

APPROVED BY:

by the Resolution of the Annual General Meeting of  
Shareholders of Rosseti Centre, PJSC  
20.06.2024 (Minutes # 01/24 of 20.06.2024)

ARTICLES OF ASSOCIATION  
of  
Rosseti Centre,  
Public Joint Stock Company  
(new edition)

Moscow  
2024

## Article 1. General Provisions

1.1. Rosseti Centre, Public Joint Stock Company (hereinafter referred to as "Company") was by the resolution of its founder (Order No. 154r of the Chairman of the Management Board of OJSC RAO UES of Russia dd. December 09, 2004) pursuant to the Civil Code of the Russian Federation, Federal Law "On Joint Stock Companies", other regulations of the Russian Federation On 17 December 2004, an entry was made in the Unified State Register of Legal Entities on the state registration of the Company by the Interdistrict Inspectorate of the Ministry of the Russian Federation for Taxes and Duties No. 1 for the Tver Region under the main state registration number 1046900099498.

1.2. The Company shall carry out its activity in conformity with the Civil Code of the Russian Federation, Federal Law "On Joint Stock Companies", Federal Law "On the Electric Power Industry", Federal Law "On Specific Features of Functioning of the Electric Power Industry During the Transitional Period and on Amendments to Certain Legislative Acts of the Russian Federation and on Invalidation of Certain Legislative Acts of the Russian Federation in Connection with the Adoption of the Federal Law "On the Electric Power Industry", other regulations of the Russian Federation and these Articles of Association.

1.3. **The full trade name of the Company in the Russian language is Публичное акционерное общество «Россети Центр».** The former full trade names of the Company in the Russian language were Публичное акционерное общество «Межрегиональная распределительная сетевая компания Центра», Открытое акционерное общество «Межрегиональная распределительная сетевая компания Центра».

The full trade name in the English language is Public Joint Stock Company «Rosseti Centre».

The former full trade names in the English language were «Interregional Distribution Grid Company of Centre», Public Joint-Stock Company; «Interregional Distribution Grid Company of Centre», Joint-Stock Company.

1.4. **The Company's short trade name in the Russian language is ПАО «Россети Центр».** The former Company's short trade names in the Russian language were ПАО «МРСК Центра», ОАО «МРСК Центра».

The Company's short trade name in the English language is Rosseti Centre, PJSC. The former Company's short trade names in the English language were IDGC of Centre, PJSC; IDGC of Centre, JSC.

1.5. The Company is located at: Moscow, Russia.

Address of the Company is indicated in the unified state register of legal entities.

1.6. The Company is established for an indefinite period.

Subject to the Resolution of the Extraordinary General Meeting of Shareholders of the Company dd. December 25, 2007, the Company has been reorganised by consolidation to it of Belgorodenergo JSC, Bryanskenergo JSC, Voronezhenergo JSC, Kostromaenergo JSC, Kurskenergo JSC, Lipetskenergo JSC, Orelenergo JSC, Smolenskenergo JSC, Tambovenergo JSC, Tverenergo JSC, Yarenergo JSC.

In accordance with:

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Belgorodenergo, JSC dd. January 17, 2008, (Minutes No. 1/08 dd. January 18, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Bryanskenergo, JSC dd. January 18, 2008, (Minutes No. 1/2008 dd. January 21, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Voronezhenergo, JSC dd. January 18, 2008, (Minutes No. w/o dd. January 21, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Kostromaenergo, JSC dd. January 21, 2008, (Minutes No. 22 dd. January 22, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Kurskenergo, JSC dd. January 18, 2008, (Minutes No. 21 dd. January 21, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Lipetskenenergo, JSC dd. January 21, 2008, (Minutes No. w/o dd. January 22, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Orelenergo, JSC dd. January 21, 2008, (Minutes No. 22 dd. January 22, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Smolenskenergo, JSC dd. January 19, 2008, (Minutes No. w/o dd. January 21, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Tambovenergo, JSC dd. January 17, 2008, (Minutes No. 1 dd. January 21, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Tverenergo, JSC dd. January 19, 2008, (Minutes No. 0/19 dd. January 21, 2008),

