

OJSC "TGC-2" Articles of association

APPROVED BY

Resolution of Founder

(Resolution of the Russian Open

Joint-Stock Company of Energy and Electrification of Russia -

RAO "UES of Russia")

1452pr/3 of May 16, 2006

Chairman of the Board

A.B.Chubays

signed

seal

ARTICLES OF ASSOCIATION

of Public Joint-Stock Company

"TERRITORIAL GENERATING COMPANY #2"

Yaroslavl - 2006

Article 1. General provisions.

1.1. Public Joint-Stock Company "Territorial Generating Company #2" (hereinafter referred to as the Company) was founded pursuant to the resolution of the founders (Minutes of the Founders' Meeting ## 1452pr/3 of May 16, 2006 year).

1.2. The company in its operations follow the Russian Federation Civil Code, the Federal Act "On Joint-Stock Companies", the Federal Act "On power engineering", the Federal Act "On Peculiarities of functioning of the power engineering industry during the transition period and on making amendments to some legal acts of the Russian Federation and declaration force loss of some legal

acts in connection with the adoption of the Federal Act "On power engineering", other regulating legal acts of the Russian Federation and these Articles.

1.3. Full official name of the Company in Russian - Открытое акционерное общество "Территориальная генерирующая компания #2", in English - JOINT STOCK COMPANY "TERRITORIAL GENERATING COMPANY #2".

1.4. Abbreviated official name of the Company in Russian: ОАО "ТГК-2", in English - JSC "TGC-2".

Postal address of the Company: Russian Federation, 150040, Yaroslavl city, pr. Oktiabrya,42

1.5. The Company has been founded for an unlimited period of activity

Article 2. Legal status of the Company.

2.1. The legal status of the Company shall be regulated by the Russian Federation Civil Code, the Federal Act "On Joint-Stock Companies", other regulating legal acts of the Russian Federation, as well as these Articles.

2.2. The Company is a legal entity under the laws of the Russian Federation.

2.3. The Company shall own separate property to be taken into account on its independent balance; it may, on its own behalf, acquire and exercise property and private non-property rights, act as a plaintiff and defendant in court.

2.4. The Company may open banking accounts in the Russian Federation and abroad according to an established order.

2.5. The Company shall bear responsibility for its obligations with all its property.

The Company shall bear no responsibility for obligations of the Russian Federation and its Stockholders.

The Stockholders of the Company shall bear no responsibility for the Company's obligations, except for the cases stipulated by the laws of the Russian Federation.

The Stockholders may transfer their stocks without consent of the other Stockholders or the Company.

The Stockholders of the Company shall bear the risk of losses connected with its activity within the value of their stocks.

2.6. The Company shall have a round seal with its full official name in Russian and indication of the place of its location.

The Company may have stamps and letterheads with its official name, own emblem, as well as a trade mark registered according to an established order, and other means of visual identification.

2.7. The Company shall have civil rights and perform duties required to carry on any activities not prohibited by federal laws.

2.8. The Company may found branches and open representative offices both within and without the Russian Federation.

Branches and representative offices of the Company shall not be legal entities; they shall act on the Company's behalf and by virtue of their Rules approved by the Company.

Branches and representative offices of the Company shall be provided with property, which shall be taken into account both on their separate balances, and on the Company's balance. The head of the Company's branch or representative office shall act by virtue of a power of attorney issued by the Company.

The Company shall bear responsibility for activity of its branches and representative offices.

Data on Company's branches and representative offices shall be presented the Appendix hereto.

2.9. The Company may have subsidiaries and affiliates, being legal entities under the laws of the Russian Federation and founded according to the Federal Act "On Joint-Stock Companies", other federal laws and these Articles, and outside the Russian Federation - according to the laws of the

foreign state where a subsidiary or an affiliate is located, unless otherwise provided by an international treaty entered into by the Russian Federation.

Article 3. Objective and kinds of activity of the Company.

3.1. The main objective of the Company's activity is the obtaining of profits.

3.2. In order to obtain profits the Company shall have the right to carry any activities not prohibited by law, including the following:

- sealing for the executive bodies in joint stock companies or other economical associations in a legally contemplated form and corresponding to the contracts concluded;
- property asset management;
- consulting;
- dealing with securities in the form approved by the Russian Federation legislation;
- agential activities;
- design estimation, exploration, researching and construction;
- foreign-economic activity;
- transportation;
- delivery (sale) of electricity and heat;
- receipt (purchase) of electric power at the wholesale market of electric power (capacity);
- performance of activities in order to provide parallel functioning with the regimes of the Unified Electricity system of Russia in compliance with the contractual obligations;
- operation of energy facilities that are not registered in the Company's balance, under the contracts with the owners of these energy facilities;
- nature protection activities;
- performance of activities effecting the environment, its protection and use of natural resources, utilization, warehousing, transportation of industrial wastes;
- safeguarding faultless functioning of electricity and heat-utilising facilities owned by the consumers connected to the heat and electricity networks of the Company;
- educational activities including additional educational activities;
- staff training, observation of norms for technical security, protection of labor, fire prevention and industrial emergency cases;
- arrangement and conduct of events relating to mobilization training, civil defense, emergencies and protection of data regarded as a State secret under the Russian Federation legislation;
- protection activities implemented for the sake of the Company's safety and performed by the Company's security service division, which operates under the Russian Federation law "On private security and detective activities on the territory of the Russian Federation" and the Russian Federation legislation;
- generation of electric and heat power;
- implementation of energy saving regimes of energy facilities of power plants, safeguarding the terms of energy delivery in accordance with the contracts concluded;
- operating the energy facilities in accordance with the existing norms, implementation of timely and good quality repair works, technical equipping, energy facilities' reconstruction;
- delivery of electricity to consumers connected to the Company's electricity and heat networks in accordance with the contracts conducted;
- implementation of new technical and technological means improving efficiency, nature protection and security factors of the Company's operation;
- operation of heat power supply networks;
- development of communication facilities and provision of communication services;
- storage of oil and their products;

- operation of explosive industrial objects;
- operation of fire-risky industrial objects;
- operation and maintenance of Gosgortekhnadzor facilities ;
- operation of buildings and constructions;
- measurement assurance of generation;
- operation of dangerous wastes;
- operation of internal gas supply networks;
- repairs of measuring facilities;
- other activities.

3.3. The Company may carry on certain activities, a list of which shall be regulated by federal laws, only upon obtaining a special permission (license).

The Company shall acquire the right to carry on activities subject to licensing upon the obtaining of such a permission or during the period indicated therein; such right shall cease upon expiration of the term of validity of a license, unless otherwise provided by law or by other legal acts.

Article 4. Authorized Capital of the Company.

4.1. The Authorized Capital of the Company shall be formed from the nominal value of the stocks in the Company purchased by the Stockholders (allotted stocks).

The Authorized Capital of the Company is equal to 10 000 000 (ten million) rubles.

4.2. The Company has allotted 1 000 000 000 (one billion) common registered stocks with the same nominal value of 1 (one) kopeck each for the total nominal value of 10 000 000 (ten million) rubles.

4.3. The Authorized Capital of the Company may be:

- increased by increasing the nominal value of the stocks or by allotting additional stocks;
- reduced by reducing the nominal value of the stocks or by reducing their quantity, including through purchase and cancellation of a part of the allotted stocks in the Company according to these Articles.

4.4. The Authorized Capital of the Company may only be increased after it has been paid in full. No increase of the Authorized Capital of the Company for covering losses incurred by the Company or for payment of overdue creditor debts shall be allowed.

4.5. Reduction of the Authorized Capital of the Company may be carried out according to an order stipulated by the laws of the Russian Federation and these Articles.

The Company must reduce its Authorized Capital in the cases provided for by the Federal Act "On Joint-Stock Companies".

4.6. The Company shall have the right to purchase its allotted stocks by decision of the General Meeting of Stockholders on reduction of the Authorized Capital of the Company through purchasing a part of the allotted stocks with the purpose of reduction of the their total quantity.

The General Meeting of Stockholders shall have no right to decide on reduction of the Authorized Capital of the Company through purchasing a part of the allotted stocks with the purpose of reduction of the their total quantity, if the nominal value of the outstanding stocks would become less than the minimum size of the Authorized Capital provided for by the Federal Act "On Joint-Stock Companies".

Stocks purchased by the Company according to this clause shall be cancelled upon purchase thereof. Stocks purchased according to this clause may, by decision of the General Meeting of Stockholders, be paid in cash and (or) in kind.

4.7. The Company declares extra stocks no allot:

1 204 560 851 797 (one trillion two hundred and four billion five hundred sixty million eight hundred fifty one thousand seven hundred ninety seven) common registered stocks with the same nominal value of 1 (one) kopeck each for the total nominal value of 12 045 608 517 rubles 57 kopecks.

18 150 587 457 (eighteen billion one hundred fifty million five hundred eighty seven thousand four hundred fifty seven) preferred registered stocks with the same nominal value of 1 (one) kopeck each for the total nominal value of 181 505 874 rubles 57 kopecks.

Common registered stocks, which were declared by the Company to allot shall give the Stockholder the same rights stipulated by clause 6.2 hereof.

Preferred registered stocks, which were declared by the Company to allot shall give the Stockholder the same rights stipulated by clause 6.3 hereof.

Article 5. Stocks, bonds and other securities of the Company.

5.1. The Company shall allot common stocks and may allot one or several types of preferred stocks, bonds and other emission securities according to the procedure established by the laws of the Russian Federation.

5.2. The Company may allot additional stocks and other emission securities by way of distribution thereof among the Stockholders of the Company, by subscription and conversion.

5.3. Allotment by the Company of the Company's stocks and other securities convertible into stocks shall be carried out according to legal acts of the Russian Federation.

5.4. No conversion of common stocks into preferred stocks, bonds and other securities shall be allowed.

5.5. In the cases provided for by the Federal Act "On Joint-Stock Companies", the Stockholders of the Company shall have the priority right for purchase of additional stocks being allotted by open subscription and emission securities convertible into stocks, in the quantity pro rata to the quantity of their stocks of such category (type).

5.6. If in the course of exercise of the priority right for purchase of additional stocks, as well as in the course of consolidation of stocks, purchase by a Stockholder of a whole number of stocks is impossible, parts of stocks (fractional stocks) shall be formed.

A fractional stock shall give the holder thereof the rights conferred upon a stock of the appropriate category (type) in the scope corresponding to the part of a whole stock it is equal to.

