the requirements of the RF law. Payment for other issuable securities may be only made in cash.

Article 6. Rights and obligations of the Company's Shareholders

6.1. A person holding the Company's shares on the basis provided for by the law of the Russian Federation and these Articles of Association shall be deemed a Company's Shareholder.

6.2. Each registered ordinary share of the Company confers its holder the equal scope of rights. Holders of registered ordinary shares of the Company are entitled to:

- 1) participate in the General Meeting of Shareholders personally or by proxy and vote on all issues assigned to the responsibility of the General Meeting of Shareholders;
- 2) put forward suggestions for the agenda of the General Meeting of Shareholders in the procedure provided by the law of the Russian Federation and these Articles of Association;
- 3) receive information on the Company's activities and access the Company's documents in accordance with Article 91 of the Federal Law "On Joint-Stock Companies", other regulations and these Articles of Association;
- 4) receive dividends announced by the Company;
- 5) preemptive purchase of additional shares and issuable securities convertible into shares which are issued by subscription, in the amounts proportional to the number of ordinary shares they own in cases provided for by the law of the Russian Federation;
- 6) receive a portion of the Company's assets in case of the Company's liquidation;
- 7) appeal against decisions made by the Company's management bodies that entail civil law consequences pursuant to the terms and procedures stipulated by the applicable laws of the Russian Federation;
- 8) seek compensation for damages and losses suffered by the Company;
- 9) challenge transactions made by the Company on the grounds stipulated by the applicable laws of the Russian Federation and make claims regarding application of consequences of invalidity of void transactions made by the Company;

10) enter into an agreement on exercising corporate rights (corporate agreements) between the Company's shareholders and between the Company and its creditors and other third parties;
11) exercise other rights provided for by the law of the Russian Federation.

6.3. Shareholders holding registered ordinary shares in the Company are entitled:
to contribute to the assets of the Company to the necessary extent, pursuant to the terms and procedures and in the manner stipulated by the applicable laws of the Russian Federation or the Company's Articles of Association;
to keep confidential anything pertaining to the Company's operations;
to participate in decision-making where the Company may not continue to operate under the applicable laws, if participation of a shareholder is required for such decision-making;
to refrain from taking any actions that is knowingly detrimental to the business of the Company;
to refrain from taking any actions (or omissions) that could potentially significantly complicate or prevent from pursuing the goals and objectives of the Company;
to notify the Company of the existence of the corporate agreement.

Shareholders of the Company may have other duties as provided by the applicable laws of the Russian Federation or these Articles of Association.

Article 7. Dividends

7.1. The Company has the right once a year to make a decision on (declare) the payment of dividends on placed shares based on the results of the first quarter, half year and nine months of the financial year and (or) the results of the financial year. Decision on the payment (declaration) of the dividends based on the results of the first quarter, half year and nine months of the financial year may be made within three months upon termination of the respective period.

Unless otherwise provided by the Federal Law "On Joint-Stock Companies", the Company shall pay the declared dividends on shares of each category (type).

7.2. Any resolution to pay (declare) dividends shall be made by the General Meeting of Shareholders of the Company. Such a resolution shall specify the dividend rate for shares of each category (type), form of payment, procedure for payment of dividends-in-kind, and the payment date set for the persons entitled to receive dividends. As related to the payment date, a resolution on setting the date of paying dividends to the persons entitled to receive dividends shall be passed only at the suggestion of the Board of Directors of the Company.

The amount of dividends may not be larger than that recommended by the Company's Board of Directors.

The General Meeting of Shareholders of the Company shall be entitled to take decision not to pay dividends on ordinary shares.

7.3. The Company shall neither have the right to take a decision on (declare) the payment of dividends on shares nor pay the declared dividends on shares in cases provided for by the law of the Russian Federation currently in force.

7.4. Dividends are paid from the Company's after-tax income (Company's net income). The Company's accounting statements are used to calculate the net profit of the Company.

7.5. The term of payment of dividends to nominee holders and beneficial owners (trust managers) who are professional participants of the securities market registered in the Register of Shareholders of the Company may not exceed ten (10) business days, to other persons registered in the Register of Shareholders of the Company - twenty-five (25) business days from the date on which the persons entitled to receive dividends are determined.

The date of making a list of the persons entitled to receive dividends may not be earlier than 10 days from the date of passing a resolution to pay (declare) dividends and more than twenty (20) days from the date of passing such resolution.

Dividends shall be paid to the persons who were holders of shares of the relevant category (type) or persons who exercised the rights attached to such shares as defined by the federal laws at the end of the operational day of the date set as the date set for determining persons

entitled to receive dividends pursuant to the relevant resolution to pay dividends. Dividends payable in cash shall be paid in a non-cash (bank transfer) form, either by the Company itself or, per instructions of the Company, by the Registrar who maintains the Register of Shareholders of the Company, or by a credit organization.

Dividends are paid to natural persons (individuals) whose rights to the shares of the Company are registered in the Register of Shareholders of the Company, by money order or, at the request of such persons, by bank transfer to their banking accounts. Dividends to other persons whose rights to the shares are registered in the Register of Shareholders of the Company are paid to their banking accounts. The obligation of the Company to pay dividends is considered to have been fulfilled on the date when the transferred cash funds are accepted by a federal postal organization or on the date when the indicated cash funds are received by a credit organization where the persons entitled to receive dividends have their banking accounts. The persons who are entitled to receive dividends and whose rights to the shares are registered by a nominee holder of the shares, receive dividends in a cash form in compliance with the procedure specified by the laws of the Russian Federation on securities. Nominee holders, to whom dividends were transferred and who did not fulfill their obligation to transfer the dividends in compliance with the laws of the Russian Federation on securities due to circumstances beyond their control must return the dividends to the Company within ten (10) days of the date of expiration of a one-month period from the date of expiration of the term of dividends payment.

7.6. The persons who have not received the declared dividends due to the fact that the Company or the Registrar do not have accurate addresses or banking details of such persons or due to another type of delay by the creditor may submit a request for payment of such dividends (unclaimed dividends) within a three-year period following the date of the resolution to pay dividends.

If a person, having the rights to dividends, fails to file a timely claim on the declared dividends, he cannot demand to set another period for claim, unless he was forced or threatened when filing such a claim.

Upon expiration of the payment period, set in this Paragraph, the declared and unclaimed by a shareholder dividends are to be restored as part of the Company's retained profit.

Article 8. Company's Funds

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

The amount of the annual deductions shall be five (5) percent of its net profit until the established amount is reached.

8.2. The Company's Reserve Fund is intended for covering its losses, as well as for redeeming the Company's bonds and repurchasing its shares in the absence of other resources.

The Reserve Fund may not be used for other purposes.

8.3. The Company may, in accordance with the requirements of the law of the Russian Federation, establish other funds ensuring the Company's economic and financial activities as a business entity.

Article 9. Management and Supervisory Bodies of the Company

9.1. Management Bodies of the Company are as follows:

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

9.2. The Internal Audit Commission performs the functions of the Company's business and financial supervisory body.

Article 10. General Meeting of Shareholders of the Company

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

10.2. The General Meeting of Shareholders is responsible for the following issues:

- 1) making modifications and amendments to the Articles of Association or approving the Articles of Association as amended;
- 2) restructuring of the Company;
- 3) winding up of the Company, appointing a liquidation committee and approving intermediate and final liquidation balance-sheets;
- 4) defining quantity, par value and category (type) of authorized shares and rights granted to holders of these shares;
- 5) increasing the Company's authorized capital through raising share par value or additional share placement;
- 6) decreasing the Company's authorized capital through lowering share par value, partial acquisition of shares by the Company to reduce share total number, and through redemption of shares purchased or bought out by the Company;
- 7) splitting and consolidation of the Company's shares;
- 8) making decision on placement of bonds convertible to stock or other issuable securities convertible to stock;
- 9) determination of number, election and early termination of powers of members of the Company's Board of Directors;
- 10) election of the members of the Internal Audit Commission of the Company and early termination of their powers;
- 11) approval of the Auditor of the Company;
- 12) making decision on transfer of powers of the Company's sole executive body to a managing company (manager) and on early termination of its powers;
- 13) approval of annual reports, annual accounting statements (including profit and loss statements/profit and loss accounts) of the Company, as well as profit distribution (including payment (declaration) of dividends, except for profit distributed as dividends basing upon the Company's performance during the first quarter, the first six months, nine months of the financial year) and losses of the Company basing upon the Company's performance during the financial year;
- 14) payment (declaration) of dividends based on the results of the first quarter, half year, nine months of the financial year;
- 15) approval of the procedure for the General Meeting of Shareholders of the Company;
- 16) approving transactions in cases stipulated in Article 83 of the Federal Law "On Joint-Stock Companies";
- 17) approving large transactions in cases stipulated in Article 79 of the Federal Law "On Joint-Stock Companies";
- 18) making decisions on participation in financial and industrial groups, associations and other unions of commercial organizations;
- 19) approval of the internal documents governing the activity of the Company's bodies;
- 20) decision-making on remunerations and/or compensations payable to the members of the Internal Audit Commission of the Company;
- 21) decision-making on remunerations and/or compensations payable to the members of the Board of Directors of the Company;
- 22) passing a resolution on requesting to exclude shares of the Company and (or) issuable securities of the Company convertible into its shares from the quotation list;
- 23) making decision on other issues stipulated in the Federal Law "On Joint-Stock Companies".

10.3. The issues assigned to the responsibility of the General Meeting of Shareholders may not be delegated to the Board of Directors or the General Director of the Company.

The General Meeting of Shareholders is not entitled to consider and decide on the issues not within its competence pursuant to the Federal Law "On Joint-Stock Companies".

