

APPROVED
by the Annual General
Meeting of Shareholders of
IDGC of North-West, PJSC
14 June 2019 (minutes No. 14)

Chairman of the Meeting

_____ / O.A. Sergeeva /

ARTICLES of Association
of "Interregional Distribution
Grid Company of North-West"
Public Joint Stock Company
(new version)

Saint Petersburg
2019

Article 1. General provisions

1.1. "Interregional Distribution Grid Company of North-West", Public Joint Stock Company (hereinafter referred to as the "Company") was founded under the resolution of the founder (Decree # 153r (153p) of Chairperson of the Management Board of JSC RAO "UES of Russia" dated 9 December 2004) in accordance with the Civil Code of the Russian Federation, the Federal Law "On Joint Stock Companies", and other regulatory legal acts of the Russian Federation.

1.2. The Company in its activities shall be guided by the Civil Code of the Russian Federation, Federal Law "On Joint Stock Companies", Federal Law "On Electric Power Industry", Federal Law "On Peculiarities of Functioning of Electric Power Industry in a Transition Period and on Amending Certain Legislative Enactments of the Russian Federation and on Recognizing Certain Legislative Enactments of the Russian Federation to be Void due to Adoption of the Federal Law "On Electric Power Industry", other regulatory legal acts of the Russian Federation and these Articles of Association.

1.3. The Company's full business name in the Russian language is Публичное акционерное общества «Межрегиональная распределительная сетевая компания Северо-Запада». The Company's former full business name in the Russian language is Открытое акционерное общество «Межрегиональная распределительная сетевая компания Северо-Запада».

The Company's full business name in the English language is «Interregional Distribution Grid Company of North-West», Public Joint Stock Company. The Company's former full business name in the English language is «Interregional Distribution Grid Company of North-West», Joint Stock Company.

1.4. The Company's abbreviated business name in the Russian language is ПАО «МРСК Северо-Запада». The Company's former abbreviated business name in the Russian language is ОАО «МРСК Северо-Запада».

The Company's abbreviated business name in the English language is IDGC of North-West, IDGC of North-West, PJSC. The Company's former abbreviated business name in the English language is IDGC of North-West, JSC.

1.5. The Company's seat: St. Petersburg, Russia. The Company's address shall be specified in Uniform State Register of Legal Entities.

1.6. The Company was created for an indefinite term.

1.7. Based on the resolution of the Company's extraordinary general meeting of shareholders as of 25 December 2007, the Company was reorganized in the form of accession of JSC "Arkhenenergo", JSC "Vologdaenergo", JSC "AEK Komienergo", JSC "Karelenenergo", JSC "Kolenergo", JSC "Novgorodenergo", and JSC "Pskovenergo" with it.

In accordance with:

the delivery and acceptance statement approved by the general meeting of shareholders of JSC "Arkhenenergo" as of 17 December 2007, (Minutes # 2 as of 26 December 2007),

the delivery and acceptance statement approved by the general meeting of shareholders of JSC "Vologdaenergo" as of 20 December 2007, (Minutes # 3 as of 25 December 2007),

the delivery and acceptance statement approved by the general meeting of shareholders of JSC "AEK Komienergo" as of 20 December 2007, (Minutes # 24 as of 26 December 2007),

the delivery and acceptance statement approved by the general meeting of shareholders of JSC "Karelenenergo" as of 25 December 2007, (Minutes # 1795pr/1 (1795np/1) as of 25 December 2007),

the delivery and acceptance statement approved by the general meeting of shareholders of JSC "Kolenergo" as of 17 December 2007, (Minutes # 21 as of 26 December 2007),

the delivery and acceptance statement approved by the general meeting of shareholders of JSC "Novgorodenergo" as of 17 December 2007, (Minutes # 2 as of 26 December 2007),

the delivery and acceptance statement approved by the general meeting of shareholders of

JSC "Pskovenergo" as of 17 December 2007, (Minutes # 20 as of 26 December 2007), upon entering a record into the Unified State Register of Legal Entities on termination of activities of JSC "Arkhenenergo", JSC "Vologdaenergo", JSC "AEK Komienenergo", JSC "Karelenenergo", JSC "Kolenergo", JSC "Novgorodenergo", and JSC "Pskovenergo", the Company is a legal successor in title to each of the mentioned companies with regard to all of their rights and liabilities".

Article 2. The Company's Legal Status

2.1. The legal status of the Company shall be determined by the Civil Code of the Russian Federation, Federal Law "On Joint Stock Companies", and other regulatory legal enactments of the Russian Federation and these Articles of Association.

2.2. The Company shall be a legal entity and Public Joint-Stock Company in accordance with the Russian Federation laws.

2.3. The Company shall possess its own property and shall be liable to the full extent of its property, it may on its behalf purchase and exercise property and personal non-property rights, perform obligations, sue and be sued in the court.

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

2.5. The Company shall be liable for its obligations by all the property it possesses.

The Company shall not be liable for the obligations of the Russian Federation and its shareholders.

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

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

The shareholders of the Company shall run the risk of losses related to its activities to the limit of the value of the shares they possess.

2.6. The Company shall possess a round seal containing its full business name in the Russian language and its location.

The Company shall be entitled to possess stamps and letterhead forms containing its business name, its own logotype, and legally registered trademark and other means of visual identification.

2.7. The Company shall possess civil rights and bear responsibilities which are necessary to exercise any types of the activities that are not prohibited by federal laws.

2.8. The Company shall be entitled to establish branches and open representative offices in accordance with the provisions of the Civil Code of the Russian Federation, the Federal Law on Joint-Stock Companies, as well as other federal laws.

The branches and representative offices of the Company shall not be legal entities; they shall act on behalf of the Company and on the basis of the regulations approved by the Company.

The branches and representative offices of the Company shall possess the property registered both on separate balance sheets and on the Company's balance sheet.

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

The Company shall be liable for the activities performed by its branch and representative office.

The information on the Company's branches and representative offices are stated in the Unified State Register of Legal Entities.

The Company shall be entitled to have subsidiary business companies vested with the rights of legal entities in the territory of the Russian Federation, established in accordance with the Federal Law "On Joint Stock Companies" and other federal laws and these Articles of Association; outside the territory of the Russian Federation - in accordance with the laws of the foreign state at the location of the subsidiary business company, unless otherwise envisaged by the international agreement of the Russian Federation.

2.9. The business company in which the Company's ownership interest is over 20 (Twenty) per cent of the voting shares (stakes) shall be admitted to be the dependent one for the purposes hereof.

2.10. When the Company organizes work with the information constituting a state secret, the legislation of the Russian Federation has an unconditional priority.

Court proceedings on all matters related to state secrets shall be held in the territory of the Russian Federation and in accordance with the legislation of the Russian Federation.

Article 3. The Goal and Lines of the Company's Activities

3.1. The major goals of the Company's activities shall be:

- profit generation by the Company;
- performance of efficient and reliable functioning of the facilities of the distribution electric grid complex;
- provision of stable development of the distribution electric grid complex;
- provision of reliable and high-quality energy supply to consumers (in respect of delivery and transmission of electric energy).

3.2. In order to generate profit and ensure its own needs, the Company shall be entitled to carry out any types of the activities that are not prohibited by the law, including:

- provision of electric power transmission services;
- operational process management;
- provision of services of engineering connection of power receiving devices (power installations) of legal entities and individuals to power grids;
- performance of functions on accumulation, transmission and processing of technological information, including the data on measurements and counting;
- exercise of control over safe maintenance of consumers' electric devices connected to the power grids of the Company;
- activity on electric power grids operation;
- provision of services on exercising powers of the sole executive body of business entities;
- provision of services on trust property management;
- carrying out of operations with securities in accordance with the procedures determined by the existing Russian Federation laws;
- carrying out of agent activities;
- project and cost estimate, research and development, and design activities;
- provision of transportation and forwarding services;
- provision of consulting, consultation and information services;
- carrying out of the activities determining the conditions of parallel work in accordance with the regimes of the Unified energy System of Russia within the framework of agreement relations;
- operation under agreements with owners of power facilities that are not registered on the Company's balance sheet;
- ensuring of the functionability and sound work of the electric grid equipment in accordance with the applicable regulatory requirements, carrying out of maintenance works, diagnostics, repairs of electric grids and other power grid facilities;
- carrying out of tests and measurements as regards power installations (including those possessed by consumers);
- ensuring of functionability and sound work, carrying out of maintenance, diagnostics and repairs in respect of process-oriented communication grids, measurement and accounting means,

relay protection equipment and emergency automation devices and other process-oriented equipment related to functioning of the electric grid business;

- development of long-term estimates, prospective and current plans for the development of electric grid complex, target comprehensive research and development, economic and social programs;

- development of power supply grids and other power objects including designing, engineering survey, construction, reconstruction and equipping improvement, assembling and alignment;

- development of grids of process-oriented communication and telemechanics, measurement and accounting means, relay protection and emergency automation equipment, and other process-oriented equipment related to functioning of the electric grid complex, including designing, civil survey, construction, reconstruction, re-equipment, assembling and alignment;

- exploitation of hazardous production facilities;

- conductance of activities with regard to scientific research, engineering development and technological works inclusive of development, creation and adoption of new machinery, technologies and methods and improvement of those already available with a view of enhancing reliability, quality, economic efficiency and environmental safety of consumer power supply, creation of conditions for the development of the power supply system of Russia, implementation of sector R&D and innovation programs, participation in the formation of sector R&D funds;

- arrangement and carrying out of production control over the compliance with the requirements of industrial safety of hazardous industrial objects;

- organization of work ensuring labor protection;

- liquidation of process-oriented disturbances at electric power grid facilities;

- carrying out of activities related to works and services of the nature protection;

- activities, the process of implementation of which is related to influencing the environment, formation, collection, use, utilization, storing and burial, displacement and transportation and placement of industrial wastes;

- activities related to exploitation of aquatic objects;

- activities related to use of natural resources including subsoil assets and forests;

- activities related to the sphere of metrology;

- activities related to manufacturing and repairing of measurement means;

- activities related to providing services of assembly, repair and maintenance of devices and instruments for measurements, control, testing, navigation, target location and other purposes;

- activities related to handling of hazardous wastes;

- activity related to preventing fires;

- carrying out of works on assembling, repair and maintenance of fire safety means of buildings and constructions;

- organization and carrying out of works with the personnel, including training and further education, checking of the personnel's knowledge in the machine operation rules, fire safety rules and labour safety rules, and other rules and regulations in accordance with the applicable regulatory documentation at power industry enterprises;

- transportation of passengers and cargoes by automobile, rail, air and internal water transport means (including hazardous cargoes);

- activities related to maintenance and repairs of the rolling system at the railway vehicles;

- activities related to maintenance and repairs of equipment used at the railway vehicles;
- loading and unloading activities at the railway vehicles (including hazardous cargoes);
- loading and unloading activities at internal water transport (including hazardous cargoes);
- operation, maintenance and repairs of automobile, railway, air and internal water transport means and loading mechanisms used for process-oriented purposes;
- foreign economic activities;
- storage of oil, gas, and products of their processing;
- activities related to exercising the functions of the customer and developer;
- preparation of capital construction objects design documentation;
- engagement in construction, reconstruction and capital repair activities;
- services of the local, inter-zone and inter-city telephone communication;
- leasing of communication channels;
- telematic services (including e-mail, service of access to information resources, information and enquiry service, Telefax, Comfax, Bureaufax, service of message processing, voice message service, oral information transmission service);
- services on data transmission;
- use of orbital frequency resources and radio frequencies for TV and radio broadcasting, including additional information broadcasting;
- leasing of buildings, structures, equipment, machines and mechanisms;
- carrying out organizational, practical and preventive measures to ensure integrated security (anti-terrorism and anti-criminal protection, economic security, corruption fighting and information security);
- activities on technical protection of confidential information;
- organization and carrying out of actions related to mobilization training, civil defense, prevention and liquidation of emergency situations;
- protection of the state secret, realization of the works related to use of the state secret information, according to the laws and other legislative normative enactments of the Russian Federation;
- organization and carrying out of actions on safety and protection of the trade secret information;
- purchase (receipt) of electric energy (capacity) from the wholesale electric power market and from electric energy producers in the retail market in order to resale it to consumers in the retail market in case of obtaining the status of the guaranteeing supplier of electric energy, in accordance with the procedures established by the Russian Federation laws;
- selling (delivery) of electric energy (capacity) to consumers in the retail market in case of obtaining the status of the guaranteeing supplier of electric energy, in accordance with the procedures established by the legislation of the Russian Federation;
- medical activity, including sanatorium service;
- educational activity;
- operation and servicing of the objects supervised by the Federal Service for the Atomic, Technical and Environmental Supervision (Rostekhnadzor) of the Russian Federation;
- activities in the field of energy survey (energy audit) and provision of energy services;

- engagement in energy saving and energy efficiency improvement activities;
- elaboration of emergency consumption mode limitation schedule;
- Control measurement of power flow, loads and voltage levels in electric power grid networks;
- provision of services for workplace labor conditions attestation.
- realization of other types of activities which are not forbidden by the federal laws.

3.3. To the extent permitted by applicable law, the Company can be engaged in certain business activities only on the ground of the special permit (licence), membership in the self-regulatory organization or the competency certificate in respect to specific type of works issued by the self-regulatory organization.

The Company's right to carry out the activities that require obtaining special permit (licence), membership in the self-regulatory organization or receipt of the self-regulatory organization's competency certificate in respect to specific type of works shall arise from the date of receipt of such the permit (licence) or within the time period specified in it, or from the date of the Company's entering in the self-regulatory organization or issuing of the competency certificate in respect to specific type of works by the self-regulatory organization and shall be terminated upon loss of effect of the permit (licence), membership in the self-regulatory organization or the competency certificate in respect to specific type of works issued by the self-regulatory organization.

Article 4. The Company's Authorized Capital

4.1. The Company's authorized capital shall be formed by the par value of the Company's shares purchased by the shareholders (placed shares).

The authorized capital of the Company shall amount to 9,578,592,313 (nine billion, five hundred and seventy-eight million, five hundred and ninety-two thousand, three hundred and thirteen) rubles and 80 kopecks.

