

**APPROVED BY**

The decision of the General Meeting of Shareholders  
of IDGC of Volga, JSC of 23.06.2014

Minutes No. 8/2014 of 23.06.2014

Chairman of the Meeting

\_\_\_\_\_D.L. Guryanov

**CHARTER**  
**of “Interregional Distribution Grid Company of Volga”,**  
**Joint-Stock Company**  
**(revised version)**

## **Article 1. General Provisions**

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

1.2. In its activities the Company shall be governed by the Civil Code of the Russian Federation, Federal Law "On Joint-Stock Companies", Federal Law "On Power Industry", 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 this Charter.

1.3. The full Company's name is Открытое акционерное общество «Межрегиональная распределительная сетевая компания Волги».

The full Company's name in the English language is "Interregional Distribution Grid Company of Volga", Joint-Stock Company.

1.4. The abbreviated business name is ОАО «МРСК Волги».

The abbreviated business name in the English language is IDGC of Volga, JSC.

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

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

1.7. Based on the decision of the Management Board of OAO RAO UES of Russia that performs the functions of Extraordinary General Meeting of Shareholders of IDGC of Volga, JSC dated 12.25.2007, 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 24.01.2008),

Transfer act, approved by the extraordinary General Meeting of Shareholders of Penzaenergo, JSC, dated January 18, 2008 (Minutes No. 21 dated 24.01.2008),

Transfer act, approved by the extraordinary General Meeting of Shareholders of Mordovenergo, JSC, dated January 18, 2008 (Minutes No. 1 dated 24.01.2008),

Transfer act, approved by the extraordinary General Meeting of Shareholders of Orenburgenergo, JSC, - Management Board of OAO RAO UES of Russia, Minutes No. 1804pr/1 dated 19.01.2008),

Transfer act, approved by the extraordinary General Meeting of Shareholders of Chuvashenergo, JSC, - Management Board of OAO RAO UES of Russia, Minutes No. 1804pr/2 dated 19.01.2008),

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, Federal Law "On Joint-Stock Companies", other bylaws of the Russian Federation and this Charter.

2.2. The Company shall be deemed a legal entity under the law of the Russian Federation.

2.3. The Company owns such property as is included on its independent balance sheet, and 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 shareholdings.

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

The Company has the right to have stamps and stationery 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, and act on the basis of a regulation approved by the Company.

Branch and representative offices are assigned property by the Company which established them, 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 Attachment hereto.

2.9. The Company may have subsidiary and dependent companies 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, outside the Russian Federation, in accordance with the law of the foreign country where the subsidiary or dependent company is located, unless otherwise stipulated by an international agreement of the Russian Federation.

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

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

- to generate a profit;
- efficient and reliable operation of the distribution grid complex;
- to ensure the sustainable distribution grid complex development; and
- to ensure reliable and high quality power supply to consumers (with regard to power supply and transmission).

3.2. To generate the 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;
- to act 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;
- to ensure work capacity and repair 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;
- tests and measuring of power units (including consumers);
- to ensure work capacity and repair, 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;
- power grids and other distribution grid complex development, including design, engineering survey, construction, reconstruction, re-equipment, installation and adjustment;
- development of technological communication networks and technological communication networks, teleautomatics, measuring and recording 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, 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 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;
- occupational safety management;
- industrial control of hazardous industrial facilities' industrial safety;
- organization of labor safety procedures;
- liquidation of technological violations at power network units;
- 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;

- to provide 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;
  - on-and-off loading works for railway transport (including hazardous cargo transportation);
  - on-and-off loading works for inland water transport (including hazardous cargo transportation);
  - road, rail, air and inland water transport and lifting equipment used for technological purposes operation, maintenance and repair;
  - 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, long distance telephony services;
  - communication channel lease;
  - telematic services (including electronic mail service, access to information service, information service, Telefax, Comfax, Burofax services, message handling service, voice message service, voice data transmission service);
  - data services;
  - to use orbital frequency resources and radio frequency for TV and radio broadcasting (including additional information broadcasting);
  - building, construction, 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 bylaws 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 wholesale power market and at retail power market from producers of electric power 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 the control of RF Rostekhnadzor;
- and
- other activities not prohibited by federal laws.

3.3. The Company may engage in certain types of activity, as listed by federal laws, on the basis of a special authorization (license).

The Company's right to perform the activities which require the receipt of a license shall be deemed arisen / appeared from time of such license receipt or within the term specified in such license. The right shall be deemed terminated upon expiry of the license unless otherwise provided by the law or other bylaws.

#### **Article 4. Company's Authorized Capital**

4.1. The Company's Authorized Capital is comprised of the nominal value of the Company's shares acquired by Shareholders (allotted shares).

The Company's Authorized Capital amounts to 17,857,780,114 (seventeen billion eight hundred fifty seven million seven hundred eighty thousand one hundred 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 face value of 10 (ten) kopecks each for the total amount at the face value 17,857,780,114 (seventeen billion eight hundred fifty seven million seven hundred eighty thousand one hundred fourteen) rubles 60 kopecks.

4.3. The Company's Authorized Capital may be:

- increased by increasing the nominal value of its shares or by distributing additional shares;
- decreased by decreasing the nominal value of shares or reducing their overall quantity, including by acquisition or redemption of a portion of the issued shares in accordance with this Charter.

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 this Charter.

The Company shall be obliged to decrease in its Authorized Capital in those cases stipulated by the Federal Law "On Joint Stock Companies".

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

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

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

5.1. The Company distributes ordinary shares and may distribute 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. The distribution 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 distribution 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 pre-emptive right to purchase the additional shares and issuable securities convertible into shares, which are issued by subscription, in 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. Payment for additional shares issued by way of subscription may be made in cash, securities, other property, or property rights or other rights which have a monetary value. The form of payment for additional shares shall be determined by the decision on their distribution. Payment for other issuable securities may be only made in cash.

