

A resolution of the IDGC of Center and North Caucasus plc Board of Directors
Protocol N009/06 of October, 18 2006.

REGULATIONS
a the Corporate Secretary of
the IDGC of Center and North Caucasus plc
the City of Tver, 2006.

These Regulations are based on the current legislation of the Russian Federation, the IDGC of Center and North Caucasus plc Charter (further – Company) and internal documents of the Company.

The Regulations define the Corporate Secretary status, functions and responsibilities, as well as procedures for one's election and the termination of one's powers, the procedures of one's work and those of the Company's Governing Bodies.

1. GENERAL TERMS

The Corporate Secretary is an authorized person with the major task to provide the compliance with all the procedure requirements by the Company's Governing Bodies, which in its turn is the guarantee of the implementation of the rights and legitimate interests of the Company's shareholders.

For the realization of the corporate control duties the Secretary organizes and guarantees the Company's interaction with its shareholders and the Board of Directors.

The Corporate Secretary is subject to the Board of Directors.

The Corporate Secretary has a right to combine his duties with other functions in the company only with the knowledge and acceptance of the Company's Board of Directors.

2. METHOD OF ELECTING THE CORPORATE SECRETARY

2.1. The Corporate Secretary is elected by members of the Board of Directors at the first meeting on recommendation of the members of Company's Board of Directors or its General Director. The Secretary is elected by a majority vote of the members of the Board of Directors attending the meeting for the period till the first meeting of the Board of Directors after the annual General Meeting of Shareholders.

For the overall assessment of a candidate to the position of the Corporate Secretary the Board of Directors make a decision of his appointment at the meeting with all members present.

The Board of Directors has the right to re-elect the Corporate Secretary at any time.

The Board of Directors has the right to make a decision on the dismissal of the Corporate Secretary and the termination of the employment agreement with him only in the order determined by The Labour Code of the Russian Federation.

2.2. The employment agreement with the Corporate Secretary is signed on behalf of the Company by the Chairman of the Board of Directors or by a person authorized by the Board of Directors.

The terms of the employment agreement are determined by the Company's Board of Directors or a person authorized by the Board of Directors to sign the employment agreement.

The salary of the Secretary is determined in the employment agreement.

By the Board of Directors decision the Corporate Secretary can be awarded for quarterly or annual results.

The application for awarding the Corporate Secretary can be addressed to the Board of Directors Chairman by any of its members.

The application should include information about the reasons for awarding the Corporate Secretary, the suggested amount and the period of time the award covers.

2.3. When electing the Corporate Secretary the Board of Directors should take into consideration the candidate's capability to exercise the functions of the Corporate Secretary, as well as the candidate's educational background and, work experience and managerial capacity.

The following information (in the form of a CV in accord of wit Appendix #1 of this Statement) on the candidate for the position of Corporate Secretary should be directed to the Board of Directors:

- § Surname, First Name and Patronymic Name of a candidate;
- § Year of birth;
- § Place of registration and the actual address;
- § Education;
- § Work experience for the last 5 years;
- § Number, type and category of the Company's shares belonging to the candidate;
- § Affiliation (lack of) with the affiliation members of the Company's Governing Bodies, shareholders;
- § Record of conviction or a clean record;
- § Misdemeanors concerning entrepreneurship in the field of finance, taxes and dues, the bond market;
- § Negotiating skills of the candidate;
- § Candidate's letter of consent for being elected as the Company's Corporate Secretary.

The candidate can present additional information of his own choice.

A person who meets the following requirements can be elected to the post of the Company's Corporate Secretary.

For the post of the Company's Corporate Secretary there can be elected a person who can meet the requirements as follows:

- § Irreproachable reputation (connected with business activities or against public authorities, civil service interests and local government, as well as misdemeanors concerning entrepreneurship in the field of finance, taxes and dues, the bond market are among the factors that have an adverse effect on the applicant's reputation);
- § A degree in law or in economics and finance;
- § Work experience in administration management not less than 3 years;
- § Knowledge of Russian Federation corporate law, financial credit documents and the norms of organizational regulatory papers of the Company;
- § Negotiationsskills.

2.4. The Company Board of Directors has a right to make a decision to delegate the Corporate Secretary functions to a legal body on the based on the agreement with the last one.

