

# Minutes №2006-2Г of Volga TGC annual general shareholders' meeting

Company name and location:	Open Joint-Stock Company "Volga Territorial Generation Company" (Russia, Samara, Mayakovskogo str. 15)
Type of General meeting:	annual
Meeting format:	Meeting
Meeting date:	June 20, 2006.
Place of meeting:	Samara, Mayakovskogo str. 15
Time of persons entitled to participate in general shareholders' meeting registration:	11.30 – 12.00
The Meeting was called to order at:	12.00
The counting of votes began at:	12.30
The meeting was adjourned at:	12.35

In accordance with item 7.2 of regulations on the Volga TGC general shareholders' meeting preparation and convocation order, functions of the Chairman shall be exercised, by the decision of participants, by Member of the Board of Volga TGC **Mr. Nikonov Vasily Vladislavovich**.

Secretary of the meeting – Volga TGC corporate management department head **Stitzuk Yury Vyacheslavovich**.

Functions of the tabulation commission are fulfilled by the secretary of the meeting – Stitzuk Yury Vyacheslavovich.

Secretary of the meeting informed of the presence of quorum.

## **Agenda of the meeting:**

- 1 Approval of annual returns, annual accounting statements, including profit and loss account and profit (including dividends payment) and loss distribution based on the 2005 financial year results.
- 2 Election of members of the Company Board of Directors.
- 3 Election of members the Company Auditing Commission.
- 4 Approval of amendments and supplements to the Company By-Laws.
- 5 Appointment of the Auditor of the Company.

## **ITEM №1: Approval of annual returns, annual accounting statements, including profit and loss account and profit**

## **(including dividends payment) and loss distribution based on the 2005 financial year results.**

Floor was given to Mr. Rimer Yury Mirovich, Director of Volga TGC for finance and economics. Mr. Rimer reported that, within the period under review, before start of production activity, the Company carried out formation of authorized capital and management structure. This peculiarity of the Company operation was reflected in the documents, provided to the Meeting for approval.

### **Vote results for item №1**

Quantity of votes of the persons who were included in the list of persons entitled to participate in the General Shareholders' Meeting	22 830 000 000
Quantity of votes of the persons – owners of distributed shares, entitled to vote at the meeting	22 830 000 000
Quantity of votes of the persons who participated in the General Shareholders' Meeting concerning this item on the agenda	22 830 000 000
Quorum on the item	100%

<b>Voting results</b>	<b>Number of votes</b>	<b>% of all having the vote</b>
«FOR»	22 830 000 000	100
«AGAINST»	0	0
«ABSTAINED»	0	0

### **DECISION OF THE MEETING:**

1. Annual returns, annual accounting statements, including profit and loss account based on the 2005 financial year results were approved.
2. The following profit and loss distribution based on the 2005 financial year results was approved:

	<b>(thousand rbl.)</b>
Retained profit (loss) of the reported period:	136 896
To be distributed to: Reserve fund	6 845
Dividends	---
Investments (saving)	130 051
Previous years loss settlement	---

3. Dividends on Company's ordinary shares on the results of 2005 shall not be paid.

## **ITEM №2: Election of members of the Company Board of Directors.**

Floor was given to Sviridov Igor Vladimirovich, Director for Legal Issues, corporate management and property, Volzhskaya TGC. Mr. Sviridov informed of the order of candidates list formation for the Board of Directors election.