10.4. Any decision of the General Meeting of Shareholders on an issue put to a vote shall be taken by a majority vote of the Company's Shareholders holding voting shares and attending the meeting, unless otherwise is stipulated by the Federal Law "On Joint-Stock Companies".

10.5. Resolutions on the issues specified below shall be taken by the General Meeting of Shareholders by a three-fourths' majority vote of voting shareholders participating in such meeting:

- making modifications and amendments to the Articles of Association or approving the Articles of Association as amended;
- restructuring of the Company;
- winding up of the Company, appointing a liquidation committee and approving intermediate and final liquidation balance-sheets;
- defining quantity, par value and category (type) of authorized shares and rights granted to holders of these shares;
- decrease of the Company's authorized capital by increasing the par value of shares;
- placement of shares (issuable securities convertible into the Company's shares) through closed subscription based on the resolution of the General Meeting of Shareholders on increase in the authorized capital through additional shares placement (on placement of issuable securities of the Company convertible into shares);
- placement of ordinary shares representing more than twenty-five (25) percent of the previously placed ordinary shares through public offering;
- placement of issuable securities convertible into ordinary shares representing more than twenty-five (25) percent of the previously placed ordinary shares through public offering;
- approval of major transaction with the Company's property in the amount exciding fifty (50) percent of the book value of the Company's assets;
- passing a resolution on requesting to exclude shares of the Company and (or) issuable securities of the Company convertible into its shares from the quotation list;
- on other issues stipulated in the Federal Law "On Joint-Stock Companies".

Resolutions on approval of an interested party transaction pursuant to Article 83 of the Federal Law "On Joint-Stock Companies" shall be made by the General Meeting of Shareholders by a majority vote of shareholders holding voting shares of those shareholders who do not have any vested interest in such transaction.

10.6. Resolutions on issues stated in sub-clauses 2, 5, 7, 8, 12-20, clause 10.2. of Article 10 of these Articles of Association shall be made by the General Meeting of Shareholders only at the Company's Board of Directors proposal.

10.7. The General Meeting of Shareholders may neither take decisions on the issues not included in its agenda, nor may it change the agenda.

Decisions of the General Meeting of Shareholders taken on the issues not included in the agenda of the General Meeting of Shareholders (with the exception of cases where all Company's Shareholders participated therein) or in violation of the competence of the General Meeting of Shareholders in the absence of quorum for taking decision by a majority votes, shall be invalid notwithstanding their appeal through the courts.

10.8. Voting at the General of Meeting Shareholders is carried out in accordance with the principle "one voting share of the Company - one vote", with the exception of cumulative voting for election of members of the Company's Board of Directors.

During cumulative voting, the number of votes held by each Shareholder shall be multiplied by the number of persons to be elected to the Company's Board of Directors, and the Shareholder may give all the resulting votes for one candidate or divide such votes between two or more candidates.

The candidates collecting the highest number of votes are deemed elected to the Board of Directors.

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

The specific location for holding the General Meeting of Shareholders shall be determined by the Company's Board of Directors for the purposes of resolving the issues related to holding of the General Meeting of Shareholders.

10.10. The Chairman of the Board of Directors presides at the General Meeting of Shareholders. In the absence of the Chairman of the Company's Board of Directors, the Deputy Chairman of the Company's Board of Directors presides at the General Meeting of Shareholders.

In the absence of the Chairman of the Board of Directors and his deputy, any member of the Board of Directors may preside at the General Meeting of Shareholders by resolution of the Company's Board of Directors or at the discretion of the Board of Directors members present at the General Meeting of Shareholders.

Should the persons presiding at the General Meeting of Shareholders in accordance with this Clause be absent at the extraordinary General Meeting of Shareholders held based on the decision of persons entitled to require convening of the General Meeting of Shareholders, the person who made the decision on convening of an extraordinary General Meeting of Shareholders (his/her representative) or one of the persons who made the decision on convening such meeting, provided that such decision was made by several persons, shall preside at the meeting.

10.11. Should all voting shares in the Company be owned by a sole Shareholder, decisions on the issues falling within the competence of the General Meeting of Shareholders shall be made by such Shareholder (Shareholder's authorized managerial body) alone, executed in writing and communicated to the Company. In such case, those provisions of Articles 10-15 of these Articles of Association which describe procedures and periods for the preparation, convening, and holding of the General Meeting of Shareholders shall not be applicable, with the exception of those prescribing the period for holding an annual General Meeting of Shareholders.

Article 11. General Meeting of Shareholders Held in the Form of Joint Attendance

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

The annual General Meeting of Shareholders shall at all times resolve the issues relating to the election of the Company's Board of Directors, Internal Audit Commission, appointment of the Auditor of the Company, approval of annual reports, annual accounting statements including profit and loss statement (profit and loss account) of the Company as well as allocation of profit (including dividend payout (declaration), excluding profit allocated as dividends based on the results of the first quarter, half year and nine months of the financial year) and losses of the Company based on the results of the financial year, as well as make decisions on other issues falling within the competence of the Company's General Meeting of Shareholders.

11.2. The General Meeting of Shareholders shall be held in the form of joint attendance of shareholders (their representatives) in order to discuss issues on the agenda and decide those issues put to the vote.

A decision of the General Meeting of Shareholders may be taken by means of absentee voting (ballots) in accordance with Article 12 of these Articles of Association.

11.3. The functions of the Counting Commission at the General Meeting of Shareholders shall be performed by a securities market professional – holder of the Company's Register of shareholders (Registrar of the Company).

11.4. The list of persons entitled to participate in the General Meeting of Shareholders shall be made on the basis of the Shareholders' Register.

The date established for recording the list of persons entitled to participate in the General Meeting of Shareholders may not be set earlier than in ten (10) days since the date of the decision to convene the General Meeting of Shareholders or more than fifty (50) days, or in the

case stipulated by Clause 14.9 of these Articles of Association. The information on the date of preparation of the list of persons entitled to participate in the General Meeting of Shareholders is disclosed at least seven (7) days before the above date.

11.5. A notification of the General Meeting of Shareholders is published on the official website of the Company: www.mrsk-volgi.ru not later than thirty (30) days prior to the date of the meeting.

A notice of the General Meeting of Shareholders of the Company shall include:

- the full business name and registered address of the Company;
- the form of the General Meeting of Shareholders (joint attendance of Shareholders or absentee voting/voting by mail-in ballots);
- the date and venue (including details of the venue), the time of the General Meeting of Shareholders and the postal address to which completed ballot papers must be mailed;
- date of making a list of persons entitled to participate in the General Meeting of Shareholders;
- agenda of the General Meeting of Shareholders;
- procedure for communication of information (materials) to be submitted for preparation for the General Meeting of Shareholders and address (addresses) to access this information;
- details of the documents to be submitted to get access to the venue of the General Meeting of Shareholders if this venue is a restricted access location.

11.6. Voting ballots on the agenda issues shall be sent by registered mail (or delivered in person against signature) to each person on the list of persons entitled to take part in the General Meeting of Shareholders of the Company not later than twenty (20) days prior to the date of the General Meeting of Shareholders.

Each person included in the list shall be provided with a voting ballot for voting on all issues or with one copy of two or more voting ballots for voting on different issues.

11.7. Information on the agenda issues of the General Meeting of Shareholders shall be made available to the persons entitled to participate in the General Meeting of Shareholders at the office of the Executive Body of the Company or other places at the addresses stated in the notice on holding the General Meeting of Shareholders within the period of twenty (20) days, or, in case of holding the General Meeting of Shareholders to discuss the issue on reorganization of the Company, within thirty (30) days prior to the holding the General Meeting of Shareholders. This information (materials) shall be available to the persons participating in the General Meeting of Shareholders during the meeting. In this case, the Company shall endeavor to make these materials readily available to the persons authorized to take part in the General Meeting of Shareholders at least 30 days prior to the date of the meeting.

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

11.8. The right to attend a General Meeting of Shareholders is exercised by a Shareholder in person or through a representative.

In the event that a share in the Company is co-owned by several persons, such persons shall be provided with one voting ballot for voting on all the issues or with one copy of two or more voting ballots for voting on different issues. The right to vote at the General Meeting of Shareholders shall be exercised at such persons' discretion by one of the co-owners or by their common representative.

The rights of each of the specified persons shall be duly documented.

11.9. In the event of holding of a General Meeting of Shareholders in the form of joint attendance the persons specified in the list of persons entitled to participate in the General Meeting of Shareholders (their representatives) shall be entitled to participate in such meeting or send completed voting ballots to the Company.

11.10. A General Meeting of Shareholders is valid (has a quorum) if the Shareholders participating therein together hold, in aggregate, more than one half of the Company's outstanding voting shares.

Those shareholders who registered for participation in the General Meeting of Shareholders, as well as those shareholders whose voting ballots are received at least two days prior to the date of such meeting, shall be deemed to have participated in the meeting.

Should the agenda of the General Meeting of Shareholders include any issues to be voted on by different voters, the determination of whether a quorum is present for the purposes of decision-making on such issues shall be made separately.

11.11. The absence of a quorum for decision-making on the issues to be voted by one body of voters shall not prevent decision-making on those issues to be voted on by a different body of voters, provided that a quorum in the latter case is present.

In the absence of a quorum for an annual General Meeting of Shareholders, an adjourned General Meeting of Shareholders with the same agenda shall be held. In the absence of a quorum for an extraordinary General Meeting of Shareholders, an adjourned General Meeting of Shareholders with the same agenda shall be held.

A decision on convention of an adjourned General Meeting of Shareholders shall be made by the Company's Board of Directors.

An adjourned General Meeting of Shareholders shall be deemed validly convened if the Shareholders together holding at least 30 percent of the Company's outstanding voting shares participate in the meeting.

Should an adjourned General Meeting of Shareholders be held less than forty (40) days after the initial General Meeting of Shareholders, those persons entitled to participate in the adjourned meeting shall be determined in accordance with the list of persons who were entitled to participate in the initial meeting.