4.2. The Company placed ordinary shares of the equal par value of 10 (ten) kopecks each in the number of 95,785,923,138 (ninety-five billion, seven hundred and eighty-five million, nine hundred and twenty-three thousand, one hundred and thirty-eight) pieces for the total par value amount of 9,578,592,313 (nine billion, five hundred and seventy-eight million, five hundred and ninety-two thousand, three hundred and thirteen) rubles and 80 kopecks.

4.3. The Company's authorized capital may be:

- increased through increase of the par value of shares or through placement of additional shares;
- decreased through reduction of the par value of shares or through reduction of their total number, including through acquisition and repayment of a part of shares placed by the Company in accordance with these Articles of Association.

4.4. The Authorized Capital of the Company may be increased only after having been paid up in full. Payment for shares additionally issued by the Company by way of setoff of claims to the Company shall be allowed in cases provided for by Federal Law On Joint-Stock Companies.

4.5. The reduction of the Company's authorized capital shall be carried out according to the existing Russian Federation laws and these Articles of Association.

The Company shall be obliged to reduce its authorized capital in the events envisaged by the Federal Law "On Joint Stock Companies".

4.6. The Company declares additional placement of 1,076,862 (one million, seventy-six

thousand, eight hundred and sixty-two) pieces of ordinary registered shares of 10 (ten) kopecks par value each for the total par value amount of RUR 107,686 (one hundred and seven thousand, six hundred and eighty-six) rubles and 20 kopecks.

The ordinary registered shares declared by the Company for placement shall grant their owners the rights stipulated by clause 6.2. of these Articles of Association.

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

5.1. The Company shall place ordinary shares and shall be entitled to place one or several types of preferred shares, bonds and other equity securities according to the existing Russian Federation laws.

5.2. Conversion of ordinary shares into preferred shares, bonds and other securities shall not be allowed.

5.3. Placement by the Company of the shares and other securities convertible into shares shall be carried out in accordance with the Russian Federation legal enactments.

5.4. The Company shall be entitled to place additional shares and other equity securities through subscription and conversion. In case of an increase in the Company's authorized capital at the expense of its property, the Company shall allocate additional shares by distributing them among shareholders.

5.5. The Company's shareholders, in the cases vested in the Russian Federation laws, shall have a preferential right to acquire the additional shares and equity securities placed through the open subscription and convertible into shares, in the number pro rata to the number of the shares of this category owned by them.

5.6. In case of exercising the preferential right for acquisition of additional shares as well as during the consolidation of the shares the acquisition by the shareholder of an integral number of shares appears to be impossible, parts of the shares (fractional shares) shall be formed.

The fractional share shall grant the shareholder, its owner, the rights provided by the share of the respective category in the amount corresponding to the part of the whole share it comprises.

Fractional shares shall have equal circulation with the whole shares. Should one person acquire two or more fractional shares of the same category (type) then the given shares shall form one whole and/or fractional share equal to the sum of these fractional shares.

5.7. The form of payment of additional shares, within the framework of private offering, shall be determined by the decision on their placement and shall meet the requirements of legislation of the Russian Federation.

The payment of other securities shall be allowed only in cash.

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

6.1. A person owning the Company's shares on the grounds stipulated by the Russian Federation laws and these Articles of Association shall be considered the Company's shareholder.

6.2. Each ordinary share of the Company shall grant a shareholder - its owner, an equal volume of rights.

The rights of shareholders - owners of the Company ordinary shares, shall be the following:

1) to participate personally or through representatives in the Company's general meeting of shareholders with the right to vote on all items within their competence;

2) to introduce moves in the agenda of the general meeting according to the Russian Federation laws and these Articles of Association;

3) to obtain information on the Company activities and get acquainted with the Company's documents in accordance with Article 91 of the Federal Law "On Joint Stock Companies" and other

regulatory and legal enactments and these Articles of Association;

- 4) to receive dividends declared by the Company;
- 5) the preferential right to acquire additional shares and equity securities, which are convertible into shares, placed through subscription, in the number which is proportional to the number of ordinary shares owned by them in the events vested in the Russian Federation laws;
- 6) to receive a part of the Company's property in case of its liquidation;
- 7) to appeal against decisions of the Company's management bodies entailing civil law consequences subject to legislation of the Russian Federation;
- 8) to demand compensation for damages caused to the Company;
- 9) to contest the transactions made by the Company on the grounds as required by legislation of the Russian Federation, and demand application of consequences of their invalidity, as well as a application of consequences of invalidity of the Company's void transactions;
- 10) to conclude the agreement on the exercise of the corporate rights (the corporate agreement) with each other, as well as with the Company's borrowers and other third parties;
- 11) to exercise other rights stipulated in the Russian Federation laws and these Articles of Association.

6.3. Based on a contract entered into with the Company, the shareholders are entitled, for the purposes of funding and maintaining the Company's activities, to contribute to the Company's property gratuitous deposits in cash or in another form that do not increase the authorized capital of the Company or change the nominal value of shares (contributions to the Company's property) at any time.

The contract, on the basis of which a shareholder contributes to the Company's property, shall be preliminarily approved by the decision of the Board of Directors of the Company.

6.4. The shareholders who are the owners of the Company's ordinary registered shall be obliged:

- 1) to participate in formation of the Company's property to the extent necessary and in accordance with the procedure, using the method and within the time periods as required by legislation of the Russian Federation or the Company's Articles of Association;
- 2) not to disclose the confidential information concerning the Company activity;
- 3) to participate in taking the decisions without which the Company cannot continue its activity under the laws of the Russian Federation if its participation is required to take such the decisions;
- 4) not to take actions wittingly aimed to cause harm to the Company;
- 5) not to take actions (not to omit to do) which significantly obstruct or make impossible achievement of the objectives for which the Company has been established;
- 6) notify the Company about the fact of concluding the corporate agreement.
- 7) to notify other shareholders of the Company of the intention to file a lawsuit with the court to challenge the decision of the General Meeting of Shareholders of the Company in advance, as well as of the compensation of any losses caused to the Company or recognition of the transaction of the Company as invalid or application of the transaction invalidity consequences by sending a written notice to the Company that must be received by the Company at least five days prior to the day of applying to the court.

The Company's shareholders can bear other obligations provided for by legislation of the Russian Federation or hereby.

Article 7. Dividends

7.1. The Company shall be entitled following the results of the first quarter, half a year or nine months of the reporting year and/or following the results of the reporting year to make a decision (to declare) on payment of dividends per placed shares. The decision on payment (declaring) of

dividends according to the results of the first quarter, half a year and nine months of the reporting year may be made within three months after the end of the corresponding period.

The Company shall be obliged to pay the declared dividends per each category (type) of shares unless otherwise stipulated by the Federal Law "On Joint-Stock Companies".

7.2. The decision on payment (declaring) of dividends shall be made by the Company's general meeting of shareholders. The said decision shall determine the amount of dividend on shares per each category (type), such dividend payment form, procedure for payment of dividend in non-monetary form, date as whereof the persons having the right to receive dividend are determined.

The decision regarding establishment of the date as whereof the persons having the right to receive dividend are determined shall be taken solely on the suggestion of the Board of Directors of the Company.

The amount of the dividend shall not exceed the amount of dividend recommended by the Company's Board of Directors.

The Company's general meeting of shareholders shall be entitled to make a decision not pay dividends per ordinary shares.

7.3. The Company shall not be entitled to make a decision (to declare) on dividends payment per shares, as well as it shall not possess the right to pay the declared dividends per shares in the cases as set out by the effective laws of the Russian Federation.

7.4. The source of the dividends payment shall be the Company's profit after taxes (Company's net profit). The Company's net profit shall be determined according to the Company's accounting (financial) statements.

7.5. The term for payment of dividend to a nominal holder or a trustee being a professional participant of the security market that are registered in the register of shareholders shall not be in excess of 10 (ten) business days, to other persons registered in the register of shareholders – 25 (twenty-five) business days from the date when the persons having the right to receive dividend were determined.

The date as whereof the persons having the right to receive dividend are determined in accordance with the dividend payment (announcement) decision can not be established more than 10 (ten) days prior to the dividend payment (announcement) decision taking date or more than 20 (twenty) days after the date when such decision was taken.

Dividend shall be payable to persons who were holders of shares of the corresponding category (type) or persons who exercised rights under such shares in accordance with federal laws as of the transaction day end on the date as whereof the persons having the right to receive dividend are determined in accordance with the dividend payment (announcement) decision.

Payment of dividend in monetary form shall be effected via a non-cash scheme by the Company or, by instruction of the latter, by the Registrar carrying out maintenance of the registers of shareholders of the Company or a credit organization.

Payment of dividend in monetary form to individuals whose rights to shares are accounted for in the register of shareholders of the Company shall be effected by the transfer of funds to their bank accounts, the details of which are available to the registrar of the Company, or, in the absence of the information on bank accounts, by way of postal remittance of monies, with payment to other persons whose rights to shares are accounted for in the register of shareholders of the Company effected by way of monies remittance to their banking accounts. The Company's duty concerning payment of dividend to the said persons shall be deemed discharged from the date when the funds being transmitted were accepted by the federal postal service organization or from the date when the funds were received by the credit organization where the person having the right to receive the dividend has had a banking account opened, or, if the credit organization is such a person, then the transmission shall be carried out to its account.

Persons having the right to receive dividend, their rights to shares accounted for by a nominal holder, shall receive dividend in monetary form following the procedure established by the Russian Federation legislation on securities. The nominal holder having had dividend remitted to them but failed to discharge such dividend transfer duty as established by the Russian Federation legislation on securities due to causes beyond their reasonable control shall be obliged to return such dividend to the Company within 10 (ten) days upon expiry of one month from the dividend payment term final date.

7.6. The person having failed to receive announced dividend in connection with the Company or the registrar failing to avail of accurate address data and essential banking details as required or in connection with otherwise caused delay on the part of the creditor shall be entitled to demand payment of such dividend (unclaimed dividend) within three days from the date when decision on such dividend payment was taken.

If defaulted, the term specified for unclaimed dividend payment request filing shall not be recovered except when a person having the right to receipt of dividend has failed to file such request influenced by violence or threat.

Upon expiry of such term specified in this Clause dividend announced but unclaimed by shareholders shall be re-included in unallocated profit of the Company with the duty to pay such dividend terminated.

Article 8. The Company's Funds

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

The amount of obligatory annual allocations to the Company's Reserve Fund shall amount to 5 (five) percent of the Company's net profit till the Reserve Fund reaches the stated volume.

8.2. The Company's Reserve Fund shall be aimed to cover the Company's losses and repay the Company's bonds and redeem the Company's shares should any other means be not available.

The Reserve Fund shall not be used for any other purposes.

8.3. In accordance with the requirements of the Russian Federation laws, the Company shall be entitled to set up other funds ensuring its business and financial activity as an entity of civil turnover.

Article 9. The Company's Governance and Control Bodies

9.1. The Company's governance bodies shall be:

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

9.2. The body performing control over the Company's financial and economic activities shall be the Company's Auditing Committee.

Article 10. The Company's General Meeting of Shareholders

10.1. The general meeting of shareholders shall be the Company's supreme governance body.

10.2. The issues falling within the competence of the General Meeting of Shareholders shall be the following:

- 1) amending of the Articles of Association or approval of the revised Articles of Association;
- 2) restructuring of the Company;

- 3) liquidation of the Company; appointment of the liquidation commission and approval of the interim and final liquidation balances;
- 4) determining of the quantity, par value, category (type) of declared shares and the rights provided by these shares;
- 5) increase in the Company's authorized capital by way of increasing the par value of shares or by way of additional shares placement;
- 6) reduction of the Company's authorized capital by way of reduction of the par value of the shares, by way of acquisition by the Company of a part of shares in order to reduce their total amount, an by way of repayment of the shares redeemed or acquired by the Company;
- 7) fractioning and consolidation of the Company's shares;
- 8) making the decision on placement by the Company of bonds convertible into shares and other equity securities convertible into shares;
- 9) determining of the number of members of the Board of Directors, election of their members the early termination of their powers;
- 10) election of the members of the Company's Auditing Committee and early termination of their powers;
- 11) approval of the Company's Auditor;
- 12) making the decision on transfer of powers of the Company's sole executive body to the managing entity (managing director) and on early termination of his/her powers;
- 13) approval of the annual report, annual accounting (financial) statements of the Company;
- 13.1) distribution of profit (including payment (declaring) of dividends, except for the profit distributed as a dividend following the results of the first quarter, half a year, nine months of the reporting year and the Company's loss following the results of the reporting year;
- 14) payment (declaring) of dividends following the results of the first quarter, half a year, nine months of the reporting year;
- 15) determining of the procedure for holding the Company's General Meeting of Shareholders;
- 16) making the decisions on approval of deals in the cases envisaged by Article 83 of the Federal Law "On Joint Stock Companies";
- 17) making the decisions on consent to perform or on subsequent approval of large deals in the cases envisaged by Article 79 of the Federal Law "On Joint Stock Companies";
- 18) making the decision on participation in financial and industrial groups, associations and other unions of for-profit entities;
- 19) approval of internal documents regulating the activities of the Company's bodies;
- 20) making the decision on payment of remuneration and/or compensation to the members of the Company's Auditing Committee;
- 21) making the decision on payment of remuneration and/or compensation to the members of the Company's Board of Directors;
- 22) making the decision on applying for delisting of the Company's shares and (or) the Company's issue-grade securities convertible to the Company's shares;
- 23) solution of other issues envisaged by 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, unless otherwise stipulated by the Federal Law "On Joint Stock Companies".

The General Meeting of Shareholders shall not be entitled to consider and take decisions on the items which are not referred to its competence by the Federal Law "On Joint Stock Companies".

10.4. The decision of the General Meeting of Shareholders on the item put to the vote shall be

taken by a majority vote of shareholders – owners of the Company’s voting shares, who participate in the meeting, unless otherwise specified in the Federal Law “On Joint Stock Companies”. A single (independent) decision only can be made in respect of each issue put to a vote.