### **Vote results for item №2**

Quantity of votes of the persons who were included in the list of persons entitled to participate in the General Shareholders' Meeting	22 830 000 000
Quantity of votes of the persons – owners of distributed shares, entitled to vote at the meeting	22 830 000 000
Quantity of votes of the persons who participated in the General Shareholders' Meeting concerning this item on the agenda	22 830 000 000
Quorum on the item	100%

Voting pattern («valid votes»):

<b>№</b>	<b>Name of candidate</b>	<b>Number of votes “For” the candidate</b>	<b>% of all having the vote</b>
1	Avetisjan Vladimir Evgenievich	22 830 000 000	100%
2	Ahanov Dmitry Sergeevich	22 830 000 000	100%
3	Buldakova Antonina Stepanovna	22 830 000 000	100%
4	Vagner Andrey Alexandrovich	22 830 000 000	100%
5	Zhelyabovskii Yury Anatolievich	22 830 000 000	100%
6	Zhurba Dmitry Gennadievich	22 830 000 000	100%
7	Makushin, Jury Pavlovich	22 830 000 000	100%
8	Mechetin Alexander Anatolievich	22 830 000 000	100%
9	Nikonov Vasily Vladislavovich	22 830 000 000	100%
10	Fedorchuk Dmitry Vasilievich	22 830 000 000	100%
11	Sharov Yury Vladimirovich	22 830 000 000	100%

### **DECISION OF THE MEETING:**

The following candidates are deemed to be elected to the Board of Directors:

Avetisjan Vladimir Evgenievich, Ahanov Dmitry Sergeevich, Buldakova Antonina Stepanovna, Vagner Andrey Alexandrovich, Zhelyabovskii Yury Anatolievich, Zhurba Dmitry Gennadievich, Makushin, Jury Pavlovich, Mechetin Alexander Anatolievich, Nikonov Vasily Vladislavovich, Fedorchuk Dmitry Vasilievich, Sharov Yury Vladimirovich.

## **ITEM №3: Election of members the Company Auditing Commission.**

Floor was given to Sviridov Igor Vladimirovich, Director for Legal Issues, corporate management and property, Volzhskaya TGC. Mr. Sviridov informed of the order of candidates list formation for the Auditing Commission election.

### **Vote results for item №2**

Quantity of votes of the persons who were included in the list of persons entitled to participate in the General Shareholders' Meeting	22 830 000 000
Quantity of votes of the persons – owners of distributed shares, entitled to vote at the meeting	22 830 000 000
Quantity of votes of the persons who participated in the General Shareholders' Meeting concerning this item on the agenda	22 830 000 000
Quorum on the item	100%

<b>№</b>	<b>Name of the candidate</b>	<b>«FOR»</b>	<b>«AGAINST»</b>	<b>«ABSTAINED»</b>
1	Matunina Ludmila Romanovna	22 830 000 000 100% 0		0
2	Mikhno Irina Vasilievna	22 830 000 000 100% 0		0
3	Starshinova Olga Viktorovna	22 830 000 000 100% 0		0
4	Smirnova Elena Evgenievna	22 830 000 000 100% 0		0
5	Demina Larisa Evgenievna	22 830 000 000 100% 0		0

### **DECISION OF THE MEETING:**

The following candidates are deemed to be elected to the Auditing Commission: Demina Larisa Evgenievna, Matunina Ludmila Romanovna, Mikhno Irina Vasilievna, Smirnova Elena Evgenievna, Starshinova Olga Viktorovna.

## **ITEM №4: Approval of amendments and supplements to the Company By-Laws.**

Floor was given to Sviridov Igor Vladimirovich, Director for Legal Issues, corporate management and property, Volzhskaya TGC. Mr. Sviridov characterized the amendments and supplements to the Company By-Laws as providing further improvement of the Company corporate management.

### **Vote results for item №4**

Quantity of votes of the persons who were included in the list of persons entitled to participate in the General Shareholders' Meeting	22 830 000 000
Quantity of votes of the persons – owners of distributed shares, entitled to vote at the meeting	22 830 000 000
Quantity of votes of the persons who participated in the General Shareholders' Meeting	22 830 000

concerning this item on the agenda	000
Quorum on the item	100%

<b>Voting results</b>	<b>Number of votes</b>	<b>% of all having the vote</b>
«FOR»	22 830 000 000	100
«AGAINST»	0	0
«ABSTAINED»	0	0

## **DECISION OF THE MEETING:**

The following amendments and supplements have been introduced in the Company By-Laws:

Article 8: second paragraph of Item 8.1. shall read as follows:

Mandatory annual contribution to the Company's reserve fund shall amount to 5 (five) per cent of the Company net profit until the reserve fund reaches the determined amount."