3. FUNCTIONS OF THE CORPORATE SECRETARY

3.1. Organization and providing the holding of the General meeting of shareholders in compliance with the existing legislation of the Russian Federation, the Company Charter and other internal documents of the Company, including:

- § Adopting shareholder' proposals for the General meeting agenda and nominating candidates to the elective bodies; marking the acceptance of proposals; record-keeping of the incoming proposals and carrying out their legal assessment; informing the Chairperson of the Board of Directors of the shareholders' proposals not later than the following day after their arrival with an enclosed legal assessment of the proposal;
- § Should the agenda of the General meeting of shareholders include electing members to the Board of Directors, Board of Auditors, Counting Board, the formation of the

Company's sole executive body – prepare and direct a request of consent for election to the candidates;

- § On the basis of the Board of Directors decision of holding the General meeting of shareholders the preparation and directing to the Company Registrar the enquiry of the list of those who have a right to be present at the General meeting;
- § As established by the law delivering the list of those who have a right to be present at the General meeting of shareholders to the Company shareholders, as well as the statements from the list and other documents as noted in paragraph 89 of the Federal Law ‘ on “Joint Stock Companies”’;
- § Preparation of the notification to the shareholders on the forthcoming General meeting, sample bulletins and making the corresponding notifications and bulletin packages;
- § Providing the preparation of all the documentation (materials) needed for the organization and holding of the General meeting of shareholders;
- § Providing access to the documents necessary for delivering to those who have a right to be present at the General meeting, making and delivery copies to the shareholders upon their request;
- § Providing the registration of the completed bulletins for voting and transferring them to the Counting Board;
- § Issuing of minutes of a General meeting of shareholders, and organization of stenography, video-, audio-recording of the meeting if the occurrence arises;
- § Consulting the General Committee on legal issues as they appear during the meeting;
- § Informing the participants of the General meeting of the issues concerning its procedures;
- § On the basis of the General meeting of shareholders resolution the preparation and directing the dividend record assignment enquiry to the Company registrar;
- § Making the arrangements for paying out dividends to the Company shareholders;
- § Supervising the implementation of resolutions agreed on at the General Meeting of Shareholders;
- § Other functions as noted in the internal documents of the Company.

3.2. Providing the possibility for the Board of Directors and the Board of Directors Committees to perform within their rights:

- § Drawing up and presenting the draft agenda to the Chairperson of the Board of Directors or to the Chairperson of the Board of Directors Committee of a regular meeting of the Board of Directors or the Board of Directors Committee in keeping with the Board of Directors or the Board of Directors Committee work schedule and proposals from the Board of Directors members, the Board of Directors Committee members, the General Director of the Company, the Auditing Committee, the Board of Auditors.
- § Providing the preparation and delivering of all the documentation (materials) needed for organizing and holding the Board of Directors meeting (notification of the meetings held, draft resolution on the agenda of the meeting, draft documentation necessary for the meeting, etc.) or the Board of Directors Committee in the order and according to the terms as noted in the internal documents of the Company;
- § Organizational and equipment support of holding the elections at the Board of Directors or the Board of Directors Committee meeting, including collecting the inquiry forms filled in by the Board of Directors or the Board of Directors Committee members;
- § Providing liaising arrangements for the Board of Directors of the Company with the executive and monitoring bodies of the Company, the Board of Directors Committees and departments;
- § Preparation and representation of the documents(information) on the inquiries of the Board of Directors or the Board of Directors Committee members;

- § Preparation of the questions and answers to the letters with questions on the responsibilities of the Corporate Secretary;
 - § Preparation of inquiries to the operating units of the Company on issues of concerning the Board of Directors performance;
 - § Collection of personal data on the Board of Directors and the Board of Directors Committee members on a regular basis (at least once a quarter) (application form for a Board of Directors member is available in appendix 2 of these Regulations and its assignment to the departments of the Company at the request of the latter);
 - § Keeping the minutes of the Board of Directors or the Board of Directors Committee meetings and making extracts from them;
 - § Delivering the documentation approved by the Board of Directors to the Board of Directors members and departments of the Company;
 - § Drawing up and processing the stock-list of the Board of Directors and the Board of Directors Committee;
 - § Filing and archiving of the documents and materials of the Board of Directors and the Board of Directors committee;
 - § Evaluation of the resolutions of the Board of Directors and, if necessary, bringing them in conformity with the requirements of the current legislation, the Charter and the internal documents of the Company;
 - § Preparation of the draft documents and regulations of the Board of Directors and the Board of Directors Committee, including the Board of Directors and the Board of Directors Committee work schedule by the order of the Chairperson (or the Board of Directors Deputy in case of the latter's absence) of the Board of Directors;
 - § Recording the course of the Board of Directors or the Board of Directors Committee meetings, including, making recorded copies with the consent of the members present;
 - § Monitoring the execution of the resolutions made by the Board of Directors or the Board of Directors Committee (including the preparation of the draft order on the execution of the resolutions of the Board of Directors or the Board of Directors Committee for the departments of the Company), informing the Chairperson of the Board of Directors about the inappropriate implementation of the Board of Directors or the Board of Directors Committee resolutions;
 - § Performing other functions as noted in these Regulations, the Board of Directors / the Board of Directors Committee Chairperson and its members instructions.
- 3.3. Rendering assistance to the Board of Directors / the Board of Directors Committee members in performing their functions:
- § Assisting the Board of Directors / the Board of Directors Committee members in acquiring necessary information i.e. introduce them to the General Director's orders, minutes of the meetings and the Board of Auditors and the Auditor of the Company conclusions, and also with the basic documents of accounting if decided so by the Chairperson of the Board of Directors;
 - § Clarification of functional rules of the Company to the newly elected members of the Board of Directors / the Board of Directors Committee, informing them about the Company officials, the Company's organizational structure, familiarize them with internal documents of the Company, the functional resolutions of the General meeting of shareholders, the Board of Directors, providing other information affecting the efficient operation of the Board of Directors / the Board of Directors Committee;
 - § Clarification of the legislation requirements of the Russian Federation to the Members of the Board of Directors / Board of Directors Committee, the Charter of the Company, other internal documents of the Company concerning the procedures of preparing and holding the General meeting of shareholders, the Board of Directors / the Board of Directors Committee meetings, providing (disclosing) general information about the Company.