Fractional stocks shall circulate along with whole stocks. If one person acquires two and more fractional stocks of the same category (type), these stocks shall form one whole and (or) a fractional stock equal to the sum of such fractional stocks.

5.7. Additional stocks allotted by subscription may be paid in cash, by securities, other things or property rights or other rights which may be evaluated.

A form of payment for additional stocks shall be determined by the decision on allotment thereof. Other emission securities shall be paid in cash only.

5.8 The Company shall have the right to purchase its allotted stocks by decision of the Board of Directors of the Company (according to clause 2 section 72 of the Federal Act "On Joint-Stock Companies").

The Board of Directors shall have no right to decide on purchase of stocks by the Company, if the nominal value of the outstanding stocks in the Company would become less than 90 percents of the Authorized Capital of the Company.

Stocks purchased by the Company according to this clause shall give no right to vote, shall not be taken into account for the purpose of counting votes, and no dividends shall be paid thereupon. Such stocks shall be sold by decision of the Board of Directors at their fair value not later than within one

year from the date of purchase thereof. Otherwise, the General Meeting of Stockholders shall decide on reduction of the Authorized Capital of the Company by cancellation of the said stocks. Stocks purchased according to this clause may, by decision of the Board of Directors, be paid in cash and (or) in kind.

Article 6. Rights of Stockholders of the Company

6.1. A person who holds stocks in the Company for the reasons provided for by the laws of the Russian Federation and these Articles shall be recognized a Stockholder of the Company.

6.2. Each common registered stock in the Company shall give the Stockholder the equal rights.

- owners of common registered stocks in the Company shall have the right:

- 1) To participate in the General Meeting of Stockholders of the Company personally or by proxy, with the right to vote on all matters referred to its competence;
- 2) To make proposals to the agenda of the General Meeting of Stockholders according to the procedure stipulated by the laws of the Russian Federation and these Articles;
- 3) To receive information on the Company's activity, and to check the Company's documents according to Section 91 of the Federal Act "On Joint-Stock Companies", other regulating legal acts and these Articles;
- 4) To receive dividends declared by the Company;
- 5) Priority right for purchase of additional stocks being allotted by open subscription and emission securities convertible into stocks, in the quantity pro rata to the quantity of their common stocks;
- 6) To receive a part of the Company's property in the case of its liquidation;
- 7) To exercise other rights stipulated by the laws of the Russian Federation and these Articles.

6.3. The restriction provided for by paragraph three, clause 1, section 34 of the Federal Act "On Joint-Stock Companies" shall not apply to stocks held by the Founder of the Company. Such stocks shall give the right to vote before they have been paid in full.

Article 7. Dividends.

7.1. The Company may, proceeding from the results of the first quarter, six months, nine months of a fiscal year, and (or) proceeding from the results of a fiscal year, decide on (declare) payment of dividends upon allotted stocks. Decision on payment (declaration) of dividends proceeding from the results of the first quarter, six months and nine months of a fiscal year may be made within three months upon expiration of an appropriate period.

The Company must pay dividends declared upon stocks of each category (type).

7.2. Decisions of payment (declaration) of dividends, including the size of dividends and form of payment thereof upon stocks of each category (type) shall be made by the General Meeting of Stockholders of the Company.

The size of dividends shall not exceed that recommended by the Board of Directors of the Company. The General Meeting of Stockholders of the Company shall have the right to decide not to pay dividends upon stocks of certain category (type) and also to decide not to pay incomplete size dividends upon preferred stocks, which size is stipulated by these Articles.

7.3. Sum total, which is paid as dividend upon each prefer stock has set in the size of ten (10) percent of net profit of the Company on the basis of the Company's annual accounting reporting divided by 2% of the Authorized Capital of the Company.

In the case if the sum of the dividends paid by the Company upon each common stock in certain year, exceeds the sum which is paid as dividends upon each preferred stock, the size of the dividend paid on last, should be increased till the size of the dividend paid upon common stock .

7.4. The Company shall have no right to decide on (declare) payment of dividends upon stocks, as well as to pay dividends declared upon stocks in the cases provided for by the current laws of the Russian Federation.

7.5. In the cases stipulated by the legislation of the Russian Federation, the Company has no right to make a decision (to declare) on payment of dividends upon stocks, and also has no right to pay the declared dividends upon stocks.

7.6. Dividends shall be paid from the Company's net profits. Net profit of the Company shall be calculated on the basis of the Company's accounting reporting. Dividends upon preferred stocks of certain types also can be paid from special funds of the Company generated for these purposes.

7.7. The Company has no right to pay dividends upon preferred stocks, differently as by way, stipulated by the present Articles.

7.8. The term of payment of dividends shall be determined by the General Meeting of Stockholders of the Company, but shall not be fixed later than within sixty (60) days after the decision on payment thereof.

Article 8. Funds of the Company.

8.1. The Company shall form the Reserve Fund in the amount equal to five percents (5%) of the Authorized Capital of the Company.

The amount of obligatory annual allocations to the Reserve Fund of the Company shall be equal to at least five percents (5%) of the Company's net profits, till the Reserve Fund reaches the fixed value.

8.2. The Reserve Fund of the Company is intended for covering the Company's losses, as well as for redeeming the Company's bonds and re-purchasing stocks in the Company, should other funds be unavailable.

The Reserve Fund of the Company shall not be used for any other purpose.

8.3. The Company shall have the right to form other funds which ensure its economic and financial activity as a subject of civil laws according to the requirements of the laws of the Russian Federation.

Article 9. Management and control bodies of the Company.

9.1. Management bodies of the Company are:

- the General Meeting of Stockholders;
- the Board of Directors;
- the Board of Management;
- the General Director.

9.2. The Auditing Commission of the Company is the body of control of the Company's financial and economic activity.

Article 10. General Meeting of Stockholders of the Company.

10.1. The General Meeting is the supreme management body of the Company.

10.2. The following matters are referred to the competence of the General Meeting:

- 1) making alterations and amendments to these Articles, or approval of a new wording of the Articles;
- 2) reorganization of the Company, including adoption of the contracts for merging (affiliation);
- 3) liquidation of the Company; appointment of the Liquidating Commission and approval of an interim and a final liquidation balance sheets;

- 4) fixing the quantity, nominal value, category (type) of declared stocks and rights conferred upon such stocks;
- 5) increase of the size of the Authorized Capital of the Company by increasing the nominal value of the stocks or by allotting additional stocks;
- 6) reduction of the size of the Authorized Capital of the Company by reducing the nominal value of the stocks; by purchase by the Company of a part of the stocks with the purpose of reduction of their total number, as well as by cancellation of stocks purchased or re-purchased by the Company;
- 7) split and consolidation of stocks in the Company;
- 8) decision-making on allotment by the Company of bonds convertible into stocks, and other emission securities convertible into stocks;
- 9) elections of members of the Board of Directors and termination of their powers;
- 10) elections of members of the Auditing Commission and termination of their powers;
- 11) approval of the Auditor of the Company;
- 12) decision-making on vesting the powers of the individual executive body of the Company in a managing organization (Manager) and pre-term termination of its powers (Manager's);
- 13) approval of the Company's annual reports, annual accounts, including reports on profits and losses (profit & loss accounts); as well as distribution of the Company's profits (including payment (declaration) of dividends, except for profits distributed as dividends proceeding from the results of the first quarter, six months, nine months of a fiscal year) and losses proceeding from the results of a fiscal year;
- 14) payment (declaration) of dividends proceeding from the results of the first quarter, six months, nine months of a fiscal year;
- 15) determination of the procedure of the General Meeting;
- 16) decision-making on approval of transactions in the cases stipulated by Article 83 of the Federal Act "On Joint-Stock Companies";
- 17) decision-making on approval of large-scale transactions in the cases stipulated by Article 79 of the Federal Act "On Joint-Stock Companies";
- 18) decision-making on participation in holding companies, financial and industrial groups, associations and other unions of profit-making organizations;
- 19) approval of internal documents regulating activity of the Company's bodies;
- 20) decision-making on payment of remuneration and (or) compensations to members of the Auditing Commission of the Company;
- 21) decision-making on payment of remuneration and (or) compensations to members of the Board of Directors of the Company;
- 22) decision-making of other matters stipulated by the Federal Act "On Joint-Stock Companies".

10.3. The powers to make decisions on the matters referred to the exclusive competence of the General Meeting can not be delegated to the Board of Directors, Management and the General Director of the Company.

The General Meeting of Stockholders shall have no right to consider and decide on any matters not referred to its competence of the Federal Act "On Joint-Stock Companies".

10.4. Decision of the General Meeting on a matter put on voting shall be made by a majority of votes of the Stockholders - owners of voting stocks in the Company present at the Meeting, unless otherwise provided by the Federal Act "On Joint-Stock Companies".

10.5. Decisions of the General Meeting on the following matters require 3/4 majority of votes of the Stockholders - owners of voting stocks, present at the General Meeting of Stockholders:

- making alterations and amendments to these Articles, or approval of a new wording of the Articles;
- reorganization of the Company, including adoption of the contracts for merging (affiliation);
- liquidation of the Company; appointment of the Liquidating Commission and approval of an interim and a final liquidation balance sheets;

- fixing the quantity, nominal value, category (type) of declared stocks and rights conferred upon such stocks;
- allotment of stocks (the Company's emission securities convertible into stocks) by closed subscription by decision of the General Meeting on increase of the Authorized Capital of the Company by allotting additional stocks (on allotment of the Company's emission securities convertible into stocks);
- allotment, by open subscription, of common stocks constituting more than twenty five percents (25%) of the previously allotted common stocks;
- allotment, by open subscription, of emission securities convertible into common stocks, which may be converted into common stocks constituting more than twenty five percents (25%) of the previously allotted common stocks;
- decision-making on approval of a large-scale transaction in respect to property the value of which exceeds fifty percents (50%) of the book value of the Company's assets.

Decisions on approval of a transaction with interest in accordance with the clause 81 of the Federal Act "On Joint-Stock Companies" shall be made by the General Meeting in accordance to the clause 83 of the Federal Act "On Joint-Stock Companies".

10.6. Decisions on the matters mentioned in sub-clauses 2, 5, 7, 8, 12 - 21 clause 10.2 hereof shall be made by the General Meeting of Stockholders only on proposal of the Board of Directors of the Company.

10.7. The General Meeting shall have no right to make decisions on any matters not included in the agenda of the General Meeting, nor to change the agenda.