10.5. The decisions of the General Meeting of Shareholders shall be taken by a majority vote equal to three-fourths of votes of shareholders – owners of the Company’s voting shares, who participate in the meeting, on the following items:

- amending of the Articles of Association and approval of the revised Articles of Association;
- restructuring of the Company;
- liquidation of the Company; appointment of the liquidation commission and approval of the interim and final liquidation balances;
- determining of the quantity, par value, category (type) of declared shares and the rights granted by these shares;
- reduction of the Company’s authorized capital by way of reduction of the par value of shares or by way of additional shares placement;
- placement of shares (the Company’s equity securities convertible into shares) by means of closed subscription under the decision of the General Meeting of Shareholders about an increase in the Company’s authorized capital by way of additional shares placement (about placement of the Company’s equity securities convertible into shares);
- placement of the ordinary shares by means of open subscription, the number of which exceeds 25 (twenty-five) percent of the earlier placed ordinary shares;
- placement of equity securities convertible into ordinary shares by means of open subscription which may be converted into ordinary shares representing more than 25 (twenty-five) percent of the earlier placed ordinary shares;
- decision-making on consent to perform or on subsequent approval of a large transaction, the subject matter of which is the property, the price of which exceeds 50 (fifty) percent of the Company’s book value;
- decision-making on applying for delisting of the Company’s shares and (or) the Company’s issue-grade securities convertible to the Company’s shares;
- acquisition by the Company of the shares placed in the cases set out in the Federal Law “On Joint-Stock Companies”;
- in other cases, as set out in the Federal Law “On Joint-Stock Companies”.

Decisions to consent to or to the subsequent 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 of the Company by a majority vote of those shareholders who do not have any vested interest in such transaction — shareholders holding voting shares and participating in the meeting.

The General Meeting of Shareholders, when making a decision on consent to or subsequent approval of an interested party transaction, shall be considered valid regardless of the number of shareholders who do not have any interest in such transaction — shareholders holding voting shares and participating in the meeting.

10.6. Decisions on the items specified in subclauses 2, 5, 7, 8, 12-20 of clause 10.2. of Article 10 hereof, and also about reduction of the Company’s authorized capital by way of reduction of the par value of shares and on establishment of the date as whereof the persons having the right to receive dividend are determined shall be taken by the General Meeting of Shareholders only under the proposal of the Company’s Board of Directors.

10.7. The Company’s General Meeting of Shareholders shall not be entitled to make a decision on the items which are not included in the agenda of the Company’s General Meeting of Shareholders, as well as to change the agenda.

The decisions of the General Meeting of Shareholders taken in respect of the items, which are not included into the agenda of the General Meeting of Shareholders (excepting the event when all

of the Company's shareholders took part in it), or in violation of the competence of the General Meeting of Shareholders, in the event of absence of quorum for carrying out the General Meeting of Shareholders or without the shareholders' majority vote required to take the decision, shall not be effective irrespective of filing an appeal through judicial procedures.

10.8. Voting at the General Meeting of Shareholders shall be carried out under the principle "one voting share - one vote", except for the cumulative voting on the item of election of members to the Company's Board of Directors.

At cumulative voting, the number of the votes belonging to each shareholder shall be multiplied by the number of persons who should be elected to the Company's Board of Directors, and the shareholder shall be entitled to give votes received in this way completely for one candidate or to distribute them between two and more candidates.

The Company's Board of Directors members are recognized to be elected if they received the greatest number of votes.

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

The specific address for carrying out the Company's General Meeting of Shareholders shall be determined by the Board of Directors at solution of issues related to carrying out of the General Meeting of Shareholders.

10.10. Functions of the person presiding over the General Meeting of Shareholders shall be exercised by the Chairman of the Board of Directors.

In case of absence of the Chairman of the Board of Directors, the functions of the person presiding over the General Meeting of Shareholders shall be exercised by the Deputy Chairman of the Board of Directors.

In case of absence of the Chairman of the Board of Directors and his/her Deputy, the functions of the person presiding over the General Meeting of Shareholders shall be exercised by any member of the Board of Directors under the decision of the Company's Board of Directors or under the decision of members of the Board of Directors who attend the General Meeting of Shareholders.

If the persons who preside over the Company's General Meeting of Shareholders according to this clause are absent at the extraordinary general meeting held under the decision of the persons entitled to demand carrying out of the Company's extraordinary general meeting, the Chairman of the Company's General Meeting of Shareholders shall be the person who made a decision on carrying out of the Company's extraordinary General Meeting of Shareholders (his/her representative), or if the decision on carrying out the Company's extraordinary general meeting shareholders is taken by several persons - one of these persons defined by their decision.

10.11. In the absence of quorum required for arrangement of the annual General Meeting of Shareholders upon court decision, a duplicative General Meeting of Shareholders shall be arranged within 60 days with the same agenda. In such a case a repeated recourse to the court shall not be required. The duplicative General Meeting of Shareholders shall be arranged by the person or the Company body specified in the court decision; in case such person or the Company body has failed to convene the annual General Meeting of Shareholders within the term as specified in the court decision the duplicative General Meeting of Shareholders shall be convened or arranged by other persons or the Company body having filed the action with the court provided such persons or the Company body are specified in the court decision. In the absence of quorum required for arrangement of an extraordinary General Meeting of Shareholders upon court decision a duplicative General Meeting of Shareholders shall not be arranged.

Article 11. Holding of the Company's General Meeting of Shareholders in the Form of Joint Presence

11.1. The annual General Meeting of Shareholders of the Company shall be arranged not earlier than two months and not later than six months after the end of the accounting year.

The annual General Meeting of Shareholders shall obligatorily decide on the election of the Board of Directors, Auditing Commission, approval of the Company's Auditor, approval of the

Company's annual report submitted by the Board of Directors, annual accounting (financial) reporting, as well as distribution of profits (including payment (declaration), with the exception of the payment (declaration) of dividends based on the results of the first quarter, six months, nine months of the reporting year) and losses of the Company based on the results of the reporting year, and other matters falling within the competence of the General Meeting of Shareholders.

11.2. The General Meeting of Shareholders shall be held in the form of a joint presence of shareholders (representatives of shareholders) for discussion of the agenda items and decision-making on the items put to the vote.

The decisions of the General Meeting of Shareholders may be taken by carrying out the absentee voting (by poll) in conformity with Article 12 of these Articles of Association.

11.3. The functions of the Returning Board at the General Meeting of Shareholders shall be exercised by the professional participant of the securities market which keeps the register of the Company's shareholders (the Company's registrar).

11.4. The list of persons entitled to participate in the General Meeting of Shareholders is compiled in accordance with the rules of the legislation of the Russian Federation on securities for the compilation of a list of persons exercising rights to securities.

The date on which the persons entitled to participate in the General Meeting of Shareholders of the Company are determined (recorded) cannot be set earlier than 10 (ten) days from the date of the decision to hold the General Meeting of Shareholders of the Company and more than 25 (Twenty-five) days prior to the date of the General Meeting of Shareholders, and in the cases provided for by Clauses 14.9 and 14.11 of this Charter, more than 55 (Fifty-five) days before the date of the General Meeting of Shareholders.

In the case of the General Meeting of Shareholders, the agenda of which contains the issue of the Company's reorganization, the date on which persons entitled to participate in such a meeting are determined (recorded) cannot be set more than 35 (Thirty-five) days before the General Meeting of Shareholders.

Information on the date on which persons entitled to participate in the General Meeting of Shareholders of the Company are determined (recorded) shall be disclosed at least 7 (Seven) days before the due date.

The list of persons entitled to participate in the General Meeting of Shareholders (except for information on their will) shall be provided by the Company for review at the request of the person included in the said list and having at least one percent vote on any item on the agenda of the General Meeting of Shareholders with the date following the date of receipt by the Company of the request for the provision of the specified list (from the date of compilation of the specified list, if such a request has been received by the Company before the date of its compilation). The list of persons entitled to participate in the General Meeting of Shareholders (except for information on their will) shall be provided by the Company for review at the premises of the executive body of the Company, and shall also be available for review during the General Meeting of Shareholders at its venue. At the same time, information allowing identification of individuals included in the said list, with the exception of the last name, first name and patronymic (if available), shall be provided only with their consent.

Upon request of a person included in the list of persons entitled to participate in the General Meeting of Shareholders, who has at least one percent of votes on any item on the agenda of the General Meeting of Shareholders, the Company is obliged to provide him/her with a copy of the list of persons entitled to participate in the General Meeting of Shareholders (with the exception of information on their will), within seven working days from the date of receipt of the relevant request by the Company (from the date of compiling the specified list, if such a request has been received by the Company until the date of its abandonment).

11.5. Notice of arrangement of the General Meeting of Shareholders shall be placed on the official website of the Company in the data and telecommunications network Internet at www.mrsksevzap.ru no later than 30 (Thirty) days before the date of the meeting, and in cases provided for by clauses 2 and 8 of the Article 53 of the Federal Law "On Joint Stock Companies" — no later than 50 (Fifty) days prior to the date of the General Meeting of Shareholders.

A soft copy of the notice on holding the General Meeting of Shareholders may be additionally sent to those shareholders of the Company who informed the Company's registrar of the e-mail addresses to which such notices can be sent.

The notice about holding the General meeting of shareholders shall specify:

- the Company's full business name and seat;
- the form of holding the General meeting of shareholders (the meeting or voting by correspondence);
- the date, the place (including data on the premise), the time of holding the General Meeting of shareholders and the postal address to which the completed ballots can be sent;
- the date of determining (documenting) the persons entitled to participate in the General Meeting of shareholders;
- the agenda of the General Meeting of Shareholders;
- the procedure of familiarization with the information (the materials) to be provided in the process of preparing for holding of the General Meeting of shareholders and the address (the addresses) at which one can familiarize oneself with it;
- the categories (types) of shares, the owners of which are entitled to vote on all or some items on the agenda of the General Meeting of Shareholders;
- the e-mail address for sending the completed ballots and/or the Internet website, where the e-ballots can be completed, if such methods of sending and (or) completing the ballots are stipulated by the decision of the Board of Directors of the Company in preparation for the General Meeting of Shareholders;
- the information on the documents required to be shown for access to the premise where the General Meeting of shareholders is to be held in case if the access to the premise is not free;
- the time of the beginning of registration of the persons participating in the General Meeting of Shareholders.

If a person registered in the Company's shareholder register is a nominal holder of shares, the notice on holding the General Meeting of Shareholders and the information (materials) to be provided to the persons entitled to participate in the General Meeting of Shareholders when preparing for the General Meeting of Shareholders of the Company shall be provided in accordance with the rules of the Russian Federation legislation on securities for the provision of information and materials to the persons exercising their rights to securities.

The Company shall keep the information on sending the notices provided for herein for five years upon holding the General Meeting of Shareholders.

11.6. The voting at the General Meeting of Shareholders shall be carried out only by the ballots for voting on all agenda items. The form and text of the ballot shall be approved by the Board of Directors. The receipt by the Company registrar of information on the will of persons entitled to participate in the General Meeting of Shareholders, yet not registered in the register of shareholders of the Company, who, in accordance with the requirements of the legislation of the Russian Federation on securities, provided the persons who register their rights to shares, their orders (instructions) on voting, shall be put equal to voting by ballots.

A ballot shall be handed in against signature to each person specified on the list of persons entitled to participate in the General Meeting of Shareholders (their representative) registered for participation in the General Meeting of Shareholders.

The ballots for voting on the agenda items shall be sent by the registered post to the address specified in the list of the persons who are entitled to participation in the General Meeting of Shareholders, or shall be handed over against signature to each person registered in the Company's register of shareholders and entitled to participation in the General Meeting of Shareholders no later than 20 (twenty) days prior to the date of the General Meeting of Shareholders.

Any voting ballot shall be sent by registered mail or delivered against a signed acknowledgment of receipt to each person specified in the list of persons entitled to participate in the General Meeting of Shareholders no later than 20 (twenty) days prior to the date of the General Meeting of Shareholders.

Voting ballots may be sent by registered or regular mail to the address specified in the list of persons entitled to participate in the General Meeting of Shareholders and/or by e-mail to the respective address of each such person registered in the register of Company's shareholders. Voting ballot form may additionally be made available on the Company's website accessible over the Internet telecommunications network.

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

11.7. The information (material) on the agenda items of the General Meeting of Shareholders within 20 (twenty) days, and in case of carrying out the General Meeting of Shareholders, the agenda of which contains an item on reorganization of the Company - within 30 (thirty) days before carrying out the General Meeting of Shareholders should be available to the persons who are entitled to participation in the General Meeting of Shareholders in the premises of the Company's executive office and other places, the addresses of which are specified in the announcement on carrying out of the General Meeting of Shareholders, as well as on the Internet website of the Company at www.mrsksevzap.ru. During carrying out of the General Meeting of Shareholders, the specified information (materials) should be available to the persons who take part in it. In such a case, the Company strives to provide the availability of the materials to the General Meeting of shareholders at least 30 (Thirty) days prior to its holding.

The procedure of examination by the persons who are entitled to participation in the General Meeting of Shareholders, of the information (materials) on the agenda items of the General Meeting of Shareholders and the list of such information (materials) shall be defined by the decision of the Company's Board of Directors.

11.8. The right to participation in the General Meeting of Shareholders shall be carried out by the shareholder both personally and through his/her representative.

If the share of the Company is in the common share ownership of several persons, the latter shall be provided with one copy of the ballot for voting on all items or one copy of two and more ballots for voting on different items, and competences on voting at the General Meeting of Shareholders shall be carried out under their discretion by one of the participants of the common share ownership or by their common representative.

The competences of each of the specified persons should be properly registered.

11.9. When carrying out the General Meeting of Shareholders in the form of a joint presence, the persons who are included in the list of persons entitled to participation in the General Meeting of Shareholders or their representatives may register for participation in such a meeting, send the completed ballots to the Company, or compete an e-ballot on the Internet website of the Company

indicated in the notice on holding the General Meeting of Shareholders, if such method of the ballot completion is stipulated by the decision of the Board of Directors of the Company in preparation for the General Meeting of Shareholders of the Company.