the transfer certificate approved by the Extraordinary General Meeting of Shareholders of Yarenergo, JSC dd. January 21, 2008, (Minutes No. 1(20) dd. January 22, 2008),

from the date of making an entry into the Uniform State Register of Legal Entities on termination of the activity of Belgorodenergo JSC, Bryanskenergo JSC, Voronezhenergo JSC, Kostromaenergo JSC, Kurskenergo JSC, Lipetskenenergo JSC, Orelenergo JSC, Smolenskenergo JSC, Tambovenergo JSC, Tverenergo JSC, Yarenergo JSC, the Company shall be deemed a legal successor of each mentioned company with respect to all their rights and obligations.

## **Article 2. Legal Status of the Company**

2.1. The Company's legal status is defined by the Civil Code of the Russian Federation, the Federal Law "On Joint Stock Companies", the other laws and regulations of the Russian Federation and these Articles of Association.

2.2. The Company is a corporate person and a public joint stock company under the laws of the Russian Federation.

2.3. The Company has separate property, accounted for on its own balance sheet, and is responsible with it for its obligations and may, in its own name, acquire and exercise property and personal non-property rights, incur responsibilities, appear as plaintiff or defendant in court.

2.4. The Company may in accordance with the stated procedure open bank accounts both in and outside the Russian Federation.

2.5. The Company shall be held liable for its obligations with all property owned by the Company.

The Company shall not be held liable for the obligations of the Russian Federation or any of its Shareholders.

The Company's Shareholders shall not be held liable for the Company's obligations except for the cases provided for by the laws of the Russian Federation.

Every shareholder may sell any shares held by him without consent of the other shareholders or the Company.

The Company's Shareholders shall bear the risk of losses resulting from the Company's business to the extent of value of shares held by them.

2.6. The Company has a round seal with its full Russian trade name and official business address engraved on it.

The Company may have stamps and official forms with its trade name, own symbol as well as its trade mark registered in accordance with the established procedure and other means of identification.

2.7. The Company has civil rights and obligations necessary to conduct any other activities which are legal under the Russian Law.

2.8. The Company may establish branch offices and representative offices in accordance with the provisions of the Civil Code of the Russian Federation, the Federal Law "On Joint Stock Companies" and other federal laws.

The Company's branches and representative offices are not legal entities.

The Company's branches and representative offices are endowed with the property by the Company that created them and act on the basis of the regulations approved by the Company.

The head of the Company's branch or representative office shall be appointed by the General Director of the Company and shall act under the Power of Attorney issued by the Company.

The Company shall be held liable for business of its branches and representative offices.

Information on branches and representative offices of the Company, if any, shall be specified in the Unified state register of legal entities.

2.9. The Company may have daughter business companies in the Russian Federation, incorporated in accordance with the Federal Law "On Joint Stock Companies", other Federal laws and these Articles of Association and outside the Russian Federation the above-said daughters shall be subject to the laws of the countries in which they are incorporated unless otherwise provided for by international agreements to which the Russian Federation is a party.

2.10. The business company in which the share of the Company is more than 20 (Twenty) percent of voting shares (shares) for the purpose of these Articles of Association is recognized as dependent.

### **Article 3. Goal and Scope of the Company's Business**

3.1. The Company's core activities include:

- making profit;
- providing effective and reliable operation of the electric distribution grid facilities;
- providing sustained development of the electric distribution grid facilities;
- providing secure and high-quality power supply to customers (in terms of supply and transmission of electric power);

3.2. For the purposes of profit making and own benefit the Company shall be entitled to perform any activity not prohibited by the law including:

- providing electric power transmission services;
- operational dispatching management;
- providing services in connection of power-receiving devices (power units) of legal entities and individuals to the electric grid;
- performing functions of collecting, transfer and processing of technological information including measuring and metering data;
- performing control of the secure service of electric units of the customers connected to the electric grids of the company;
- operation of electric grids;
- rendering services in execution of the powers of the sole executive body of business entities;
- providing property trust services;
- performing securities transactions in accordance with the procedure provided for by the applicable laws of the Russian Federation;
- agency business;
- estimate, exploration, scientific research and design work;
- rendering of forwarding services;
- rendering consulting, advisory and information services;
- performing work determining the conditions of parallel operation in accordance with regulations of Unified Energy System of Russia in terms of contractual relationship;
- operation of power facilities not accounted on the Company's balance sheet under agreements with their owners.
- securing operation and good order of the electric grid equipment in accordance with existing regulatory requirements, maintenance support, malfunction diagnostic, repair of electric grids and other electric grid facilities;

- carrying out tests and measurements of power units (including owned by the customers);
- securing operation and good order, maintenance support, malfunction diagnostic and repair of engineering connection grids, measuring and accounting equipment, protective relay equipment and emergency control schemes and other plant and equipment connected with operation of electric grid facilities;
- development of long-term forecasts, perspective and current plans of electric grid facilities development, target integrated scientific and technical, economic and social programs;
- development of electric grids and other electric grid facilities including design, engineering survey, construction, restoration, technical re-equipment, assembling and adjustment;
- development of engineering communication and remote control networks, measuring and metering equipment, protective relay equipment and emergency control circuits and other plant and equipment connected with operation of electric grid facilities, including design, engineering survey, construction, restoration, technical re-equipment, installation and adjustment;
- operation of dangerous industrial facilities;
- conducting activities in terms of research, development and engineering works, including design, development, implementation of new and improving existing equipment, technologies and methods to improve the reliability, quality, efficiency and sustainability of power supply to consumers, creation of conditions for development of the power system of Russia, the implementation of R&D programs and innovation programs, involvement in industry R&D funds;
- organization and performance of manufacturing control over compliance with industrial safety requirements of dangerous industrial facilities;
- arrangement of labour safety;
- elimination of technological violations at the electric power grid facilities;
- carrying out activities connected with environment-oriented work and services;
- activities connected with any environmental impact, and production, collection, utilisation, neutralisation, storage, dumping, removal, transportation and disposal of industrial waste;
- water bodies exploitation;
- use of natural resources including subsurface and forest resources;
- activities in the field of metrology;
- manufacture and repair of measuring equipment;
- rendering services in mounting, repair and maintenance of devices and tools for measurement, control, testing, guidance, location and other purposes;
- hazardous waste management;
- carrying out fire prevention activities;
- performing mounting, repair and maintenance of means providing fire safety of buildings and structures;
- arrangement and carrying out work with personnel including training and retraining, check of personnel awareness of operating rules, fire and labour safety and other rules and regulations in accordance with existing regulations of electric power companies;
- transportation of passengers and cargoes by automobile, railway, air and inland water transport (including with respect to the dangerous cargoes);
- activities connected with maintenance and repair of rolling stock at the railway transport;
- activities connected with maintenance and repair of technical equipment used at the railway transport;
- handling activities at the railway transport (including with regard to dangerous cargoes);
- handling activities in inland water transport (including with regard to dangerous cargoes);
- operation, maintenance and repair of automobile, railway, air, inland water transport and hoisting machines, used for technological purposes;