10.8. Voting at the General Meeting shall be carried out according to the principle "one voting stock - one vote", except for cumulative voting on elections of the Board of Directors.

In the case of cumulative voting, the quantity of vote held by each Stockholder shall be multiplied by the quantity of persons to be elected to the Board of Directors of the Company, and a Stockholder shall be entitled to cast his voted so obtained for one candidate or to distribute the same between two and more candidates.

Candidates who have gained the highest quantity of votes shall be considered elected to the Board of Directors of the Company.

10.9 The General Meeting of Stockholders of the Company may be held at the place of location of the Company, or in Moscow

An exact address of holding of the General Meeting of Stockholders of the Company shall be determined by the Board of Directors in the course of solving questions connected with holding of the General Meeting of Stockholders.

10.10 The Chairman of the Board of Directors of the Company shall preside at a General Meeting of Stockholders.

If the Chairman of the Board of Directors is absent at a General Meeting of Stockholders, the functions of the chairman at such General Meeting of Stockholders shall be fulfilled by the Deputy Chairman of the Board of Directors.

If the Chairman of the Board of Directors and his Deputy are absent, the functions of the chairman at such General Meeting of Stockholders, by decision of the members of the Board of Directors present at the General Meeting of Stockholders, may be fulfilled by any member of the Board of Directors.

10.11 If all voting stocks in the Company are held by one Stockholder, decisions on matters referred to the competence of the General Meeting of Stockholders of the Company shall be made by such Stockholder (an authorized management body of a Stockholder) in the form of a written document, and shall be brought to the notice of the Company. In that case, the provisions of Articles 10-15 of the Articles, which provide for the procedure and time of preparation to and convocation and

holding of a General Meeting of Stockholders, shall not apply, except for the provisions which concern convocation of an Annual General Meeting of Stockholders.

Article 11. Holding of the General Meeting (joint presence form).

11.1. An Annual General Meeting of Stockholders of the Company shall be held not earlier than after two months and not later than within six months upon expiration of a fiscal year.

An Annual General Meeting of Stockholders shall obligatory make decisions on the matters of elections of the Board of Directors, the Auditing Commission, approval of the Auditor of the Company, approval of the Company's annual reports, annual accounts, including reports on profits and losses (profit & loss accounts), as well as distribution of the Company's profits (including payment (declaration) of dividends, except for profits distributed as dividends proceeding from the results of the first quarter, six months, and nine months of a fiscal year) and losses proceeding from the results of a fiscal year, presented by the Board of Directors of the Company.

11.2. The General Meeting shall be held in the form of joint presence of the Stockholders (representatives of the Stockholders) for discussion of the matters of the agenda and for decision-making on the matters put on voting.

Decisions of the General Meeting may be made in the form of absentee voting (polling) in accordance with the clause 12 of these Articles.

A General Meeting the agenda of which includes the matters considering the elections of the Board of Directors, the Auditing Commission, approval of the Auditor of the Company as well as other matters specified in sub-item 13 of the item 10.2 Article 10 hereof shall not be held in the form of joint presence only.

11.3. The functions of the Counting Commission at the General Meeting shall be performed by a professional participant of the securities market, being the holder of the Register of Stockholders of the Company (the Registrar of the Company).

11.4. A list of the persons entitled to participation in the General Meeting shall be compiled proceeding from the data of the Register of Stockholders of the Company.

The date of compilation of a list of persons of the Company entitled to participation in the General Meeting shall not be fixed before the date of the decision on holding a General Meeting and later than fifty (50) days prior to the date of the Meeting with an only exclusion in the case, specified in the clause 14.9 of these Articles.

11.5. A notice on convocation of a General Meeting shall be sent, together with voting ballots, to each person indicated in a list of persons entitled to participation in the General Meeting of Stockholders, as well as shall be published by the Company not later than thirty (30) days prior to the date of the Meeting in the "Russian newspaper" daily and notification shall be posted at the Company's official web-site in the internet.

If a nominal holder of stocks has been registered in the Stockholders register of the Company, a notice on convocation of a General Meeting of Stockholders shall be sent to the address of the nominal holder, unless another postal address is indicated in the list of persons entitled to participation in the General Meeting of Stockholders, to which a notice on convocation of a General Meeting of Stockholders shall be sent.

11.6. Voting ballots for voting on matters of the agenda shall be sent to the Stockholders, entitled to participation in the General Meeting of Stockholders, by registered mail to the address indicated in the Register of Stockholders or presented to him on obtaining his personal signature not later than twenty (20) days prior to the date of the General Meeting.

Each persons included in the list shall be given one voting ballot for voting on all matters or two or more ballots for voting on different matters.

11.7. Information (materials) on the matters of the agenda of a General Meeting shall, during twenty (20) days (and in the case of a General Meeting the agenda of which contains the matter of reorganization of the Company - during thirty (30) days) prior to the General Meeting, be open for checking by the persons entitled to participation in the General Meeting in the premises of the executive body of the Company and in other places the addresses of which shall be indicated in a notice on convocation of the General Meeting. The said information (materials) is also posted at the Company's official web-site in the internet not later than ten (10) days prior to the date of the General Meeting. The said information (materials) shall be open for the persons who participate in the General Meeting of Stockholders throughout the Meeting.

The procedure of checking the information (materials) on the matters of the agenda of the General Meeting by the persons entitled to participation in the General Meeting, and a list of such information (materials) shall be determined by decision of the Board of Directors.

11.8. A Stockholder shall have the right to participate in the General Meeting either personally, or by proxy.

If a stock in the Company is joint property of several persons, they obtain one ballot for voting on all the issues or one ballot for each of them, for voting on miscellaneous issues, the rights to vote at the General Meeting shall be exercised at their discretion by one of the co-holders or through their common representative.

The powers of each of the said persons shall be duly certified.

11.9. If a General Meeting is held in the form of joint presence, the persons included in a list of persons entitled to participation in the General Meeting (their representatives) shall have the right to send filled in ballots to the Company.

11.10. A General Meeting shall be deemed competent (quorum is present), if Stockholders holding in total more than a half of the votes of the allotted voting stocks in the Company.

The Stockholders who have been registered for participation in a General Meeting, and the Stockholders whose voting ballots have been received not later than two (2) days prior to a General Meeting of Stockholders shall be considered participating in the Meeting.

If the agenda of a General Meeting includes matters to be voted by different classes of voters, quorum for decision-making on such matters shall be counted separately.

Absence of quorum for decision-making on any matters to be voted by one structure of voters shall not affect decision-making on any other matters voting upon which shall be carried out by another group of voters, quorum for which is present.

11.11. If quorum for an Annual General Meeting of Stockholders of the Company is absent, a repeated General Meeting of Stockholders of the Company shall be held with the same agenda. If quorum for an Extraordinary General Meeting of Stockholders of the Company is absent, a repeated General Meeting of Stockholders of the Company may be held with the same agenda.

Decision on convocation of a repeated General Meeting of Stockholders of the Company shall be made by the Board of Directors of the Company.

A repeated General Meeting of Stockholders of the Company, convoked instead of a failed Meeting, shall be deemed competent if Stockholders holding in total at least 30 percents of the votes of the allotted voting stocks in the Company are present at the Meeting.

If a repeated General Meeting of Stockholders is held within less than forty (40) days after a failed General Meeting of Stockholders, the persons entitled to participation in a General Meeting of Stockholders shall be determined according to the list of persons who was entitled to participation in the failed General Meeting of Stockholders.

11.12. Minutes of a General Meeting shall be executed in duplicate not later than within fifteen (15) days after closure of the General Meeting. Both copies shall be signed by the Chairman of the General Meeting and the Secretary of the General Meeting.

11.13. Results of voting and decisions made at a General Meeting of Stockholders of the Company may be announced at the General Meeting of Stockholders of the Company. If results of voting and decisions made at a General Meeting of Stockholders of the Company have not been announced at the General Meeting, then decisions made at the General Meeting of Stockholders of the Company, as well as results of voting shall, not later than within ten (10) days upon execution of a statement on results of voting, be published by the Company in "Russian newspaper" daily.

Article 12. Holding of a General Meeting of Stockholders in the form of absentee voting

12.1. Decision of a General Meeting of Stockholders may be made without a meeting (without joint presence of Stockholders for discussion of matters of the agenda and decision-making on matters put on voting) in the form of absentee voting (by polling).

Voting on matters of the agenda of a General Meeting of Stockholders held in the form of absentee voting shall be carried out by voting ballots only.

12.2. A General Meeting of Stockholders, the agenda of which includes matters related to elections of the Board of Directors of the Company, Auditing Commission of the Company, approval of the Auditor of the Company, as well as matters provided for by sub-clause 13 clause 10.2 Article 10 hereof, shall not be held in the form of absentee voting.

A new General Meeting of Stockholders instead of a failed General Meeting of Stockholders shall not be held in the form of absentee voting (by polling), if the failed Meeting was to be held in the form of joint presence.

12.3. A list of persons entitled to participation in absentee voting on matters of the agenda of a General Meeting of Stockholders shall be compiled proceeding from data of the Stockholders Register of the Company.

The date of compilation of a list of persons entitled to participation in absentee voting on matters of the agenda of a General Meeting of Stockholders shall not be fixed earlier than the date of decision on convocation of the General Meeting of Stockholders of the Company and later than fifty (50) days prior to the last date of receipt of voting ballots by the Company.

12.4. A notice on convocation of a General Meeting of Stockholders in the form of absentee voting shall, not later than thirty (30) days prior to the last date of receipt of voting ballots by the Company, be published in "Russian newspaper" daily, as well as shall be placed at the Company's Internet web-site.

12.5. Ballots for voting on matters of the agenda shall either be sent by registered letter to the address indicated in a list of persons entitled to participation in a General Meeting of Stockholders, or delivered against signature to a person indicated a list of persons entitled to participation in a General Meeting of Stockholders not later than twenty (20) days prior to the last date of receipt of voting ballots by the Company.

Each person included in a list of persons entitled to participation in a General Meeting of Stockholders shall be given one voting ballot for voting on all matters or two or more ballots for voting on different matters.

The procedure of checking the information (materials) on matters of the agenda of a General Meeting of Stockholders by the persons entitled to participation in a General Meeting of Stockholders, as well as a list of such information (materials) shall be determined by decision of the Board of Directors of the Company.