In the absence of a quorum for holding of an annual General Meeting of Shareholders based on the court decision, an adjourned General Meeting of Shareholders with the same agenda shall be held within 60 days. At the same time, there is no need to bring before a court. The adjourned General Meeting of Shareholders is convened and held by a person or authority of the Company specified in the court's ruling, and, if the said person or authority of the Company has not convened an annual General Meeting of Shareholders within a period set by the court, the Adjourned Meeting of Shareholders shall be convened and held by other persons or authority of the Company having filed a claim to the court, provided they are specified in the court's ruling.

In the absence of a quorum for holding of an extraordinary General Meeting of Shareholders based on the court decision, an adjourned General Meeting of Shareholders shall not be held.

11.12. The Minutes of the General Meeting of Shareholders shall be drawn up not later than three (3) business days after closing the General Meeting of Shareholders in two copies. Both copies shall be signed by the Chairman of the General Meeting of Shareholders and the Secretary of the General Meeting of Shareholders (Corporate Secretary). The Minutes of the General Meeting of Shareholders is published on the official website of the Company: www.mrsk-volgi.ru not later than three (3) days from the date of the Minutes.

11.13. Resolutions passed by the General Meeting of Shareholders and the voting results may be announced at the General Meeting of Shareholders during which the voting was held, and subsequently communicated, in the form of the Report on the voting results, to persons included in the list of persons entitled to participate in the General Meeting of Shareholders according to the procedure for informing of the convened General Meeting of Shareholders, as provided by the Articles of Association of the Company, within maximum four business days after the date of closing the General Meeting of Shareholders.

If on the date of making the list of persons entitled to participate in the General Meeting of Shareholders, a person included in the Register of Shareholders of the Company was a nominee shareholder, then the Report on the voting results should be sent to such nominee shareholder using an electronic delivery method (as an electronic document authenticated by the digital signature). The nominee shareholder shall communicate the content of the Report on the voting results obtained in compliance with this paragraph to his/her depositors, in accordance with the

procedure and within the time frame set by the applicable laws and regulations of the Russian Federation or the relevant agreement with the depositor.

Article 12. General Meeting of Shareholders Held by Absentee Voting

12.1. Resolution of the General Meeting of Shareholders may be taken by means of absentee voting (ballots) without the meeting being actually convened (without joint attendance of shareholders in order to discuss agenda issues and decide those issues put to the vote). Voting on the agenda issues of the General Meeting of Shareholders held by absentee voting shall only be carried out by voting ballots.

12.2. The General Meeting of Shareholders with an agenda including issues relating to the election of the Company's Board of Directors, Internal Audit Commission, approval of the Company's Auditor, or any of the issues provided for by sub-clause 13, Clause 10.2, Article 10 of these Articles of Association may not be held by means of absentee voting.

An adjourned General Meeting of Shareholders in place of the initial one in the form of joint attendance shall not be held by means of voting ballots.

12.3. A list of persons entitled to participate in the General Meeting of Shareholders is compiled on the basis of data from the Company's Register of Shareholders.

The date established for recording the list of persons entitled to participate in the General Meeting of Shareholders held by absentee voting may not be set earlier than in ten (10) days since the date of the decision to convene the General Meeting of Shareholders or more than fifty (50) days prior to the expiry date of the period for accepting voting ballots.

The information on the date of preparation of the list of persons entitled to participate in the General Meeting of Shareholders is disclosed at least seven (7) days before the above date.

12.4. Notice on convening a General Meeting of Shareholders held by absentee voting shall be published on the Company's website no later than thirty (30) days prior to the expiry date of the period for accepting voting ballots.

A notice of the General Meeting of Shareholders of the Company shall include:

- full business name and registered address of the Company;
- the form of the General Meeting of Shareholders (joint attendance of Shareholders or absentee voting/voting by mail-in ballots);
- the deadline for receipt of ballot papers and the postal address to which completed ballot papers must be mailed;
- date of making a list of persons entitled to participate in the General Meeting of Shareholders;
- agenda of the General Meeting of Shareholders;
- procedure for communication of information (materials) to be submitted for preparation for the General Meeting of Shareholders and address (addresses) to access this information.

12.5. Voting ballots for voting on issues included in the agenda shall be sent by a registered mail at the address specified in the list of persons entitled to take part in the General Meeting of Shareholders of the Company or to deliver in person against signature to a person specified in the list of persons entitled to take part at the General Meeting of Shareholders of the Company not later than twenty (20) days prior to the expiry date of the period for accepting voting ballots.

Each person included in the list of persons entitled to participate in the General Meeting of Shareholders shall be provided with a voting ballot for voting on all issues or with one copy of two or more voting ballots for voting on different issues.

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

12.6. A General Meeting of Shareholders held by absentee voting is valid (have a quorum) if the shareholders participating therein together hold, in aggregate, more than one half of the Company's outstanding voting shares.

Shareholders whose voting ballots were received prior to the expiry date of the period for accepting voting ballots specified therein shall be deemed to have participated in the General Meeting of Shareholders held by absentee voting.

12.7. The minutes on voting results shall be made up and signed by the Company's Registrar not later than three (3) business days upon the expiry date of the period for accepting voting ballots in two copies.

The Minutes of General Meeting of Shareholders shall be drawn up not later than three (3) business days after the closing of General Meeting of Shareholders in two copies. Both copies shall be signed by the Chairman of the General Meeting of Shareholders and the Secretary of the General Meeting of Shareholders (Corporate Secretary).

The Minutes of the General Meeting of Shareholders is published on the official website of the Company: www.mrsk-volgi.ru not later than three (3) days from the date of the Minutes.

12.8. Resolutions passed by the General Meeting of Shareholders shall be communicated, in the form of the Report on the voting results, to persons included in the list of persons entitled to participate in the General Meeting of Shareholders according to the procedure for informing of the convened General Meeting of Shareholders within maximum four business days after the closing date for the ballot.

If on the date of making the list of persons entitled to participate in the General Meeting of Shareholders, a person included in the Register of Shareholders of the Company was a nominee shareholder, then the Report on the voting results should be sent to such nominee shareholder using an electronic delivery method (as an electronic document authenticated by the digital signature). The nominee shareholder shall communicate the content of the Report on the voting results obtained in compliance with this paragraph to his/her depositors, in accordance with the procedure and within the time frame set by the applicable laws and regulations of the Russian Federation or the relevant agreement with the depositor.

Article 13. Proposals for Inclusion on Agenda of General Meeting of Shareholders

13.1. Shareholder (Shareholders) of the Company who holds a total of at least two (2) percent of voting shares of the Company is entitled to put forward suggestions for the agenda of the annual General Meeting of Shareholders and to nominate candidates for the Board of Directors and the Internal Audit Commission of the Company in the number not exceeding the number of members of the bodies in question within the period of not later than sixty (60) days from the end date of the financial year.

13.2. The proposal on putting forward issues for the agenda of the General Meeting of Shareholders and proposals on nomination of candidates shall be presented in writing stating the name (business name) of shareholders (shareholder) initiating such proposal, the amount and category (type) of shares owned by them and shall be signed by shareholders (shareholder).

13.3. The proposal on putting forward issues for the agenda of the General Meeting of Shareholders shall contain the written statement of each proposed issue and the proposal on nominating candidates shall provide a name and the data from the identity document (series and (or) the number of document, date and place of issue and the name of issuing body) of each nominated candidate and the name of a body for which the candidate is nominated.

13.4. The Board of Directors of the Company shall be obliged to consider the proposals received and decide to include or refuse to include the corresponding issues on the agenda of the General Meeting of Shareholders within five (5) days of the expiry of the periods specified in Clause 13.1 of this Article.

13.5. The Board of Directors of the Company shall be entitled to refuse to include the issue proposed by a shareholder (shareholders) to include on the agenda of the General Meeting of Shareholders and a candidate nominated thereby to include on the list of candidates for voting in elections to the Company's corresponding authority on the grounds provided for by the Federal Law "On Joint-Stock Companies" and other regulations of the Russian Federation.

13.6. A reasoned decision by the Board of Directors of the Company to refuse to include a proposed issue on the agenda of the General Meeting of Shareholders or a nominated candidate on the list of candidates for elections to the Company's corresponding authority shall be sent to the shareholder (shareholders) who submitted such proposal or nomination within three (3) business days from the date of such decision.

13.7. The Board of Directors of the Company has no rights to change written statement of the issues proposed for the agenda of the General Meeting of Shareholders as well as to written statements of decisions on such issues.

Apart from the issues put forward for the agenda of the General Meeting of Shareholders as well as in case of absence of such proposals, the absence or insufficient number of candidates proposed by the Shareholders to form the respective body, the Board of Directors shall be entitled to put issues or candidates on the agenda of the General Meeting of Shareholders at their own option.

Article 14. Convention of the Extraordinary General Meeting of Shareholders of the Company

14.1. The General Meeting of Shareholders held additionally to the annual General Meeting shall be deemed extraordinary General Meetings of Shareholders.

14.2. An extraordinary General Meeting of Shareholders shall be held by the decision of the Company's Board of Directors on its own initiative, upon demand of the Internal Audit Commission of the Company or the Auditor of the Company, or at the request of a shareholder (shareholders) representing, in aggregate, at least ten (10) percent of the Company's voting shares on the date of such request.

14.3. The convention of the extraordinary General Meeting of Shareholders upon the demand of the Internal Audit Commission of the Company, the Auditor of the Company and the shareholder (shareholders) who holds no less than ten (10) percent of voting shares of the Company shall be made by the Board of Directors of the Company.

Such extraordinary General Meeting of Shareholders shall be held within fifty (50) days from submission of the request for such meeting with the exception of the case provided for by Clause 14.9 of these Articles of Association.

