

APPROVED
by the resolution of the Board of Directors
of IDGC of Centre, JSC
Minutes dated 02 December, 2009 No. 21/09

REGULATION
on housing and public-utilities facilities management
of IDGC of Centre, JSC

Moscow 2009

1. GENERAL PROVISIONS

Regulations on housing and public-utilities facilities management of Interregional Distribution Grid Company of Centre, JSC, hereinafter referred to as – the regulation, developed according to the current legislation of the Russian Federation and is a part of the management system of Interregional Distribution Grid Company of Centre, JSC. This Regulation is intended to use by all structural divisions of Interregional Distribution Grid Company of Centre, JSC and shall be subject to compulsory implementation.

1.1. This regulation establishes the procedure and conditions of housing and public-utilities facilities management, which are owned by Interregional Distribution Grid Company of Centre, JSC and are on the books of the executive office and branches of Interregional Distribution Grid Company of Centre, JSC excluding facilities provided on the basis of the agreement of premises leased by third parties for the period of performance of duties as well as obligations entrusted on the basis of contracts concluded after 01.07.2009 by them.

1.2. General definitions and abbreviations used in this Regulation:

1.2.1. **IDGC Holding** is IDGC Holding, JSC;

1.2.2. **IDGC of Centre** is Interregional Distribution Grid Company of Centre, JSC;

1.2.3. **SA** is subsidiary (affiliate) of IDGC of Centre;

1.2.4. **Sole executive body of IDGC of Centre** is the General Director of IDGC of Centre or person fulfilling obligations of the General Directors of IDGC of Centre for the period of his absence or managing organization (manager) exercising functions of IDGC of Centre management acting on the basis of the Articles of Association of IDGC of Centre or agreement on sole executive body functions transfer;

1.2.5. **Facility** is an housing and public-utilities real estate facility that is: dwelling house (their parts), apartments, rooms as well as shares in the right of shared ownership fro dwelling houses, their parts, apartments, rooms, included into non-core asset register of IDGC of Centre and which is subject to management according to action strategy approved in this register.

1.2.6. **Dwelling stock** is complex of Facilities owned by IDGC of Centre and which are on the books of the executive office of IDGC of Centre, of branches of IDGC of Centre, or which are in ownership of subsidiary (affiliate) of IDGC of Centre;

1.2.7. **Committee** is a committee for housing and public-utilities facilities management, which is a body exercising functions on stipulation of conditions of the Facilities management;

1.2.8. **Buyer** is an individual (individuals) who lives and is registered per address of the Facility;

1.2.9. **Sale and purchase agreement** is a real estate sale and purchase agreement in which one party (vendor) shall transfer the Facility into ownership to another party (vendee) and vendee shall accept this Facility and pay fixed sum of money (price) for it. Sale and purchase agreement is concluded in writing by means of execution of single document signed by the parties;

1.2.10. **Agreement price** is cost of the Facility fixed on the basis of decision of Sole executive body of IDGC of Centre in Sale and purchase agreement paid by the Vendee according to the conditions of the Sale and purchase agreement;

1.2.11. **Enterprise** (term is used for determination of number of years of employment) are legal entities to which, within the framework of this Regulation, the following legal entities belong:

- State enterprises transformed later on into Bryanskenergo, JSC; Belgorodenergo, JSC; Voronezhenergo, JSC; Kurskenergo, JSC; Lipetskenergo, JSC; Oryolenergo, JSC; Tambovenergo, JSC; Smolenskenergo, JSC; Tverenergo, JSC; Kostromaenergo, JSC; Yarenergo, JSC by means of privatization procedure;
- Bryanskenergo, JSC; Belgorodenergo, JSC; Voronezhenergo, JSC; Kurskenergo, JSC; Lipetskenergo, JSC; Oryolenergo, JSC; Tambovenergo, JSC; Smolenskenergo, JSC; Tverenergo, JSC; Kostromaenergo, JSC; Yarenergo, JSC
- companies founded in the process of reorganization of RAO UES of Russia, JSC;
- IDGC of Centre;
- Subsidiaries and affiliates and organizations founded in connection with transfer of certain types of activity of all above mentioned companies (for instance transport services, repair works, IT-services) to outsourcing.

1.3.12. **Market value** is the most probable price determined on the basis of independent appraiser's report at which the Facility may be alienated in the competitive open market when the parties act reasonably holding all necessary information and any emergency circumstances do not influence the price amount;

1.3.13. **Valuation report** is a document executed according to the legislation of the Russian Federation on valuation activities, standards and rules of valuation activity specified by the self-regulated organization of appraisers, the member of which the appraiser who has prepared the report containing the appraiser's professional opinion concerning the Facility value confirmed on the basis of collected information and calculations is.