11.10. The General Meeting of Shareholders shall be competent (shall have a quorum) if the shareholders possessing in aggregate more than a half of votes of the Company's placed voting shares took part in it.

Those shareholders are recognized to have participated in the General Meeting of Shareholders who registered for participation in it, including on the Internet website specified in the notice on holding the General Meeting of Shareholders (if such a possibility was provided for by the decision of the Board of Directors of the Company), as well as the shareholders whose ballots were received or whose e-ballots were completed on such an Internet website (if such a possibility was provided for by the decision of the Board of Directors of the Company) not later than two days before the date of the General Meeting Shareholders.

Those shareholders are also recognized to have participated in the General Meeting of Shareholders who, in accordance with the rules of the legislation of the Russian Federation on securities, provided the persons registering their rights to shares with their orders (instructions) on voting, if the notices on their will were received no later than two days before the date of holding the General Meeting of Shareholders.

If the agenda of the General Meeting of Shareholders includes items, voting on which is carried out by different compositions of voting persons, definition of the quorum for decision-making on these items shall be performed separately.

At the same time, the absence of the quorum for decision-making on the items, the voting on which is carried out by one composition of voting persons, does not interfere with decision-making on the items, the voting on which is carried out by another composition of voting persons, for taking which the quorum is present.

11.11. If the quorum for carrying out the Company annual General Meeting of Shareholders is absent, a repeated General Meeting of Shareholders of the Company with the same agenda shall be held. If the quorum for carrying out the Company extraordinary General Meeting of Shareholders is absent, a repeated General Meeting of Shareholders of the Company with the same agenda may be held.

The decision on convocation of a repeated General Meeting of Shareholders of the Company shall be taken by the Company's Board of Directors.

A repeated General Meeting of Shareholders of the Company convoked instead of the meeting which did not take place is competent if the shareholders possessing in aggregate at least 30 percent of votes of the Company's placed voting shares have taken part in it.

When a repeated General Meeting of Shareholders is held less than 40 (forty) days after the General Meeting of Shareholders which did not take place, the persons who are entitled to participation in the General Meeting of Shareholders shall be determined (documented) as of the date when the persons entitled to participate in the meeting which did not take place were determined (documented).

If the quorum is absent for carrying out of the annual General Meeting of Shareholders based on the court judgment, a repeated General Meeting of Shareholders with the same agenda shall be held no later than in 60 (sixty) days. The repeated General Meeting of Shareholders shall be convened and held by the Company's person or body as stated in the court judgment. If the quorum is absent for carrying out of the extraordinary General Meeting of Shareholders based on the court judgment, a repeated 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).

An extract from the minutes of the General Meeting of Shareholders or from the minutes on the voting results at the General Meeting of Shareholders may be signed by the Chairperson of the General Meeting of Shareholders and (or) the Secretary of the General Meeting of Shareholders, the person holding the position (performing functions) of the Company's sole executive body, or another person (persons) authorized by the Company.

Minutes of the General Meeting of Shareholders are posted on the official website of the Company in the data and telecommunications network Internet at: www.mrsksevzap.ru no later than 3 (Three) days from the date of its preparation.

11.13. Decisions taken by the General Meeting of Shareholders of the Company and the results of the voting can be declared at the General Meeting of Shareholders of the Company in the course whereof voting was arranged and shall be communicated to the persons included in the list of persons having the right to participate in the General Meeting of Shareholders of the Company in the form of a Report on Voting Results following the procedure stipulated for notice of arrangement of the General Meeting of Shareholders of the Company within 4 (four) business days from the closure date of the General Meeting of Shareholders of the Company.

If, as of the date of determining (documenting) the persons entitled to participate in the General Meeting of Shareholders of the Company, the person registered in the register of shareholders of the Company is a nominal holder of shares, the information contained in the Report on the Voting Results shall be provided to the nominal holder of shares in accordance with the rules of the legislation of the Russian Federation on securities for the provision of information and materials to the persons exercising their rights to securities.

11.14. When holding the General Meeting of Shareholders in the form of a meeting, information and communication technology can be used providing the possibility of distance participation in the General Meeting of Shareholders, discussion of the issues on the agenda and decision-making on the issues put to vote without attending the venue of the General Meeting of Shareholders.

Article 12. Holding of the General Meeting of Shareholders in the Form of Absentee Voting

12.1. The decision of the General Meeting of Shareholders may be taken without carrying out a meeting (joint presence of shareholders for discussion of items of the agenda and decision-making on the items put to the vote) by carrying out absentee voting (by poll).

Voting on the items of the agenda of the General Meeting of Shareholders held in the form of absentee voting shall be carried out only by ballots for voting. The form and the text of the ballot shall be approved by the Board of Directors.

The receipt by the Company's registrar of information on the will of the persons who are entitled to participate in the General Meeting of Shareholders, yet not registered in the register of shareholders of the Company, and, in accordance with the rules of the legislation of the Russian Federation on securities, who have provided the persons registering their rights to shares with their orders (instructions) on voting, shall be put equal to voting by ballots.

12.2. The General Meeting of Shareholders, the agenda of which includes items on election of the Company's Board of Directors, the Company's Auditing Committee, approval of the Company's

Auditor, and items stipulated by subclause 13 of clause 10.2 of Article 10 of these Articles of Association, may not be held in the form of absentee voting.

A new General Meeting of Shareholders shall not be carried out as absentee voting (poll) instead of the General Meeting of Shareholders which did not take place and which was to be carried out as joint presence.

12.3. The list of persons entitled to participate in absentee voting on the agenda items of the General Meeting of Shareholders shall be compiled in accordance with the rules of the legislation of the Russian Federation on securities to compile a list of persons exercising rights to securities.

The date on which the persons entitled to participate in absentee voting on the agenda items of the General Meeting of Shareholders are determined (recorded) cannot be set earlier than 10 (Ten) days from the date of the decision to hold the General Meeting of Shareholders of the Company and more than 25 (Twenty-five) days before the deadline for accepting ballots by the Company, and in the case provided for by paragraph 8 of article 53 of the Federal Law "On Joint Stock Companies" more than 55 (Fifty-five) days before the date of the General Meeting of Shareholders.

In the case of the General Meeting of Shareholders, the agenda of which contains the issue of the Company's reorganization, the date on which persons entitled to participate in such a meeting are determined (recorded) cannot be set more than 35 days before the General Meeting of Shareholders.

Information on the date on which persons entitled to participate in the General Meeting of Shareholders of the Company are determined (recorded) shall be disclosed at least 7 (Seven) days before the due date.

12.4. Notice of arrangement of the General Meeting of Shareholders in the form of absentee voting shall be placed on the official website of the Company in the data and telecommunications network Internet at www.mrsk-1.ru no later than 30 (thirty) days before the date of the voting ballots collection completion, and in cases provided for by clause 8 of the Article 53 of the Federal Law "On Joint Stock Companies" — no later than 50 (Fifty) days prior to the date of the General Meeting of Shareholders.

A soft copy of the notice on holding the General Meeting of Shareholders may be additionally sent to those shareholders of the Company who informed the Company's registrar of the e-mail addresses to which such notices can be sent.

The notice on holding of the General Meeting of shareholders shall specify:

- the Company's full business name and seat;
- the form of holding the General meeting of shareholders (the meeting or voting by correspondence);
- the end date for accepting the ballots for voting and the postal address to which the completed ballots are to be sent;
- the date of determining (documenting) the persons entitled to participate in the General Meeting of shareholders;
- the agenda of the General Meeting of Shareholders;
- the procedure of familiarization with the information (the materials) to be provided in the process of preparing for holding of the General Meeting of shareholders and the address (the addresses) at which one can familiarise oneself with it.
- the e-mail address for sending the completed ballots and/or the Internet website, where the e-ballots can be completed, if such methods of sending and (or) completing the ballots are stipulated by the decision of the Board of Directors of the Company in preparation for the General Meeting of Shareholders;
- the categories (types) of shares, the owners of which are entitled to vote on all or some items on the agenda of the General Meeting of Shareholders.

If a person registered in the Company's shareholder register is a nominal holder of shares, the notice on holding the General Meeting of Shareholders and the information (materials) to be provided to the persons entitled to participate in the General Meeting of Shareholders when preparing for the General Meeting of Shareholders of the Company shall be provided in accordance with the rules of the Russian Federation legislation on securities for the provision of information and materials to the persons exercising their rights to securities.

The Company shall keep the information on sending the notices provided for herein for five years upon holding the General Meeting of Shareholders.

12.5. Any voting ballot shall be sent or delivered against a signed acknowledgment of receipt to each person included in the list of persons entitled to participate in the General Meeting of Shareholders no later than 20 (twenty) days prior to the deadline for receipt of ballots by the Company.

Voting ballots may be sent by registered or regular mail to the address specified in the list of persons entitled to participate in the General Meeting of Shareholders and/or by e-mail to the respective address of each such person registered in the register of Company's shareholders. Voting ballot form may additionally be made available on the Company's website accessible over the Internet telecommunications network.

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

The procedure of examination by the persons who are entitled to participation in the General Meeting of Shareholders, of the information (materials) on the agenda items of the General Meeting of Shareholders and the list of such information (materials) shall be defined by the decision of the Company's Board of Directors.

12.6. The General Meeting of Shareholders held in the form of absentee voting shall be competent (shall have a quorum) if the shareholders owning in aggregate more than a half of votes of the Company's placed voting shares took part in it.

Those shareholders are recognized to have taken part in the General Meeting of Shareholders in the form of absentee voting, whose ballots were received and (or) whose e-ballots were completed on the Internet website of the Company specified in the notice on holding the General Meeting of Shareholders (if such a possibility was provided for by the decision of the Board of Directors of the Company) not later than the deadline for acceptance of the ballots at the Company set out therein, as well as those shareholders, who, in accordance with the rules of the legislation of the Russian Federation on securities, provided the persons registering their rights to shares with their orders (instructions) on voting, if the notices on their will were received not later than the deadline for acceptance of the ballots.

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

The Minutes of General Meeting of Shareholders shall be drawn up not later than 3 (Three) business 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).

An extract from the Minutes of the General Meeting of Shareholders or from the minutes on the voting results at the General Meeting of Shareholders may be signed by the Chairperson of the General Meeting of Shareholders and (or) the Secretary of the General Meeting of Shareholders, the

person holding the position (performing functions) of the Company's sole executive body, or another person (persons) authorized by the Company.

Minutes of the General Meeting of Shareholders are posted on the official website of the Company in the data and telecommunications network Internet at: www.mrsksevzap.ru no later than 3 (Three) days from the date of its preparation.

12.8. Decisions taken by the General Meeting of Shareholders and voting results shall be communicated to the persons included in the list of persons having the right to participate in the General Meeting of Shareholders in the form of a Report on Voting Results following the procedure stipulated for notice of arrangement of the General Meeting of Shareholders within four business days from the ballots collection completion date with the General Meeting of Shareholders arranged in the form of absentee voting.

If, as of the date of determining (documenting) the persons having the right to participate in the General Meeting of Shareholders, the person registered in the register of shareholders of the Company is a nominal holder of shares, the information contained in the Report on the Voting Results shall be provided to the nominal holder of shares in accordance with the rules of the legislation of the Russian Federation on securities for the provision of information and materials to the persons exercising their rights to securities.

Article 13. Proposals to the Agenda of the Company's Annual General Meeting of Shareholders

13.1. The Company shareholders (shareholder) who are (is) in aggregate owner(s) of at least 2 (two) percent of the Company's voting shares no later than 60 (sixty) days after the end of the reporting year shall be entitled to propose items for the agenda of the annual General Meeting of Shareholders and to recommend candidates for the Company's Board of Directors and the Company's Auditing Committee, the number of which may not exceed the number of members of the corresponding body.

13.2. The proposal on inclusion of items into the agenda of the General Meeting of Shareholders and the proposal on nomination of candidates shall be submitted with the name of the shareholder(s) submitting them, the number and category (type) of their shares, as well as be signed by the shareholder(s) or their representatives. The shareholder(s) of the Company not registered in the Company's shareholder register may also submit their proposals on inclusion of items into the agenda of the General Meeting of Shareholders and on nomination of candidates by giving the relevant orders (instructions) to a person who accounts for their rights to shares. Such orders (instructions) shall be given in accordance with the rules of the legislation of the Russian Federation on securities.

13.3. The proposal on inclusion of items into the agenda of the General Meeting of Shareholders shall contain the wording of each proposed item, and the proposal on recommendation of candidates - name and data of the document proving the identity (series and (or) number of the document, date and place of its issuing, the agency which issued the document) of each proposed candidate, the name of body he/she is nominated for.

13.4. The Company's Board of Directors shall be obliged to consider the received proposals and to make the decision on their inclusion into the agenda of the Company's General Meeting of Shareholders or on refusal to include them into the specified agenda no later than 5 (five) days after the expiration of the term set out in clause 13.1. of this Article.

13.5. The Company's Board of Directors shall be entitled to refuse to include the items proposed by the shareholder (shareholders) into the agenda of the General Meeting of Shareholders and to refuse to include the recommended candidates into the list of nominees for voting when electing the corresponding body of the Company on the bases stipulated by the Federal Law "On Joint-Stock Companies" and other legal enactments of the Russian Federation.

13.6. The grounded decision of the Company's Board of Directors on refusal to include an item into the agenda of the Company General Meeting of Shareholders or a candidate into the list of nominees for voting when electing the corresponding body of the Company shall be sent to the shareholder (shareholders) who proposed an item or recommended a candidate, no later than 3 (three) days upon making such a decision. If these proposals have been received by the Company from the persons not registered in the register of shareholders of the Company, who gave an order (instruction) to the person accounting for their rights to shares, this decision of the Board of Directors of the Company shall be sent to such persons not later than 3 (Three) days upon its making in accordance with the rules of the legislation of the Russian Federation on securities for the provision of information and materials to the persons exercising their rights to securities.

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 (if present) of decisions on such matters.

