

APPROVED:
Annual General Meeting of Shareholders
IDGC of North-West
16 June 2011 (Minutes № 4)

REGULATION
on the Order of Preparation and Carrying out of the General Meeting of Shareholders of
IDGC of North-West

Gatchina
2011

1. General Provisions

1.1. The given Regulation was developed in accordance with the Civil Code of the Russian Federation, Federal Law “On Joint Stock Companies”, other normative-legal acts of the Russian Federation and the Charter of “Interregional Distribution Grid Company of North-West”, Joint Stock Company (hereinafter referred to as Company) and determines the order of preparation and carrying out of the General Meeting of Shareholders of the Company (hereinafter referred to as the General Meeting of Shareholders).

1.2 The General Meeting of Shareholders is the supreme Company’s management body.

1.3 In the course of its activity, the Company is guided by the Russian Federation legislation, the Charter of the Company and the Present Regulation.

2. Convening of, and Preparing to the General Meeting of Shareholders

2.1 The Board of Directors of the Company shall take the decision on the convening of the General Meeting of Shareholders.

2.2. During the process of preparation to the General Meeting of Shareholders the Board of Directors and other persons, in cases stipulated by paragraph 3.1 of the current Regulation, are entitled to take the following decisions:

- a) on convening and form determination of the General Meeting of Shareholders;
- b) on determination of place, date and time of the General Meeting of Shareholders, time of the beginning of the persons’ registration participating in the General Meeting of Shareholders (in case the meeting is carried out in the form of meeting), or on the determination of the deadline for the filled out bulletins submission and postal address the filled out bulletins should be sent to (in case the General Meeting of Shareholders is carried out in the form of absentee voting);
- c) on the agenda of the General Meeting of Shareholders determination;
- d) on determination of the date of the list of persons compiling entitled to take part in the General Meeting of Shareholders;
- e) on determination of type(s) of the preferred shares, whose holders have the right to vote on the agenda questions of the General Meeting of Shareholders;
- f) on determination of the list of information (materials), presented to the shareholders during the preparation to the General Meeting of Shareholders holding and the order of shareholders’ familiarization with the mentioned information;
- g) on determination of the form and text of the voting bulletins during the General Meeting of Shareholders;
- h) on determination of the date of the voting bulletins sending to the persons entitled to vote at the General Meeting of Shareholders (in case the General Meeting of Shareholders is carried out in the form of absentee voting and also in case the General Meeting of Shareholders is carried out in the form of meeting if in accordance with the Federal Law “On Joint-Stock Companies” or the Charter of the Company, the voting bulletins should be sent to (given to) the persons entitled to vote at the General Meeting of Shareholders, before the carrying out of the General Meeting of Shareholders);
- i) on determination of the order of shareholders’ informing about the General Meeting of Shareholders carrying out as well as the form and wording of the announcement;
- j) on the election of the Secretary of the General Meeting of Shareholders, and also in cases when the amount of shareholders –owners of the Company’s voting shares is less than 100 (one hundred) and the Returning board was not founded in the Company, on determination of the person fulfilling the functions of the Auditing commission of the Company;
- k) on determination of the expenditures estimate connected with the preparation and carrying out of the General Meeting of Shareholders.

2.3. The sole executive body of the Company organizes the Board of Directors' decisions implementation connected with the preparation and carrying out of the General Meeting of Shareholders, including:

- timely sending of the demand to the Registrar of the Company on the compiling the list of persons, entitled to participate in the General Meeting of Shareholders as of the date prescribed by the Company's Board of directors;
- guaranteeing the bulletins issue in accordance with the form and wording approved by the Company's Board of Directors;
- ensuring the bulletins' sending to the shareholders and the reception of the filled-out voting bulletins in case the General Meeting of Shareholders is carried out in the form of the absentee voting or meeting can be fulfilled by means of sending the filled-out voting bulletins to the Company;
- ensuring the shareholders' informing on the order and terms stipulated by the decision of the Board of Directors and the Charter of the Company;
- providing the preparation of the necessary materials (information) concerning the agenda issues of the General Meeting of Shareholders and the possibility to get familiarized with the abovementioned information (materials) in accordance with the decisions of the Board of Directors;
- carrying out other actions concerning the Board of Directors' decisions implementation.