12.6. A General Meeting of Stockholders to be held in the form of absentee voting shall be deemed competent (quorum is present), if Stockholders who hold in total more than a half of the allotted voting stocks in the Company have taken part in such Meeting.

Stockholders whose voting ballots have been received not later than by the last date of receipt of ballots by the Company shall be considered to have taken part in a General Meeting of Stockholders held in the form of absentee voting.

12.7. A statement on results of voting shall be executed and signed by the Registrar of the Company in duplicate not later than within fifteen (15) days after the last date of receipt of ballots by the Company.

Minutes of a General Meeting of Stockholders shall be executed in duplicate not later than within fifteen (15) days after the last date of receipt of ballots by the Company. Both counterparts shall be signed by the chairman of the General Meeting of Stockholders and by the Corporate Secretary of the Company.

12.8. Decisions made at a General Meeting of Stockholders, as well as results of voting in the form of a statement on results of voting, shall, not later than within ten (10) days upon execution of a statement on results of voting, be published in "Russian newspaper" daily.

Article 13. Proposals to the agenda of an Annual General Meeting.

13.1. Stockholders (a Stockholder) of the Company holding in total at least two percents (2%) of the voting stocks in the Company shall have the right, not later than within sixty (60) days upon expiration of a fiscal year, to propose matters to the agenda of an Annual General Meeting and to nominate candidates to the Board of Directors of the Company and the Auditing Commission, the number of whom cannot exceed the number of members of an appropriate body.

13.2. A proposal on matters to be included in the agenda of a General Meeting, and a proposal on candidates shall be made in writing, with indication of the name (business name) of the Stockholders (Stockholder) who have (has) put such proposals, the quantity and category (type) of their stocks, and shall be signed by the Stockholders (Stockholder).

13.3. A proposal on matters to be included in the agenda of a General Meeting shall contain the wording of each matter proposed; and a proposal on candidates shall contain the name of each proposed candidate and the name of the body he is proposed to be elected to.

13.4. The Board of Directors must consider the proposals received and decide on inclusion thereof in the agenda of a General Meeting or on refusal to include the same in the said agenda not later than within five days upon expiration of the term provided for by clause 13.1. hereof.

13.5. The Board of Directors may refuse in inclusion of matters proposed by Stockholders (a Stockholder) in the agenda of a General Meeting, and in inclusion of candidates nominated in a list of candidatures for elections to an appropriate body of the Company for the reasons provided for by the Federal Act "On Joint-Stock Companies" and other legal acts of the Russian Federation.

13.6. Grounded decision of the Board of Directors on refusal to include a matter in the agenda of a General Meeting, or to include a candidate in a list of candidatures for voting on elections to an appropriate body of the Company, shall be sent to the Stockholders (Stockholder) who have (has) proposed such matter or nominated such candidate, not later than within (3) three days from the date of such decision.

13.7. The Board of Directors of the Company shall have no right to make amendments to the wording of matters proposed for the agenda of a General Meeting of Stockholders, and (if any) in the wording of decisions on such matters.

Apart from the matters proposed for inclusion in the agenda of a General Meeting by Stockholders, as well as in the case of absence of such proposals, absence or insufficient number of candidates proposed by Stockholders for formation of an appropriate body, the Board of Directors shall have the right to include matters in the agenda of a General Meeting or candidates in a list of candidatures at its own discretion.

Article 14. Convocation of an Extraordinary General Meeting.

14.1. General Meetings that are held apart from the Annual Meeting are considered Extraordinary.

14.2. An Extraordinary General Meeting shall be held by decision of the Board of Directors on its own initiative, at request of the Auditing Commission, the Auditor of the Company, as well as at request of Stockholders (a Stockholder) holding in total at least ten percents (10%) of the voting stocks in the Company at the date of such request.

14.3. Convocation of an Extraordinary General Meeting at request of the Auditing Commission, the Auditor of the Company, as well as at request of Stockholders (a Stockholder) holding in total at least ten percents (10%) of the voting stocks in the Company, is carried out by the Board of Directors of the Company.

Such General Meeting shall be held within 40 (Forty) days from the date of a request for the convocation of an Extraordinary General Meeting of the Company's stockholders, excluding the case fixed by the clause 14.9. of this Article.

14.4. A request on convocation of a General Meeting shall contain matters to be included in the agenda of a General Meeting.

The persons (person) who have (has) requested convocation of an Extraordinary General Meeting, shall have the right to present a draft decision of an Extraordinary General Meeting, proposal on the form of holding thereof. In case if the convocation request consists proposals on candidates to appropriate bodies of the Company such proposals are treated under the conditions of the article 13 of these Articles.

The Board of Directors shall not make amendments to the matters of the agenda, to the decisions on such matters and change the proposed form of an Extraordinary General Meeting held at request of the Auditing Commission, the Auditor of the Company, as well as at request of Stockholders (a Stockholder) holding in total at least ten percents (10%) of the voting stocks in the Company.

14.5. If a request on convocation of an Extraordinary Meeting is produced by Stockholders (a Stockholder), it shall contain the names (business names) of the Stockholders (the Stockholder) who request(s) convocation of such Meeting, and the quantity and category (type) of their(his) stocks in the Company.

A request on convocation of an Extraordinary Meeting shall be signed by the persons (person) who request(s) convocation of an Extraordinary General Meeting.

14.6. The Board of Directors shall, within five (5) days from the date of a request of the Auditing Commission, the Auditor of the Company or Stockholders (a Stockholder) holding at least ten percents (10%) of the voting stocks in the Company, on convocation of an Extraordinary General Meeting of Stockholders, decide on convocation of an Extraordinary General Meeting or on refusal in convocation thereof.

14.7. Decision of the Board of Directors on convocation of an Extraordinary General Meeting or grounded decision on refusal in convocation thereof shall be sent to the persons who request its convocation not later than within three (3) days from the moment of such decision.

14.8. If, within the time fixed by clause 14.6. of this Article, the Board of Directors has not decided on convocation of an Extraordinary General Meeting or has decided to refuse in convocation thereof, an Extraordinary General Meeting of Stockholders may be convoked by the bodies and persons who have requested its convocation.

In that case, the bodies and persons who have requested convocation of an Extraordinary General Meeting shall have the powers provided for by the Federal Act "On Joint-Stock Companies" and these Articles and required for convocation and holding of a General Meeting.

14.9. If the proposed agenda of an Extraordinary General Meeting contains the matter on elections of members of the Board of Directors:

14.9.1. The General Meeting shall be held within seventy (70) days from the moment of presentation of a request on convocation of an Extraordinary General Meeting.

14.9.2. Stockholders (Stockholder) of the Company holding in total at least two percents (2%) of the voting stocks in the Company, shall have the right to propose candidates for elections to the Board of Directors, whose number cannot exceed the number of member of the Board of Directors. Such proposals shall be received by the Company not later than thirty (30) days prior to the date of the Extraordinary General Meeting.

The Board of Directors must consider the proposals received and decide on their inclusion in the agenda of the Extraordinary General Meeting or on refusal in inclusion thereof in the said agenda not later than within five (5) days upon expiration of the term specified in paragraph 2 of these sub-clause.

14.9.3. The date of compilation of a list of persons of the Company entitled to participation in the General Meeting cannot be fixed prior to the date of the decision on convocation of the General Meeting and later than sixty five (65) days prior to the date of the General Meeting.

14.9.4. A notice on convocation of an Extraordinary General Meeting shall be sent not later than fifty (50) days prior to the date of the Meeting.

Article 15. Board of Directors of the Company.

15.1. The Board of Directors shall carry out general management of the Company's activity, except for decision-making on the matters referred to the competence of the General Meeting of Stockholders by these Articles and the Federal Act "On Joint-Stock Companies".

The competence of the Board of Directors of the Company includes the following matters:

- 1) determination of priority activities of the Company;
- 2) convocation of an Annual and Extraordinary General Meetings, except for the cases stipulated by clause 14.8. Article 14 hereof, as well as announcement of the date of a new General Meeting instead of a Meeting which has failed due to absence of quorum;
- 3) approval of the agenda of a General Meeting;
- 4) election of the Corporate Secretary of the Company and termination of his powers;
- 5) fixing the date of compilation of a list of persons entitled to participation in the General Meeting of Stockholders; decision-making on other matters connected with preparation to, and holding of, the General Meeting;
- 6) submission of the matters provided for by sub-clauses 2, 5, 7, 8, 12 - 21 clause 10.2. Article 10 hereof for consideration by the General Meeting of Stockholders;
- 7) allotment of bonds and other emission securities by the Company in the cases stipulated by the Federal Act "On Joint-Stock Companies";
- 8) approval of decisions on issue of securities, prospectuses of issue of securities, reports on the results of issue of securities, quarterly reports of the issuer of emission securities, and reports on the results of purchase of stocks in the Company, and quarterly reports of the issuer of securities;
- 9) fixing the price (value) of property, the price of allotment and repayment of emission securities in the cases stipulated by the Federal Act "On Joint-Stock Companies", as well as when decision-making on the matters indicated in sub-clauses 10, 11, 26, 27, 33, 34 clause 15.1. hereof;
- 10) purchase of stocks, bonds and other securities allotted by the Company, in the cases stipulated by the Federal Act "On Joint-Stock Companies";
- 11) transfer (sale) of stocks in the Company which have come at the Company's disposal as a result of their purchase or repurchase from Stockholders of the Company or in other cases stipulated by the Federal Act "On Joint-Stock Companies";