## **Article 6. Rights 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 this Charter shall be deemed a Company's Shareholder.

6.2. Each registered ordinary share of the Company grants a shareholder - its owner – the equal scope of rights.

Shareholders-owners 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 matters 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 in laws of the Russian Federation and this Charter;
- 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 bylaws and this Charter;
- 4) receive dividends announced by the Company;
- 5) pre-emptive purchase of shares and issuable securities convertible into shares which are issued by subscription, in 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) enjoy other rights provided for by the law of the Russian Federation.

## **Article 7. Dividends**

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

The Company shall pay dividends announced for each category (type) of shares 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 size of annual 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 not have the right to take a decision on (announce) the payment of dividends on shares nor pay the announced 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 net income shall be determined based on the Company's accounting reports' data.

7.1. 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.

7.6. If within the dividends payment period, set in accordance with Paragraph 7.5. of these Articles of Association, the declared dividends have not been paid to a person listed as the one having the rights to dividends, such person is entitled to file a claim against the Company on payment of the declared dividends within three years from the set period.

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 5 (five) percent of the Company's Authorized Capital.

The amount of the annual deductions shall be 5 (five) percent of its net profits 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 include:

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

9.2. Auditing 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 supreme governing body of the Company is the General Meeting of Shareholders.

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

- 1) amending and revising the Charter or adoption of Restated Charter;
- 2) reorganization of the Company;
- 3) liquidation of the Company, appointing the Liquidation Committee and approval of the intermediate and final liquidation balance sheet;
- 4) determination of the amount, face value, category (type) of authorized shares and rights which these shares confer;
- 5) increasing the Authorized Capital of the Company by increasing the face value of shares or by placing additional shares;
- 6) decreasing the Authorized Capital of the Company by decreasing the face value of shares, by repurchasing a part of shares to reduce their total number as well as by redemption of purchased shares or shares bought out by the Company;
- 7) stock split or reverse stock split;
- 8) making decisions on the placement of bonds, convertible shares or other issue securities convertible to shares;
- 9) determination of the number of members of the Board of Directors of the Company, election of members of the Board of Directors and early termination of their powers;
- 10) election of the members of the Auditing Commission of the Company and early termination of their powers;
- 11) appointing of the Auditor of the Company;
- 12) making decision on the delegation of the authority of Sole Executive Body of the Company to Trustee in Bankruptcy (Trustee) and early termination of its powers;
- 13) approval of annual reports, annual accounting reports including profit and loss statement (profit and loss account) of the Company as well as allocation of profit (including dividend payout (announcement), excluding profit allocated as dividends based on results of the first quarter of, the first half of, first nine months of fiscal year) and losses of the Company based on the results of fiscal year.
- 14) payout (announcement) of dividends based on the results of the first quarter of, the first half of, first nine months of fiscal year;

- 15) determination of the procedure for holding the General Meeting of Shareholders of the Company;
- 16) making decisions on approval of transactions in cases stipulated in the Article 83 of the Federal Law "On Joint-Stock Companies";
- 17) making decisions on approval of large transactions in cases stipulated in the Article 79 of the Federal Law "On Joint-Stock Companies";
- 18) making decisions on participation in holdings, financial and industrial groups, associations and other unions of commercial organizations;
- 19) approval of Regulations and Policies governing the activity of the Company's bodies;
- 20) making decision on paying remunerations and/or compensations to the members of the Auditing Commission of the Company;
- 21) making decision on paying remunerations and/or compensations to the members of the Board of Directors of the Company;
- 22) deciding on other matters stipulated in the Federal Law "On Joint-Stock Companies".

10.3. Matters 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 matters 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 in attendance at the meeting, unless a contrary method for taking such decision is stipulated by the Federal Law "On Joint Stock Companies".

10.5. Decisions on those 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:

- amending and revising the Charter or adoption of Restated Charter;
- reorganization of the Company;
- liquidation of the Company, appointing the Liquidation Committee and approval of the intermediate and final liquidation balance sheet;
- determination of the amount, face value, category (type) of authorized shares and rights which these shares confer;
- decrease in the Company's Authorized Capital by increasing the face value of shares;
- placement of shares (issuable securities convertible into Company's shares) through closed subscription based on the decision 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 25 (twenty five) per cent of the previously placed ordinary shares through public offering;
- placement of issuable securities convertible into ordinary shares representing more than 25 (twenty five) per cent of the previously placed ordinary shares through public offering;
- decisions on approval of major transaction with the Company's property in the amount exciding 50 (fifty) 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 matters stipulated in the Federal Law "On Joint-Stock Companies".

Decisions 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. Decisions on matters stated in items 2, 5, 7, 8, 12-20 of paragraph 10.2. of Article 10 of this Charter 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 not take decisions on matters not included in its agenda, nor may it change the agenda.

Decisions of the General Meeting of Shareholders taken on matters 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 a 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 in 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.

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 during making the decision on matters 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 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 Board 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 an extraordinary General Meeting of Shareholders held based on the decision of persons entitled to require calling of the General Meeting of Shareholders, the person who made the decision on calling of an extraordinary General Meeting of Shareholders (his \ her representative) or one of the persons who made the on calling 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 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 this Charter 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 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 financial year.

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

11.2. The General Meeting of Shareholders shall be held in the form of a joint presence of shareholders (their representatives) in order to discuss business 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 mail-in voting ballots (by poll) in accordance with Article 12 of this Charter.

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

11.4. The list of parties 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 parties entitled to participate in the General Meeting of Shareholders may not be set earlier than in 10 (ten) days since the date of the decision to call the General Meeting of Shareholders or more than 50 (fifty) days, or in the case stipulated by Clause 14.9 of this Charter.