3. Peculiarities of Convening of the Extraordinary General Meeting of Shareholders

3.1 The extraordinary General Meeting of Shareholders can be convened by the Auditing commission of the Company, Company's Auditor and shareholder(s) of the Company who are the owners of at least 10 (Ten) percent of the Company's voting shares in case during 5 (Five) days since the date of the demand raise on the convening of the extraordinary General Meeting of Shareholders the Company's Board of Directors did not take the decision on the extraordinary General Meeting of Shareholders convening or rejected its convening.

3.2 Persons convened the extraordinary General Meeting of Shareholders in the order stipulated by paragraph 3.1 of the current Regulation personally fulfill the actions on preparation and holding of the extraordinary General Meeting of Shareholders.

4. Information Support of the General Meeting of Shareholders

4.1. Notification on carrying out of the General Meeting of Shareholders and information materials concerning the agenda issues of the General Meeting of Shareholders, besides other ways of bringing information to the shareholders of the Company shall be presented on the Company's web-site on or prior the deadline for the notification of the shareholders on carrying out of the General Meeting of Shareholders.

The abovementioned materials should be also presented in English.

4.2 Minutes of the General Meeting of Shareholders shall be posted on the Company Web-site no later than within 5 (Five) working days upon signature of the minutes of the General Meeting of Shareholders.

The Minutes of the General Meeting of Shareholders is recommended to present in English.

4.3 Company's shareholders during the process of candidates' nomination to the Company's Board of Directors shall present the following information about the candidates:

- 4.3.1. Last name, Name, Patronymic;
- 4.3.2. Citizenship;
- 4.3.3. Place of residence (country, town);
- 4.3.4. Education;
- 4.3.5. Occupation;

- 4.3.6. Primary employment;
- 4.3.7. Information about the time record for 5 years prior to the date of nomination;
- 4.3.8. Information on the shareholding of the Company and its subsidiary and dependent companies (SDCs) (the amount of shares owned);
- 4.3.9. Whether the nominee is the member of the Board of Directors, Collegial executive body, other collegial management body or other legal body.
- 4.3.10. Whether the nominee is the body of the other economic entity which official body is a nominee to the Company's Board of Directors.
- 4.3.11. Whether the nominee is the spouse, parent, son, daughter, brother, sister of the official bodies (manager) of the Company (official bodies of the Company's managing organization);
- 4.3.12. Whether the nominee is the party in relation to the Company concerning its liabilities, which conditions give the right to acquire property (acquire money means), which cost makes up at least ten percent of the joint annual income of the candidate, besides the remuneration for the participation in the Board of directors' activity;
- 4.3.13. Whether the nominee is (will be as a result of his/her election to the Board of Directors) the representative of the State, that is the person who is (will be as a result of the election to the Company's Board of directors) the Representative of the Russian Federation in the Board of Directors of the joint-stock company in relation to which a special decision was taken concerning the use of the special right (the "golden share"), and, persons who are entitled to (will be entitled to as a result of their election to the Board of Directors) vote on the basis of the written directives (regulations and etc.) of the subject of the Russian Federation or the municipal entity;
- 4.4. Information presentation, indicated in paragraphs 4.3.2. – 4.3.13 of the current Regulation, to the shareholders of the Company, is permissive. If shareholders do not present such information, this can not be the sufficient ground for refusal to include the corresponding candidate to the list of persons for voting upon election to the Company's Board of Directors.
- 4.5. Information presented in paragraph 4.3. concerning the candidates to the Board of Directors can be available to all Company's shareholders together with other information materials concerning the agenda questions for the General Meeting of the shareholders of the Company.
- 4.6. Company's executive bodies before the General Meeting of Shareholders holding shall implement the Company's information policy so that it would be directed to the election to the Board of Directors of the Company the candidates, who meet the requirements of the regulatory bodies and the trade organizers at the equity market of the Russian Federation.