- foreign economic activity;
- oil, gas and refinery products storage;
- execution of construction manager functions;
- construction control of capital construction projects;
- execution of engineering surveys of capital construction projects (except for especially dangerous, technically complex and unique facilities, facilities for the use of atomic energy);
- preparation of design documentation for capital construction projects;
- implementation of construction, reconstruction and overhaul activities;
- local, intrazone and long-distance telephone communications services;
- communication channels lease;
- telematic services (including e-mail, access service to information resources, information service unit, facsimile services, Comfax services, Bureaufax services, message handling service, voice message service, voice information delivery services);
- data services;
- use of orbital-frequency resources and high frequency for TV and radio broadcasting (including broadcasting additional information);
- lease of buildings, structures, machines and devices;
- implementation of organizational, practical and preventive measures to ensure integrated security (anti-terrorism and anti-criminal defense, economic security, anti-corruption and information security);
- technical protection of confidential information;
- arrangement and carrying out activities connected with mobilisation training, civil defence, emergency prevention and liquidation;
- protection of national security information, performing work connected with use of information presenting national security information in accordance with laws and other regulations of the Russian Federation;
- arrangement and carrying out activities regarding provision of security and protection of information presenting commercial secret;
- purchase (receipt) of electric power (capacity) at the wholesale electric power market and from electric power producers at the retail market for the purposes of resale to the customers at the retail market in the event of assigning status of guaranteed electric power supplier in accordance with the procedure provided for by the laws of the Russian Federation;
- sale (supply) of electric power (capacity) to the customers at the retail market in the event of assigning status of guaranteed electric power supplier in accordance with the procedure provided for by the laws of the Russian Federation;
- medical activity (including sanatorium and resort service);
- educational activities;
- operation and maintenance of facilities accountable to Federal Service of Environmental, Technological and Nuclear Supervision of the Russian Federation (Rostekhnadzor);
- activities in the area of energy saving and increase of energy efficiency;
- activities in the field of energy audit and provision of energy services;
- development of unplanned outage schedules to limit consumption;
- execution of check measurements of load flow, load and voltage levels in electrical networks of electrical power systems;
- assessment of work places in terms of labour conditions;
- carrying out other activities permitted by the existing law of the Russian Federation.

3.3. In cases, stipulated by law, the Company may do separate kinds of activity only on the basis of a special permit (license), of membership in a self-regulatory organization, or issued by self-regulating organization certificate on the admission to a certain kind of work. The Company's right to perform any activity for which it is necessary to obtain a special permit (license), membership in a self-

regulatory organization or to obtain a certificate of the self-regulatory organization on the admission to a certain kind of works, arises from the moment of receipt of such permission (license) or into the specified in it term either from the moment the entry of the Company in the self-regulating organization or issue by the self-regulating organization of a certificate on the admission to a certain kind of work and stops at the termination of the permit (license), membership in the self-regulatory organization or issued by the self-regulatory organization of the certificate on admission to a particular type of work.

#### **Article 4. The Company's Authorised Capital**

4.1. The Authorised Capital of the Company consists of the par value of the Company's shares acquired by the Shareholders (issued shares).

The Authorised Capital of the Company is RUB 4,221,794,146 (four billion two hundred and twenty-one million seven hundred and ninety-four thousand one hundred and forty-six) 80 copecks.

4.2. The Company has issued ordinary shares with par value of 10 (ten) copecks each in the amount of 42,217,941,468 (forty-two billion two hundred and seventeen million nine hundred and forty-one thousand four hundred and sixty-eight) shares for the total amount of par value of RUB 4,221,794,146 (four billion two hundred and twenty-one million seven hundred and ninety-four thousand one hundred and forty-six) 80 copecks.

4.3. The Company's Authorised Capital may be:

- boosted by increasing the par value of the shares or offering additional shares;
- reduced by decrease of the shares' par value or reduction of their total number, including by acquisition or redemption of a part of the shares issued by the Company in accordance with these Articles of Association.

4.4. Increase of the Authorised Capital shall be allowed only after its full payment.

Payment for additional shares placed by the Company by offsetting claims to the Company is permitted in cases provided for by the Federal Law "On Joint Stock Companies".

4.5. The Company has the right, and in the cases provided for by the Federal Law "On Joint Stock Companies", is obliged to reduce its authorized capital.

Reduction of the Company's Authorised Capital shall be performed in accordance with the procedure provided for by the laws of the Russian Federation and these Articles of Association.