14.4. The request for convening an extraordinary General Meeting of Shareholders shall contain issues for the agenda of the meeting.

The persons (person) requesting convention of the extraordinary General Meeting of Shareholders of the Company shall be entitled to submit a wording of the decision by the General Meeting of Shareholders and a proposal on the form of holding of the General Meeting of Shareholders. Any nomination proposal which may appear in the request for convening the extraordinary General Meeting of Shareholders shall be governed by the provisions of Article 13 of these Articles of Association.

The Board of Directors of the Company may not alter the wordings of issues proposed for the agenda, the wordings of decisions proposed on such issues, or the form proposed for an extraordinary General Meeting of Shareholders being convened at the request of the Company's Internal Audit Commission, the Company's Auditor, or the shareholders (shareholder) representing at least ten (10) percent of the Company's voting shares.

14.5. Any request for convening the extraordinary General Meeting of Shareholders provided by any shareholder(s) shall contain the name(s) of this shareholder(s) and number and category (type) of shares held by this shareholder(s).

The request for convening the extraordinary General Meeting of Shareholders shall be signed by a person(s) who requested to convene this extraordinary General Meeting of Shareholders of the Company.

14.6. The Board of Directors of the Company shall decide to convene or refuse to convene such a meeting within five (5) days from the date of a request submitted by the Company's Internal

Audit Commission, Company's Auditor, or a shareholder(s) representing at least ten (10) percent of the Company's voting shares for an extraordinary General Meeting of Shareholders.

14.7. A decision of the Board of Directors of the Company to convene an extraordinary General Meeting of Shareholders or a reasonable refusal to convene it shall be sent to the parties requesting such meeting within three (3) days from the corresponding decision.

14.8. If within a period, set in Clause 14.6, Article 14 of these Articles of Associations, the Board of Directors fails to make a decision on convening of an extraordinary General Meeting of Shareholders of the Company or decides not to convene such a meeting, the authority or persons of the Company demanding to convene the meeting shall be entitled to file a claim to the court thus forcing the Company to convene a General Meeting of Shareholders.

The court's ruling on forcing the Company to convene the extraordinary General Meeting of Shareholders shall specify a period and procedure for its holding.

The responsibility for execution of the court's ruling falls on the claimant himself or by his petition on the authority of the Company or any other person, provided he gives his consent to it. The Company's Board of Directors may not be such an authority.

At the same time, the authority or person of the Company, who in accordance with the court's ruling holds the extraordinary General Meeting of Shareholders, shall have all the rights needed to convene and hold such a meeting, granted to him by virtue of the Federal Law "On Joint-Stock Companies".

If according to the court's ruling the extraordinary General Meeting of Shareholders is held by a claimant, all his expenses may be reimbursed by the Company, if the General Meeting of Shareholders decides to do so.

14.9. If the proposed agenda of an extraordinary General Meeting of Shareholders includes elections to the Company's Board of Directors:

14.9.1. such extraordinary General Meeting of Shareholders shall be held within ninety-five (95) days of the submission of a request for such meeting.

14.9.2. The Shareholders representing at least two (2) percent of the Company's voting shares shall be entitled to nominate candidates to the Company's Board of Directors whose number shall not exceed the number of members of the Company's Board of Directors.

Such proposals shall be forwarded to the Company not later than thirty (30) days prior to the date when the extraordinary General Meeting of Shareholders is held.

The Board of Directors of the Company shall be obliged to consider the proposals received and shall decide to include or refuse to include the corresponding issues on the agenda of the General Meeting of Shareholders within five (5) days of the expiry of the periods specified in paragraph 2 of this sub-clause.

14.9.3. The date of making a list of the persons entitled to participate in the General Meeting of Shareholders may not be earlier than ten (10) days after the date of passing a resolution to hold the General Meeting of Shareholders and more than eighty-five (85) days before the date of the General Meeting of Shareholders.

14.9.4. Notice on holding the General Meeting of Shareholders shall be made within seventy (70) days prior to such meeting.

Article 15. Company's Board of Directors

15.1. The Board of Directors of the Company is a collegial body that controls the Sole executive body of the Company and carries out other functions entrusted by law or these Articles of Association. The Board of Directors of the Company is responsible for overall management of the Company, excluding the issues assigned to the responsibility of the General Meeting of Shareholders by the Federal Law "On Joint-Stock Companies" and these Articles of Association. The Board of Directors of the Company is responsible for the following issues:

- 1) determining top-priority activities and strategy of the Company;
- 2) convening annual and extraordinary General Meetings of the Company's shareholders, unless otherwise provided in sub-clause 14.8, Article 14 of these Articles of Association, as well as

- declaring a date for a new General Meeting of Shareholders to be held in case of absence of quorum;
- 3) approval of the agenda of the General Meeting of Shareholders of the Company;
 - 4) election of the Secretary of the General Meeting of Shareholders of the Company;
 - 5) defining the date of making a list of persons entitled to participate in the General Meeting of Shareholders; defining the date of making a list of persons entitled to receive dividends; approving a budget for the General Meeting of Shareholders of the Company and solving other issues associated with preparation and holding of the General Meeting of Shareholders of the Company;
 - 6) referring issues specified in sub-clauses 2, 5, 7, 8, 12-20, clause 10.2, Article 10 of the Articles of Association, issues of reducing the Company's authorized capital through decreasing share nominal value and issue of defining a date of making a list of persons entitled to receive dividends to the General Meeting of Shareholders of the Company;
 - 7) placement of additional shares by the Company into which preference shares of a specific type convertible into ordinary shares or preference shares of another type placed by the Company, if such placement is not connected with the increase of the authorized capital of the Company, as well placement of bonds and other issuable securities (other than shares) by the Company; issuance of Eurobonds and defining the Company's policies related to issuance of the issuable securities (other than shares) and Eurobonds;
 - 8) approval of a resolution on issue (additional issue) of securities, a prospectus of securities and a report on the results of the issue (additional issue) of securities, a report on the results of issue (additional issue) of securities and a notification of the results of the issue (additional issue) of securities, approval of reports on the results of acquisition of shares of the Company's shareholders, reports on the results of redemption (retirement) of shares, reports on results of buyback (repurchase) of shares requested by the Company's shareholders;
 - 9) determining the price (money value) of assets, the placing price (or procedure for determining the placing price) and the repurchase price of the issuable securities in cases provided by the Federal Law "On Joint-Stock Companies", as well as for the purposes of resolving the issues specified in sub-clauses 11, 22, 38, Clause 15.1, Article 15 of these Articles of Association;
 - 10) purchasing shares, bonds and other securities placed by the Company in cases stipulated by the Federal Law "On Joint-Stock Companies";
 - 11) transfer (sales) of the Company's shares obtained by the Company as a result of acquisition or buying out from the Company's shareholders or otherwise as per the Federal Law "On Joint-Stock Companies";
 - 12) election of the General Director of the Company and early termination of his powers, including deciding on early termination of the employment agreement with the General Director;
 - 13) determination of number, election, setting fees and compensations and early termination of powers of members of the Company's Management Board;
 - 14) giving recommendations to the General Meeting of the Company's shareholders on fees and compensations payable to members of the Company's Internal Audit Commission and determination of the Auditor's fee;
 - 15) giving recommendations on the amount of dividends on shares and the procedure of payment thereof;
 - 16) approving internal documents of the Company determining the procedure of formation and use of the Company's funds;
 - 17) making decision on using the Company's funds; approving and reviewing results of fulfillment of budgets for use of special funds;
 - 18) approving the Company's internal documents, except for internal documents to be adopted by the General Meeting of Shareholders, and other internal documents referred to the Company's executive bodies;
 - 19) approval of the business plan (adjusted business plan), including the investment program and quarterly performance report thereon, as well as approval (adjustment) of benchmark values of Company's cash flow;

- 20) consideration of the investment program, including changes therein;
- 21) launching and winding up branches and representative offices of the Company, and making modifications to the Articles of Association of the Company related to launching and winding-up of the Company's branches and representative offices (including any changes in names and addresses of the Company's branches and representative offices);
- 22) making a decision on the Company's participation in other organizations (on entry in an acting organization or foundation of a new organization, including approval of any constituent documents) as well as on acquisition, disposal or encumbrance of shares and participatory interests in the authorized capital of organizations of which the Company is a member, changes in the participatory interest in the authorized capital of the certain organization and withdrawal of the Company from other organizations;
- 23) defining the Company's credit policy for granting loans, entering into credit and loan contracts, providing guarantees, assuming liabilities on notes (issuing a promissory and transfer notes), property pledging and making decisions on settling the above transactions when the procedure for making decisions on these transactions is not provided by the Company's credit policy, as well as making decisions (according to the procedure provided by the Company's credit policy) on bringing Company's liability position in line with limits specified in the Company's credit policy;
- 24) approving major transactions as provided in Chapter X of the Federal Law "On Joint-Stock Companies";
- 25) approving transactions stipulated in Chapter XI of the Federal Law "On Joint-Stock Companies";
- 26) appointing the Company's registrar, approving terms and conditions of contract with the registrar and terminating this contract;
- 27) election of the Chairman of the Board of Directors of the Company and early termination of his/her powers;
- 28) election of the Deputy Chairman of the Board of Directors of the Company and early termination of his/her powers;
- 29) election of the Corporate Secretary of the Company and early termination of his/her powers;
- 30) pre-approving decisions on the Company's transactions associated with free transfer of the Company's property or property rights (requirements) to the Company or third party; transactions associated with release from property liability to the Company or third party; transactions associated with delivery of free services (works) by the Company to third parties in cases (in the amount) determined by specific decisions made by the Company's Board of Directors, and making decisions on settlement of these transactions by the Company if the above cases (amount) were not defined;
- 31) decision-making on suspension of powers of the Managing Company (Top Manager);
- 32) passing a resolution on appointment of the Acting General Director of the Company in cases provided by separate resolutions of the Board of Directors of the Company and bringing the Acting General Director to disciplinary responsibility;
- 33) bringing the General Director of the Company and members of the Management Board of the Company to disciplinary responsibility and their awarding in compliance with the RF labor law;
- 34) review of the reports of the General Director on the Company's activities (including performance of his/her duties), implementation of resolutions of the General Meeting of Shareholders and the Board of Directors of the Company;
- 35) approving the procedure for interaction between the Company and organizations with capital share held by the Company;
- 36) defining an opinion of the Company (its representatives) (including regarding participation in voting on agenda issues, voting for or against on draft decisions or abstain from voting) on the following issues on agenda of the general meetings of shareholders (participants) of subsidiaries and affiliates and on agenda of meetings of the Board of Directors of these subsidiaries and affiliates:
 - a) determining the agenda of the General meeting of Shareholders (participants) of subsidiaries

and affiliates, except for those subsidiaries and affiliates where the Company owns one hundred percent (100%) of their authorized capital;