5. Holding of the General Meeting of Shareholders in the Form of Meeting

Holding of the General Meeting of Shareholders in the form of meeting is carried out by the direct presence of shareholders of the Company at the discussion of the agenda issues and decision taking concerning the questions brought to the agenda.

5.1. Registration of persons having the right to participate in the General Meeting of Shareholders.

5.1.1. Registration of persons having the right to participate in the General Meeting of Shareholders is carried out by the Returning board or other person carrying out the functions of the Returning board at the place the General Meeting of Shareholders is held, indicated in the announcement on the meeting holding.

Registration of persons who are entitled to participate in the General Meeting of Shareholders begins in time indicated in the announcement on meeting holding.

5.1.2. Registered should be the persons who have the right to participate in the General Meeting of Shareholders.

If the voting on agenda questions of the General Meeting of Shareholders held in the form of meeting, can be carried out by means of sending to the Company the filled out voting bulletins, the persons whose bulletins were received not later than two days prior to the date of the General Meeting of Shareholders are not subjected for the registration before the participation in the General Meeting of Shareholders.

5.1.3. During the registration, the shareholder (his/her representative, legal successor) arrived at the General Meeting of Shareholders, shall show the passport or any other identification document.

Legal successors and also the representatives of persons, included into the list of persons, entitled to participate in the General Meeting of Shareholders during the registration for participation in the General Meeting of Shareholders also show the Returning board, or person, implementing the functions of the Returning board the documents proving their authorities.

The list of documents proving the authorities of the representatives and legal successors, included into the list of persons entitled to participate in the General Meeting of Shareholders is determined in accordance with the current legislation.

If the abovementioned documents were not presented the legal successor and also the representative of the shareholder is not entitled to take part in the General Meeting of Shareholders.

5.1.4. Registration of persons having the right for the participation in the General Meeting of Shareholders is carried out on condition that the persons who came to take part in the General Meeting of Shareholders were identified by means of data comparing, contained in the list of persons having the right to participate in the General Meeting of Shareholders with information contained in documents presented by the abovementioned persons.

5.1.5. During the registration, the person participating in the General Meeting of Shareholders should be given a bulletin for voting on agenda questions.

If the voting at the General Meeting of Shareholders can be carried out by means of presentation of the filled out voting bulletins to the Company, on demand of persons registering for participation in the General Meeting of Shareholders, which bulletin papers were not received by the Company or were received later than 2 (Two) days before the date of meeting holding, these persons should be given voting papers with the note proving their reissue.

5.1.6. Registration of persons entitled to participate in the General Meeting of Shareholders is considered ended by the moment when the Chairman of the General Meeting of Shareholders declares the last issue discussion end of the General Meeting of Shareholders' agenda with the quorum.

5.2 Opening of the General Meeting of Shareholders.

5.2.1. The representative of the Returning board or other body carrying out the functions of the Returning board in time, that is in accordance with the announcement on carrying out of the General Meeting of Shareholders is the time the General Meeting of Shareholders begins, declares the presence of quorum concerning the agenda questions of the General Meeting of Shareholders.

5.2.2. The General Meeting of Shareholders has the right (quorum), if the shareholders, having in the aggregate more than a half of votes of issued voting shares of the Company took part in it.

In case the agenda of the General Meeting of Shareholders includes the questions, which voting is carried out by different voters, the determination of the quorum for the decision taking concerning these questions is implemented separately.

Together with this, the absence of quorum for decision taking concerning the questions, the voting on which is carried out by the certain amount of voters do not impede the decision taking on questions which voting is carried out by different amount of voters, for which adoption this quorum is present.