- 12) elections of the General Director of the Company and termination of his power and a labor agreement;
- 13) decision on the number of members of the Board of Management of the Company, election of members of the Board of Management of the Company, termination of their power and labor agreements;
- 14) approval of the terms of labor agreements (including the term of power and the size remuneration and compensations) with the General Director of the Company, members of the Board of Management, managing organization (manager), alterations to the agreements mentioned hereof;
- 15) recommendations to the General Meeting on the size of remuneration and compensations to be paid to members of the Auditing Commission; fixing the size of remuneration to the Auditor of the Company;
- 16) recommendations on the size of a dividend upon stocks and the procedure of payment thereof, approval of the Company's Regulations on the dividends' related policy;
- 17) approval of the Company's internal documents which regulate the procedure of formation and use of the Company's funds;
- 18) decision-making on use of the Company's funds; approval of estimates of use of the Company's special funds, and consideration of the results of implementation of estimates of use of the Company's special funds;
- 19) approval of the Company's internal documents, except for internal documents which shall be approved by the General Meeting of Stockholders, as well as other internal documents which shall be approved by executive bodies of the Company;
- 20) determination of purchasing policy in the Company, including the statement of Regulations about the order of carrying out of the regulated purchases of the goods, works, services, the statement of the head of the Central purchasing body of the Company and its members, and also approval of the annual complex supply program and acceptance of other decisions according to the documents approved in the Company regulating purchasing activity of the Company;
- 21) approval of the Company's Standards in business planning and budgeting;
- 22) approval of business-planning, including the programme of re-equipment, reconstruction and development; investment programme, approval of reports on programmes implementation; approval (adjustment) of reference indicators cash flows (budget) of the Company and/or approval of cash flows of the Company, and studying of cash flows (budget) adjusted by the Board of Management
- 23) approval of the Company's target values (the corrected values) key parameters of efficiency of the Company and reports on their performance;
- 24) founding branches and opening representative offices of the Company, their liquidation; making amendments to the Articles of the Company, connected with foundation of branches and opening of representative offices of the Company (including changes in the data on the names and locations of branches and representative offices of the Company) and their liquidation, approval of the Regulations on the branches and representative offices;
- 25) preliminary approval of transactions (including several interconnected transactions) connected with property, work and/or service, if the value (pecuniary valuation) is over 2 percent of the book value of the assets of the Company of the last accounting date (if the Board of Directors hasn't determined another percent or the value of transaction) excluding transactions made during a routine economical activity of the Company and transactions connected with subscription placement (selling) of the equities of the Company and transactions connected with placement of equity securities that may be converted to the equities of the Company as stipulated in sub-clause 26-38 clause 15.1 of these Articles;
- 26) preliminary approval of transactions signed in respect of the Company's property, including plots of land or uncompleted buildings in cases to be determined by the Council of Directors of the

Company (e.g. by means of determining of size and/or a list of items) or when such cases (size or lists) are not determined;

27) preliminary approval of transactions (including several interconnected transactions) connected with lease of property that constitutes fixed assets, intangible assets, objects of construction in progress, which are intended for generation, transmission, control and distribution of electric and heat power, including alterations and termination of the transactions in the cases (scope) determined by a particular decision of by the Board of Directors of the Company (for example, assessment of size and/or list) and approval of any other transaction where such cases (size, list) are not defined;

28) preliminary approval of transactions (including several interconnected transactions) connected with transfer or a possibility of transfer of the Company's property that constitutes permanent assets, intangible assets and the objects of unfinished building engaged in manufacture, transmission, control, distribution and sale of electric and heat power in the cases (scope) to be determined by special decisions of the Board of Directors of the Company, and decision-making on the Company's effecting such transactions in the cases where such cases (scope) are not determined;

29) preliminary approval of transactions (including a series of interrelated transactions) associated with delay of civil and legal liabilities of the Company which are outstanding for more than 3 months or signing of agreement of compensation or novation of such liabilities, or cession of rights (claims) or transfer of debt on such liability. The above mentioned transactions are subject to approval in the event that the amount of liability (debt) exceeds 2 per cent of the book value of the Company's assets as of the last date of report;

30) preliminary approval of resolutions on carrying of transactions associated with the free transfer of the Company's property or right of property (claims) to the Council or the third person; and transactions associated with relief from property accountability to the Council or any third person; transactions associated with rendering by the Company of free services (works) to the third persons

31) preliminary approval of transactions (including several interconnected transactions), connected with the installments or delay of fulfillment of civil obligations, in which the Company participates and which fulfillment is delayed for more than for 3 months, or agreements about a compensation or novelties of such obligations, or concession of rights (requests) or conversion of debt under such obligations. These transactions are subjects to approve in cases when the commitment rate is over 2 percent of the book value of assets of the Company, determined according to its accounts for the last accounting date (if the decision of the Board of Directors has not determined another percent or the value of transaction);

32) preliminary approval of transactions connected with free of charge transfer of the Company's property or property rights (claims) to the Company or to a third party; transactions connected with release from property obligations to the Company or a third party; transactions connected with free of charge provision of services (performance of work) by the Company in favor of third parties, in the cases (scope) to be determined by special decisions of the Board of Directors of the Company, and decision-making on the Company's effecting such transactions in the cases where such cases (scope) are not determined;

33) determination of the Company's credit policy in respect to provision by the Company of loans, entering into credit and loan agreements, issue of guarantees, undertaking obligations under a bill (issue of a promissory note and draft), pledge of property and decision-making on the Company effecting the said transactions in the cases provided for by the Company's credit policy, as well as decision-making on all the above listed matters, if no credit of the Company has been determined by the Board of Directors;

34) preliminary approval of transactions, which can entail occurrence of the obligations in a foreign currency (or obligations which size is attached to a foreign currency), in cases and the sizes defined by special decisions of the Board of Directors of the Company, and also if the specified cases (sizes) are not define by the Board of Directors of the Company;

- 35) approval of large-scale transactions in the cases stipulated by Chapter X of the Federal Act "On Joint-Stock Companies";
- 36) approval of transactions stipulated by Chapter XI of the Federal Act "On Joint-Stock Companies";
- 37) decision-making on the Company participating in other organizations (on joining an operating organization including approval of the constituent documents of newly founded entities) and (taken into consideration sub-clause 38, clause 15.1 Article 15 of these Articles) on purchase, transfer, encumbrance of stocks (interests) in authorized capitals of the organizations in which the Company participates, change of interest (quantity of stocks, size of shares, interests), and termination of participation of the Company in other organizations;
- 38) decision-making on the Company effecting one or several interconnected transactions on transfer, pledge or other encumbrance of stocks and interests in subsidiaries and affiliates (SAs) not engaged in manufacture, transmission, control, distribution and sale of electric and heat power, if the fair value of stocks or interests, being the subject of a transaction, determined by an independent appraiser, exceeds 30 million rubles, as well as in other cases (sizes) determined by separate decisions of the Board of Directors of the Company;
- 39) decision-making on nominees by the Company for a position of a solitary executive body in other management or control bodies and a nominee for an auditor to the organizations in which the Company participates;
- 40) approval of the Registrar of the Company, the terms of an agreement with him, as well as termination of an agreement with him;
- 41) elections of the Chairman of the Board of Directors and his removal from the office;
- 42) elections of the Deputy Chairman of the Board of Directors and the Secretary of the Board of Directors and their removal from the office;
- 43) decision-making on suspension of the powers of the General Director or the managing organization (Manager);
- 44) decision-making on appointment of an Acting General Director of the Company in the cases stipulated by clauses 21.8., 21.9. Article 21 hereof;
- 45) decision-making on disciplinary liability of the General Director of the Company and incentive measures to him according to the labor laws of the Russian Federation;
- 46) consideration of the General Director's reports on the Company's activity on implementation of decisions made by the General Meeting of Stockholders, the Board of Directors and the Board of Management of the Company;
- 47) approval of the procedure of interaction of the Company with entities, where the Company holds interests;
- 48) determination of position of the Company (representatives of the Company) on the following matters of the agenda of general meetings of stockholders (participants) and meetings of boards of directors of subsidiaries and affiliates (hereon SAs), including instructions to take or not to take part in voting on matters of the agenda, or to vote on draft decisions "for", "against" and "abstention":
 - a) determination of the agenda of a general meeting of stockholders (participants) of SAs;
 - b) reorganization and liquidation of SAs;
 - c) fixing the number of members of the board of directors of SAs, nomination and election of its members and termination of their powers;
 - d) fixing the quantity, nominal value, category (type) of declared stocks in SAs and the rights conferred upon such stocks;
 - e) increase of the size of the authorized capital of SAs by increasing the nominal value of stocks or by allotting additional stocks;
 - f) allotment of securities of SAs convertible into common stocks;
 - g) split and consolidation of stocks in SAs;

- h) approval of large-scale transactions effected by SAs;
- i) participation of SAs in other organizations (joining an existing, or foundation of a new, organization), as well as purchase, transfer and encumbrance of stocks and shares in the authorized capitals of organizations where SAs have interests, changing the share in the authorized capital of an appropriate organization;
- j) SAs' effecting transactions (including several interconnected transactions) connected with transfer or the possibility of transfer of property constituting fixed assets, intangible assets, objects of construction in progress, which are intended for generation, transmission, control and distribution of electric and heat power, in the cases (scope) determined by the procedure of interaction of the Company with organizations where the Company has interests, which procedure shall be approved by the Board of Directors of the Company;
- k) making amendments and alterations to the constituent documents of SAs;
- l) determination of the procedure of payment of remuneration to members of the board of directors and the auditing commission of SAs;
- 49) determination of position of the Company (representatives of the Company) on the following matters of the agenda of meetings of the boards of directors of subsidiaries and affiliates (including instructions to take or not to take part in voting on matters of the agenda, or to vote on draft decisions "for", "against" and "abstention":
 - a) determination of position of representatives of SAs on matters of the agenda of general meetings of stockholders (participants) and meetings of the boards of directors of subsidiaries and affiliates of SAs, relating to effecting (approval of) transactions (including several interconnected transactions) connected with transfer or the possibility of transfer of property constituting fixed assets, intangible assets, objects of construction in progress, which are intended for generation, transmission, control and distribution of electric and heat power, in the cases (scope) determined by the procedure of interaction of the Company with organizations where the Company has interests, which procedure shall be approved by the Board of Directors of the Company;
 - б) determination of position of representatives of SAs on matters of the agenda of general meetings of stockholders (participants) and meetings of the boards of directors of subsidiaries and affiliates of SAs engaged in generation, transmission, control, distribution and sale of electric and heat power, concerning reorganization, liquidation, increase of the size of the authorized capital of such companies by increasing the nominal value of stocks or by allotting additional stocks or securities convertible into common stocks;
- 50) co-ordination of candidates for specific executive positions to be determined by the Council of Directors of the Companies;
- 51) approval of the common organizational structure of the Company and making amendments thereof;
- 52) determining of the ways of provision of insurance protection of the Company, including approval of the Company's insurer;
- 53) formation of Committees of the Board of Directors, elections of members, termination of their powers;
- 54) approval of the regulation on Committees of the Board of Directors of the Company;
- 55) determination of the order of election and approval of a candidature of an independent appraiser (appraisers) for fixing the value of stocks, property and other assets of the Company in the cases stipulated by the Federal Act "On Joint-Stock Companies", these Articles, as well as by separate decisions of the Board of Directors of the Company;
- 56) decisions in compliance with these Articles related to preparation to, and holding of the General meetings of Stockholders of the companies formed as a result of reorganization of the Company;
- 57) decoration of the General Director of The Company with the state awards for distinctive achievements;

- 58) preliminary approval of a collective agreement and agreements to be entered into by the Company within the frameworks of regulation of social and labor relations;
- 59) approval of a candidature of a financial adviser who shall be involved according to the Federal Act "On Securities Market";
- 60) approval of internal document of the Company to establish the form, structure and content of annual report of the Company;
- 61) approval of the accounting policy of the company and the order of presentation of financial records;
- 62) decision of a recognition of the claims declared in court to the Company, the conclusion of the agreement of lawsuit by the Company under the specified claims and withdrawal of claims of the Company for the sum over 2 percent of the book value of assets of the Company, determined according to its accounts for the last accounting date (if the decision of the Board of Directors has not established another percent or the sum in dispute);
- 63) other matters referred to the competence of the Board of Directors by the Federal Act "On Joint-Stock Companies" and these Articles.