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

11.6. Voting ballots for voting on matters included in the agenda shall be sent by a registered mail (or to hand in) to each person on the list of persons entitled to take part in the annual General Meeting of Shareholders of the Company not later than 20 (twenty) 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 matters or with one copy of two or more voting ballots for voting on different matters.

11.7. Information on matters of the agenda 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 Executive Body of the Company or other places at addresses stated in the notice on holding the General Meeting of Shareholders within the period of 20 (twenty) days, or, in case of holding the General Meeting of Shareholders to discuss the matter on reorganization of the Company, within 30 (thirty) days prior to the holding the General Meeting of Shareholders. Mentioned information (materials) shall be available to persons participating in the General Meeting of Shareholders during the holding of the Meeting.

Familiarization procedure for persons entitled to attend the General Meeting of Shareholders with information (materials) on the agenda of the General Meeting of Shareholders and the list of such information (materials) are determined 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 ballots for voting on all the matters or with one copy of two or more voting ballots for voting on different matters; the right to vote at a general shareholders meeting 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 a joint presence of 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 (have 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 a General Meeting of Shareholders include any matters to be voted on by different compositions of voters, the determination of whether a quorum is present for the purposes of decision-making on such matters shall be made separately.

11.11. The absence of a quorum for decision-making on matters to be voted by one composition of voters shall not prevent decision-making on those matters to be voted on by a different composition 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, a repeat General Meeting of Shareholders with the same agenda shall be held. In the absence of a quorum for an extraordinary General Meeting of Shareholders, a repeat General Meeting of Shareholders with the same agenda shall be held.

Decision on convening of a repeat General Meeting of Shareholders shall be made by the Company's Board of Directors.

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

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

In the absence of a quorum for holding of an annual General Meeting of Shareholders based on the court decision, a repeat 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. A Repeated 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 Repeated 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, a repeat General Meeting of Shareholders shall not be held.

11.12. The Minutes of General Meeting of Shareholders shall be drawn up not later than 3 (three) days of 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).

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. A decision of the General Meeting of Shareholders may be taken by means of mailing voting ballots (by poll) - without the meeting being actually convened (without the joint presence of shareholders in order to discuss business on the agenda and decide those matters put to the vote).

Voting on matters included in the agenda of the General Meeting of Shareholders held by absentee voting shall only be carried out by mail-in voting ballots.

12.2. The General Meeting of Shareholders with an agenda including matters relating to the election of the Company's Board of Directors, Auditing Commission, the endorsement of the Company's Auditor, or any of the matters provided for by sub-clause 13 of Clause 10.2 of Article 10 of this Charter may not be held by means of mail-in voting ballots.

A new General Meeting of Shareholders in place of a failed General Meeting of Shareholders in the form of joint presence shall not be held by means of mail-in voting ballots (by poll).

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 shareholders register.

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 10 (ten) days since the date of the decision to call the General Meeting of Shareholders or more than 50 (fifty) days prior to the expiry date of the period for accepting voting ballots.

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

12.5. Voting ballots for voting on matters 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 hand in 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 20 (twenty) 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 matters or with one copy of two or more voting ballots for voting on different matters.

Familiarization procedure for persons entitled to attend the General Meeting of Shareholders with information (materials) on the agenda of the General Meeting of Shareholders and the list of such information (materials) are determined 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 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 3 (three) 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 3 (three) days of 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).

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 2 (two) 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 Auditing 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 60 (sixty) days from the end date of financial year.

13.2. The proposal on putting forward matters for the agenda of General Meeting of Shareholders and proposals on nomination of candidates shall be presented in writing stating the name (institutional 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 matters for the agenda of the General Meeting of Shareholders shall contain the written statement of each proposed matter 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 the Company shall be obliged to consider the proposals received and decide to include or to refuse to include the corresponding matters on the agenda of the General Meeting of Shareholders within 5 (five) 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 matter proposed by a shareholder (shareholders) to include on the agenda of a 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 bylaws of the Russian Federation.

13.6. A substantiated 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 a 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 3 (three) days of the date of such decision.

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

Besides the matters 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 Shareholders to form the respective body, the Board of Directors shall be entitled to put matters 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. General Meeting of Shareholders held additionally to the annual 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 Auditing Commission of the Company or the Auditor of the Company, or at the request of a shareholder (shareholders)

representing, in aggregate, at least 10 (ten) 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 Auditing Commission of the Company, the Auditor of the Company and shareholder (shareholders) who holds no less than 10 (ten) 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 50 (fifty) days of the submission of the request for such meeting with the exception of the case provided for by Clause 14.9 of this Charter.

14.4. A request for an extraordinary General Meeting of Shareholders shall word those matters subject to be included in the meeting's agenda.

Persons (person) requesting the 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. If a request for an extraordinary General Meeting of Shareholders also nominates candidates, such request shall be subject to those provisions set out in Article 13 of this Charter.

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

14.5. If a request for an extraordinary General Meeting of Shareholders is made by a shareholder (shareholders), such request shall identify such shareholder (shareholders) and indicate the numbers and categories (types) of shares in the latter's ownership.

The request for an extraordinary General Meeting of Shareholders of the Company shall be signed by the person (persons) requesting the convention of such Extraordinary General Meeting of Shareholders of the Company.

14.6. Within 5 (five) days of the date of a request submitted by the Company's Auditing Commission, Company's Auditor, or a shareholder (shareholders) representing at least 10 (ten) percent of the Company's voting shares for an extraordinary General Meeting of Shareholders, the Board of Directors of the Company shall decide to convene or to refuse to convene such meeting.

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

14.8. If within a period, set in Paragraph 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 95 (ninety five) days of the submission of a request for such meeting.

14.9.2. Shareholders representing at least 2 (two) 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 in the Company's Board of Directors.