To take the decision on the transaction approval, which conclusion is of importance, the quorum is created by the shareholders - the holders of the voting shares of the Company not

interested in the Company's transaction conclusion, possessing of more than a half of shareholders' votes – owners of voting shares of the Company, not interested in Company's transaction conclusion.

5.2.3. In case there is the quorum concerning at least one of the questions, included into the agenda of the Board of Directors of the Company, the Chairman of the Board of directors of the Company announces the opening of the General Meeting of Shareholders.

5.2.4. The General Meeting of Shareholders, by the opening moment of which there was only the quorum concerning separate agenda questions, can not be closed if by the moment of the registration end the persons which registration provides the quorum for the decision taking concerning other questions of the General Meeting of Shareholders.

5.2.5. In case, by the beginning of the Company's General Meeting of Shareholders holding, there is no quorum concerning any of the questions included into the agenda of the General Meeting of Shareholders of the Company, the Chairman of the General Meeting of Shareholders declares the carrying forward of the General Meeting of Shareholders for 2 (Two) hours.

The General Meeting of Shareholders' carrying forward more than once is not permitted.

In case in 2 (Two) hours after the announcement on the carrying forward of the General Meeting of Shareholders, the persons ensuring the quorum concerning at least one of the questions included on the agenda of the General Meeting of Shareholders, proved unregistered the Chairman of the General Meeting of Shareholders announces that the General Meeting of Shareholders did not take place.

In case, in 2 (Two) hours after the announcement on the carrying forward of the General Meeting of Shareholders the persons providing the quorum of at least one of the questions included on the agenda on the General Meeting of Shareholders proved registered, the Chairman of the General Meeting of Shareholders announces the opening of the General Meeting of Shareholders.

5.2.6. In case there is no quorum for the General annual meeting of shareholders holding, the repeated General Meeting of Shareholders with the same agenda shall be carried out.

If there is no quorum for the carrying out of the extraordinary General Meeting of Shareholders the repeated General Meeting of Shareholders can be carried out with the same agenda.

5.3. The discussion of the agenda questions of the General Meeting of Shareholders

5.3.1. Persons taking the floor at the General Meeting of Shareholders should adhere to the following time limit:

- report on the agenda questions – up to 30 minutes,
- co-report – up to 20 minutes,
- closing arguments – 5 minutes,
- presentation with questions, announcements – 2 minutes.

The Chairman of the General Meeting of Shareholders has the right to broaden the limits presented in this paragraph.

5.3.2. Shareholder wishing to take agenda questions of the General Meeting of Shareholders should direct the corresponding application in writing to the Secretary of the General Meeting of Shareholders.

The application should contain the last name, name, patronymic of the shareholder (his/her) representative, the agenda question the shareholder would like to take a word on and also signed by the shareholder.

The question should be sent in writing to the Secretary of the General Meeting of Shareholders; besides the wording of the question, the shareholder (representative of the shareholder) should also indicate the last name, name and patronymic (name of the shareholder – legal body) and also can be signed by the shareholder.

5.3.3. The Secretary of the General Meeting of Shareholders shall direct the applications and questions received from the shareholders to the Chairman of the General Meeting of Shareholders.

If by the moment of the General Meeting of Shareholders opening there was the quorum concerning only several questions of the agenda, by the end of the discussion of the last from the mentioned agenda questions the representative of the Returning board or any other body carrying out the functions of the Returning board announces either the presence or absence of the quorum on other questions of the agenda.

5.3.4. In case, the discussion of questions, which had the quorum, of the General Meeting of Shareholders ends, the Chairman of the General Meeting of Shareholders announces the termination of all the agenda questions discussion and the end of the persons registration, participating in the General Meeting of Shareholders.

5.4. Voting at the General Meeting of Shareholders.

5.4.1. Voting at the General Meeting of Shareholders in the form of co-presence is carried out by the order, stipulated by the federal law “On Joint-Stock Companies”, other normative-legal acts and the Charter of the Company and present Regulation.