- 3.4. Keeping the documents and disclosing the information about the Company, i.e.:
- § Compliance with the requirements of the order of keeping and disclosing (providing) information about the Company as established by the functioning legislation, the Charter and other internal documents of the Company;
 - § Maintaining timely disclosure of the information from a quarterly issuer's report, capital issues prospectus, and also substantial facts concerning financial and business operations of the Company. The Corporate Secretary keeps the following documents:
 - The minutes of the General meetings of shareholders, the Board of Directors and the Board of Directors Committees meetings;
 - Materials from the General meetings of shareholders, the Board of Directors and the Board of Directors Committees;
 - Personal data of the members of the Board of Directors;
 - Incoming and outgoing documentation concerning the Corporate Secretary powers.
- 3.5. Providing liaising arrangements of the Company (represented by the Board of Directors and General Director) and its shareholders, including:
- § Providing timely handling of shareholders' appeals by the appropriate unit's bodies of the Company;
 - § Taking measures for a fast and efficient resolving of conflicts indicating those in keeping the register;
 - § Full and early eliciting of conflicts as soon as they appear within the Company;
 - § Keeping records and preliminary estimates of corporate conflicts (presenting conclusions on such matters to the Chairperson of the Board of Directors and General Director), recording appeals of shareholders, as well as letters and demands, drawing up relevant answers;
- 3.6. The Corporate Secretary shall be entrusted to perform other functions as defined by the internal documents of the Company or individual resolutions of the Board of Directors.
- 3.7. The company represented by the General Director shall give assistance to the Corporate Secretary in logistical support and information supply that is requested by the Secretary within his powers.

4. RIGHTS, DUTIES AND RESPONSIBILITIES OF THE CORPORATE SECRETARY

4.1. The Corporate Secretary has a right to:

- § Request and receive necessary information and other documents from Company officials, heads of the Company's departments (including draft resolutions of the Board of Directors / the Board of Directors Committee and other documents required for preparing and holding the Board of Directors / the Board of Directors Committees meetings and established by the functioning legislation and other internal documents of the Company);
- § Claim the reports about the execution of resolutions made by the Board of Directors and General meeting of shareholders, from Company officials and the heads of departments, and if necessary, claim circumstantial letters from them;
- § Receive correspondence, appeals and announcements from Company shareholders with the date and time of the acceptance;
- § Preparing and addressing the answers and clarifications to shareholders;
- § Request information from the registrar of the Company within the terms established by the Board of Directors, keep the register within compliance with the legislation requirements when keeping the register;

4.2. The Corporate Secretary shall:

- § Meet all the requirements of the current legislation of the Russian Federation, of the Charter and other internal documents of the Company when carrying out his duties;
- § Proceed from shareholders legal rights and interests;
- § Execute orders from the Chairperson of the Board of Directors and General Director;

- § Make regular reports about accomplish work to the Chairperson of the Board of Directors (reports from the Corporate Secretary to the members of the Board of Directors are sent for consideration);
 - § Inform the Board of Directors of any situations that can lead to violation of the current legislation of the Russian Federation, the rights of shareholders or provoke a corporate conflict;
 - § Inform the Board of Directors about the intention to make a deal using the securities papers of the Company or its affiliates before the bargain;
 - § Reveal the violations of the current legislation in the Company's functioning and the bond market by Company officials, members of the Board of Directors and the shareholders and attempt to restraint these violations.
- 4.3. For the purpose of efficiently performing one's functions by the Corporate Secretary, the Company acknowledges the establishment of the Corporate Secretary's apparatus – the Secretariat – where the staffing, number, organizational structure and functional responsibilities are defined by the internal documents of the Company.
- 4.4. The Corporate Secretary is responsible for the disclosure of any information that according to the internal documents of the Company is business sensitive, using insider information for personal goals and goals that do not meet the interests of the Company.