Such proposals shall be forwarded to the Company not later than 30 (thirty) days prior to the date of 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 decide to include or to refuse to include the corresponding matters on the agenda of a General Meeting of Shareholders within 5 (five) days of the expiry of the periods specified in the 2<sup>nd</sup> paragraph 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 70 (seventy) days of such meeting.

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

15.1. The Board of Directors of the Company is responsible for overall management of the Company, excluding deciding on the matters assigned to the responsibility of the General Meeting of Shareholders by the Federal Law "On Joint-Stock Companies" and this Charter.

The Board of Directors of the Company is responsible for the following matters:

- 1) setting priorities for the Company's business activity and its development strategy;
- 2) convening of the annual and extraordinary General Meetings of Shareholders of the Company, excluding the cases provided for in paragraph 14.8 of Article 14 of the Charter, as well as announcement of a new date for General Meeting of Shareholders in place of a meeting failed due to the lack 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) setting the date for providing the list of persons entitled to participate in the General Meeting of Shareholders, setting the date for making a list of persons entitled to receive dividends, approval of expenses estimate for the holding of the General Meeting of Shareholders and attending to other matters related to the arrangement and holding of the General Meeting of Shareholders;
- 6) presenting matters stipulated in items 2, 5, 7, 8, 12-20 of paragraph 10.2. of Article 10 of the Charter for consideration by the General Meeting of Shareholders as well as decreasing the Authorized Capital by decreasing the face value of shares, as well as on setting a date on which the persons entitled to receive dividends are determined;
- 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) repurchasing of outstanding shares, bonds and other securities in cases stipulated by the Federal Law "On Joint-Stock Companies";

11) disposal (selling) of shares of the Company which become property of the Company through repurchasing or buyout from shareholders of the Company as well as in other cases stipulated by the Federal Law "On Joint-Stock Companies";

12) election of the General Director of the Company and early termination of its powers, including deciding on early termination of the employment agreement with the General Director;

13) deciding on the number of members of the Management Board of the Company, electing the members of the Management Board and determination of their remunerations and compensations, early termination of their powers;

14) recommending the amount of remunerations and compensations paid to the members of the Auditing Commission of the Company for consideration by General Meeting of Shareholders and determining the amount of fee payable to the Auditor;

15) recommendations on the amount of dividends on shares and dividend payout procedure;

16) approval of Regulations and Policies governing the procedure for accumulation and use of funds of the Company;

17) making decision on the use of funds of the Company; approval of financial plans for use of special purpose funds and evaluating the results of financial plans for use of special purpose funds;

18) approval of Regulations and Policies of the Company, excluding Regulations and Policies approval of which is assigned to the responsibility of the General Meeting of Shareholders as well as of other Regulations and Policies approval of which is assigned to the responsibility of the executive bodies of the Company;

19) approval of business plan (adjusted business plan), including investment plan, and business plan performance report as well as approval (adjustment) of key figures of the cash flow of the Company;

20) consideration of the investment program, including amendment thereto;

21) setting up branches and opening representative offices of the Company, their liquidation as well as making changes to the Charter of the Company in relation to setting up branches, opening representative offices of the Company (including changes in names and locations of branches and representative offices of the Company) and their liquidation;

22) making decisions on the participation of the Company in other organizations (on joining an existing organization or setting up a new organization including approval of constituent documents) as well as on purchasing, disposal and impairment of shares or a stake in authorized capital of organizations in which the Company participate, changing the portion of participation interest in the authorized capital of respective organization and termination of the participation of the Company in other organizations;

23) determination of the credit policy of the Company with regard to lending loans, concluding credit agreements and borrowing agreements, granting guarantees, assuming liabilities under bills of exchange (issuing promissory notes or bills of exchange), pledging property and making decisions on effecting mentioned transactions by the Company in cases when the procedure for making decisions on such transactions is not determined by credit policy of the Company as well as making decisions in the procedure defined by the credit policy of the Company on adjusting liabilities of the Company to the limits set by the credit policy of the Company;

24) approval of major transactions in cases stipulated in Section X of the Federal Law "On Joint-Stock Companies";

25) approval of transactions stipulated in Section XI of the Federal Law "On Joint-Stock Companies";

- 26) approval of the Company's Registrar, terms and conditions of the employment agreement with Registrar as well as termination of the agreement;
- 27) election of the Chairman of the Board of Directors of the Company and early termination of its powers;
- 28) election of the Vice-Chairman of the Board of Directors of the Company and early termination of its powers;
- 29) election of the Corporate Secretary of the Company and early termination of its powers;
- 30) preliminary approval of decisions on effecting transactions related to the transfer of the Company's property without compensation or transfer of property rights (claims) to the Company itself or a third party; transactions related to the release from property responsibilities before the Company itself or a third party; transactions related to providing services (works) without compensation to third parties in cases (amount) determined by decisions of the Board of Directors of the Company as well as making decisions on effecting such transactions by the Company when above mentioned cases (amounts) are not determined;
- 31) making decision on suspending the powers of the managing organization (managing executive);
- 32) making decision on the appointment of the Acting General Director of the Company in cases provided for by separate decisions of the Company's Board of Directors as well as bringing the Acting General Director to disciplinary responsibility;
- 33) bringing the General Director of the Company and the members of the Management Board to disciplinary responsibility and paying rewards to them as required by labor laws of the Russian Federation;
- 34) approval of the company performance report submitted by the General Director (including the report on execution of duties by General Director), the report on execution of the decisions of the General Meeting of Shareholders and the Board of Directors of the Company;
- 35) approval of the procedure for the cooperation between the Company and organizations in which the Company participates;
- 36) Determination of the position of the Company (representatives of the Company), including ordering to take or not to take part in voting on matters of the agenda or vote as "in favor", "against", or "abstained", on the following matters of the agendas of the General Meetings of Shareholders of subsidiary and dependent companies (hereinafter referred to as SDCs and meetings of the Board of Directors of SDS) (excluding cases when the functions of General Meeting of Shareholders of SDCs are delegated to the Board of Directors of the Company) and the agendas of the Board of Directors of SDCs (excluding the matter on the approval of the agenda of the General Meeting of Shareholders when the functions of General Meeting of Shareholders of SDCs are delegated to the Board of Directors of the Company):
  - a) defining the agenda of the General Meeting of Shareholders (participants) of SDCs, except for those subsidiaries and affiliates where the Company owns one hundred percent (100%) of their authorized capital;
  - b) reorganization or liquidation of SDCs;
  - c) determination of the number of members of the management bodies and supervisory bodies of the SDCs, nomination and election of the members and early termination of their powers, nomination and election of the Sole Executive Body of SDCs and early termination of his / her powers;
  - d) determination of the amount, face value, category (type) of authorized shares of SDCs and the rights which these shares confer;
  - e) increasing the Authorized Capital of the SDCs by increasing the face value of shares or by placing additional shares;
  - f) placement of securities of SDCs which are convertible into ordinary shares;
  - g) split or reverse split of shares of SDCs;
  - h) approval of major transactions effected by SDCs;
  - i) participation of SDCs in other organizations (entering existing organization or establishing new organization) as well as purchasing, disposal and impairment of shares and participation