15.2. The powers to make decisions on the matters referred to the competence of the Board of Directors shall not be delegated to the General Director and the Board of Management of the Company.

15.3. The members of the Board of Directors, when exercising their rights and fulfilling their duties, shall act in the best interests of the Company, and shall exercise their rights and fulfill their duties in respect to the Company honestly and reasonably.

15.4. The members of the Board of Directors shall be responsible to the Company for any losses caused to the Company by their guilty actions (omissions), unless other grounds and limits of responsibility provided for by federal laws. The members of the Board of Directors who voted against a decision, which has caused losses to the Company, or did not take part in voting, shall bear no responsibility.

Article 16. Election of the Board of Directors.

16.1. The number of members of the Board of Directors of the Company shall be eleven (11).

16.2. Members of the Board of Directors shall be elected at the General Meeting of Stockholders of the Company for the period till the next Annual General Meeting of Stockholders stipulated by clause 10.8. Article 10 hereof.

If the Board of Directors of the Company is elected at an Extraordinary General Meeting of Stockholders, the members of the Board of Directors shall be considered elected till the date of the next following Annual General Meeting of Stockholders of the Company.

If an Annual General Meeting has not been held within the time fixed by clause 11.1. Article 11 hereof, the powers of the Board of Directors shall cease, except for the powers to prepare, convoke and hold an Annual General Meeting.

16.3. An individual only may be elected a member of the Board of Directors of the Company

16.4. Persons elected to the Board of Directors of the Company may be re-elected an unlimited number of times

16.5. By decision of the General Meeting of Stockholders of the Company, the power of all members of the Board of Directors of the Company may be terminated.

Article 17. Chairman of the Board of Directors.

17.1. The Chairman of the Board of Directors shall be elected by members of the Board of Directors among themselves by a majority of votes of the total number of members of the Board of Directors.

The Board of Directors may at any time re-elect its Chairman by a majority of votes of the total number of votes of members of the Board of Directors.

17.2. The Chairman of the Board of Directors Company shall organize work of the Board of Directors, convoke its meetings and preside thereat, arrange maintenance of minutes at meetings, and preside over the General Meeting.

17.3. Should the Chairman of the Board of Directors of the Company be absent, his functions shall be fulfilled by the Deputy Chairman of the Board of Directors to be elected from the members of the Board of Directors by a majority of votes of the total number of members of the Board of Directors of the Company.

Article 18. Meetings of the Board of Directors.

18.1. Procedure of convocation and holding of meetings of the Board of Directors of the Company shall be established by the internal documents of the Company to be approved by the General Meeting if Stockholders of the Company.

18.2. Meetings of the Board of Directors shall be held as necessary, but at least once a quarter. A meeting of the Board of Directors shall be convoked by the Chairman of the Board of Directors (or by the Deputy Chairman of the Board of Directors in the cases stipulated by clause 17.3. Article 17 hereof) of the Company on his own initiative, at request of any member of the Board of Directors, the Auditing Commission, the Auditor, or the General Director of the Company.

18.3. At the first meeting of a new Board of Directors shall be obligatory considered the matters on elections of the Chairman of the Board of Directors, Deputy Chairman and the Corporate Secretary of the Company.

The said meeting of the Board of Directors shall be convoked by any member of the Board of Directors of the Company according to the internal documents regulated on the procedure of calling and holding of the meeting of the Board of Directors of the Company.

18.4. Decisions of the Board of Directors may be made by absentee voting (polling). In the case of absentee voting, all members of the Board of Directors shall be provided with materials on the matters of the agenda and questionnaires for voting, with indication of the date by which a questionnaire filled in and signed by the member of the Board shall have been submitted to the Board of Directors of the Company.

18.5. A member of the Board of Directors who is absent at a meeting of the Board of Directors of the Company shall have the right to express his opinion on matters included in the agenda in written form according to the procedure established by the internal documents regulated on the procedure of calling and holding of the meeting of the Board of Directors of the Company.

18.6. No transfer of the right to vote by any member of the Board of Directors of the Company to another person, including another member of the Board of Directors of the Company, shall be allowed.

18.7. Decisions at meetings of the Board of Directors of the Company shall be made by a majority of votes of the members of the Board of Directors of the Company who take part in the meeting, except for the cases stipulated by the Federal Act "On Joint-Stock Companies" and these Articles. When the transaction must be approved simultaneously on the several accounts (by the Articles X or XI of the Federal Act "On Joint-Stock Companies" and these Articles), only the Federal Act "On Joint-Stock Companies" is applied.

18.8. Decisions of the Board of Directors of the Company on approval of a large-scale transactions shall be made unanimously by all members of the Board of Directors.

Decisions of the Board of Directors of the Company on the following matters shall be made by a three fourths majority of votes of the total number of members of the Board of Directors:

- suspension of the powers of the managing organization (Manager), and appointment of an Acting General Director of the Company;

- convocation of an Extraordinary General Meeting of Stockholders of the Company in the cases stipulated by clauses 21.8. and 21.9. Article 21 hereof.

Votes of retiring members of the Board of Directors shall not be taken into account when decision-making on the matters provided for hereby.

The retiring members of the Board of Directors are individuals retired from the Board of Directors due to their death, being ruled incapable by court or untraceable.

18.9. Decisions of the Board of Directors on the following matters shall be made by a three fourths majority of votes of the members of the Board of Directors:

- decisions on participation of the Company in other organizations (including approval of constituent documents and candidatures to management bodies of newly founded organizations), change of interest (quantity of stocks, size of shares or interests), encumbrance of stocks or shares and termination of participation of the Company in other organizations, whose basic activity is the generation and transmission of electric power;

- creation of committees of the Board of Directors of the Company, election of members of the committees and pre-term suspension of their powers;

- adoption of regulations of committees of the Board of Directors.

18.10. Decisions of the Board of Directors on the matters stipulated in sub-clauses 27, 28, 33, 38, 47-49 clause 15.1. Article 15 hereof shall be made by a two thirds majority of votes of the members of the Board of Directors of the Company, present at the meeting.

18.11. Decisions on approval of a transaction with interest shall be made by the Board of Directors of the Company according to Section 83 of the Federal Act "On Joint-Stock Company".

18.12. When decision-making at meetings of the Board of Directors, each member of the Board of Directors shall possess one vote. In the case of equality of votes, the vote of the Chairman of the Board of Directors shall be decisive.

18.13. Quorum for a meeting of the Board of Directors for consideration of matters which require a simple majority of the votes of members of the Board of Directors shall be constituted by at least a half of the number of the elected members of the Board of Directors.

If the number of members of the Board of Directors becomes less than the number which constitutes the said quorum, the Board of Directors must decide on convocation of an Extraordinary General Meeting for elections of a new Board of Directors. The continuing members of the Board of Directors may only decide on convocation of such Extraordinary General Meeting of Stockholders. In that case, quorum for a meeting of the Board of Directors shall be constituted by at least a half of the continuing members of the Board of Directors.

18.14. Minutes shall be maintained at meetings of the Board of Directors of the Company. Minutes of a meeting of the Board of Directors of the Company shall be executed not later than within three (3) days upon closure of such meeting, and shall be signed by the chairman of the meeting and the Corporate Secretary of the Company, who shall be responsible for correct execution thereof.

Minutes shall be accompanied with all materials concerning the agenda of the meeting and documents approved by the Board of Directors.

If the Board of Directors makes decisions by absentee voting, minutes shall be accompanied with questionnaires for voting, signed by members of the Board of Directors.

Article 19. Corporate secretary of the Company.

19.1. The Corporate secretary of the Company shall be elected by the Board of Directors of the Company in order to preserve the order of preparation and holding of the General Meeting of Stockholders, functioning of the Board of Directors.

19.2. The labor agreement with the Corporate secretary of the Company shall be signed by the Chairman of the Board of Directors or a person authorized by the Board of Directors of the Company.

19.3. The definition of terms and conditions of a labor contract with the Corporate secretary of the Company, including a remuneration rate is determined by the Board of Directors of the Company or a person authorized by the Board of Directors of the Company.

19.4. The Corporate secretary of the Company shall participate in preparation and holding of the General meeting of Stockholders within the limits of his competence in compliance with the legislation of the Russian Federation, these Articles and other internal documents of the Company.

19.5. The Corporate secretary of the Company shall participate in organization of notification of the persons who have the right to participate in the General meetings of the Stockholders about holding of a General Meeting of Stockholders, prepare and deliver (handing) the voting bulletins for them.

19.6. The Corporate secretary of the Company shall form the complete set of materials that should be produced for the General Meeting of Stockholders and grant copies of corresponding documents on demand to the persons who have the right to participate in the General Meeting of Stockholders.

19.7. The Corporate secretary of the Company shall oversee collecting the filled voting bulletins received by the Company and duly transfer them to the registrar.

19.8. The Corporate secretary of the Company shall ensure observance of registration procedures of the General Meeting of Stockholders and take minutes of the General meeting.

19.9. The Corporate secretary of the Company shall answer the questions of the participants of the General Meeting of Stockholders concerning the order of preparation and holding of the General Meeting of Stockholders.

19.10. The Corporate secretary of the Company shall ensure preparation and holding of the meetings of the Board of Directors of the Company in compliance with the legislation of the Russian Federation, these Articles and other internal documents of the Company.