Along with the issues proposed by shareholders for inclusion in the agenda of the General Meeting of Shareholders, as well as candidates proposed by shareholders to form a relevant body, the Board of Directors of the Company shall have the right to include in the agenda of the General Meeting of Shareholders issues and (or) candidates to the list of candidates for voting on elections to the relevant body of the Company at its discretion. The number of candidates proposed by the Board of Directors of the Company may not exceed the number of members of the relevant body.

Article 14. Convocation of the Company's Extraordinary General Meeting of Shareholders

14.1. The meetings held besides the Company's annual General Meeting of Shareholders shall be extraordinary.

14.2. The Company's extraordinary General Meeting of Shareholders shall be held under the decision of the Company's Board of Directors on the basis of its own initiative, the demand of the Company's Auditing Committee, the Company's Auditor, and the shareholder (shareholders) who is (are) owner(s) of at least 10 (ten) percent of the Company's voting shares as of the date of presentation of the demand.

14.3. Convocation of the extraordinary General Meeting of Shareholders on demand of the Company's Auditing Committee, the Company's Auditor or the shareholders (shareholder) who are (is) owner(s) of at least 10 (ten) percent of the Company's voting shares shall be carried out by the Company's Board of Directors.

Such General Meeting of Shareholders should be held within 40 (forty) days from the moment of representation of the demand about carrying out the Company's extraordinary General Meeting of Shareholders, except for the case as set out in clause 14.9. of these Articles of Association.

14.4. The demand on carrying out the Company's extraordinary General Meeting of Shareholders shall contain the items subject to inclusion into the agenda of the meeting.

The persons (person) demanding convocation of the Company's extraordinary General Meeting of Shareholders shall be entitled to present the draft decision of the Company's extraordinary General Meeting of Shareholders, the proposal on the form of carrying out of General Meeting of Shareholders. Should the requirement about convocation of the extraordinary General Meeting of Shareholders contain the proposal on recommendation of candidates, the corresponding provisions of Article 13 of these Articles of Association shall apply to such a proposal.

The Company's Board of Directors shall not be entitled to make changes to the wording of the items of the agenda, wording of decisions on such items and to change the proposed form of carrying out the extraordinary General Meeting of Shareholders convoked on demand of the Company's Auditing Committee, the Company's Auditor or the shareholders (shareholder) who are (is) owner(s) of at least 10 (ten) percent of the Company's voting shares.

14.5. Should the demand on convocation of the Company's extraordinary General Meeting of Shareholders be received from the shareholder (shareholders), it should contain the name

(designation) of the shareholder (shareholders) demanding convocation of the meeting, with indication of quantity, category (type) of the Company's shares belonging to them.

The demand on convocation of the Company's extraordinary General Meeting of Shareholders shall be signed by the person (persons) demanding convocation of the Company's extraordinary General Meeting of Shareholders.

14.6. Within 5 (five) days from the date of presentation of the demand of the Company Auditing Committee, the Company's Auditor or the shareholder (shareholders) who is (are) owner(s) of at least 10 (ten) percent of the Company's voting shares, about convocation of the Company's extraordinary General Meeting of Shareholders, the Company's Board of Directors shall take the decision on convocation of the Company's extraordinary General Meeting of Shareholders or on refusal of its convocation.

14.7. The decision of the Company's Board of Directors on convocation of the Company's extraordinary General Meeting of Shareholders or the grounded decision on refusal of its convocation shall be sent to the persons demanding its convocation, no later than 3 (three) days upon making such a decision. If the requirement to hold an extraordinary General Meeting of Shareholders has been received by the Company from the persons not registered in the register of shareholders of the Company, who gave an order (instruction) to the person accounting for their rights to shares, this decision of the Board of Directors of the Company shall be sent to such persons not later than three days upon its making in accordance with the rules of the legislation of the Russian Federation on securities for the provision of information and materials to the persons exercising their rights to securities..

14.8. If the Board of Directors the Company has failed to decide on convention of an extraordinary General Meeting of Shareholders within the term specified in Clause 14.6 Article 14 thereof or a decision has been taken to abandon such meeting convention the Company body or persons requesting such convention shall be entitled to file a request with a court to compel that the Company arrange an extraordinary General Meeting of Shareholders.

The court decision compelling the Company to arrange an extraordinary General Meeting of Shareholders shall specify such arrangement term and procedure.

Enforcement of court decision shall be vested in the plaintiff or, upon the latter's petition, in the Company body or any other person subject to their consent. The Board of Directors may not be such body.

In such a case the Company body or person arranging an extraordinary General Meeting of Shareholders upon court decision shall have all the authorities provided for by Federal Law On Joint Stock Companies as required for such meeting convention and arrangement.

In case it is the plaintiff arranging an extraordinary General Meeting of Shareholders upon court decision all the expenses as may be related to such meeting preparation and arrangement may be reimbursed by decision of the General Meeting of Shareholders out of the Company's funds.

14.9. Should the proposed agenda of the extraordinary General Meeting of Shareholders contain an item on election of members of the Company's Board of Directors:

14.9.1. The General Meeting of Shareholders shall be held within 75 (seventy-five) days from the date of presentation of the demand on carrying out the Company's extraordinary General Meeting of Shareholders. In this case, the Board of Directors of the Company shall determine the date by which the proposals of shareholders on nominating candidates for election to the Board of Directors of the Company are to be accepted.

14.9.2. The Company shareholders (shareholder) who are (is) in aggregate owner(s) of at least 2 percent of the Company's voting shares shall be entitled to propose candidates for election to the Company's Board of Directors, the number of which may not exceeds the number of members of the Company's Board of Directors.

Such proposals should be received by the Company at least 30 (thirty) days prior to the date of carrying out the extraordinary General Meeting of Shareholders.

The Company's Board of Directors shall be obliged to consider the received proposals and to make the decision on their inclusion into the agenda of the extraordinary General Meeting of Shareholders or on refusal to include them into the mentioned agenda 5 (five) days at the latest after the end of the period set forth in paragraph 2 of this subclause.

14.9.3. The date of determining (documenting) the persons who are entitled to participation in the Company's General Meeting of Shareholders may not be determined earlier than 10 (ten) days after the date of decision-making on carrying out the Company's General Meeting of Shareholders and more than 55 (fifty-five) days prior to the date of carrying out the Company's General Meeting of Shareholders.

14.9.4. The announcement on carrying out the extraordinary General Meeting of Shareholders should be made no later than 50 (fifty) days prior to the date of its carrying out.

14.10. In cases where the Board of Directors of the Company shall make a decision to hold an extraordinary General Meeting of Shareholders to elect members of the Board of Directors of the Company in accordance with the Federal Law "On Joint-Stock Companies", such General Meeting of Shareholders shall be held within 70 (seventy) days upon making the decision on its holding by the Board of Directors of the Company.

14.11. If the proposed agenda of the General Meeting of Shareholders contains an issue of reorganization of the Company in the form of a merger, split-off or split-up and the issue of electing the board of directors (the supervisory board) of the company created by reorganization in the form of merger, split-off or split-up, the shareholder or shareholders who are in the aggregate the owners of at least 2 percent of the voting shares of the reorganized Company shall be entitled to nominate candidates to the board of directors (supervisory board) of the newly created company, its collegiate executive body and, if in accordance with the charter of the newly established company, the presence of the auditing commission is mandatory, candidates for the auditing commission whose number cannot exceed the number of members of the relevant body indicated in the notice of the General Meeting of Shareholders of the Company in accordance with the draft charter of the newly created company, and nominate a candidate for the position of the sole executive body of the company being created.

In the event that the proposed agenda for the General Meeting of Shareholders contains an issue of the Company's reorganization in the form of a merger, a shareholder or shareholders who in total hold at least 2 percent of the voting shares of the company being reorganized shall have the right to nominate candidates for election to the board of directors (supervisory board) of the company created by reorganization in the form of a merger, the number of which cannot exceed the number of members of the board of directors (supervisory board) elected by the respective company, specified in the notice of the General Meeting of Shareholders in accordance with the merger agreement.

Proposals for the nomination of candidates must be received by the reorganized Company no later than 45 days before the date of the General Meeting of Shareholders of the reorganized Company.

The decision to include persons nominated by shareholders or the Board of Directors of the reorganized Company as candidates in the list of members of the collegial executive body, the auditing commission and the decision on approving the person performing the functions of the sole executive body of each company created by reorganization in the form of merger, division or demerger, shall be made by a majority of three quarters of votes of members of the Board of Directors of the reorganized Company. At the same time, votes of retired members of the Board of Directors of the Company shall not be taken into account.

Article 15. The Company's Board of Directors

15.1. The Company's Board of Directors is the governing board which controls the activity of the Company's sole executive body and fulfils other functions entrusted with it by law or the Company's Articles of Association.

The Company's Board of Directors shall perform general management of the Company's activities, except for addressing the issues referred to the competence of the General Meeting of Shareholders by the Federal Law "On Joint Stock Companies" and these Articles of Association.

The issues within the competence of the Board of Directors shall be as follows:

1) determination of priority directions of the Company's activities, including approval of the Company's development strategy, the Company's innovative development program and reports on their implementation;

2) convocation of the Company's annual and extraordinary General Meetings of Shareholders, except for the cases set out in clause 14.8 of Article 14 of these Articles of Association, and announcement of the date of holding a new General Meeting of Shareholders instead of the meeting which did not take place due to the quorum absence;

3) approval of the Company's General Meeting of Shareholders agenda;

4) election of the secretary of the Company's General Meeting of Shareholders;

5) determining of the date of drawing up the list of persons entitled to participate in the Company's General Meeting of Shareholders, determining the date for generating the list of persons having the right to receive dividend, approval of expenses estimate for holding the Company's General Meeting of Shareholders and solution of other issues related to preparation and carrying out of the Company's General Meeting of Shareholders;

6) submission for the decision of the Company's General Meeting of Shareholders of the issues envisaged by subclauses 2, 5, 7, 8, 12-20 of clause 10.2 of Article 10 of these Articles of Association, reduction of the Company's authorized capital by way of reduction of the par value of shares as well as establishment of the date as whereof the persons having the right to receive dividend are established;

7) the Company placing additional shares whereof specific type preferred shares convertible to ordinary shares and other types preferred shares having been previously placed by the Company are to be converted, in case such placement is related to increase of the Company's authorized capital as well as the Company placing bonds and/or other issue-grade securities other than shares, issue of Eurobonds and determination of the Company's policy regarding issue of issue-grade securities (other than shares) and Eurobonds;

8) approval of decision on issue (additional issue) of securities, securities prospectus, approval of the report on securities issue (additional issue) results and notification of the securities issue (additional issue) results, approval of reports on results of repurchase of shares from shareholders of the Company, reports on redemption of shares and reports on results of requests having been launched by shareholders of the Company for buyout of shares as may be held by them; making decisions on accepting offers to purchase additional shares placed through a public offering upon expiration of the preemptive right period in the instances determined by the Company's Board of Directors;

9) determining the price (monetary value) of the property, the price of placement or its establishment procedure and the price of buyout of equity securities in cases envisaged by the Federal Law "On Joint Stock Companies" as well as when solving issues stipulated in subclauses 11, 21, 37 of clause 15.1. of Article 15 of these Articles of Association;

10) acquisition of the shares, bonds and other securities placed by the Company in the cases envisaged by the Federal Law "On Joint Stock Companies" or other federal laws;

11) alienation (selling) of the Company's shares which are placed at the disposal of the Company as a result of their acquisition or buyout from the Company's shareholders, as well as in other cases envisaged by the Federal Law "On Joint Stock Companies";

12) election of the Company's General Director and early termination of his/her powers, including taking the decision on early termination of the labor contract with him/her;

13) definition of the number of members of the Company's Management Board, election of the Company's Management Board members, fixing of compensations and remunerations paid to them, early termination of their powers;

14) recommendations to the Company's General Meeting of Shareholders on the amount of remunerations and compensations paid to the members of the Auditing Committee and determining the amount of remuneration of the Auditor's services;

15) recommendations on the amount of the dividend per shares and the procedure for its payment;

16) approval of the Company's internal documents determining the procedure for the formation and use of the Company's funds;

17) decision-making on the use of the Company's funds; approval of the cost estimates for the use of special-purpose funds and consideration of the results of the implementation of the cost estimates for the use of special-purpose funds;

18) approval of the Company's internal documents, except for the internal documents, the approval of which is referred to the competence of the General Meeting of Shareholders and other internal documents, the approval of which is referred to the competence of the Company's executive bodies;

19) approval of the business plan (revised business plan) and review of the quarterly report on the implementation of the business plan (for the first quarter, first half, nine months, reporting year);

19.1) approval of the investment program, including the changes thereto, and the quarterly report on its implementation (for the first quarter, the first half, the first nine months of a financial year, and for the financial year);

20) foundation of the Company's branches and opening of the Company's representative offices, their liquidation;

21) making the decision on the participation of the Company in other entities (entering into the operating entity or creation of a new entity, including approval of constituent documents) and on purchase, alienation and encumbrance of shares and stakes in the authorized capitals of the entities, in which the Company participates, change of the stake in the authorized capital of the corresponding entity, and termination of the Company's participation in other entities, excluding the decisions on participation provided for in subclause 18, clause 10.2, Article 10 hereof;

22) determining of the Company's credit policy as to provision by the Company of loans, signing facility agreements and loan agreements, issuing of guarantees, incurring liabilities in respect of bills (issuing of an ordinary and transfer bill), pledging of property and making the decision on the above mentioned deals of the Company in cases when the procedure for the decision-making of them is not determined by the Company's credit policy as well as decision making in accordance with the order envisaged by the Company's credit policy on bringing the debt position of the Company in compliance with the limits determined by the Company's credit policy;

23) decision-making on implementation or subsequent approval of large deals in cases envisaged by Chapter X of the Federal Law "On Joint Stock Companies";

24) decision-making on implementation or subsequent approval of deals in cases envisaged by Chapter XI of the Federal Law "On Joint Stock Companies";

25) approval of the Company's registrar, terms of the agreement signed with it and its termination;

26) election of the Company's Board of Directors Chairperson and early termination of his/her powers;