interest in authorized capital of organizations in which SDCs participate, changing a portion of the participation interest in the authorized capital of respective organization;

j) transactions of SDCs (including several associated transactions) related to disposal of or possible disposal of property which represents fixed assets, intangible assets, objects under construction which are intended for generating, transmission, dispatch, distribution of power and heat energy in cases (amounts) determined by the procedure for cooperation between the Company and the organizations in which the Company participates approved by the Board of Directors of the Company;

k) amending and revising constituent documents of SDCs;

l) approval of the procedure for awarding compensations to the members of the Board of Directors and the Auditing Commission of SDCs;

m) approval of targeted levels of key performance indicators (adjusted targeted key performance indicators);

n) approval of the report on meeting targeted annual and quarterly key performance indicators;

o) approval of business plan (adjusted business plan), including investment plan, and business plan performance report;

p) approval (discussion) of the business plan performance report;

q) approval of the allocation of profit and losses based on fiscal year results;

r) recommendations on the amount of dividends on shares and dividend payout procedure;

s) payout (announcement) of dividends based on results of the first quarter of, the first half of, first nine months of fiscal year as well as based on entire fiscal year results;

t) consideration of the investment program, including amendment thereto;

u) approval (discussion) of the investment program performance report.

37) Determination of the position of the Company (representatives of the Company) on the following matters of the agendas of the Meetings of the Board of Directors of SDCs (including ordering to take or not to take part in voting on matters of the agenda or vote as "in favor", "against", or "abstained"):

a) determination of the position of the representatives of SDCs on the matters of the agendas of the General Meetings of Shareholders (participants) and the Meetings of the Boards of Directors of subsidiary and dependent companies to SDCs concerning making (approval) transactions (including several associated transactions) related to disposal of or possible disposal of assets which represent fixed assets, intangible assets, objects under construction which are intended for generating, transmission, dispatch, distribution of power and heat energy in cases (amounts) determined by the procedure for cooperation between the Company and the organizations in which the Company participates approved by the Board of Directors of the Company;

b) determination of the position of the representatives of SDCs on the matters of the agendas of the General Meetings of Shareholders (participants) and the Meetings of the Boards of Directors of subsidiary and dependent companies to SDCs which generate, transmit, dispatch, distribute and sell power or heat energy on their reorganization, liquidation, increasing the authorized capital of such companies by increasing the face value of shares or by placing additional shares, and placement of securities convertible into ordinary shares;

38) preliminary approval of the following transactions of the Company:

a) transactions with fixed assets of the Company which represent more than 10 percent of the book value of the Company's fixed assets as estimated at the date of making decision on concluding the transaction;

b) transactions (including several associated transactions) related to disposal of or possible disposal of property which represents fixed assets, intangible assets, objects under construction which are intended for generating, transmission, dispatch, distribution of power and heat energy in cases (amounts) determined by decisions of the Board of Directors of the Company, or if the listed cases (amounts) are not determined by the Board of Directors;;

c) transactions (including several associated transactions) related to disposal of or possible disposal of property which represents fixed assets, intangible assets, objects under construction which are not intended for generating, transmission, dispatch, distribution of