- b) restructuring, liquidation of subsidiaries and affiliates;
- c) determination of number of members of management and supervisory bodies of subsidiaries and affiliates; nomination, election of these members and early termination of their powers; nomination, election of a sole executive body of subsidiaries and affiliates and early termination of its powers;
- d) determination of quantity, par value and category (type) of authorized shares of subsidiaries and affiliates and rights granted to holders of these shares;
- e) increase in the authorized capital of subsidiaries and affiliates through raising share par value or additional share placement;
- f) placement of securities of subsidiaries and affiliates converted into ordinary shares;
- g) splitting and consolidating shares of subsidiaries and affiliates;
- h) approval of major transactions made by subsidiaries and affiliates;
- i) participation of subsidiaries and affiliates in other organizations (entry in an acting organization or foundation of a new organization) as well as acquisition, disposal or encumbrance of shares and participatory interests in the authorized capital of organizations of which the subsidiaries and affiliates are members, changes in the participatory interest in the authorized capital of the certain organization;
- j) settlement of transactions (including several related transactions) associated with acquisition, disposal or possibility to dispose property deemed to be fixed assets, intangible assets, construction-in-progress facilities intended for production, transfer, dispatching and distribution of electric power and heat in cases (amounts) provided by the procedure for interaction between the Company and organizations with capital share held by the Company approved by the Board of Directors of the Company;
- k) making amendments and additions to the constituent documents of subsidiaries and affiliates;
- l) defining a procedure for fee payment to members of the Board of Directors and Internal Audit Commission of subsidiaries and affiliates;
- m) approval of target (adjusted) key performance indicators (KPIs) (adjusted KPIs);
- n) approving the report on achievement of planned level of annual and quarterly key performance indicators;
- o) approval of the business plan (adjusted business plan), including the investment program and quarterly performance report thereon;
- p) approval (review) of the report on the business plan completion;
- q) approving profit and loss distribution basing upon the results of the financial year;
- r) recommendations on the amount of dividends on shares and the procedure of payment thereof;
- s) payment (declaration) of dividends based on the results of the first quarter, half year, nine months of the financial year as well as based on the results of the financial year;
- t) review of the investment program including changes therein;
- u) approval (review) of the report on the investment program completion.
- v) decreasing the authorized capital of subsidiaries and affiliates through lowering share par value, partial acquisition of shares by subsidiaries and affiliates to reduce share total number, and through redemption of shares purchased or bought out by subsidiaries and affiliates
- w) defining the credit policy of subsidiaries and affiliates for granting loans, entering into credit and loan contracts, providing guarantees, assuming liabilities on notes (issuing a promissory and transfer notes), property pledging and making decisions on settling the above transactions when the procedure for making decisions on these transactions is not provided by the credit policy of subsidiaries and affiliates, as well as making decisions (according to the procedure provided by the credit policy of subsidiaries and affiliates) on bringing the liability position of subsidiaries and affiliates in line with the limits specified in the credit policy of subsidiaries and affiliates, on examination of the report on the credit policy for subsidiaries and affiliates, on approval of the credit plan for subsidiaries and affiliates, on approval of the Strategic

Development Plan for subsidiaries and affiliates and updated Strategic Development Plan for subsidiaries and affiliates, on examination of the report on implementing the Strategic Development Plan for subsidiaries and affiliates.

37) defining an opinion of the Company (its representatives) on the following issues on agenda of the meetings of the Board of Directors of subsidiaries and affiliates (including regarding participation in voting on agenda issues, voting for or against draft decisions or abstain from voting):

a) positions of representatives of the subsidiaries and affiliates on the issues on the agenda of general meetings of shareholders (participants) and meetings of the Board of Directors of subsidiaries and affiliates regarding settlement (approval) of transactions (including several related transactions) associated with acquisition, disposal or possibility to dispose property deemed to be fixed assets, intangible assets, construction-in-progress facilities intended for production, transfer, dispatching and distribution of electric power and heat in cases (amounts) provided by the procedure for interaction between the Company and organizations with capital share held by the Company approved by the Board of Directors of the Company;

b) positions of representatives of subsidiaries and affiliates on the issues on the agenda of general meetings of shareholders (participants) and meetings of the Board of Directors of affiliated companies of subsidiaries and affiliates involved in production, transmission, dispatching, distribution and sale of electric and heat power, regarding reorganization, winding-up, increasing authorized capital of the above affiliated companies through raising share par value or additional share placement, placement of securities convertible to ordinary shares;

38) preliminary approving decisions on the following transactions of the Company:

a) transactions involving non-current assets of the Company in the amount exceeding 10 percent of the book value of these assets of the Company according to the accounting statements as of the previous reporting date;

b) transactions (including several related transactions) associated with acquisition, disposal or possibility to dispose property deemed to be fixed assets, intangible assets, construction-in-progress facilities intended for production, transfer, dispatching and distribution of electric power and heat in cases (amounts) determined by specific decisions of the Board of Directors of the Company or if these cases (amounts) were not defined by the Board of Directors of the Company;

c) transactions (including several related transactions) associated with acquisition, disposal or possibility to dispose property deemed to be fixed assets, intangible assets, construction-in-progress facilities intended for production, transfer, dispatching and distribution of electric power and heat in cases (amounts) determined by specific decisions of the Board of Directors of the Company or if these cases (amounts) were not defined by the Board of Directors of the Company;

d) transactions for a period of over 5 years related to assignment of immovable property and power grid facilities for temporary possession and use or for temporary use, or acquisition of immovable property for temporary possession and use or for temporary use, in cases (to the amount) as may be individually defined by the Board of Directors of the Company or if such cases (amounts) are not defined by the Board of Directors of the Company.

39) nominating the Company's candidates for offices of the sole executive body, members of other management and supervisory bodies and auditor of organizations with a capital share held by the Company which are involved in production, transmission, dispatching, distribution and sale of electric and heat power, as well as repair servicing activities;

40) defining the Company's policy regarding insurance, monitoring of insurance coverage of the Company, including approval of the candidates for the office of the Company's Insurers;

41) approval of organizational structure of the executive board of the Company and changes therein;

42) approval of the Regulation on the Monetary Incentive for the General Director, the Regulation on the Monetary Incentive for Top Managers of the Company; approval of the list of top managers;

- 43) approval of nominees for the specific posts in the executive board of the Company defined by the Board of Director of the Company;
- 44) passing resolutions on nomination of the General Director of the Company for the state awards;
- 45) pre-approving a collective agreement, agreements signed by the Company for regulation of social and labor relations, as well as approving documents on non-state pension scheme for the Company's personnel;
- 46) formation of the Committees of the Board of Directors of the Company, election of members of the Committees of the Board of Directors of the Company and early termination of their powers, election and early termination of powers of chairmen of the Committees of the Board of Directors of the Company;
- 47) approval of a nominated independent appraiser(s) selected to appraise the value of shares, property and other assets of the Company in cases specified in the Federal Law "On Joint-Stock Companies", the Articles of Association of the Company and separate resolutions of the Board of Directors of the Company;
- 48) approving candidatures of a financial advisor engaged under the Federal Law "On Securities Market", joint lead managers and advisor for transactions involving fund raising in the form of public borrowings;
- 49) pre-approval of transactions that might result in commitments expressed in a foreign currency (or commitments attached to a foreign currency), transactions with derivative financial instruments in cases and in the amounts determined by the Board of Directors of the Company in individual resolutions, or defining the Company's policy related to transactions with derivative financial instruments, if such cases (amounts) are not determined by the Board of Directors of the Company;
- 50) development of a procurement policy of the Company, including approval of the Regulation for purchase of goods, works and services, Director and members of the Central procurement body of the Company, as well as approval of the Purchase Plan and making other decisions in compliance with the Company's internal documents regulating procurement operations of the Company;
- 51) approving target (adjusted) key performance indicators (KPIs) of the Company and progress reports;
- 52) development of the Company's policy aimed at improving reliability of the distribution grid complex and other electric grid facilities, including approval of the Company's strategic programs intended to improve reliability and safety of the electric grid complex and develop the electric grid complex;
- 53) development of the Company's housing policy intended to provide corporate support (subsidies, recovery of expenses, interest-free loans) to the Company's personnel for improving their living conditions and making decisions on providing the above support in cases uncovered by the housing policy of the Company;
- 54) filing a request for including the Company's shares and (or) issuable securities of the Company convertible into shares of the Company in the quotation list;
- 55) passing resolutions on the Company's commitment to adopt industry-specific and inter-industry standards, regulations and other documents applicable to electric power industry in relation to various areas of business of the Company, including technical regulation;
- 56) defining basic principles and approaches to establishing the risk management and internal control system of the Company.
- 57) assessing key operational risks (both financial and non-financial), and defining acceptable risks for the Company;
- 58) ensuring that the risk management and internal control system is analyzed and assessed at least once a year;
- 59) ensuring that the issues related to the setup, functioning and efficiency of the risk management and internal control system of the Company are addressed on an annual basis;
- 60) control over and management of operations of the internal audit service, including approval

of the internal audit plan, the report on meeting the internal audit plan and the budget of the internal audit service, approval of assignments and dismissals, defining the amount of remuneration to be paid to the manager of internal audit service;

61) control over compliance of activities of the executive bodies of the Company with the strategy approved by the Company; hearing reports on meeting the strategy approved by the Company delivered by the General Director and members of the Management Board of the Company;

62) recommendations to the executive bodies of the Company on any issues related to the Company's business;

63) other issues assigned to the responsibility of the Board of Directors by the Federal Law "On Joint-Stock Companies" and these Articles of Association.