1.3.14. **Discount of the Market value** is size of possible diminution in value of the Facility in comparison with its Market value indicated in the Valuation report;

1.3.15. **Payment by installments** is a way of agreement price payment by the Vendee at which payments are made not in a lump sum but by installments on the due date fixed by the Sale and purchase agreement on the basis of the decision of the Committee.

2. GOALS AND TASKS

2.1. Goal of this Regulation is specification of main principles, procedure and conditions of IDGC of Centre housing and public-utilities facilities management.

2.2. The main tasks of this Regulation are:

2.2.1. reduction of quantity of non-core assets owned by IDGC of Centre;

2.2.2. reduction of expenses of IDGC of Centre related to maintenance and repair of the Facilities;

2.2.3. optimization (simplification) of the procedure of the Facilities management, providing of transparency, publicity and openness of the process of Dwelling stock sale. Transparency, publicity and openness of this process are realized by posting of this Regulation on the official Web-site of the Company, by statements related to realization of decisions taken regarding the Facilities within the frameworks of quarterly reports of Sole executive body of IDGC of Centre in course of non-core assets sales presented for consideration of the Board of Directors of IDGC of Centre.

3. GENERAL PROVISIONS ON HOUSING AND PUBLIC-UTILITIES FACILITIES MANAGEMENT

3.1. IDGC of Centre housing and public-utilities facilities management is performed as follows:

3.1.1. sale of the Facility to an individual (individuals) registered in the Facility (to the Vendee) by means of conclusion of the Sale and purchase agreement between the Vendee and IDGC of centre without preliminary approval by the Board of Directors of IDGC of Centre except in the cases specified in the clause 4.1.6. of this Regulation;

3.1.2. sale of the Facility in the procedure provided by the Standard for consideration and approval of transactions with property or rights for property planned by subsidiaries and affiliates of IDGC Holding, JSC (the Order dated 05.09.2008 No. 40), by the Standard for organization of non-core assets sale of IDGC Holding, JSC and subsidiaries and affiliates of IDGC Holding, JSC (Appendix to the Order of IDGC Holding, JSC dated 20.10.2008 No. 71) in case if individual (individuals) is (are) not registered in the Facility;

3.1.3. Facility transfer to the municipal ownership in accordance with the procedure established by current law considering restrictions for all necessary corporate procedures provided by the constituent documents of IDGC of Centre as well as by the Standard for consideration and approval of transactions with property or rights for property planned by subsidiaries and affiliates of IDGC Holding, JSC (the Order dated 05.09.2008 No. 40). Facility transfer to the municipal ownership is made by IDGC of Centre in case of refusal of person (persons) registered in the Facility from its purchase. At sale of the Facility or at its transfer to the municipal ownership IDGC of centre transfers the facilities of engineering infrastructure to the municipal ownership including free of charge. At free of charge transfer of housing and public-utilities facilities the evaluation of the market value is not required.

4. GENERAL PROVISIONS ON HOUSING AND PUBLIC-UTILITIES FACILITIES SALE

4.1. Sale of the Facility to an individual (individuals) registered in the Facility (to the Vendee) provided by the clause 3.1.1. of this regulation is made by IDGC of Centre as follows:

4.1.1. Individual (individuals) registered in the Facility (the Vendee) send(s) an application (in writing) on intention to buy the Facility addressed to Sole executive body of IDGC of Centre enclosing the following package of documents:

- copy of passport of the Vendee of the Facility (in case of shared ownership the correspondent copies of passports, of birth certificates of all Vendees);

- certificate issued Passport Office concerning number and composition of persons registered in the Facility;
- certificate issued by authorized governmental bodies concerning availability/absence of real estate in the Vendee's ownership;
- commercial lease agreement (including available additional agreements) of the Facility;
- certificate about absence of indebtedness under the Facility commercial lease agreement (if it was concluded) or in respect of payment of rendered public services (if the commercial lease agreement was not concluded);
- copy of work record-book;
- other documents confirming information stated in the application including availability of privileges.

4.1.2. The following categories of persons registered in the Facility of IDGC of Centre are entitled to conclude the Sale and purchase agreement:

4.1.2.1. Employees of the Enterprise;

4.1.2.2. Ex employees of the Enterprise terminated employment in connection with retirement;

4.1.2.3. Ex employees of the Enterprise terminated employment in connection with the Enterprise reorganization that had been being conducted or in connection with transfer of types of activity of the Enterprise (for instance transport services, repair works, IT-services) to outsourcing;

4.1.2.4. Husband (wife), children, parents of deceased employee of the Enterprise;

4.1.2.5. Privileged categories of citizens entitled to receive the state public welfare as a number of welfare services established by the Federal Law dated 17.07.1999 No.178-ФЗ "On state public welfare" (in edition of the Federal Law dated 22.08.2004 No.122-ФЗ, chapter2, articles 6.1, 6.7);

4.1.3. Price of the Facility of Sale and purchase agreement should be equaled to its Market value determined in the Valuation report except in cases specified in the clause 5.1.2. of this Regulation. Sale and purchase agreement payment should be settled in a lump sum in full except in cases specified in the clause 5.1.1. of this Regulation.