- power and heat energy in cases (amounts) determined by decisions of the Board of Directors of the Company, or if the listed cases (amounts) are not determined by the Board of Directors;
- 39) nomination of candidates for the position of the Sole Executive Body and for other Management Bodies, Supervisory Bodies as well as nomination of auditors of organizations in which the Company participates and which generate, transmit, dispatch, distribute and sell power or heat energy or perform maintenance and service activities;
  - 40) determination the areas of insurance coverage for the Company, including the approval of the Insurer of the Company;
  - 41) approval of the administrative structure of the Company's executive bodies and making changes to thereto;
  - 42) approval of the rules of material incentives for the General Director, rules of material incentives for the Company's top managers; approval of the top managers list;
  - 43) approval of candidates for positions in the Executive Bodies of the Company determined by the Board of Directors of the Company;
  - 44) making decision on nominating the General Director of the Company for State Awards;
  - 45) preliminary approval of Union Contract and agreements concluded by the Company as part of regulation of social and employment relationships;
  - 46) establishing the Committees of the Board of Directors of the Company, election of the members of the Committees of the Board of Directors of the Company and early termination of their powers, election of and early termination of powers of chairmen of the Committees of the Board of Directors of the Company;
  - 47) approval of independent appraiser (appraisers) for the evaluation of the value of shares, property and other assets of the Company in cases stipulated in the Federal Law "On Joint-Stock Companies", this Charter or determined by decisions of the Board of Directors of the Company;
  - 48) approval of financial advisor hired in compliance with the Federal Law "On Securities Market" as well as bookrunners and consultants on transactions which are directly related to raising funds through public offering;
  - 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 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) determination of the procurement policy of the Company including the approval of the Regulation on Procurement of Goods, Works and Services, the appointment of the Head of the Central Procurement Body and its members as well as the approval of the Annual Procurement Plan and making other decisions in compliance with the Company's Regulations and Policies governing the procurement activities of the Company;
  - 51) approval of targeted levels (adjusted levels) of key performance indicators (KPI) of the Company and KPI performance reports;
  - 52) defining the Company's policy aimed at the improvement of the reliability of distribution grid complex and other components of power grid industry including approval of strategic plans of the Company for improving the reliability of distribution grid complex, distribution grid complex development and safety.
  - 53) defining the housing policy of the Company with regard to providing corporate support to employees for the improvement of housing conditions in form of entitlements, compensation of expenses, non-interest bearing loans and the approval of decisions on providing such support by the Company in cases when the procedure for providing such support is not defined in the Company's housing policy.
  - 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) other matters assigned to the responsibility of the Board of Directors by the Federal Law "On Joint-Stock Companies" and this Charter.

15.2. Matters 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 11 (eleven) 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 this Charter for the period until the following annual General Meeting of Shareholders.

In case the Board of Directors of the Company is elected on an extraordinary General Meeting of Shareholders, the members of the Board of Directors shall be deemed as elected for the period ending with the date of the annual General Meeting of Shareholders of the Company.

If an annual General Meeting of Shareholders has not been held within the period prescribed by Clause 11.1 of Article 11 of this Charter, the powers of the Company's Board of Directors shall be terminated, with the exception of those powers involved in preparing, convening, and holding an 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 for an unlimited number of terms.

16.5. By decision of the General Meeting of Shareholders, the authority of members of the Company's Board of Directors may be terminated prematurely.

Decision on early termination of powers may be made only with respect to all members of Company's Board of Directors.

### **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, calls and presides over meetings, arranges for the taking of minutes at board 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 the functions of the chairman shall be performed by the Deputy Chairman of the Board of Directors elected from among the members of the Board of Directors by a majority vote.

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

18.1. The procedure for calling and holding board meetings is determined by the internal document approved by the General Meeting of Shareholders.

18.2. The meetings of Board of Directors shall be held as necessary, but not less than once a quarter.

The meeting of 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 this Charter) at his / her initiative, at the request of a member of the Board of Directors, the Auditing Commission, the General Director, a member of the Management Board or the Auditor of the Company. 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. Decisions of the Company's Board of Directors may be made by absentee voting (by poll). In the event of absentee voting materials on matters included in the agenda and questionnaire with the specification of a deadline for submission of the completed and signed questionnaire 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 which was absent at the Board of Directors' meeting shall be entitled to state his / her views on agenda matters in accordance with the procedure determined by the internal document which regulates the procedure for calling and holding of the Board of Directors meeting.

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

18.7. Decisions at the Company's Board of Directors meetings 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 this Charter.

Should a transaction simultaneously be approved for several causes (stipulated by this Charter 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 matters 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 (managing executive) and on appointment of an Acting General Director of the Company;
- On calling 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 this Charter.

In making the decisions provided for by this Clause the votes held by those members of the Company's Board of Directors no longer serving thereon shall not be taken into account.

In this case no longer serving members of the Board of Directors shall be understood as quitted in connection with the death, recognition incapable or missing in the court.

18.9. Decisions 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. Decisions by the Company's Board of Directors on matters provided for by subclauses 22-23, 35-37 of Clause 15.1 of Article 15 of this Charter 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. When deciding matters at the Company's Board of Directors meetings, each Board member is entitled to one vote. In the event of a tie during voting by the Board of Directors the Chairman of Company's Board of Directors shall have the casting vote.

18.12. The quorum for Board of Directors meetings shall be at least one-half of the elected members of the Company's Board of Directors.

Should the number of members of the Company's Board of Directors become less than 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 call such extraordinary General Meeting of Shareholders. In this case the quorum for the Board meeting shall be at least half of the remaining members of the Company's Board.

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

18.14. Decisions of the Board of Directors 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 decision of the Board of Directors.

19.2. The Committees are established for working on certain matters referred to the competence of the Board of Directors or matters studied by 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 the Committees of the Company's Board of Directors powers shall be determined by specific decisions 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.

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

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

20.4. The Company's Corporate Secretary shall assist in preparation and holding of the General Meeting of Shareholders, meetings of the Board of Directors within the framework of his / her competence in accordance with the requirements of the RF law, the Charter and other Company's internal documents.

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 Regulation 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. 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.

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 managing executive.

Rights and duties of the managing organization (managing executive) 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 (managing executive) and the Company.

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

21.4. Formation of the executive bodies of the Company and termination of their powers shall be performed by a decision of the Board of Directors except as provided by the federal law and this Charter.

21.5. Rights and duties of the General Director and members of the Company's Management Board in management of the Company's day-to-day operations are determined by the law of the Russian Federation, this Charter and employment contracts signed with the General Director and members of the Company's Management Board.

21.6. The employment contract shall be signed on behalf of the Company by the Chairman of the Board or a person authorized by the Board of Directors.

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 by 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 this Charter.

21.8. The General Director and Board members may simultaneously hold other positions in management of other organizations, as well as other paid positions in other organizations only with consent of the Board of Directors.