19.11. The Corporate secretary of the Company shall notify all members of the Board of Directors of the Company about the meeting of the Board of Directors of the Company, shall ensure delivery (handing) report forms for voting if necessary, shall collect the filled forms and written opinions of the members of the Board of Directors absent at the meeting and shall deliver them to the Chairman of the Board of Directors of the Company.

19.12. The Corporate secretary of the Company shall take minutes of the meetings of the Board of Directors of the Company.

19.13. The Corporate secretary of the Company shall provide help to the members of the Board of Directors of the Company in obtaining necessary information for their functions.

19.14. The Corporate secretary of the Company shall provide clarifications of the current legislation of the Russian Federation, these Articles and other documents of the Company to the members of the Board of Directors of the Company concerning procedural issues of preparation and holding of the General Meeting of Stockholders, meetings of the Board of Directors, provision of information by the Company.

19.15. The Corporate secretary of the Company shall also carry out other functions stipulated by the current legislation of the Russian Federation, these Articles and other internal documents of the Company.

19.16. Bodies and officials of the Company must assist the Corporate secretary of the Company in implementation of his functions.

19.17. The Corporate secretary of the Company shall inform the Chairman of the Board of Directors of the Company in a reasonable time about all facts related to hindering the followings of procedure that must be provided by the Corporate secretary of the Company (actions or inactivity of officials of the Company, the registrar, other facts, disrupting the order preparation and holding of the

General Meeting of Stockholders, meetings of the Board of Directors, provision of information by the Company).

Article 20. Committees of the Board of Directors of the Company.

20.1. Committees of the Board of Directors shall be formed by decision of the Board of Directors.

20.2. Committees of the Board of Directors shall be founded for studying matters included in the competence of the Board of Directors and for development of recommendations to the Board of Directors and the executive body of the Company.

20.3. The following committees are being formed in the Board of Directors:

20.3.1. Audit Committee;

20.3.2. Strategy, development, investments, restructure and corporate management Committee;

20.3.3. Budget and finance Committee;

20.3.4. Personnel and gratification Committee.

20.4. Other Committees may be formed by the decision of the Board of Directors.

20.5. The Audit Committee develops recommendations on a nominee of the auditor of the Company, estimates the conclusions of the auditor, estimates efficiency of procedures of the internal control of the Company and prepares offers on their perfection.

20.6. The Strategy, development, investments, restructure and corporate management Committee plays the basic role in definition of the strategic purposes of the Company activity, development of priority directions of its activity, including the organization of system of corporate management, an estimation of efficiency of activity of the Company in long-term prospect, and development of recommendations to the Board of Directors on updating existing strategy of development of the Company.

20.7. The Budget and finance Committee develops finance recommendations on formation, execution and updating of the financial and economic plan (business-plan, budget) of the Company, provides the control of the Board of Directors over financial and economic activity of the Company, over formation and execution of the financial and economic plan of the Company, an overall performance of a risk control system of the Company.

20.8. The Personnel and gratification Committee promotes attraction of qualified personnel to management of the Company and creation of necessary stimulus for their successful work

20.9. Committees of the Board of Directors tentatively examine the questions corresponding to their competence included in the agenda of meeting of the Board of Directors of the Company and produce recommendations. The Board of Directors of the Company considers recommendations concerning the agenda of meeting presented by the Committees of the Board of Directors.

20.10. The structure of committees of the Board of Directors of the Company joins in quantity not less than 1 (One) member of each committee representatives of stockholders of the Company which are being in aggregate by owners not less than 25 (Twenty five) percent of voting actions of the Company.

20.11. The matters connected with activity of committees, but not settled by the present Article and regulations on corresponding committees, are adjusted by special decisions of the Board of Directors of the Company.

Article 21. Executive bodies of the Company.

21.1. Management of the Company's day-to-day activities shall be carried out by the individual executive body of the Company - the General Director and the collective executive body - the Board of Management.

21.2. The General Director and the Board of Management shall report to the General Meeting of Stockholders and the Board of Directors of the Company.

21.3. By decision of the General Meeting of Stockholders, the power of the individual executive body of the Company may be delegated under an agreement to a managing organization or a manager.

Rights and duties of the managing organization (Manager) in management of the Company's day-to-day activity shall be regulated by the laws of the Russian Federation and an agreement to be entered into with the Company.

An agreement shall be signed on the Company's behalf by the Chairman of the Board of Directors of the Company or by a person authorized by the Board of Directors of the Company. The terms of an agreement, including those concerning the term of powers, shall be determined by the Board of Directors of the Company or by a person authorized by the Board of Directors of the Company.

21.4. Executive bodies of the Company shall be formed and their powers terminated by the decision of the Board of Directors excluding cases regulated by the laws of the Russian Federation or these Articles.

21.5. Rights and duties of the General Director and members of the Board of Management relating to management of the Company's day-to-day activity shall be regulated by the laws of the Russian Federation, these Articles and a labor agreement to be entered into by them with the Company.

A labor agreement is signed by the Chairman of the Board of Directors or a person authorized by the Board of Directors.

The terms of a labor agreement, including those concerning the term of powers, shall be determined by the Board of Directors of the Company.

The rights and duties of the employer in respect to the General Director and members of the Board of Management shall be exercised by the Board of Directors.

21.6. Combination by the General Director and members of the Board of Management of offices in management bodies of other organizations, as well as other pay offices in other organizations, shall only be allowed on consent of the Board of Directors of the Company.

21.7. The Board of Directors may at any time decide on termination of the powers of the General Director, members of the Board of Management and decide on forming of the new executive bodies. The powers of the General Director of the Company and members of the Board of Management shall be terminated for the reasons established by the laws of the Russian Federation and an agreement to be entered into by them with the Company.

21.8. The General Meeting of Stockholders may at any time decide on termination of the powers of the managing organization (Manager).

The Board of Directors may decide on suspension of the powers of the managing organization (Manager). Simultaneously with the said decision, the Board of Directors must decide on appointment of an Acting General Director and on convocation of an Extraordinary General Meeting of Stockholders for consideration of the matter on termination of the powers of the managing organization (Manager) and, unless otherwise decided by the Board of Directors, on transfer of the powers of the individual executive body of the Company to the managing organization (manager).

21.9. If the managing organization (Manager) is unable to fulfill its duties, the Board of Directors of the Company may decide on appointment of an Acting General Director and on convocation of an Extraordinary General Meeting for consideration of the matter on termination of the powers of the managing organization (Manager) and, unless otherwise decided by the Board of Directors, on transfer of the powers of the individual executive body of the Company to another managing organization or Manager.

21.10. An Acting General Director of the Company shall carry out management of the Company's day-to-day activity within the competence of the executive bodies of the Company, unless otherwise decided by the Board of Directors of the Company.

21.11. The General Director, members of the Board of Management, acting as the General Director of the Company, and the managing organization (Manager), when exercising their rights and fulfilling their duties, shall act in the best interests of the Company, and shall exercise their rights and fulfill their duties in respect to the Company in good faith and reasonably.

21.12. The General Director, members of the Board of Management of the Company, acting as the General Director of the Company, and the managing organization (Manager) shall be responsible to the Company for any losses caused to the Company by their guilty actions (omissions), unless other reasons and limits of responsibility established by federal laws.

The members of the Board of Management who voted against a decision, which has caused losses to the Company, or did not take part in voting, shall bear no responsibility.

Article 22. The Board of Management of the Company.

22.1. The Board of Management operates on the basis of the present Articles of the Company and regulations of Company Management, approved by the General Meeting of Stockholders, where the terms and order of calling and holding of the General meeting, as well as the decision-making procedure are stipulated.

22.2. The following matters are referred to the competence of the Board of Management:

- 1) elaboration and consideration by the Board of Directors of perspective plans on realization of Company's main activities;
- 2) development of (amended) business plan, investment programme and reports on their progress, as well as approval and adjustment of cash flow in compliance with the list and value of key figures of Company's cash flow (with obligatory submission to the Company's Board of Directors);
- 3) preparation of technical re-equipment, reconstruction and development programme of the Company;
- 4) approval of Company's quarterly and monthly financial plan, as well as its reports on progress;
- 5) elaboration of annual programme on procurement activities of the Company, approval of quarterly programmes on procurement activities of the Company and reports on the results of implementation of annual and quarterly programmes on procurement activities of the Company;
- 6) preparation of the reports on the financial and economical activities of the Company, reports on the results of fulfillment of the General Meeting of Stockholders and Board of Directors' decisions by the Board of Management of the Company;
- 7) decision-making on the subject of Company effecting transactions, on transferring or suspending the discharge of civil duties and liabilities, in which the Company participates and if the delay exceeds 3 months, or on the subject of making the indemnity or substituted agreement on these duties and responsibilities. Foresaid transactions are to be approved if the size of liability (indebtedness) makes up less than 1 percent of the sum of the balance sheet cost of Company's assets and balance sheet cost of the leasehold, if decision-making on approval of such transactions is out of the power of the Board of Directors of the Company according to these Articles;
- 9) decision of a recognition of claims declared in court to the Company, the conclusion of the agreement of lawsuit by the Company under the specified claims and withdrawal of claims of the Company for the sum over 1 percent of the book value of assets of the Company determined according to its accounts for the last accounting date.
- 10) preliminary consideration and provision of the Board of Directors of the Company with recommendations on issues, submitted for consideration by the Company's Committee of Directors in accordance with the internal procedure, regulating of the activities of the Board of Management;

- 11) approval of the action plan on training activities and upgrading professional qualifications of the staff of the Company;
- 12) decision-making on the appointment of the director of the branch or representative office of the Company
- 13) fixing social benefits and indemnities for the staff of the Company;
- 14) decision-making on the issues, referred to the competence of the executive board of the companies, 100 (hundred) percent of the authorized capital or a whole set of voting stock in possession of the Company (in the cases stipulated by sub-clauses 48 clause 15.1. hereof);
- 15) consideration of the reports submitted by the heads of structural sub-units of the Company, as well as other information on the activities of the Company and its branch and associated companies;
- 16) decision on other issues of managing the current activities of the Company in compliance with the decisions of the General Meeting of Stockholders, the Board of Directors of the Company, as well as other issues submitted for consideration to the Board of Management by the General Director;

22.3 The Members of the Board Management are elected by the Board of Directors in the number determined by the decision of the Board of Directors of the Company at the suggestion of the General Director of the Company.

The number of the Board of Management cannot be less than three persons.