27) election of the Company's Board of Directors Deputy Chairperson and the early termination of his/her powers;

28) election of the Company's Corporate Secretary and the early termination of his/her powers;

29) tentative approval of decisions on the Company's deals related to the gratuitous transfer of the Company's property or property rights (demands) to itself or the third party; deals connected with the liberation from property liabilities to itself or a third party; deals related to the gratuitous provision of services by the Company (carrying out of works) to third party, in cases (amount) determined by separate decisions of the Company's Board of Directors, and decision-making on these deals by the Company in cases when the above-mentioned cases (amount) are not determined;

30) decision-making on temporary termination of the powers of the managing entity (managing director);

31) decision-making on the appointment of the Acting General Director of the Company in the cases determined by separate decisions of the Company's Board of Directors, and his/her calling to an account;

32) calling to an account of the Company's General Director and his/her remuneration in accordance with the labor laws of the Russian Federation;

33) consideration of the General Director's reports on the Company's activities (including the report on exercising his/her functions, on the implementation of the decisions of the Company's general meeting and its Board of Directors);

34) approval of the procedure of the Company's interaction with the entities, in which the Company participates;

35) definition of the Company's position (position of the Company's representatives), including the assignment to take or not to take part in voting on the agenda items, to vote on draft decisions "for", "against" or "abstained", on the following items of the agenda of general shareholder (participant) meetings of subsidiaries and dependent entities (hereinafter referred to as the "SDE"), and meetings of the SDE's boards of directors:

a) on determining of the agenda of the general meeting of shareholders (participants) of SDE (except for SDE where the Company owns 100 (one hundred) per cent of the authorized capital);

b) on the SDE reorganization and liquidation;

c) on determining of the number of members of the SDE's governance and control bodies, recommendation, election of their members and early termination of their powers, recommendation, election of the SDE's sole executive body and early termination of its powers;

d) on determining of the number, par value, category (type) of the SDE's declared shares and the rights granted by these shares;

e) on increase of the SDE's authorized capital through the increase of the par value of shares or through the placement of additional shares;

f) on placement of the SDE's securities convertible into ordinary shares;

g) on fractioning and consolidation of the SDE's shares;

h) on consent to perform or on subsequent approval of large deals made by the SDE;

i) on participation of SDE in other entities (on entering into the existing entities or on the foundation of a new one), as well as on the acquisition, alienation, encumbrance of shares and stakes in the authorized capitals of the entities, in which the SDE participates, change of the stake in the authorized capital of the respective entity;

j) on the deals made by SDE (including several associated deals) related to purchase, alienation or a possibility of alienation of property representing fixed assets, intangible assets, objects of unfinished construction, the purpose of the use of which is production, transmission, dispatching, distribution of electric and heating energy in the events (amount) defined by the procedure of interrelation of the Company with the entities, in which the Company participates, approved by the Company's Board of Directors;

k) on amending the SDE's constituent documents;

l) on determining of the procedure of remuneration payment to the members of the SDE's board of directors and auditing committee;

m) on approval of target values of key performance indicators (adjusted target values of key performance indicators) of subsidiaries and affiliates engaged in the transmission, production or sale of electricity, or the revenue of which is more than 5% of the Company's revenue for the last reporting period;

n) on approval of the report on the implementation of the planned (target) values of the annual key performance indicators of subsidiaries and affiliates engaged in the transmission, production or sale of electricity, or whose revenue accounts for more than 5% of the Company's revenue for the last reporting period;

o) on approval of the business plan (corrected business plan) of subsidiaries and affiliates engaged in the transmission, production or sale of electricity, or whose revenue accounts for more than 5% of the Company's revenue for the last reporting period;

p) on review of implementation of the reporting year business plan of subsidiaries and affiliates engaged in the transmission, production or sale of electricity, or whose revenue accounts for more than 5% of the Company's revenue for the last reporting period;

q) on approval of the distribution of profit and loss following the results of the reporting year;

r) on recommendations in respect of the amount of dividend per shares and the procedure of its payment;

s) on payment (declaring) of dividends following the results of the first quarter, half of a year, nine months of the reporting year, and following the results of the reporting year;

t) on consideration of the investment program, including any changes thereto;

u) on approval (consideration) of progress reports on SDEs' investment program execution for the reporting year;

v) on reduction of the SDE authorized capital by way of reduction of the nominal value of shares, by way of SDE purchasing part of shares with a view of decreasing their total number as well as by way of redemption of shares purchased or bought out by SDE;

w) about determining the SDE's credit policy in regard to granting loans, conclusion of credit and loan contracts, issuing surety, accepting obligation ensuing from a bill (issuing of the ordinary bill and the bill of exchange), pledging of property and taking decisions on making of the specified transactions by the SDE in the cases when the procedure of taking decisions on them is not determined by the SDE's credit policy, as well as taking in accordance with the procedure provided for by the SDE's credit policy the decisions on making the SDE's debt position consistent with the limits set by the SDE's credit policy, on review of the report about the SDE's credit policy, on approval of the SDE's credit plan, on approval of the SDE's Long-term growth plan, the corrected SDE's Long-term growth plan, on review of the report about fulfilment of the SDE's Long-term growth plan.

36) determination of the position of the Company (representatives of the Company) on the following items of the agenda of the SDE's board of directors' meetings (including the assignment to participate or not to participate in voting on the items of the agenda, to vote on draft decisions "for" "against", or "abstained":

a) on the determining the SDE's representatives position on the items of the agendas of the general meetings of shareholders (participants) and the meetings of the board of directors of the entities which are subsidiary and dependent in relation to SDE concerning the completion (approval) of deals, including several associated deals related to purchase, alienation or a possibility of alienation of the property representing fixed assets, intangible assets, objects of unfinished construction, the purpose of the use of which is production, transmission, dispatching, distribution of electric and heating power in cases (amounts) determined by the procedure of cooperation of the Company with the entities, in which the Company participates approved by the Company's Board of Directors;

b) on determining of the SDE's representatives position on the items of the agendas of the general meetings of shareholders (participants) and the meetings of the board of directors of the entities which are subsidiary and dependent in relation to SDE, participating in production, transmission, dispatching, distribution of electric and heating power, reorganization and liquidation, increase of the authorized capital of these entities through the increase of the par value of shares or through the placement of additional shares, securities convertible into ordinary shares;

37) tentative approval of the decisions on the completion by the Company:

a) of deals, the subject matter of which shall be the Company's non-current assets in the amount exceeding 10 percent of the book value of these assets as of the last reporting date pursuant to the data of the accounting (financial) reports;

b) of deals (including several associated deals) related to purchase, alienation or a possibility of alienation of the property representing fixed assets, intangible assets, objects of incomplete construction, the purpose of use of which is production, transmission, dispatching, distribution of electric and thermal energy in the cases (amounts) determined by separate decisions of the Company's Board of Directors or if the Board of Directors has failed to determine such cases (amounts);

c) of deals (including several associated deals) related to purchase, alienation or a possibility of alienation of the property representing fixed assets, intangible assets, objects of incomplete construction, the purpose of use of which is not production, transmission, dispatching, distribution of electric and thermal energy in the cases (amount) determined by separate decisions of the Company's Board of Directors or if the Board of Directors has failed to determine such cases (amounts);

d) transactions for the term over 5 (Five) years for delivery for temporary ownership and usage or for temporary usage of immovable property, power supply network facilities or for acceptance for temporary possession and usage or for temporary usage of pieces of immovable property in the cases (amount) determined by separate decisions of the Company's Board of Directors or if the Board of Directors has failed to determine such cases (amounts).

38) recommendation by the Company of persons for the election to the position of the sole executive body, to other management bodies, bodies of control, and candidates for the auditor of the entities, in which the Company participates, which carry out production, transmission, dispatching, distribution and selling of electric and heating power, as well as repairs and maintenance types of activities;

39) determining the Company's policy in the field of insurance, carrying out control over provision for the Company's insurance protection including the approval of the Company's Insurer;

40) approval of the organizational structure of the Company's executive body and its amending;

41) approval of the regulation for remunerative incentives of the General Director, regulation for remunerative incentives of the Company's top managers; approval of the list of the Company's

top managers;

42) approval of candidates for certain positions of the Company's executive body defined by the Company's Board of Directors;

43) tentative approval of the collective agreement, the agreements concluded by the Company within the framework of the regulation of social and labor relations;

44) formation of committees of the Board of Directors of the Company, the approval of internal documents that determine their competence and operating procedure, the determination of their quantitative composition, the appointment of the chairman and members of the committee and the termination of their powers;

45) approval of the candidate for the appraiser (appraisers) for determining of the Company's shares value, property and other assets in cases envisaged by the Federal Law "On Joint Stock Companies", these Articles of Association and separate decisions of the Company's Board of Directors;

46) approval of the candidate for the financial consultant involved in accordance with the Federal Law "On the Securities Market" as well as the nominees of securities issuance organizers and consultants on the deals directly related to the attraction of means in the form of public loans;

47) tentative approval of the deals, which could lead to occurrence of liabilities expressed in the foreign currency (or liabilities, the volume of which is attached to the foreign currency), transactions with derivative financial instruments in cases and amounts determined by separate decisions of the Company's Board of Directors and if the said cases (amounts) are not determined by the Company's Board of Directors, determining the Company's policy concerning effecting transactions with derivative financial instruments;

48) determining of the Company's purchasing policy, including approval of the Regulations for Procurement of Goods, Works and Services, approval of the head of the Company's Central Purchasing Body and its members, and approval of the procurement plan and decision-making on other items in accordance with the documents approved by the Company, which regulate the Company's purchasing activities;

49) decision-making on recommendation of the Company's General Director for state awarding;

50) approval of the target values (revised values) of the Company's key performance indicators (KPI) and the reports on their implementation;

51) determining of the Company's policy aimed to improve the stability of the power grids distribution complex and other power energy complex facilities, including approval of the Company's strategic programs for improvement of the stability of the power grid complex, development of the power grid complex and its safety;

52) determining of the Company's housing policy as regards providing corporate aid to the employees of the Company for improving their living conditions in the form of subsidies, compensation of their costs, interest-free loans and decision-making on provision by the Company of the specified aid in cases, when the procedure of its provision is not determined by the Company's housing policy;

53) filing applications for listing of the Company's shares and (or) the Company's issue-grade securities convertible to the Company's shares;

54) taking decision on the Company acceding to branch-specific and inter-branch standards, statutes and other documents in the sphere of electric power industry following different lines of the Company's activities inclusive of technical regulation;

55) determination of principles and approaches to the organization of Internal Audit, risk management and internal control systems in the Company, including the approval of internal documents of the Company, determining the Company's policy in the field of risk management, internal control and Internal Audit of the Company;

56) risk assessment, as well as the establishment of an acceptable amount of risk for the Company;

57) organization of analysis and assessment of the risk management and internal control system functioning at least 1 (One) time a year, including based on the data from the reports regularly received from the executive bodies of the Company, internal audit and external auditors of the Company;

58) reviewing the issues of the risk management and internal control system organization, functioning and effectiveness in the Company on an annual basis;

59) control and organization of the internal audit activity, including approval of the Regulation on the Internal Audit Subdivision, and in the case of engaging an external independent organization for the implementation of the Internal Audit, approval of such an organization and terms of the contract with it, including the amount of remuneration; approval of the Internal Audit Plan, Report on the Implementation of the Internal Audit Plan and the Internal Audit budget, preliminary approval of the decision of the sole executive body of the Company on the appointment, dismissal (not at the initiative of the employee) of the Head of the Internal Audit, the application of disciplinary measures to it, and approval of conditions of the employment contract and remuneration of the Head of the Internal Audit, consideration of the results of the quality assessment of the internal audit function;

60) control over compliance of the Company's executive bodies' activity to the strategy approved by the Company; hearing of the Company's General Director and members of the Board on fulfilment of the strategy approved by the Company;

61) recommendations to the Company's executive bodies on any issues of Company's activity;

62) preliminary approval of one or several interrelated transactions of the Company associated with purchasing or the opportunity to purchase the options, the bills, the investments units of the unit investment trust and/or the obligations by the Company in the amount of over 1,000,000,000 (One billion) roubles;

63) preliminary approval of one or several interrelated transactions of the Company associated with transfer or the opportunity to transfer the property to discretionary management by the Company in the amount of over 1,000,000,000 (One billion) roubles;

64) preliminary approval of one or several interrelated transactions of the Company related to the receipt or the possibility of the receipt of bank guarantees by the Company for which the Company acts as principal for more than 1,000,000,000 (One billion) rubles, except for bank guarantees provided by the Company to the courts as counter-security on claims of the Company;

65) approval of the list of credit organizations in which the Company may allocate monetary funds;

66) approval of the Company's information policy and consideration of reports on its implementation;

67) on preliminary approval of the contract on making uncompensated contributions by a shareholder (shareholders) in the monetary or another form into the Company's property, which do not increase the Company's authorized capital or change the par value of shares (contributions to the Company's property);

68) on preliminary approval of the contract on making uncompensated contributions by the Company into the property of the companies, in the authorized capital of which the Company participates, in monetary or other form, which do not increase the authorized capital of the specified companies and (or) do not change the par value of the shares;

69) other issues falling within the competence of the Board of Directors in accordance with the Federal Law "On Joint Stock Companies" and these Articles of Association.

15.2. The issues referred to the competence of the Company's Board of Directors shall not be transferred for decision-making to the Company's General Director.

15.3. The members of the Board of Directors while exercising their rights and their functions shall act in the interests of the Company, exercise their rights and functions in respect of the Company faithfully and reasonably.

15.4. The Board of Directors members shall bear the responsibility to the Company for the losses incurred by the Company by their wrongful actions or omission, unless other reasons and volume of responsibility are determined by federal laws.

Alongside with this, the Board of Directors members who voted against the decision, which led to the Company's losses or those ones who did not participate in the vote, shall bear no responsibility.

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

16.1. The number of members of the Company's Board of Directors shall be determined equal to 11 (eleven) members.

16.2. The members of the Company's Board of Directors shall be elected at the Company General Meeting of Shareholders in accordance with the procedure stipulated by clause 10.8 of Article 10 of these Articles of Association for a period till the next Company's annual General Meeting of Shareholders.