5.4.2. Voting on the agenda issues of the General Meeting of Shareholders is carried out by the voting bulletins.

5.4.3. Persons registered for participation at the General Meeting of Shareholders, held in the form of meeting are entitled to vote on all the questions of the agenda since the moment of the General Meeting of Shareholders opening and till the moment of votes counting start.

5.4.4. After the end of the last question discussion of the agenda of the General Meeting of Shareholders (the last question that posses the quorum) the persons who did not vote on all the questions till the present moment are given 30 (Thirty) minutes for voting.

5.4.5. By the termination of the above stated time the Chairman announces on the votes counting beginning.

5.5 Summing up of the voting and its announcement concerning the agenda questions of the General Meeting of Shareholders. Closing of the General Meeting of Shareholders.

5.5.1. Counting and summing up of the voting results concerning the agenda of the General Meeting of Shareholders is performed by the Returning board or other body carrying out the functions of the Returning board, in accordance with the requirements of the current Legislation.

5.5.2. If the results of the voting and decisions taken by the General Meeting of Shareholders of the Company can not be declared at the General Meeting of Shareholders of the Company.

5.5.3. In case the voting results and decisions taken by the General Meeting of Shareholders were not announced at the General meeting, not later than 10 (Ten) days after the Minutes drawing up on the results of the voting approved by the General meeting of Company’s shareholders and also the voting results should be brought to the notice of the people included into the list of persons having the right to take part at the General Meeting of Shareholders by the order stipulated by the Charter of the Company for announcement of the General Meeting of Shareholders if other was not stipulated by the Company’s Charter.

5.5.4. After the announcement of the voting results concerning the agenda questions of the General Meeting of Shareholders in case they are announced at the General Meeting of Shareholders, the Chairperson announces the General Meeting of Shareholders closing.

6. Holding of the General Meeting of Shareholders by Means of the Absentee Voting

6.1. Voting on agenda questions of the General Meeting of Shareholders, carried out in the form of absentee voting is carried out by voting bulletins.

6.2. The filled out bulletins should be directed to the Company, not later than on the day that is the dead line for the bulletins' submission in accordance with the decision on convening and carrying out of the General Meeting of Shareholders adopted in accordance with the Federal Law "On Joint-stock Companies" and the present Regulation.

In case the deadline for the submission of the voting bulletins falls on nonworking day, the deadline of the filled-out bulletins submission is the following working day.

The deadline of the filled-out bulletins submission expires on the day of voting bulletins submission by the hour when in the Company in accordance with the set rules the working day ends.

6.3. Filled out bulletins can be submitted to the Company by the first class letter, under signed receipt given to the person, who is carrying out the functions of the Company's sole executive body, or the person authorized to receive the correspondence addressed to the Company, and also sent to the Registrar of the Company (in case he/she fulfills the functions of the Returning board).

6.4 The body fulfilling the functions of the sole executive body of the Company organizes the accumulation, preservation, transmission of the filled out bulletins for voting of the Returning board or other person carrying out the functions of the Returning board or other person carrying out the functions of the Returning board.

6.5. The shareholder - the physical person during the ballot paper filling out indicates his/her last name and initials; shareholder – the legal body indicates the full physical name of the Legal body.

6.6. The representative of the shareholder – of the physical body during the ballot paper filling out indicates his/her last name and initials, and also the essential elements of the warrant (other document approving the authority), the representative of the shareholder – legal person shall indicate the last name and initials, as well as the position and details of the warranty (or any other documents approving the authorities).

6.7. The representative of the shareholder attaches the warrant to the voting ballot (its notarially attested copy) or other document he/she acts on the basis of.

6.8. The General Meeting of Shareholders carried out in the form of the absentee vote is duly authorized (has the quorum) if not later than the deadline of the voting bulletins submission date the Company acquires the shareholders' bulletins possessing in aggregate more than a half of the votes of the placed voting shares of the Company.