4.1.4. Decision on sale (refusal of a sale) of the Facility to the Vendee as well as on exemption (refusal of an exemption) specified in section 5 of this Regulation to him is taken by Sole executive body of IDGC of Centre on the basis of documents specified in the clause 4.1.1. of this Regulation presented by the Vendee of Committees' decisions taken in accordance with the procedure provided by the regulation on the Committee (Regulation on the Committee for IDGC of Centre housing and public-utilities facilities management is the Appendix No. 1 to this Regulation).

4.1.5. In case of disagreement of the Vendee with the decision of the Committee in respect of the Facility sale or in respect of refusal of such sale he is entitled to go to law for appeal of mentioned decision of the Committee in accordance with current Law of the Russian Federation.

4.1.6. In case if the Sale and purchase agreement in accordance with current Law on joint-stock companies is a major transaction or an interested-party transaction then such agreement is subject to preliminary approval by the Board of Directors of IDGC of Centre.

5. PRIVILEGES AT HOUSING AND PUBLIC-UTILITIES FACILITIES SALE

5.1. Persons specified in the clause 4.1.2. of this Regulation are entitled to have the following privileges at the Facility sale and purchase agreement conclusion:

5.1.1. *Payment by installments of the agreement price by the Vendee.*

5.1.1.1. Payment by installments of the agreement price by the Vendee is granted by the Committee if the length of employment of the Vendee at the Enterprise is:

- 20 years and more – installments to 7 years;
- From 15 to 20 years – installments to 6 years;
- From 10 to 15 years – installments to 5 years;
- From 5 to 10 years – installments to 4 years;
- From 1 to 5 years – installments to 3 years.

5.1.1.2. For citizens specified in the clause 4.1.2.4. of this Regulation the length of employment at the Enterprise of the deceased employee of the Enterprise is accounted.

5.1.2. *Discount of the Market value.*

5.1.2.1. The discount of the Facility Market value is granted by the Committee if the length of employment of the Vendee at the Enterprise is:

- 20 years and more - 70% of the Market value;
- From 15 to 20 years - 60% of the Market value;
- From 10 to 15 years - 50% of the Market value;
- From 5 to 10 years - 40% of the Market value;
- From 2 to 5 years - 30% of the Market value.

5.1.2.2. For citizens specified in the clause 4.1.2.4. of this Regulation the length of employment at the Enterprise of the deceased employee of the Enterprise is accounted.

5.1.2.3. In case of granting of discount of the Market value the Vendee of the Facility pays the tax on the discount size the individual income tax established by the current Law.

5.1.3. The privileges specified in the clauses 5.1.1., 5.1.2. may be granted by the Committee as in total so as separately.

5.1.4. The privileges at the conclusion of the Facility Sale and purchase agreement granting the discount of the Market value to 80 % as well as Agreement price Payments by installments for the period of up to 10 years by the decision of the Committee with account of the length of employment and other document supported circumstances may be granted to persons specified in the clauses 4.1.2.2., 4.1.2.5. of this regulation:

- difficult financial condition if the income of the Vendee is below 1 minimum subsistence income established by the Law of the constituent entity of the Russian Federation;

- the Vendee has State awards of the Russian Federation and foreign states.

5.1.5. The privileges are not granted in the following cases:

- the Vendee has not provided the necessary documents specified in the clause 4.1.1. of this Regulation confirming his right for purchase of the Facility with account of privileges;

- the Vendee does not have length of employment at the Enterprise;

- the Vendee's length of employment at the Enterprise is less than 1 year;
- the Vendee has the indebtedness on payment for the commercial lease and rendered public services;
- the Vendee has other facilities got on the free of charge basis or bought from the Enterprise earlier.

6. CONTROL AND REPORTING

6.1. The performance of measures on IDGC of Centre Facilities management is controlled by the Committee in accordance with the procedure provided by the Regulation on the Committee.

7. FINAL PROVISIONS

7.1. This Regulation comes into force from the moment of its approval at the meeting of the Board of Directors of IDGC of Centre and is subject to enclosure on the official Web-site of the Company.

7.2. This Regulation specifies the decision of the Board of Directors of IDGC of Centre dated 18.12.2008 (Minutes No.21/08) regarding purchase and sale of the Dwelling stock Facilities.