Should the Board of Directors be elected at the Company's extraordinary General Meeting of Shareholders, the Board of Directors members shall be considered elected for the period till the date of holding of the next Company's annual General Meeting of Shareholders.

If the annual General Meeting of Shareholders was held within the time established by clause 11.1. of Article 11 of these Articles of Association, the powers of the Company's Board of Directors are terminated, except for the powers as regards convocation, preparation and carrying out of the annual General Meeting of Shareholders.

16.3. Only a physical person shall be a member of the Company's Board of Directors.

16.4. Persons elected to the Company's Board of Directors shall have no limitations regards the number of reelection.

16.5. According to the decision of the Company's General Meeting of Shareholders, the powers of all members of the Company's Board of Directors may be terminated early.

The decision of the General Meeting of Shareholders on early termination of powers may be taken only concerning all members of the Company's Board of Directors.

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

17.1. Chairperson of the Company's Board of Directors shall be elected from among the members of the Company's Board of Directors by the majority of votes from the total number of the members of the Company's Board of Directors.

The Company's Board of Directors shall be entitled to reelect their Chairperson any time by the majority of votes from the total number of the members of the Company's Board Directors.

17.2. The Chairperson of the Board of Directors shall organize the work of the Board of Directors, convene its meetings and preside at them, organize keeping of the minutes of the meetings, and preside over the Company's General Meeting of Shareholders.

17.3. In the absence of the Chairperson of the Company's Board of Directors, his/her functions shall be carried out by the Deputy Chairperson of the Company's Board of Directors elected from among the members of the Company's Board of Directors by the majority of votes from the total number of the members of the Company's Board of Directors.

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

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

18.2. The meetings of the Company's Board of Directors shall be held as often as necessary but not less often than every six weeks.

The meeting of the Board of Directors of the Company shall be convened by the Chairman of the Board of Directors (or the Deputy Chairman of the Board of Directors in cases stipulated by clause 17.3. of Article 17 of these Charter) of the Company on his own initiative, at the request of a member of the Board of Directors, the Auditing Commission of the Company, the Head of the Internal Audit of the Company (Head of Structural Division of the Company responsible for the organization and implementation of the Internal Audit, and in the case of engagement of external auditors for the Internal Audit from the dependent organizations — the head of the said organization), General Director of the Company, member of the Board, the Company's Auditor.

18.3. The first meeting of a newly elected Board of Directors of the Company shall obligatorily address the issues of election of the Chairperson of the Board of Directors, his/her Deputy.

The specified meeting of the Board of Directors shall be convened by one of the members of the Company's Board of Directors in accordance with the regulations of the activity of the Company's Board of Directors.

18.4. The decision of the Company's Board of Directors may be made by absentee voting (by poll). In the event of holding the absentee voting, materials concerning the meeting agenda items and questionnaire for voting shall be forwarded to all members of the Board of Directors, which shall contain the information on the date of submission to the Company's Board of Directors of the questionnaire filled-in and signed by the member of the Board of Directors.

18.5. The member of the Board of Directors who is absent at the joint presence meeting of the Company's Board of Directors shall be entitled to state his/her opinion in writing on the items of the agenda in accordance with the procedure determined in the internal document regulating the procedure of convocation and carrying out of the Board of Directors meeting.

18.6. Transfer of the right to vote by a member of the Company Board of Directors to another person including another member of the Company's Board of Directors shall not be allowed.

18.7. The decisions at the meeting of the Company's Board of Directors shall be made by the majority of the votes of the members of the Company's Board of Directors participating in the meeting except for the cases envisaged by the Russian Federation laws and these Articles of Association.

In cases when the decision of the Board of Directors on the deal shall be simultaneously made on several grounds (stipulated by these Articles of Association and stipulated by Chapter X or Chapter XI of the Federal Law "On Joint Stock Companies"), the procedure of its making shall be governed by the provisions of the Federal Law "On Joint Stock Companies".

18.8. The decision of the Company's Board of Directors on the consent to perform or subsequent approval of a large deal shall be made unanimously by all members of the Board of Directors.

The decisions of the Company Board of Directors shall be made by the majority in three-fourths of the votes of the members of the Board of Directors from their total number on the following items:

- on suspension of the powers of the managing entity (managing director) and on appointment of the acting General Director of the Company;
- on convening of the extraordinary General Meeting of Shareholders of the Company in cases envisaged by clauses 21.11. and 21.12 of Article 21 of these Articles of Association.

When the decisions defined in this clause are made by the Company's Board of Directors, the votes of the retired members of the Board of Directors shall not be taken into account.

The retired members of the Company's Board of Directors are persons who left the membership of the Board of Directors because of their death, their recognition in a judicial procedure as incapable or missing.

18.9. The decision on the consent to perform or subsequent approval of an interested-party deal shall be made by the Company's Board of Directors in accordance with Article 83 of the Federal Law "On Joint-Stock Companies".

18.10. The decisions of the Company's Board of Directors on the issues envisaged by subclauses 21-22, 34-36 of clause 15.1. of Article 15 of these Articles of Association shall be made by two-thirds majority vote of the members of the Company's Board of Directors participating in the meetings.

18.11. While decision-making at the meeting of the Company's Board of Directors, each member of the Company's Board of Directors shall have one vote. Should there arise a balance of votes during the voting, the Chairperson of the Company's Board of Directors shall be entitled to the casting vote.

18.12. The quorum for holding the meeting of the Company's Board of Directors shall comprise at least a half of the number of the elected members of the Company's Board of Directors, and where consent to, or subsequent approval of, major transactions as specified in Chapter XI of the Federal Law "On Joint-Stock Companies" is sought, a quorum is required of at least two (2) members of the Company's Board of Directors who are not interested in the transaction and who meet the requirements of Clause 3, Article 83 of the Federal Law "On Joint Stock Companies".

Should the quantity of members of the Company's Board of Directors become less than the quantity comprising the specified quorum, the Company's Board of Directors shall be obliged to make a decision on carrying out the extraordinary general meeting for election of a new structure of the Company's Board of Directors. The remained members of the Board of Directors shall be entitled to make a decision only on convocation of such an extraordinary General Meeting of Shareholders. In this case the quorum for carrying out the Board of Directors meeting is at least a half of the number of the remained members of the Board of Directors.

18.13. The meetings of the Company's Board of Directors shall be accompanied by the keeping of minutes. The minutes of the meeting of the Company's Board of Directors shall be drawn up and signed no later than 3 (three) days after its holding by the person presiding over the meeting and the Corporate Secretary of the Company, who shall be responsible for the correctness of its drawing up. All the documents approved by the Board of Directors shall be attached to the minutes.

Should the Company's Board of Directors take decisions by the absentee voting, the voting questionnaires signed by the members of the Company's Board of Directors shall be attached to the minutes.

18.14. The decisions of the Company's Board of Directors taken in violation of the Company's Board of Directors competence, provided that the quorum for holding the Company's Board of Directors meeting is absent or provided that the majority of votes of the Company's Board of Directors members required for decision-making is absent, shall be void irrespective of initiating the procedure of appeal in their respect in the court order.

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

19.1. The Committees of the Board of Directors shall be set up by the decision of the Board of Directors.

19.2. The Committees shall be established for the preliminary review of issues referred to the competence of the Board of Directors or matters studied by the Board of Directors to supervise the activities of the Company's executive body and develop recommendations for the Company's Board of Directors and executive bodies.

19.3. The procedural rules, formation procedure, competence and the term of the Committees of the Company's Board of Directors powers shall be determined by internal documents of the Company, approved by the Board of Directors of the Company and specific decisions of the Board of Directors.

19.4. The Board of Directors of the Company shall form the Audit Committee for preliminary consideration of issues related to control over the financial and economic activities of the public company, including assessment of the independence of the Company's auditor and the absence of a

conflict of interest, as well as assessment of the quality of the audit of the accounting (financial) statements of the Company.

Article 20. The Company's Corporate Secretary

20.1. In order to ensure proper preparation of the procedure of holding the Company's General Meeting of Shareholders, the activities of the Company's Board of Directors, the Company's Board of Directors shall be entitled to elect the Corporate Secretary of the Company which reports directly to the Board of Directors in his/her activity. The Company's Corporate Secretary is the Company's official ensuring observance of the applicable legislation of the Russian Federation, this Articles of Association and the Company's internal documents guaranteeing implementation of the Company's shareholders' rights and legal interests by the Company.

20.2. The status of the Corporate Secretary, the requirements for their candidature, the procedure for appointing and terminating the powers of the Corporate Secretary, their subordination and the procedure for interaction with the management bodies and structural subdivisions of the Company, as well as other matters related to the activities of the Corporate Secretary, shall be stipulated in the Regulations for the Corporate Secretary approved by the Company's Board of Directors.

Article 21. The Company's Executive Bodies

21.1. The management of the current activity of the Company shall be executed by the sole executive body - General Director, and by the collegial executive body – Company's Management Board.

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

The Company's executive bodies regularly report to the Company's Board of Directors for establishment and functioning of the effective risk management and internal control system and bear responsibility for its effective functioning.

21.3. Under the decision of the General Meeting of Shareholders, the powers of the Company's sole executive body may be transferred to the managing entity or the managing director under an agreement.

The rights and duties of the managing entity (managing director) for realization of management by the Company's current activities shall be defined by the Russian Federation laws and the agreement concluded by the managing entity (managing director) with the Company.

The agreement with the managing entity (managing director) on behalf of the Company shall be signed by the Chairperson of the Company's Board of Directors or the person authorized by the Company's Board of Directors.

The agreement provisions with the managing entity (managing director), including as regards the term of appointment, shall be defined by the Company's Board of Directors or the person authorized by the Company's Board of Directors.

21.4. Formation of the executive bodies of the Company and early termination of their powers shall be carried out under the decision of the Company's Board of Directors except for the cases stipulated by the federal laws and these Articles of Association.

21.5. The rights and duties of the General Director and Management Board members related to the management by the Company's current activities shall be determined by the Russian Federation laws, these Articles of Association and labor agreement signed by each of them with the Company.

21.6. The labor agreement on behalf of the Company shall be signed by the Chairperson of the Company's Board of Directors or by the person authorized by the Company's Board of Directors.

21.7. The terms of the labor agreement, including as regards the period of powers, shall be determined by the Company's Board of Directors or the person authorized by the Company's Board of Directors to sign the labor agreement in accordance with clause 21.6 of Article 21 of these Articles of Association.

21.8. Combining of positions by the General Director and by the Management Board members in the management bodies of other entities, as well as other paid positions in other entities shall be allowed only with the consent of the Company's Board of Directors.

21.9. The rights and duties of the employer on behalf of the Company in respect of the Company's General Director and the Management Board members shall be carried out by the Board of Directors or the person authorized by the Company's Board of Directors.

21.10. The Board of Directors shall be entitled any time to make a decision on the termination of the powers of the Company's General Director and the Company's Management Board members and on formation of new executive bodies.

Termination of the powers of the General Director and Management Board members shall be carried out on the grounds envisaged by the Russian Federation laws and the labor agreement signed by each of them with the Company.

21.11. The General Meeting of Shareholders shall be entitled any time to make a decision on the early termination of the powers of the managing entity (managing director).

The Company's Board of Directors shall be entitled to make a decision on temporary termination of the powers of the managing entity or the managing director. Simultaneously with this decision, the Company's Board of Directors shall be obliged to make a decision on appointment of the Company's acting General Director and on holding of the extraordinary General Meeting of Shareholders in order to tackle the issue of the early termination of the powers of the managing entity (managing director), and, unless otherwise decided by the Board of Directors, on transfer of powers of the Company's sole executive body to the managing entity (managing director).

21.12. Should the managing entity (the managing director) be in no position to carry out its functions, the Company's Board of Directors shall be entitled to make a decision on appointment of the acting General Director of the Company and on holding of the extraordinary General Meeting of Shareholders in order to tackle the issue of early termination of the powers of the managing entity (the managing director), and, unless otherwise decided by the Board of Directors, on transfer of powers of the Company's sole executive body to another managing entity or the managing director.

21.13. The Company's acting General Director shall carry out management by the Company's current activities within the framework of the competence of the Company's executive bodies, unless otherwise is decided by the Company's Board of Directors.

21.14. The Director General, Management Board members, acting General Director of the Company, as well as the managing entity (the managing director), while exercising their rights and performing their obligations, shall be obliged to act in the interests of the Company, exercise their rights and perform their obligations in respect of the Company faithfully and reasonably.

21.15. The Director General, Management Board members, acting General Director of the Company, as well as the managing entity (the managing director) shall bear responsibilities before the Company for the losses incurred by the Company by their wrongful actions (omissions), unless other grounds and volume of responsibility are set forth by the federal laws.

The General Director shall be personally responsible for the arrangement of protection of the state secret information, and for non-observance of the restrictions concerning examination of the specified data determined by the laws.

The responsibility stipulated by the present clause shall not come into effect for those members of the Company's Management Board who voted against the decision which entailed the Company's losses, or who did not take part in voting.

21.16. In the event of a General Director temporal absence (including but not limited to, 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 an General Director is made by the Company's Board of Directors.

Due to the circumstances specified in paragraph one of this clause of the Charter, the Board of Directors of the Company shall have the right to decide on the appointment of the Acting Director General of the Company for a certain period without termination of the powers of the Director General of the Company.

Article 22. The Company's Management Board

22.1. The Company Management Board shall act on the basis of these Articles of Association and Regulations for the Management Board approved by the General Meeting of Shareholders which stipulates time and order of convocation and carrying out of its meetings, and order of decision-making.