21.9. Rights and obligations of an employer on behalf of the Company in respect of the General Director and members of the Company's Management Board shall be performed by the Board of Directors or a person authorized by the Board of Directors.

21.10. The Board of Directors may at any time decide on termination of the powers of the General Director of the Company and on formation of 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, this Charter 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 (managing executive).

The Company's Board of Directors may decide on suspending powers of the managing organization (managing executive). Simultaneously with such decision, the Board of Directors may decide to form the Company's temporary Acting General Director of the Company and to hold an extraordinary General Meeting of Shareholders in order to terminate the powers of the managing organization (managing executive) 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 (managing executive).

21.12. Should managing organization (managing executive) find itself unable to perform its duties, the Board of Directors shall be entitled to decide to form the Company's temporary

Acting General Director of the Company and to hold an extraordinary General Meeting of Shareholders in order to terminate the powers of the managing organization (managing executive) 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 (managing executive).

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 (managing executive) shall, in exercising their rights and performing their duties, act in the Company's interests, exercise their rights and perform their duties with respect to the company in a conscientious and reasonable manner.

21.15. The General Director, members of the Company's Management Board, the Acting General Director as well as the managing organization (managing executive) 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.

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.

The members of the Company's Management Board 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.

21.16. In the event of a General Director 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 a 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 this Charter, as well as the Regulations "On the Management Board" approved by the General Meeting of Shareholders which establishes the period and procedure for calling and holding its meetings and the procedure for taking decisions.

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

- 1) working out strategic development plan of the Company and presenting it for consideration by the Board of Directors;
- 2) working out an annual (quarterly) business plan including investment program, preparation of the business plan performance report and investment plan performance report as well as approval (adjustment) of the cash flows (budget) of the Company;
- 3) preparation of the annual report on financial and business performance of the Company and the report on the execution by the Management Board of the decisions of the General Meeting of Shareholders and the Board of Directors of the Company;
- 4) reviewing reports by the deputies of the General Director of the Company and the heads of business divisions of the Company on the execution of approved plans, programs and orders; reviewing reports, documents and other information on the activity of the Company and its subsidiary and dependent companies;
- 5) making decisions on matters assigned to the responsibility of Supreme Management Bodies of organizations in which the Company owns one 100 (hundred) percent of Authorized Capital (subject to sub-clauses 36 and 37 of the Clause 15.1 of Article 15 of the Charter);
- 6) preparation of reports on financial and business performance of organizations in which the Company owns one 100 (hundred) percent of Authorized Capital and the presentation of these reports for consideration by the Board of Directors;
- 7) making decisions 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 Subparagraph 38 Paragraph 15.1 of these Articles of Association);

8) decisions on other matters related to the management of day-to-day activity of the Company within the decisions of the General Meeting of Shareholders, the Board of Directors of the Company as well as matters assigned to the responsibility of the Management Board by the General Director of the Company.

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

Should the candidates nominated to the Management Board by the General Director be rejected by the Board of Directors, the Board of Directors shall be entitled elect the candidates nominated by a member (members) of the Company's Board of Directors.

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

22.4. The Management Board shall be deemed qualified if a half of the elected members of the Management Board participated in its meeting (absentee voting).

22.5. All decisions of the Management Board shall be taken by a majority of votes of the members of the Management Board participated in the meeting (in absentee voting). In the event of a tie during voting by the Management Board the Chairman of Company's Management Board shall have the casting vote.

22.6. A member of the Management Board may not transfer his / her votes to any other party, including another member of the Company's Management Board.

### **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. The competence of the Company's General Director includes all matters pertaining to the management of the company's day-to-day activities, with the exception of those matters which are referred to the competence of the Company's General Meeting of Shareholders, Board of Directors or Management Board.

23.3. The General Director of the Company acts on behalf on the Company without a power of attorney subject to restrictions imposed by the law of the Russian Federation currently in force, this Charter and decisions of the Board of Directors of the Company and is responsible for:

- ensuring the completion of the Company's plans aimed at reaching the goals of the Company;
- organizing the maintenance of accounting records and preparing financial reports of the Company;
- disposing of the Company's property, making transactions on behalf of the Company, issuing powers of attorney, opening settlement accounts and other accounts of the Company in banks and other credit institutions (as well as in organizations of securities market professionals in cases stipulated in laws);
- issuing orders, approving Regulations and Policies related to matters assigned to responsibilities of the General Director, and giving instructions binding upon all employees of the Company;
- approving the Regulation on branches and representative offices of the Company;
- approving staffing chart and official salaries of employees of the Company based on the administrative structure of the Company;
- exercising rights and bearing responsibilities of an employer in respect of Company's employees in accordance with the labor law;
- performing functions of the Chairman of the Management Board of the Company;
- assigning responsibilities among deputies of the General Director;
- submitting financial and business reports of subsidiary and dependent companies which shares (participation interest) are owned by the Company to the Board of Directors as well as information on other organizations in which the Company participates, excluding the cases provided in sub-clause 6) of Clause 22.2 of Article 22 of this Charter;

- submitting Annual Report, Balance Sheet, Profit and Loss Account, Report on Distribution of Profit and Losses of the Company to the Board of Directors not later than 45 (forty five) days prior to the date of annual General Meeting of Shareholders of the Company;
- managing other matters concerning current activities 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.

23.4. 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 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. Auditing Commission and Auditor of the Company**

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

In case the Auditing Commission of the Company is elected on unscheduled General Meeting of Shareholders, the members of the Auditing Commission shall be deemed elected for the period ending with the date of the annual General Meeting of Shareholders of the Company.

The Auditing Commission of the Company includes 5 (five) members.

24.2. The General Meeting of Shareholders has the right for early termination of powers of all or individual members of the Auditing Commission of the Company.