15.2. The issues assigned to the responsibility of the Board of Directors may not be delegated to the General Director and the Management Board of the Company.

15.3. When exercising their rights and responsibilities, the members of the Board of Directors shall act for the benefits of the Company and exercise their rights and responsibilities towards the Company reasonably and in good faith.

15.4. The members of the Board of Directors are responsible before the Company for losses caused to the Company by their culpable actions (omission) unless other grounds and scope of responsibility are imposed by federal laws.

In this case, the members of the Board of Directors who voted against the decision that resulted in losses to the Company or who did not take part in the voting shall not be liable.

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

16.1. The Board of Directors of the Company shall include eleven (11) members.

16.2. The members of the Board of Directors shall be elected at the General Meeting of Shareholders in the manner prescribed by Clause 10.8 of Article 10 of these Articles of Association for the period until the following annual General Meeting of Shareholders.

If the Board of Directors of the Company is elected at the extraordinary General Meeting of Shareholders, members of the Board of Directors of the Company are considered to have been elected for a period until the date of the annual General Meeting of Shareholders.

If the annual General Meeting of Shareholders has not been held within the period prescribed by Clause 11.1 of Article 11 of these Articles of Association, the powers of the Company's Board of Directors shall be terminated, with the exception of those powers involved in preparing, convening, and holding the annual General Meeting of Shareholders.

16.3. Only an individual may be a member of the Company's Board of Directors.

16.4. Persons elected to the Company's Board of Directors may be re-elected an unlimited number of times.

16.5. The General Meeting of Shareholders may vote for early termination of powers of the members of the Board of Directors of the Company.

The General Meeting of Shareholders may only vote for early termination of powers of all members of the Board of Directors of the Company.

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

17.1. The Chairman of the Company's Board of Directors shall be elected by the members of the Board of Directors from among their own number by majority vote.

The Company's Board of Directors has the right at any time to re-elect a Chairman by majority vote.

17.2. The Chairman of the Company's Board of Directors organizes its work, convenes and presides over meetings, arranges for the taking of minutes at the meetings, and acts as chairman at the Company's General Meeting of Shareholders.

17.3. In the absence of the Chairman of the Board of Directors his functions shall be performed by the Deputy Chairman of the Board of Directors elected from among the members of the Board of Directors by majority vote.

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

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

18.2. The meetings of Board of Directors shall be held when necessary, but at least once per six weeks.

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

18.3. At the first meeting of a new Board of Directors the Board of Directors shall elect the Chairman of the Board of Directors, Deputy Chairman and the Company's Corporate Secretary. This first meeting shall be convened by a member of the Board of Directors in accordance with the internal document which governs the procedure for convening and holding the meetings of the Company's Board of Directors.

18.4. Resolutions of the Management Board of the Company on agenda issues may be passed by absentee voting (voting by ballot). In the event of absentee voting materials on issues included in the agenda and a ballot with the specification of a deadline for submission of the completed and signed ballot by a member of the Board of Directors shall be sent to all members of the Board of Directors.

18.5. A member of the Board of Directors who was absent at the Board of Directors' meeting shall be entitled to state his/her opinion on the agenda issues in accordance with the procedure determined by the internal document which regulates the procedure for convening and holding the meeting of the Board of Directors.

18.6. A member of the Board of Directors may not transfer his/her voting right to any other person, including another member of the Company's Board of Directors.

18.7. Decisions at the meetings of the Company's Board of Directors are passed by a majority of votes of members of the Board of Directors taking part in the meeting, with the exception of cases provided for by the law of the Russian Federation and these Articles of Association. Should a transaction simultaneously be approved for several causes (stipulated by these Articles of Association and Chapter X or Chapter XI of the Federal Law "On Joint-Stock Companies"), the procedure for its execution shall be subject to provisions of the Federal Law "On Joint-Stock Companies".

18.8. A decision to approve a major transaction shall be made by all members of the Company's Board of Directors unanimously.

Decisions on the following issues shall be made by three-fourths' majority of voting by members of the Company's Board of Directors:

- on termination of the authority of the management organization (executive manager) and on appointment of an Acting General Director of the Company;
- on convening of an extraordinary General Meeting of Shareholders of the Company in those cases provided for by Clauses 21.11., 21.12 of Article 21 of these Articles of Association.

Passing resolutions provided for by this Clause the votes of exiting members of the Company's Board of Directors shall not be taken into account.

In this case the members of the Board of Directors shall be understood exiting members in case of their death, recognition incapable or missing in the court.

18.9. Resolutions on approval of an interested party transaction shall be made by the Company's Board of Directors pursuant to Article 83 of the Federal Law "On Joint-Stock Companies".

18.10. Resolutions by the Company's Board of Directors on the issues provided for by subclauses 22-23, 35-37 of Clause 15.1 of Article 15 of these Articles of Association shall be made a two-thirds' majority of votes of the members of the Company's Board of Directors participated in the meeting.

18.11. For the purposes of deciding on any issue at meetings of the Board of Directors, each member of the Board of Directors shall have one vote. In case of equality of votes, the Chairperson of the Board of Directors shall have a casting vote.

18.12. The quorum required for the meeting of the Board of Directors shall be at least half of elected members of the Board of Directors of the Company.

Should the number of members of the Company's Board of Directors become less than that constituting such quorum, the Company's Board of Directors shall decide to convene an extraordinary General Meeting of Shareholders in order to elect a new Board of Directors of the Company. The remaining members of the Company's Board of Directors are entitled to take a decision only to convene such extraordinary General Meeting of Shareholders. In this case the quorum required for the meeting of the Board of Directors shall be at least half of remaining members of the Board of Directors of the Company.

18.13. The Company's Board of Directors keeps minutes of its meetings. The minutes of a meeting of the Board of Directors shall be made up and signed by the person presiding over such meeting and the Company's Corporate Secretary no later than three (3) days after such meeting, and such person and the Company's Corporate Secretary are accountable for the accuracy of the minutes. All materials on the agenda issues and documents approved by the Board of Directors shall be attached to the minutes of the meeting.

In the event of absentee voting at the meeting of the Board of Directors voting ballots signed by the members of the Board of Directors shall be attached to the minutes of the meeting.

18.14. Should the decisions of the Board of Directors be taken in violation of the competence of the Board of Directors in the absence of quorum at the meeting of the Board of Directors or should the requirement with respect to the required quorum for decision-making by a majority voting of members of the Board of Directors be not met, such decisions shall be deemed invalid notwithstanding their appeal in the court.

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

19.1. The Committees of the Company's Board of Directors are established by resolution of the Board of Directors.

19.2. The Committees are established for working on certain issues referred to the competence of the Board of Directors or issues studied by the Board of Directors to supervise the activities of the Company's Executive Body and develop recommendations for the Company's Board of Directors and Executive Bodies.

19.3. The procedural rules, formation procedure, competence and the term of office the Committees of the Company's Board of Directors shall be determined by specific resolutions of the Board of Directors.

Article 20. Company's Corporate Secretary

20.1. To comply with the procedure of preparation and holding of the General Meeting of Shareholders, activities of the Company's Board of Directors, the Board of Directors may elect the Company's Corporate Secretary who reports directly to the Board of Directors. The Company's Corporate Secretary is the Company's official responsible for ensuring compliance with the applicable laws, these Articles of Association and bylaws of the Company that guarantee enforcement of rights and legitimate interests of the Company's shareholders.

20.2. The Chairperson of the Board of Directors of the Company or a person authorized by the Board of Directors shall sign the employment contract with the Corporate Secretary on behalf of the Company.

20.3. The terms and conditions of the employment contract with the Corporate Secretary, including the amount of remuneration, shall be determined by the Board of the Directors of the Company or a person authorized by the Board of the Directors of the Company.

20.4. Functions of the Company's Corporate Secretary include:

- organizational support of activities of the Company's Board of Directors, participation in preparing, convening and holding the General Meetings of Shareholders of the Company;
- support of activities of the Board of Directors and committees under the Board of Directors of the Company;

»- participation in implementing the Company's information disclosure policy, policy for storing corporate documents of the Company and ensuring that procedures for storing corporate documents of the Company are met;

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- participation in improving the system and practices of the Company's corporate governance;
- other functions as may be provided by the Regulations on the Company's Corporate Secretary.

20.5. Members of the Company's management bodies and the Company's offices shall assist the Corporate Secretary in performing his/her functions. The Corporate Secretary shall be accountable to the Company's Board of Directors.

20.6. The procedural rules, procedure of appointment and termination of powers, the term of powers, rights and obligations of the Corporate Secretary shall be determined by the Regulations on Corporate Secretary approved by the Company's Board of Directors.

Article 21. Company's Executive Bodies

21.1. The Company's day-to-day activities shall be governed by the Sole Executive Body – the General Director and the Collective Executive Body – the Management Board of the Company.

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

On a regular basis, the Company's Executive Bodies report to the Board of Directors on issues related to the setup and functioning of the efficient risk management and internal control system and have responsibility for its efficient functioning.