Article 11: first paragraph of Item 11.6. shall read as follows:

11.6. The voting ballots on the agenda items should be forwarded to the persons entitled to participate in general shareholders meeting by registered mail or delivered by hand to each person on the list of those entitled to participate in general shareholders meeting not later than 20 days prior to the date of the general shareholders meeting convocation date."

Article 12: first paragraph of Item 12.5. shall read as follows:

12.5. The voting ballots on the agenda items should be forwarded to the persons entitled to participate in general shareholders meeting by registered mail or delivered by hand to each person on the list of those entitled to participate in general shareholders meeting not later than 20 days prior to the last date of ballots acceptance by the Company ."

Article 15: Sub-item 5 of item 15.1. shall read as follows:

5) Determination of the list of persons entitled to participate in the general shareholders' meeting compilation date, approval of general shareholders' meeting convocation cost estimate and resolution of other issues associated with the Company general shareholders' meeting preparation and convocation;"

Sub-item 8 of item 15.1. shall read as follows:

8) Approval of decision on securities issue, securities offering circular, report on securities issue results, reports on results of shares purchase from the Company shareholders and reports on results of shares redemption from the Company shareholders;

Sub-item 12 of Item 15.1. shall read as follows:

12) Election of the Company General Director early termination of his powers, including decision-making on his labour contract early termination;”; Sub-item 13 of Item 15.1. shall read as follows:

13) Determination of Management Board quantitative structure, election of Management Board members, their remuneration and (or) compensation fixing, early termination of their powers including their labour contracts early termination;

Sub-item 19 of item 15.1. shall read as follows:

19) Approval of business case (adjusted business case) and report on its fulfillment results as well as approval (adjustment) of the Company cash flows control figures;

Sub-item 23 of item 15.1. shall read as follows:

23) Determination of the Company’s credit policy in the field of accommodation with loans, conclusion of credit contracts or contracts of debt, giving guarantees, assumption of liabilities on promissory notes (issue of promissory notes and bills of exchange), pledging of property and making decisions on the above company’s bargains in case the order of decision making is not specified in the Company’s credit policy, and, within the frames of the Company’s credit policy, decision making on bringing the company debt status into compliance with the limits established by the Company’s credit policy;”

Sub-item 35 of item 15.1. shall be supplemented with the following paragraphs:

l) Chairman of the Board of Directors of subsidiary or associated company (SAC) election and early termination of his powers;

n) SAC General Director election and early termination of his powers;

o) Determination of terms of labour contract with SAC General Director or assigning a person, authorized by the SAC Board of Directors to determine terms of labour contract with SAC General Director and the above contract conclusion;

p) Determination of SAC insurance coverage strategy, including approval of the Regulations on SAC insurance coverage, approval of SAC insurance coverage program and its amendments, nomination of the SAC’s Insurer, (adoption of SAC’s insurer election results), nomination of insurance broker, that is entitled to choose the SAC’s insurers, as well as consideration of the SAC’s sole executive body report on insurance coverage;

q) Approval of business case (adjusted business case) and report on its fulfillment results as well as approval (adjustment) of the investment program and report on its fulfillment results, approval (adjustment) of SAC’s cash flows control figures and/or approval (adjustment) of the SAC cash flows;

r) Approval of SAC’s key performance indicators (KPI) target values (adjusted values) and reports on their fulfillment;

s) Approval of profit and loss distribution as on the financial year results;

t) Recommendations to the general shareholders meeting on dividends on shares value and timing of their payment;

u) Payment (declaration) of dividends on the results of first quarter, half a year, nine months of financial year, as well as on financial year results;”; Sub-item 44 of item 15.1. shall read as follows:

44) Approval of financial adviser candidacy, whose involvement is required by Federal Law “On Securities Market”, as well as the candidacies of securities issue initiators and advisors on bargains directly related to funds attraction in form of public loans

Item 15.1. shall be supplemented with sub-item 47 as follows:

47) approval of the Company executive body organizational structure and amendments introduction;

Item 15.1. shall be supplemented with sub-item 48 as follows:

48) Preliminary approval of transactions that can cause liabilities in foreign currency (or liabilities, value of which is pegged to foreign currency), in cases and amounts determined by respective decisions of the Company Board, as well as if the above cases (amounts) are not determined by the Company Board;

Item 15.1. shall be supplemented with sub-item 49 as follows:

49) Determination of the Company procurement policy, including approval of Regulations on scheduled purchase of goods, works, services, nomination of the head and members of the Company Central Procurement Body, as well as approval of the annual comprehensive procurement program and decision making on other issues, associated with the Company documents that govern the procurement activity of the Company;

Item 15.1. shall be supplemented with sub-item 50 as follows:

50) Decision making on the Company General Director nomination for official decoration granting;

Item 15.1. shall be supplemented with sub-item 51 as follows:

51) Approval of Company’s key performance indicators (KPI) target values (adjusted values) and reports on their fulfillment;

Item 15.1 shall be supplemented with sub-item 52 as follows:

52) Preliminary approval of on deals conclusion by the Company (including several interrelated deals), related to alienation or possible alienation of property, constituting fixed assets, immaterial assets, unfinished construction objects, not designed for production, transfer, dispatching, distribution of electric and thermal power, in cases (volumes), defined by the separate decisions of the Company Board of Directors.

Article 18: item 18.7 shall be supplemented with the second paragraph as follows:

“In case the transaction is subject to approval on several grounds (stipulated by the current By-Laws and Article X or Article XI of Federal Law “On Joint-Stock Companies”) order of its approval shall be governed by the provisions of Federal Law “On Joint-Stock Companies”.

Article 21: sub-item 2 of item 21.2. shall read as follows:

2) Approval of business case (adjusted business case) and report on its fulfillment results as well as approval (adjustment) of the Company cash flows (budget) control figures;

Article 22: sub-item 6 of item 22.3. shall be excluded.

Article 25: sub-item 8 of item 25.1. shall read as follows:

8) Securities prospectus, quarterly issuer’s returns and other documents that contain information subject to publishing or disclosure in any other way in accordance with the federal legislation;

## **ITEM №5: Appointment of the Auditor of the Company.**

Floor was given to Rimer Yury Mirovich, Director For Finance and Economics, Volzhskaya TGC. Mr. Rimer introduced the candidacy for the Company Auditor, CJSC “KPMG” to the shareholders.

### **Vote results for item №5**

Quantity of votes of the persons who were included in the list of persons entitled to participate in the General Shareholders’ Meeting	22 830 000 000
Quantity of votes of the persons – owners of distributed shares, entitled to vote at the meeting	22 830 000 000
Quantity of votes of the persons who participated in the General Shareholders’ Meeting concerning this item on the agenda	22 830 000 000
Quorum on the item	100%

<b>Voting results</b>	<b>Number of votes</b>	<b>% of all having the vote</b>
«FOR»	22 830 000 000	100
«AGAINST»	0	0
«ABSTAINED»	0	0

### **DECISION OF THE MEETING:**

CJSC “KPMG” (Location: Moscow) is approved as the Company Auditor. Operating license № E 003330 dated 17.01.2003.

After consideration of all the items on the agenda of the Volga TGC annual general shareholders meeting the Chairman of the meeting allowed time for counting of votes on all agenda items considered.

After ballots processing the Secretary of the meeting announced the voting results and the Chairman of the Meeting declared the Volga TGC annual general shareholders’ meeting closed.



Chairman of the meeting V.V.Nikonov

Secretary of the meeting Y.V.Stitzuk

Minutes was drawn up on 30.06.06