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

1) working-out of the Company's development strategy and its submission for consideration to the Board of Directors;

2) preparation of the business plan (adjusted business plan) and quarterly report on the implementation of the business plan (for the first quarter, first half of the year, nine months, reporting year), as well as approval (updating) of cash flow (budget) of the Company;

3) preparation of the annual report of the Company, the report on performance by the Management Board of the decisions of the Company's General Meeting of Shareholders and Board of Directors;

4) consideration of reports (information) of the Deputy General Directors of the Company, heads of separate structural divisions of the Company on the activities of the Company and its subsidiaries and companies submitted for consideration by the Management Board of the Company in accordance with instructions from the Management Board or the Board of Directors of the Company;

5) decision-making concerning the items referred to the competence of the supreme bodies of management of the economic entities, 100 (one hundred) percent of the authorized capital of which belongs to the Company (in view of subclauses 35, 36 of clause 15.1. of Article 15 of these Articles of Association);

6) decision on making transactions dealing with properties, works and services book value whereof is equal to 2-25 per cent of the book value of assets of the Company as defined according to the accounting (financial) statements as of the latest reporting date (except for cases specified in Sub-Cause 37 of Clause 15.1 thereof);

7) effective risk management within the framework of the Company's current activity; approval of the budget for risk management measures in the Company within the limits agreed by the Board of Directors' resolution; solving cross-functional (accomplished by several structural subdivisions) issues for risk management;

8) solution of other issues of the Company's current activities management according to the decisions of the Company's General Meeting of Shareholders, the Company's Board of Directors, and the issues which were submitted by the Company's General Director for the Management Board's consideration.

22.3. The members of the Company's Management Board shall be elected by the Company's Board of Directors in the amount defined by the decision of Company's Board of Directors under the proposal of the Company's General Director.

Should the Company's Board of Directors vote down nominees for the Company's Management Board proposed by the General Director, the Company's Board of Directors shall be entitled to elect to the Management Board the candidates proposed by a member (members) of the Company's Board of Directors.

The number of members of the Company's Management Board may not be less than 3 (three) people.

22.4. The Management Board shall be competent if at least a half of the elected members of the Management Board take part in the meeting (in absentee voting).

22.5. All decisions shall be taken by the Management Board by the simple majority of votes out of the number of the Management Board members who are present at the meeting (take part in the absentee voting). Should the amount of votes be equal, the Management Board Chairperson's vote shall be casting.

22.6. Transfer of the vote by a member of the Company's Management Board to another person, including another member of the Company's Management Board, shall not be allowed.

Article 23. The Company's General Director

23.1. The General Director shall perform the management by the Company's current activities in accordance with the decisions of the Company's General Meetings of Shareholders, Company's Board of Directors and Company's Management Board which were made in accordance with their competences.

23.2. The competence of the General Director shall include all of the issues of the Company's current activities management, except for the issues referred to the competence of the General Meeting of Shareholders or the Board of Directors, and the Management Board of the Company.

23.3. The Company's General Director shall act without a power of attorney on behalf of the Company taking into account the limitations envisaged by the Russian Federation laws, these Articles of Association and the decisions of the Company's Board of Directors. The Company's General Director shall

- ensure fulfillment of the Company activity plans which are necessary for solution of his/her tasks;
- organize business and tax accounting in the Company, management and keeping of accounting records;
- make use of the Company's property and accomplish deals on behalf of the Company, issue powers of attorney, open settlement and other accounts of the Company with the banks and other credit institutions as well as in the entities and professional agents of the securities market in cases envisaged by the law;
- issue orders, approve (accept) instructions, local normative enactments and other internal documents of the Company on the issues of his/her competence, give instructions obligatory for execution by all employees of the Company;
- approve Regulations on branches and representative offices of the Company;
- in accordance with the organizational structure of the Company's executive body, approve personnel arrangements and official salaries and wages of the Company's employees;
- exercise in respect of the Company's employees the rights and obligations of the employer, envisaged by the labor law;
- perform powers of the Chairperson of the Company's Management Board;
- distribute duties among the Deputies of the Director General;
- make a decision on admission (denial of admission), or termination of admission for the Company officials (employees) to working with information constituting a state secret, as well as on the conditions for concluding the contracts for admission;

- no later than 45 (forty-five) days prior to holding of the Company's annual General Meeting of Shareholders, submit for the consideration of the Company's Board of Directors the annual report, annual accounting (financial) reports and the Company's profit and loss distribution;
- solve other issues of the Company's current activities, except for the issues referred to the competence of the Company's General Meeting of Shareholders and the Company's Board of Directors.

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

Recommendation of candidates for the position of the Company's General Director for his/her election by the Company's Board of Directors shall be carried out according to the internal document regulating the procedure of convocation and carrying out of the Company's Board of Directors.

Article 24. The Auditing Committee, the Internal Audit and the Auditor of the Company

24.1. In order to ensure control over the Company's financial and economic activities, the General Meeting of Shareholders shall elect the Auditing Committee of the Company for the period till the next annual General Meeting of Shareholders.

Should the Auditing Committee of the Company be elected at the extraordinary meeting of shareholders, the members of the Auditing Committee shall be considered elected for the period till the date of holding of the Company's annual General Meeting of Shareholders.

The number of members of the Auditing Committee shall be 5 (five) people.

24.2. Based on the decision of the Company's General Meeting of Shareholders, the powers of all or several members of the Company's Auditing Committee may be terminated early.

The Company's Auditing Committee's members cannot be members of the Company's Board of Directors at the same time, as well as hold other positions in the Company's management bodies.

24.3. The competence of the Company's Auditing Committee shall include the following:

- examination (audit) of the financial, accounting, settlement and other documentation of the Company related with carrying out by the Company of financial and economic activities in order to ensure its compliance with the Russian Federation laws, this Articles of Association, and internal documents of the Company;
- checking and analysis of the Company's financial position, its solvency, the internal control and risk management system functioning, liquidity of assets, relation of own and borrowed funds, correctness and timeliness of accruing and payment of the interest under the obligations, income arising out of other securities;
- control over cash spending of the Company in accordance with the approved business plan and budget of the Company;
- control over building up and use of the reserve and other specialized funds of the Company;
- checking of timeliness and correctness of conducting settlement operations with the contractors and the budget, as well as the calculation operations for remuneration of labour, social insurance, accruing and payment of dividends and other settlement operations;
- control over observance of the established procedure of writing off of the insolvent obligors' indebtedness for the Company's losses;
- checking of the Company's business transactions made in compliance with the concluded contracts;
- checking of observance of ongoing contracts, the norms and standards, the approved

estimates and other documents governing the Company's activity in the process of using material, labour and financial resources in the financial and operational activity;

- control over safekeeping and using of capital asset;
- checking the Company's cashier's department and property, the effectiveness of using the Company's assets and other resources, establishing the reasons for non-productive losses and expenses, finding the reserves for the Company's financial position improvement;
- checking of fulfilment of the orders for elimination of the violations and drawbacks previously found by the Company's Auditing Committee;
- developing recommendations for the Company's management bodies;
- carrying out of other actions (measures) related to examination of the Company's financial and economic activities.

24.4. All decisions on the issues referred to the competence of the Auditing Committee shall be made by the simple majority of the votes from the total number of its members.

24.5. The Auditing Committee shall be entitled and, in case of the revealed serious violations of the Company's financial and economic activities, obliged to demand convening of the Company's extraordinary General Meeting of Shareholders.

24.6. The procedure of activities of the Company's Auditing Committee' shall be determined by the internal document of the Company approved by the Company's General Meeting of Shareholders.

The Auditing Committee shall be entitled to involve to its work specialists in the respective field of (law, economy, finance, accounting, management, economic security and others subject areas) which do not hold the positions in the Company, as well as the specialized organizations, petition to the Company about conclusion of civil law contracts with the specified specialists and organizations in accordance with the decision on carrying out an examination (audit).

24.7. The examination (audit) of the Company's financial and economic activities is carried out following the outcome of the Company's activities during the year and may also be carried out any time at the initiative of the Company's Auditing Committee, under the decision of the Company's General Meeting of Shareholders, the Company's Board of Directors or upon the demand of the Company's shareholder (shareholders) possessing in total at least 10 percent of the Company's voting shares.

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

- verification of the integrity of data in the Company's annual report, annual accounting (financial) reports;
- information on the facts of violation of the order of accounting reporting and provision of financial statements, as well as the implementation of financial and economic activities;
- confirmation of the reliability of the data contained in the report on the interested party transactions.

24.8.2. By the decision of the General Meeting of Shareholders, the members of the Company's Auditing Committee may be paid the remuneration and (or) they may get compensation for the expenses related to their fulfilment of their functions within the period of their fulfilment of their obligations. The amount of such remuneration and compensation shall be established by decision of the General Meeting of Shareholders.

24.9. The Company shall conduct an Internal Audit to assess the reliability and efficiency of risk management and internal control.

24.10. The procedure for the activities of the Internal Audit shall be determined by this Charter, the Internal Audit Policy approved by a decision of the Board of Directors of the Company, and the local regulatory acts governing the activities of the Internal Audit.

24.11. In order to examine and approve the Company's annual accounting (financial) reports,

the Company's General Meeting of Shareholders shall annually approve the Company's Auditor not related with the Company and its shareholders by the property interests.

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

24.13. The Company's Auditor shall carry out examination of the financial and economic activity of the Company in accordance with the requirements of the Russian Federation laws and on the grounds of the agreement signed with it.

24.14. According to the results of the examination of the Company's financial and economic activities, the Company's Auditor shall make the conclusion which is to contain:

- confirmation of the correctness of the information contained in the Company's accounting (financial) statements;
- information on the facts of violation by the Company of the accounting procedures and procedures of submission of financial reports envisaged by legal regulations of the Russian Federation and normative enactments of the Russian Federation during carrying out by the Company of its financial and economic activities.

The procedure and the period for compiling the conclusion on the results of the examination of the Company's financial and economic activities shall be determined by the normative enactments of the Russian Federation on the ground of the contract concluded with the Company's Auditor.

Article 25. Bookkeeping and Accounting (Financial) Reports of the Company

25.1. The Company shall be obliged to keep accounting and submit accounting (financial) reports in accordance with the Russian Federation laws and these Articles of Association.

25.2. The responsibility for the arrangement, status and correctness of the accounting in the Company, timely submission of the other accounting (financial) reports to the respective state bodies, as well as the information on the Company's activities submitted to the shareholders of the Company, its creditors and mass media shall be borne by the General Director of the Company in accordance with the Russian Federation laws and these Articles of Association.

25.3. The accuracy of data contained in the Company's annual report and annual accounting (financial) statement shall be verified by the Auditing Commission of the Company.

The Company shall engage an audit organization not related to the property interests of the Company or its shareholders for the annual audit of the annual accounting (financial) reports.

25.4. The annual report, annual accounting (financial) reporting, profit and loss distribution of the Company shall be submitted for preliminary approval by the Company's Board of Directors no later than 30 (thirty) days prior to the date of holding Company's annual General Meeting of Shareholders.

Article 26. Safekeeping of the Documents by the Company. Delivery of Information by the Company

26.1. The Company shall keep documents as required by the Federal Law "On Joint-Stock Companies", the Company's Articles of Association and internal documents, resolutions of the Company's governance bodies, as well as documents required to be kept under laws and regulations of the Russian Federation:

26.2. The Company shall keep the documents envisaged by clause 26.1. of this Article at the place of seat of the Company's executive body in accordance with the procedure and within the period of time determined by the Bank of Russia;

26.3. In the event of reorganization of the Company, all documents shall be transferred in the prescribed order to the cessionary.

26.4. In the event of liquidation of the Company, the documents of permanent keeping, which have scientific and historical value, shall be transferred for state safekeeping to the Federal Archive Service of Russia; documents on personnel (orders, personal files and registration cards, personal accounts and so on) shall be transferred for safekeeping to the respective archive of the Russian Federation constituent entity.

The transfer and formalization of documents shall be executed in accordance with the requirements of archive bodies.

26.5. The Company shall, upon request, make its documents available to the shareholders to the extent, in the manner and within the time limits envisaged by the Federal Law "On Joint Stock Companies".

26.6. The Company shall disclose its information as required by Federal Law "On Joint-Stock Companies" and other regulatory legal acts of the Russian Federation.

26.7. The amount of the fee shall be determined by the Company's General Director and shall not exceed the cost of making copies of these documents.

If the shareholder (authorized person) fails to pay for the Company's expenses for making copies of the Company's documents pursuant to the claim received and fulfilled earlier, the period for providing the copies of the Company's documents pursuant to subsequent requirements shall be calculated from the date of receipt of such payment.

26.8. The Company shall ensure the shareholders and employees of the Company an access to the information in accordance with the requirements of the laws on the state secret.

26.9. The Company shall make terms and conditions of a confidentiality agreement available on the its website accessible over the Internet telecommunications network. When a request is made by shareholders collectively, the agreement referred to above must be signed by each of the shareholders, and when documents are made available to a shareholder's proxy representative, the shareholder and his representative must both sign the agreement.

26.10. Notices of factors indicative of potential interest in transactions involving the Limited Liability Company, and notices of information change that include information on factors indicative of potential interest in transactions involving the Limited Liability Company shall be filed with the Company as follows:

- sent by registered mail, return receipt requested, or by courier to the address of the Company that appears in the Unified State Register of Legal Entities, and to other addresses that appear in the Company's Articles of Association or an internal document approved by the General Meeting of the Company's Shareholders; or
- delivered against a signed acknowledgment of receipt to the person holding the office of (acting in the capacity of) the Company's sole executive body or to other person authorized to receive correspondence on behalf of the Company; or
- submitted as a digitally signed electronic document in accordance with the provisions of Federal Law No. 63-FZ dated April 6, 2011 "On Digital Signature" by means of telecommunication, particularly but not exclusively via Internet telecommunications network; or
- sent by telecommunication means, including fax, telegraph and e-mail.

Article 27. Reorganization and Liquidation of the Company

27.1. The Company may be voluntarily reorganized through merger, accession, division, spin-off and restructuring, and on the grounds of, and in accordance with, the Civil Code of the Russian Federation and Federal Laws.

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

27.3. In the event of the Company's reorganization, liquidation or discontinuation of works

involving usage of details constituting state and commercial secret the Company shall ensure integrity of such information and the media concerned through development and implementation of actions for security mode maintenance, information protection, counteraction to foreign technical intelligence, security guard and fire safety.