21.3. By decision of the General Meeting of Shareholders, the powers of the Company's Sole Executive Body may be delegated under contract to a management organization or an executive manager.

The rights and duties of the managing organization (executive manager) in management of the Company's day-to-day operations are determined by the law of the Russian Federation and the contract concluded between the managing organization (executive manager) and the Company. The contract with the managing organization (executive manager) shall be signed on behalf of the Company by the Chairman of the Board of Directors or a person authorized by the Board of Directors.

The terms and conditions of the contract with the managing organization (executive manager), including the amount of remuneration, shall be determined by the Board of the Directors of the Company or a person authorized by the Board of the Directors of the Company.

21.4. The Board of Directors is authorized to make resolutions on formation and early termination of powers of the executive bodies of the Company, unless otherwise provided by the federal law and Articles of Association of the Company.

21.5. The rights and responsibilities of the General Director and members of the Management Board are determined by the law of the Russian Federation, Articles of Association of the Company and employment contract signed between each member and the Company.

21.6. The Chairperson of the Board of Directors of the Company or a person authorized by the Board of Directors shall sign the employment contract on behalf of the Company.

21.7. The terms of the employment contract, including the term of appointment, shall be determined by the Board of Directors of the Company or a person authorized by the Board of Directors of the Company to sign the employment contract in accordance with Clause 21.6 of Article 21 of these Articles of Association.

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

21.9. Employer's rights and obligations to the General Director and members of the Management Board on behalf of the Company will be exercised and discharged by the Board of Directors of the Company or a person authorized by the Board of Directors.

21.10. The Board of Directors may terminate powers of the General Director and members of the Management Board and form new executive bodies.

The powers of the General Director and members of the Company's Management Board may be terminated on the grounds provided for by the law of the Russian Federation, these Articles of Association and employment contracts signed with the General Director and members of the Company's Management Board.

21.11. The General Meeting of Shareholders may at any time decide on early termination of powers of the managing organization (executive manager).

The Company's Board of Directors may decide on suspending powers of the managing organization (executive manager). Simultaneously with such decision, the Board of Directors may decide to appoint Acting General Director of the Company and hold an extraordinary General Meeting of Shareholders in order to terminate the powers of the managing organization (executive manager) and, unless other decision is made by the Board of Directors, to delegate the powers of the Company's Sole Executive Body to another managing organization (executive manager).

21.12. Should the managing organization (executive manager) find itself unable to perform its duties, the Board of Directors shall be entitled to decide to appoint Acting General Director of the Company and hold an extraordinary General Meeting of Shareholders in order to terminate the powers of the managing organization (executive manager) and, unless other decision is made by the Board of Directors, to delegate the powers of the Company's Sole Executive Body to another managing organization (executive manager).

21.13. The Acting General Director shall govern its day-to-day activities by exercising the same competence as is enjoyed by the Company's executive bodies unless otherwise decided by the Company's Board of Directors.

21.14. The General Director, members of the Company's Management Board, the Acting General Director as well as the managing organization (executive manager) shall act in the interests of the Company and exercise their rights and discharge their duties in relation to the Company in a fair and reasonable way.

21.15. The General Director, members of the Company's Management Board, the Acting General Director as well as the managing organization (executive manager) are responsible before the Company for losses caused to the Company by their culpable actions (omission) unless other grounds and scope of responsibility are imposed by the federal laws.

The General Director shall be personally liable for organization of protection of information constituting the state secret and shall be liable for non-compliance with the limits with respect to access to such information stipulated by the law.

Meanwhile, those members of the Management Board who voted against a resolution which caused the above losses or who abstained from voting or were absent during the voting will be exempted from the above liability.

21.16. In the event of the General Director's temporal absence (due to sickness, business trip or leave) his/her functions may be performed by any of his/her deputies based on the order of

the General Director unless a decision on appointment of the General Director is made by the Company's Board of Directors.

Article 22. Company's Management Board

22.1. The Company's Management Board acts on the basis of these Articles of Association, as well as the Regulations on the Management Board approved by the General Meeting of Shareholders which establishes the period and procedure for convening and holding its meetings and the procedure for taking decisions.

22.2. The Company's Management Board is responsible for the following issues:

- 1) preparation of the Company's development strategy and its submission for approval of the Board of Directors;
- 2) preparation of annual (quarterly) business plan (including the investment program) and performance report thereon, as well as approval (adjustment) of the Company's cash flow (budget);
- 3) preparation of the annual report on the Company's financial and business activities and implementation by the Management Board of the resolutions passed by the Company's General Meeting of Shareholders and the Board of Directors;
- 4) review of reports prepared by the Deputy General Directors of the Company and directors of separate structural subdivisions of the Company on implementation of the approved plans, programs and orders; review of reports, documents and other information on the activities of the Company and its subsidiaries and affiliated companies;
- 5) making decisions on the issues covered by the Top Management of business entities with one hundred percent (100%) of the authorized capital owned by the Company (with account of sub-paragraphs 36, 37, paragraph 15.1, Article 15 of these Articles of Association);
- 6) preparation of reports on financial and business activities of business entities with one hundred percent (100%) of the authorized capital owned by the Company and their submission for consideration by the Board of Directors;
- 7) passing resolutions on any transactions with property, works or services as their subject, the cost of which is from 1 to 25 percent of the book value of the Company's assets, according to the data of the accounting statements as of the last reporting date (except for the cases stipulated in sub-paragraph 38, paragraph 15.1 of these Articles of Association);
- 8) efficient risk management as part of day-to-day operations of the Company; approval of budget for risk management activities of the Company within the limits approved by the decision of the Board of Directors of the Company; completing cross-functional tasks (i.e. tasks shared between various organization departments) related to risk management;
- 9) making decision on other issues related to the management of the current activities of the Company in compliance with the resolutions issued by the General Meeting of Shareholders and Board of Directors of the Company, and on the issues submitted by the General Director of the Company for consideration by the Management Board.

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

Should the Board of Directors of the Company reject all nominees to the Management Board proposed by the General Director, the Board of Directors of the Company may elect nominees proposed by a member (members) of the Board of Directors of the Company.

The Management Board shall include not less than three (3) members.

22.4. The quorum required for the meeting (absentee voting) of the Management Board to be valid is at least half of elected members of the Management Board.

22.5. All resolutions shall be passed by a majority vote of members of the Management Board who attended the meeting (participated in the absentee voting). In case of equality of votes, the Chairperson of the Management Board shall have a casting vote.

22.6. The Management Board's members may not transfer their voting right to other persons, including other Management Board's members.

Article 23. General Director of the Company

23.1. The General Director carries out management of the Company's day-to-day activity according to decisions of the General Meeting of Shareholders of the Company, the Board of Directors, and the Management Board of the Company, made within their competence.

23.2. Responsibilities of the General Director of the Company include all matters concerning management of current operations of the Company, excluding matters assigned to the responsibility of the General Meeting of Shareholders, the Board of Directors and the Management Board of the Company.

23.3. The General Director acts on behalf of the Company without any Letter of Attorney with account of restrictions provided by the applicable law, Articles of Association and decisions of the Board of Directors of the Company:

- ensuring fulfillment of action plans of the Company required to solve his/her tasks;
- organizing accounting and reporting processes in the Company;
- disposing the Company's property, settling transactions on the Company's behalf, issuing Letters of Authority, opening settlement and other accounts of the Company in banks and other credit organizations (and in organizations being professional participants of the securities market in cases provided by the applicable law);
- issuing orders, approving (adopting) instructions, local regulations and other internal documents of the Company covering his/her functions, giving instructions deemed to be binding for the Company's personnel;
- approving the Regulations on branches and representative offices of the Company;
- approving headcount and payroll plans and official salaries of the Company's personnel basing upon the organizational structure of the Company's executive body;
- exercising employer's rights and obligations provided by the labor law with respect to the Company's personnel;
- exercising functions of the Chairman of the Management Board of the Company;
- distributing responsibilities among Deputy General Directors;
- referring financial and business statements of subsidiaries and affiliates of the Company and information on other organizations with a capital share held by the Company (unless otherwise specified in clause 22.2 (6), Article 22, Articles of Association) to the Board of Directors;
- submitting the annual report, annual accounting statements, profit and loss account of the Company and distribution of profit and losses of the Company to the Board of Directors of the Company no later than forty-five (45) days prior to the date of the annual General Meeting of Shareholders of the Company;
- resolving other issues concerning management of current operations of the Company, excluding issues assigned to the responsibility of the General Meeting of Shareholders, the Board of Directors and the Management Board of the Company.

23.4. The General Director is elected by the Company's Board of Directors by a majority of votes of members of the Board of Directors taking part in the meeting.

Candidates to the office of the General Director for elections by the Board of Directors shall be nominated in accordance with the procedure determined by the internal document which regulates the procedure of convocation and holding the meetings of the Company's Board of Directors.

Article 24. Internal Audit Commission and Auditor of the Company

24.1. In order to control financial and economic activities of the Company, the General Meeting of Shareholders of the Company elects the Internal Audit Commission of the Company for the period ending with the date of the next General Meeting of Shareholders.

If the Internal Audit Commission of the Company is elected at the extraordinary General Meeting of Shareholders, members of the Internal Audit Commission of the Company are considered to have been elected for a period until the date of the annual General Meeting of Shareholders.

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

24.2. The General Meeting of Shareholders may vote for early termination of powers of all and individual members of the Internal Audit Commission of the Company.

Members of the Internal Audit Commission of the Company may not concurrently be members of the Board of Directors or hold any other office in the management bodies of the Company.