24.3. Responsibilities of the Auditing Commission of the Company include:

- verification of the integrity of data in the annual report, annual accounting reports, profit and loss account the Company;
- analysis of the financial standing of the Company, identification of opportunities for improvement in the financial standing of the Company and working out recommendations for the Company's Management Bodies;
- organization and carrying out of the verification (audit) of financial and business activity of the Company, including:
  - verification (audit) of financial, accounting, payment and other documents of the Company related to the Company's financial and business activities for the compliance with laws of the Russian Federations, Policies and Regulations of the Company and other corporate documents;
  - supervision over preservation and use of fixed assets;
  - supervision over the compliance with the procedure for the writing off bad debts as losses of the Company;
  - supervision over the use of funds of the Company in accordance to approved business plan and the budget of the Company;
  - supervision over the accumulation and use of reserve and other special purpose funds of the Company;
  - verification of the accuracy and promptness of accruing and paying out the dividends on the Company's shares, interests on bonds, and earnings on other securities;
  - follow-up control of the execution of previously issued instructions for elimination of irregularities and shortcomings identified by previous verifications (audits);
  - performing other actions (measures) associated with the audit of financial and business activities of the Company.

24.4. All decisions falling within the competence of the Auditing Commission shall be taken by a majority of votes of the total number of its members.

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

24.6. The activities of the Auditing 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 Auditing Commission shall be entitled attract specialists in the relevant fields of law, economic, finance, accounting, management, economic security and other practices, including specialized 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.

24.8. In order to conduct the audit and confirm the Company's annual financial statements the General Meeting of Shareholders shall approve the Auditor of the Company.

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

24.10. A Company's Auditor audits Company's financial and economic activities in accordance with the requirements of the law of the Russian Federation on the basis of an agreement concluded with the company.

24.11. On the basis of the results of a review of Company's financial and economic activities, the Company's Auditing Commission or Auditor draws up a statement, which shall contain:

- confirmation of the accuracy of data in the Company's statements and other financial documents; and

- information on violations of accounting and bookkeeping procedures established by legal acts of the Russian Federation, as well as on other violations of legal acts of the Russian Federation occurring during the conduct of financial and economic activities.

The procedure and time-frames for making opinion based on the results of review of Company's financial and economic activities shall be determined by legal acts of the Russian Federation and the Company's internal documents.

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

25.1. The Company shall maintain its books and submit financial records according to the procedure established by the law Russian Federation and this Charter.

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

25.3. The accuracy of data contained in a Company's annual report and annual financial statement shall be verified by its Audit Commission and the External Auditor of the Company.

25.4. A Company's annual report, annual accounting reports, 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 30 (thirty) 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) Decision to establish the Company;
- 2) Company's duly registered Charter and amendments made 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 proceedings at General Meetings of Shareholders, at meetings of the Company's Board of Directors, at meetings of the Auditing Commission, at meetings of the Management Board;
- 11) Ballot papers and originals (copies) of powers of attorney to participate in the General Meeting of Shareholders;
- 12) Reports by independent valuers;
- 13) List of the Company's affiliated persons;
- 14) Lists of parties entitled to participate in the General Meeting of Shareholders, lists of parties 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 by the Company's internal Auditing Commission, Auditor, and those by state and municipal agencies for financial oversight;
- 16) Notifications of shareholder agreements conclusion sent to the Company as well as list of persons entered into such agreements;
- 17) Judicial acts on disputes related to Company's foundation, the Company's management or participation in the Company;
- 18) Such other documents as are provided for by the law of the Russian Federation, this Charter and internal documents, and decisions by management bodies of the Company.

26.2. The Company shall keep those 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 those documents listed by Clause 26.1 of this Article for all shareholders subject to restrictions provided for by the law of the Russian Federation.

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

26.6. Those documents specified in Clause 26.1 of this Article shall be provided by the Company within 7 (seven) days (with the exception of the documents provided for by subclause 17 of Clause 26.1 where 3 (three) days time-frame is provided) of the submission day of the corresponding request for inspection on the premises of the Company's executive body.

The Company shall be obliged at the request of those parties entitled to have access to such documents as are specified in Clause 26.1 of this Article to provide such parties with copies of such documents.

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

26.8. 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 this Charter.

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.

Attachment No. 1  
to the Charter of "Interregional  
Distribution Grid Company of  
Volga", Joint-Stock Company

**List of Branches and Representative Offices of IDGC of Volga, JSC**

| <b>No.</b> | <b>Name</b>  | <b>Location</b>  |
|------------|--|--|
| <b>1.</b>  | <b>Branch of IDGC of Volga, JSC - Samara Distribution grids</b>    | building 133, 106 Novo-Sadovaya Str., Samara, 443068             |
| <b>2.</b>  | <b>Branch of IDGC of Volga, JSC - Saratov Distribution grids</b>   | 42/44, Pervomayskaya Str., Saratov, 410031                       |
| <b>3.</b>  | <b>Branch of IDGC of Volga, JSC - Ulyanovsk Distribution grids</b> | 48 Yefremova Str., Ulyanovsk, 432042                             |
| <b>4.</b>  | <b>Branch of IDGC of Volga, JSC – Mordovenergo</b>                 | 50 Lenina Avenue, Saransk, 430003                                |
| <b>5.</b>  | <b>Branch of IDGC of Volga, JSC – Penzaenergo</b>                  | 1/2 Pushkina Str. / Gladkova Str., Penza, 440000                 |
| <b>6.</b>  | <b>Branch of IDGC of Volga, JSC – Orenburgenergo</b>               | 44 Marchala G.K. Zhukova Str., Orenburg, 460024                  |
| <b>7.</b>  | <b>Branch of IDGC of Volga, JSC – Chuvashenergo</b>                | 4/4 I.Yakovleva Avenue, Cheboksary, the Chuvash Republic, 428000 |