To take the decision about the interested party transaction approval, shareholders make up the quorum – owners of the Company's voting shares, not interested in the transaction conclusion by the Company, possessing more than a half of shareholders' votes – owners of the voting shares of the Company, not interested in the Company's transaction conclusion.

7. Working Bodies of the General Meeting of Shareholders of the Company

7.1 Working bodies of the General Meeting of Shareholders are:

- a) Chairman of the General Meeting of Shareholders;
- b) Returning board;
- c) Secretary of the General Meeting of Shareholders.

7.2. The functions of the Chairman are being fulfilled by the Chairman of the Board of Directors.

If the Chairman of the Board of Directors is absent at the General Meeting of Shareholders the functions of the Chairman at the General Meeting of Shareholders are being carried out by the Deputy Chairman of the Board of Directors.

In case the Chairman of the Board of Directors and his/her deputy are absent, their functions at the General Meeting of Shareholders according to the decision of the people present at the General Meeting of Shareholders can be fulfilled by any member of the Board of directors.

7.3. The Chairman of the General Meeting of Shareholders opens and closes the meeting, announces the agenda of the General Meeting and the order of speeches and reports concerning the agenda questions, on termination of the agenda issues' discussions and the beginning of the votes counting, ensures the fulfillment of the meeting holding order, signs the Minutes of the General Meeting of Shareholders.

7.4. The functions of the Returning board at the General Meeting of Shareholders are carried out by the professional equity market participant, who is the holder of the shareholder's Register of the Company (Registrar of the Company).

If the amount of shareholders-owners of the voting shares of the Company does not outnumber 100 (One hundred), the functions of the Returning board of the General Meeting of Shareholders can be fulfilled by the person authorized by the Company's Board of directors.

7.5 The Returning board fulfills the following functions:

- a) checks up the authority and registers persons, participating in the General Meeting of Shareholders (shareholders and their representatives);
- b) determines of the quorum presence of the General Meeting of Shareholders;
- c) explains the questions arising in connection with the Company's shareholders (their representatives) realization of the right to vote at the General Meeting of Shareholders;
- d) explains the order of voting concerning the questions put to the agenda;
- e) ensures the set-up order of voting and rights of the Company's shareholders for voting;
- f) counts votes and sums up the results of the voting;
- g) compiles the Minutes on the Results of the voting;
- h) brings the results of the voting to the notice of the Company's shareholders;
- i) sends to archive the voting bulletins;
- j) other functions stipulated by the Legislation of the Russian Federation and Company's Articles and the agreement, signed by the Company with the Registrar (if he/she fulfills the functions of the Returning board).

7.6. The Functions of the Secretary of the General Meeting of Shareholders are carried out by the Company's Corporate Secretary if other decision was not taken by persons, calling the General Meeting of Shareholders, in case stipulated by paragraph 3.1. of article 3 of the current Regulation.

If the Corporate Secretary of the Company can not fulfill the functions, the Secretary of the General Meeting of Shareholders shall be elected by the Board of directors to decide the questions concerning the preparation to the General Meeting of Shareholders, or persons convening the General Meeting of Shareholders in case stipulated by paragraph 3.1. of article 3 of the current Regulation.

7.7 The Secretary of the General Meeting of Shareholders shall fulfill the following functions:

- a) receive applications from persons participating in the General Meeting of Shareholders on the right acquisition to take part in the discussion of the general agenda issues of the meeting and also receive questions;
- b) transmit the applications and questions to the Chairman of the General Meeting of Shareholders;
- c) fix the order of the General Meeting of Shareholders holding (general provisions of speeches and reports);
- d) other functions stipulated by the Present Regulation and the Company's Articles.

8. Financial Provision of the General Meeting of Shareholders Holding

8.1. Expenditures connected with preparation and holding of the General Meeting of Shareholders are preceded at the expense of the Company's means in accordance with expenditures' estimate approved by the Board of Directors and included into the Company's budget.