24.3. Responsibilities of the Internal Audit Commission of the Company include:

- audit of financial, accounting, payment and settlement and other documentation of the Company associated with financial and economic activities of the Company for its compliance with the applicable laws of the Russian Federation, the Articles of Association, internal documents and other documents of the Company;
- audit and analysis of the financial standing of the Company, its solvency, functioning of the internal control and risk management systems, liquidity of assets, debt to equity ratio, correctness and timeliness of accrual and payment of interest on bonds and debentures, and yield on securities;
- preparing and conducting the audit of financial and business operations of the Company, including but not limited to:
 - control over spending of cash assets of the Company in compliance with the approved business plan and budget of the Company;
 - control over buildup of reserves and other special-purpose funds of the Company;
 - audit of timeliness and correctness of managing settlement operations related to contracting parties and settlement of budgetary payments, as well as settlement operations related to salaries and emoluments, distribution and payment of dividends, and other settlement operations;
 - control over compliance with the established procedure for managing bad debt expense;
 - audit of business transactions of the Company conducted under concluded contracts;
 - audit to verify whether material, manpower and financial resources necessary for conducting financial and economic activities are used in compliance with the terms and conditions of the ongoing contracts, applicable rules, regulations and standards, approved estimates and other documents that regulate the Company's activities;
 - control over safeguarding and usage of fixed assets (PPE);
 - audit of cash accounts and property of the Company, efficiency of use of assets and other resources of the Company, identifying reasons of non-productive losses and expenses, identifying reserves for improving financial standing of the Company; checking for accomplishment of instructions on elimination of irregularities and non-compliances that have been revealed by the Internal Audit Commission of the Company earlier;
 - preparing recommendations for the management bodies of the Company;
 - other actions (measures) associated with the audit of financial and economic activities of the Company.

24.4. All decisions on the issues falling within the competence of the Internal Audit Commission are made by simple majority of votes from the total number of its members.

24.5. The Company's Internal Audit Commission is entitled to (and should any material violation in finance and economic activities be found shall) require convening of an extraordinary General Meeting of Shareholders.

24.6. The activities of the Internal Audit Commission are regulated by an internal document of the Company approved by the General Meeting of Shareholders.

In accordance with the decision on review (audit) the Internal Audit Commission shall be entitled to engage the relevant domain specialists and experts (in law, economics, finances, financial accounting, management, economic security and other subject areas) who do not hold any positions in the Company, as well as specialist organizations, and make a motion to the Company for entering into civil law contracts with such specialists and organizations.

24.7. Audits of the financial and economic activities of the Company shall be conducted on an annual basis, following the annual operational results, or at any time as the Internal Audit Commission see fit, or upon resolution of the General Meeting of the Company, the Board of Directors of the Company, or at the request of any shareholder (shareholders) of the Company holding an aggregate of at least ten (10) percent of the voting shares of the Company.

24.8. As may be requested by the Internal Audit Commission of the Company, persons holding positions in the Company's management bodies must submit documents related to financial and economic activities of the Company.

24.8.1. Based on the results of conducted audit of financial and economic activities of the Company, the Internal Audit Commission of the Company issues an opinion including the following:

- confirmation that the data contained in the Annual report of the Company and its accounting (financial) statements are reliable;
- information about any non-compliance of the accounting and financial reporting procedure as well as the financial and economic activities of the Company.

24.8.2. The General Meeting of Shareholders may resolve to pay remunerations and/or compensations for work-related expenses to members of the Internal Audit Commission throughout the term of office. The amount of the above remunerations and compensations shall be stated in resolutions of the General Meeting of Shareholders.

24.9. For the purposes of auditing and acceptance of the annual financial statements of the Company, the General Meeting annually appoints the Company's Auditor. Such Auditor must not have any ownership interests in the Company and its shareholders.

24.10. The Board of Directors of the Company defines and approves the Auditor's remuneration.

24.11. The Company's Auditor checks the Company's financial and business activity basing upon the requirements of the law of the Russian Federation under his/her audit contract.

24.12. Based on the results of conducted audit of financial and economic activities of the Company, the Company's Auditor issues an opinion including the following:

- confirmation that the data contained in the accounting (financial) statements of the Company are reliable;
- information on any non-compliances with the accounting procedures and procedures for submitting of accounting (financial) statements established by the applicable laws and regulations of the Russian Federation, as well as any non-compliances with the applicable laws and regulations of the Russian Federation when carrying financial and economic operations of the Company.

Procedures and terms for issuance the opinion based on the results of the audit of financial and economic operations of the Company are defined by the applicable laws and regulations of the Russian Federation and the agreement between the Auditor and the Company.

Article 25. Accounting and Reporting in the Company

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

25.2. The General Director of the Company shall be responsible, in accordance with the law of the Russian Federation and these Articles of Association, for organization, maintenance, and accuracy of the Company's accounting records, and for the timely provision of the annual report and other financial statements to the relevant bodies, as well as of information on the Company's activities to Shareholders, creditors, and the mass media.

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

25.4. The Company's annual report, annual accounting records, profit and loss account, report on distribution of profit and losses of the Company shall be subject to preliminary approval by the Company's Board of Directors at least thirty (30) days prior to the date of the annual General Meeting of Shareholders.

Article 26. Keeping of Documents by the Company. Provision of Information by the Company

26.1. The Company shall keep the following documents:

- 1) resolution on the Company's incorporation;
- 2) duly registered Articles of Association of the Company and amendments thereto, Company's state registration certificate;
- 3) documents confirming its rights to assets recorded on the Company's balance sheet;
- 4) Company's internal documents approved by the Company's management bodies;
- 5) Regulations on branches and representative offices of the Company;
- 6) annual reports;
- 7) prospectuses of securities, quarterly reports of an issuer and other documents containing information subject to publication or disclosure by any other way in accordance with the federal laws;
- 8) accounting records;
- 9) financial statements;
- 10) minutes of the General Meetings of Shareholders, meetings of the Company's Board of Directors, meetings of the Internal Audit Commission, and meetings of the Management Board;
- 11) voting ballots and originals (copies) of powers of attorney to participate in the General Meeting of Shareholders;
- 12) reports of independent appraisers;
- 13) list of the Company's affiliated persons;
- 14) lists of persons entitled to participate in the General Meeting of Shareholders, lists of persons entitled to receive dividends, and such other lists as are recorded by the Company for the purposes of its Shareholders exercising their rights in accordance with the requirements made by the Federal Law "On Joint-Stock Companies";
- 15) reports of the Company's Internal Audit Commission, Auditor, and state and municipal agencies for financial oversight;
- 16) notifications on shareholder agreements conclusion sent to the Company as well as list of persons entered into such agreements;
- 17) judicial acts on disputes related to the Company's incorporation, the Company's management or participation in the Company;
- 18) such other documents provided for by the law of the Russian Federation, these Articles of Association and internal documents, and resolutions of the management bodies of the Company.

26.2. The Company shall keep the documents listed in Clause 26.1 of this Article at the location of its executive body in accordance with that procedure and for those periods which maybe prescribed by the Bank of Russia.

26.3. In the event of the Company's reorganization all documents shall be submitted to its successor in accordance with the established procedure.

26.4. In the event of the Company's liquidation the permanent documents of academic and historical importance shall be transferred for state storage to the Federal Archive Service of Russia; personnel records (orders, personnel files and account cards, personal accounts etc.) shall be transferred for storage to the relevant archives of a constituent entity of the Russian Federation.

Transfer and ranking of documents shall be performed in accordance with the requirements of the archives.

The Company shall provide information about itself in accordance with the requirements of the law of the Russian Federation.

26.5. The Company shall ensure access to the documents listed in Clause 26.1 of this Article for all shareholders subject to restrictions provided for by the law of the Russian Federation.

Shareholder(s) holding in aggregate not less than twenty-five (25) percent of the Company's voting shares shall be entitled to access to the accounting records and minutes of the meetings of the Company's Management Board.

Information about the Company is disclosed in compliance with the Federal Law "On Joint-Stock Companies" and other federal laws and regulations of the Russian Federation.

The fee defined by the General Director of the Company for the provision of such copies may not exceed their production costs.

The Company provides access to information for its employees and shareholders in accordance with the requirements of laws on state and commercial secrets.

Article 27. Reorganization and Liquidation of the Company

27.1. The Company may be voluntarily reorganized by consolidation, merger, split-up, splitoff, or transformation, as well as for other reasons and in accordance with the procedure provided for by the Civil Code of the Russian Federation and federal laws.

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

27.3. Upon organization, liquidation of the Company or performance of works containing any information which is considered to be a state or commercial secret, the Company is liable to keep this information and its carriers confidential by setting and observance of the secrecy regime, measures on the information protection, technical intelligence controls, security and fire prevention.

Appendix No. 1
to the Articles of Association of
Public Joint-Stock Company
Interregional Distribution Grid Company
of Volga

List of Branches and Representative Offices of IDGC of Volga, PJSC

No.	Name	Location
1.	Samara Distribution Grids, a branch of IDGC of Volga, PJSC	bld. 133, ul. Novo-Sadovaya 106, Samara, 443068
2.	Saratov Distribution Grids, a branch of IDGC of Volga, PJSC	42/44, ul. Pervomayskaya, Saratov, 410031
3.	Ulyanovsk Distribution Grids, a branch of IDGC of Volga, PJSC	48, ul. Yefremova, Ulyanovsk, 432042
4.	Mordovenergo, a branch of IDGC of Volga, PJSC	50, prospekt Lenina, Saransk, 430003
5.	Penzaenergo, a branch of IDGC of Volga, PJSC	1/2, ul. Pushkina / ul. Gladkova, Penza, 440000
6.	Orenburgenergo, a branch of IDGC of Volga, PJSC	44, ul. Marchala G.K. Zhukova, Orenburg, 460024
7.	Chuvashenergo, a branch of IDGC of Volga, PJSC	4/4, prospekt I. Yakovleva, Cheboksary, the Chuvash Republic, 428000