22.4 The Board of Management is in power if no less than half of the total number from elected members of the Board of Management take part in the meeting (in the absentee voting). All the decisions are made by the Board of Management by a majority of votes from the Members of the Board of Management, present at the meeting (participating in the absentee voting).

Transfer of the vote by the Member of Board of Management to another person, including another Member of the Company Management is not allowed.

Article 23. General Director of the Company.

23.1. Management of the Company's day-to-day activities shall be carried out by the individual executive body of the Company - the General Director.

23.2. The competence of the General Director shall include all matters relating to management of the Company's day-to-day activity, except for the matters referred to the competence of the General Meeting of Stockholders, the Board of Directors and the Board of Management.

23.3. The General Director shall act on the Company's behalf without a power of attorney, including the following actions, taking into account the restrictions stipulated by the laws of the Russian Federation, these Articles and decisions of the Board of Directors:

- 1) ensure implementation of plans of the Company's activity, required to solve its tasks;
- 2) arrange accounting and reporting in the Company;
- 3) dispose of the Company's property, effect transactions on the Company's behalf, issue powers of attorney, open the Company's settlement and other accounts with banks, other credit institutions (as well as in the cases stipulated by law - with organizations - professional participants of the securities market);
- 4) issue orders, approve (adopt) instructions, local regulating acts and other internal documents of the Company in respect to all matters of his competence, issue directives binding upon all employees of the Company;
- 5) approve the Company's manning-table and official salaries for employees of the Company according to the Company's organizational structure;
- 6) exercise the rights and fulfill the duties of the employer, stipulated by the labor laws, in respect to employees of the Company;
- 7) exercise functions of the Chairman of the Board of Management;

- 8) distribute duties between Deputies General Director;
- 9) submit reports on financial and economic activity of subsidiaries and affiliates where the Company holds stocks (shares), as well as information on other organizations where the Company has interests for consideration by the Board of Directors;
- 10) not later than forty five (45) days prior to the date of an Annual General Meeting of Stockholders of the Company, submit an annual report, balance sheet, profit & loss account of the Company, distribution of the Company's profits and losses for consideration by the Board of Directors;
- 11) make decisions on other matters relating to the Company's day-to-day activity, except for the matters referred to the competence of the General Meeting of Stockholders, the Board of Directors, the Board of Management of the Company.

23.4. The General Director shall be elected the Board of Directors by a majority of votes of the members of the Board of Directors present at the Meeting.

Nomination of candidates to the office of General Director of the Company for elections by the Board of Directors of the Company is carried out as defined in the internal document regulating the order of convocation and conducting meetings of the Board of Directors of the Company.

Article 24. Auditing Commission and Auditor of the Company.

24.1. To control the Company's financial and economic activity the General Meeting of Stockholders shall elect the Auditing Commission for the period till the next Annual General Meeting of Stockholders.

If the Auditing Commission of the Company is elected at an Extraordinary General Meeting of Stockholders, the members of the Auditing Commission shall be considered elected for the period till the date of the next Annual General Meeting of Stockholders of the Company. The number of members of the Auditing Commission shall be five (5).

24.2. By decision of the General Meeting of Stockholders of the Company, the powers of all or certain members of the Auditing Commission may be terminated.

24.3. The competence of the Auditing Commission of the Company includes:

- 1) confirmation of authenticity of data contained in the Company's annual report, balance sheet, profit & loss account;
- 2) analysis of the Company's financial position, identification of reserves of improvement of the Company's financial position, and development of recommendations for management bodies of the Company;
- 3) arrangement and conduct of a check (audit) of the Company's financial and economic activity, in particular:
 - checks (audits) of the Company's financial, accounting, payment, settlement and other documentation connected with the Company's financial and economic activity, for its conformity with the laws of the Russian Federation, the Articles, internal and other documents of the Company;
 - control of safety and use of fixed assets;
 - control of observance of the established order of writing-off debts of insolvent debtors to the Company's losses;
 - control of use of the Company's funds according to the Company's approved business-plan and budget;
 - control of formation and use of the Reserve Fund and other funds of the Company;
 - checks of correctness and promptness of calculation and payment of dividends upon stocks in the Company, interests upon bonds, incomes upon other securities;
 - checks of carrying out the instructions on removal of infringements and drawbacks as revealed by the previous checks (revisions);

4) taking other actions (measures) connected with auditing the Company's financial and economic activity.

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

24.5. The Auditing Commission may (and if gross violations in the Company's financial and economic activity have been revealed, must) request convocation of an Extraordinary General Meeting of Stockholders of the Company.

24.6. Procedure of the Auditing Commission shall be regulated by an internal document of the Company to be approved by the General Meeting of Stockholders of the Company.

The Auditing Commission, according to the decision on a check (audit), shall have the right to invite experts in corresponding fields of law, economics, finance, accounting, management, economic safety and others, including specialized organizations, for conduct of a check (audit).

24.7. An audit (check) of the Company's financial and business activities may be carried out at any time on initiative of the Auditing Commission of the Company, by decision of the General Meeting of Stockholders, the Board of Directors of the Company, or at request of a Stockholder (Stockholders) of the Company holding in total at least 10 per cents of the voting stocks in the Company.

24.8. For an annual audit and confirmation of the Company's annual financial accounts, the General Meeting of Stockholders shall annually approve the Auditor of the Company.

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

24.10. The Auditor of the Company shall conduct audits of the Company's financial and economic activity according to the requirements of the laws of the Russian Federation and by virtue of an agreement to be entered into with him.

24.11. Proceeding from the results of audits of the Company's financial and economic activity, the Auditing Commission and the Auditor shall prepare a statement which shall contain:

- confirmation of authenticity of data contained in the Company's reports and other financial documents;

- information on facts of violation by the Company of the procedure of accounting and financial reporting established by legal acts of the Russian Federation, as well as of legal acts of the Russian Federation in the course of the Company financial and economic activity.

Procedure and terms of execution of a statement on the results of an audit of the Company's financial and economic activity shall be regulated by agreements, legal acts of the Russian Federation and the Company's internal documents.

Article 25. Accounting and financial reporting in the Company.

25.1. The Company must maintain accounting and submit financial reports according to the order established by the laws of the Russian Federation and these Articles.

25.2. The General Director of the Company shall bear responsibility according to the laws of the Russian Federation and these Articles for organization, state and authenticity of accounting in the Company, prompt submission of annual reports and other financial reports to appropriate public authorities, as well as data on the Company's activity to be presented to the Stockholders, creditors and mass media.

25.3. Authenticity of data contained in the Company's annual report and annual accounts shall be certified by the Auditing Commission and the Auditor of the Company.

25.4. An annual report, balance sheet, profit & loss account, distribution of the Company's profits and losses Company shall be subject to preliminary approval by the Board of Directors of the

Company not later than thirty (30) days prior to the date of an Annual General Meeting of Stockholders of the Company.

Article 26. Keeping documents by the Company. Provision of information by the Company.

26.1. The Company must keep the following documents:

- 1) decision on foundation of the Company;
- 2) Articles of the Company; amendments and alterations to the Articles of the Company registered according to an established order; Certificate of State Registration of the Company;
- 3) documents certifying the Company's title to the property on its balance sheet;
- 4) internal documents of the Company to be approved by management bodies of the Company;
- 5) rules of branches and representative offices of the Company;
- 6) annual financial reports;
- 7) prospectuses of issue, issuer's quarterly reports and other documents containing information subject to publication or other disclosure according to federal laws;
- 8) accounting documents;
- 9) accounts;
- 10) decision of the Stockholders, being the holder of all voting stocks in Company, executed according to an established order, minutes of meetings of the Board of Directors of the Company and the Auditing Commission of the Company;
- 11) voting ballots as well as powers of attorney (copies thereof) issued for participation in the General Meeting;
- 12) reports of independent appraisers;
- 13) lists of the Company's affiliates;
- 14) lists of persons entitled to participation in the General Meeting of Stockholders and to dividends, as well as other lists to be compiled by the Company for the Stockholders to exercise their rights according to the requirements of the Federal Act "On Joint-Stock Companies";
- 15) statements of the Auditing Commission of the Company, the Auditor of the Company, governmental and municipal bodies of financial supervision;
- 16) other documents provided for by the laws of the Russian Federation, these Articles, internal documents of the Company and decisions of the management bodies of the Company.

26.2. The Company shall keep the documents stipulated by item 26.1 hereof in the place of location of its executive body, according to the procedure and for the period established by the federal executive authority for the securities market.

26.3. In the case of reorganization of the Company, all documents shall be transferred to its successor according to an established order.

26.4. In the case of liquidation of the Company, documents of permanent keeping, which have scientific and historical value, shall be transferred for keeping to the Federal Archival Service of Russia; documents relating to its personnel (orders, personal files and registration cards, personal accounts, etc.) shall be transferred for keeping to an appropriate archives of the entity of the Russian Federation.

Transfer and systematization of documents shall be carried out by force and at the expense of the Company, according to the requirements of archival authorities.

Information on the Company shall be provided by it according to the requirements of the laws of the Russian Federation.

26.5. The Company shall provide the Stockholders of the Company with access to the documents stipulated by clause 26.1. hereof, taking into account the restrictions provided for by the laws of the Russian Federation. Stockholders (a Stockholder) holding in total at least twenty five percents (25%) of the voting stocks in the Company shall have the right of access to accounting documents.

26.6. The documents provided for in clause 26.1. hereof shall be presented by the Company for checking in the premises of the executive body of the Company within (7) seven days from the date of an appropriate request. The Company must, at request of persons entitled to access to the documents stipulated by item 26.1 hereof, provide them with copies of the said documents. The size of payment shall be fixed by the General Director of the Company, and shall not exceed the cost of production of copies of documents. The Company shall provide the Stockholders and employees of the Company with access to information, taking into account the requirements of the laws on a state secret.

Article 27. Reorganization and liquidation of the Company.

27.1. The Company may be reorganized in a voluntary way in the form of merger, joining, dividing, separation and transformation, as well as for the reasons and according to the procedure established by the Russian Federation Civil Code and federal laws.

27.2. The Company may be liquidated by court decision or in a voluntary way according to the procedure stipulated by the Russian Federation Civil Code, the Federal Act "On Joint-Stock Companies" and these Articles.

27.3. In the case of reorganization or liquidation of the Company, or termination of work containing data which constitute a state secret, the Company must ensure safety of such data and their media by way of development and implementation of measures aimed at protection of secret and information, PD TR, security and fire safety.

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