5. CONCLUDING PROVISIONS

These Regulations of functions of the Corporate Secretary of the IDGC of Center and North Caucasus plc shall be approved, altered or amended by a Board of Directors resolution by the majority of votes of members present at the meeting.

In case any of the acts of legislation or other normative acts of the legislation of the Russian Federation are altered, leading to any articles of these Regulations coming into conflict with them, the articles become inoperative the Company is governed by the requirements of the current legislation of the Russian Federation until further amendments to the Regulations.

Appendix N1

to the Regulations of the functions of the Corporate Secretary
of the IDGC of Center and North Caucasus plc

Questionnaire for the Corporate Secretary of the IDGC of Center and North Caucasus plc

General information

Family Name, First Name, Patronymic Name
Date of Birth (day / month / year)
Passport (series, number, issued by, date of issue)
Education: (educational institution, specialization, qualification, year of graduation)
Permanent address (post code) and current address
Current position and place of work
Number, type, category of your owned shares of the Company
Presence (lack) of affiliation with the members of the Company's Governing Bodies, the Company's shareholders
Record of conviction or a clean record
Violations of administrative law concerning entrepreneurship in the field of finance, taxes and dues, the bond market
Negotiating skills

Work experience for the last 5 years

It is necessary to indicate the main place of work, and also other jobs **(including the Governing Bodies of other companies)** for the last 5 years.

Period
Organization (Full name)
Sphere of activity
Legal address
Position
Ownership interest in the Issuer's stock
Ownership interest in associate / dependable Issuer's Companies

Additional information

Appendix 2

To the Regulations for the Corporate Secretary
of the IDGC of Center and North Caucasus plc

Questionnaire for a member of the Board of Directors of the IDGC of Center and North Caucasus plc **General information**

Family Name, First Name, Patronymic Name
Date of Birth (day / month / year)
Passport (series, number, issued by, date of issue)
Education: (educational institution, specialization, qualification, year of graduation)
Permanent address (post code) and current address
Current position and place of work
Taxpayer number
The Number of the Insurance Certificate of the State Pension Insurance Fund / Foundation
Contact telephone / fax
E-mail address
Bank details for transfer of the remuneration for participating in the Board of Directors meetings (including account number, name, RCBIC and correspondent account number of the financial institution)
Ownership interest of the member of the Board of Directors in authorized Issuer's capital
Ownership interest of the member of the Board of Directors in ordinary stock of the Company
Ownership interest of the member of the Board of Directors in the authorized capital of associated and dependable Companies of the Issuer (the Name, sphere of activities and legal address of the Company)
Ownership interest of the member of the Board of Directors in ordinary stock of the associated and dependable Company of the Issuer
Number of shares (the Name, sphere of activities and legal address of the Company)
Family relations with any of the individuals representing the Issuer's Governing Bodies of financial and economic activities control

Ownership interest of the member of the Board of Directors in the authorized capital of other Companies (the Name, sphere of activities and legal address of the Company)
Ownership interest of the member of the Board of Directors in ordinary stock of the other Companies and number of shares (the Name, sphere of activities and legal address of the Company)
Affiliation of the member of the Board of Directors

Work experience for the last 5 years

It is necessary to indicate the main place of work, and also other work positions **(including the Governing Bodies of other companies)** for the last 5 years.

Period
Organization (Full name)
Sphere of activities
Legal address
Position
Ownership interest in the Issuer's stock
Ownership interest in associate / dependable Issuer's Companies

Other information

Have any claims ever been maintained to you?
Have you ever been claimed guilty for committing crimes in the sphere of business activities, crimes against state authorities, civil service and the local government?
Have administrative penalties ever been applied to you for the violations of administrative law concerning entrepreneurship in the field of finance, taxes and dues, the bond market?
Are you a participant, a General Director, a member of an authoritative body or a representative of a legal entity, a competitor with the Company (if Yes, write the name of the company and your current position)
Name bargains known to you that are being made or to be made in the future in which you can be recognized as an interested party.

(signature) / / _____
 _____ 200__.