A decrease in the authorized capital of the Company is not allowed if, as a result of this decrease, the amount of the authorized capital of the Company becomes less than the minimum amount of the authorized capital determined in accordance with the Federal Law "On Joint Stock Companies" as of the date of submission of documents for state registration of the relevant changes in these Articles of Association, and in cases if in accordance with the Federal Law "On Joint Stock Companies" the Company is obliged to reduce its authorized capital, - on the date of state registration of the Company.

4.6. The Company declares in addition to the issued shares 258,532 (Two hundred and fifty-eight thousand five hundred and thirty-two) ordinary shares with nominal value of 10 (Ten) copecks per share for the total amount of par value of 25,853 (Twenty-five thousand eight hundred and fifty-three) roubles and 20 copecks.

Ordinary shares declared by the Company for issue shall grant their holders the rights provided for by Clause 6.2. of these Articles of Association.

#### **Article 5. Shares, Bonds and other Securities of the Company**

5.1. The Company issues ordinary shares and may issue one or more types of privileged shares, bonds and other equity securities in compliance with the procedure established by the laws of the Russian Federation.

5.2. The procedure for converting the Company's equity securities into shares is determined by

the decision on the issue of equity securities convertible into shares.

5.3. In the event of conversion into shares at the request of the owners of the Company's equity securities converted into shares, the period during which the owners have the right to present or withdraw the conversion requirements cannot be less than 20 days.

5.4. Requirements for conversion of equity securities into shares or revocation of such requirements shall be made in accordance with the rules of the legislation of the Russian Federation on securities.

5.5. Ordinary shares shall not be converted into privileged shares, bonds or other securities.

5.6. Conversion of equity securities into shares of the Company is not allowed if the aggregate price of placement of equity securities convertible into shares is less than the aggregate par value of additional shares of the Company into which these securities are converted. The shares and other equity securities, convertible into shares, shall be issued by the Company in accordance with laws of the Russian Federation.

5.7. The Company shall be entitled to issue additional shares and other equity securities by their offering and conversion. In the event of an increase in the authorized capital of the Company from its property, the Company shall place additional shares by distributing them among shareholders.

5.8. If, as a result of execution of the pre-emptive right to purchase additional shares or the consolidation of shares, a shareholder cannot acquire the integer quantity of shares, the shares may be split into parts ("Fractional Shares").

A fractional share entitles its holder with the rights granted by a share of a respective category (type) to the extent proportional to the part of a whole share covering such fractional share.

Fractional shares shall be traded on the same terms and conditions as whole shares. Should one person purchase two or more fractional shares of one and the same category (type), such shares form one whole and (or) a fractional share equal to the sum of these fractional shares.

5.9. Form of payment for additional shares placed by subscription is determined by the decision on their placement, and should meet the requirements of the legislation of the Russian Federation.

Other equity securities shall be paid in cash only.

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

6.1. A Company's Shareholder shall be a person holding the Company's shares in accordance with the conditions provided for by the laws of the Russian Federation and these Articles of Association.

6.2. Each ordinary share of the Company shall provide its holder with equal scope of rights.

The holders of the ordinary shares of the Company shall be entitled to:

1) participate personally or by proxy in the General Meeting of Shareholders with the right to vote on all issues within its competence;

2) make proposals to the agenda of the General Meeting of shareholders of the Company in accordance with the procedure provided for by the laws of the Russian Federation and these Articles of Association;

3) receive information on the Company's business and familiarise with the Company's documents in accordance with Article 91 of the Federal Law "On Joint Stock Companies", other regulations and laws and these Articles of Association.

4) receive dividends declared by the Company;

5) pre-emptive right of acquisition in cases and in the manner prescribed by the legislation of the Russian Federation, placed by subscription:

– additional shares and equity securities convertible into shares, in an amount proportional to the number of ordinary shares they hold;

– newly placed additional shares of a new category (type) and equity securities convertible into them or additional preferred shares with priority in the order of receipt of dividends and equity



securities convertible into them in an amount proportional to the number of shares of the Company they hold in accordance with the requirements of the legislation of the Russian Federation;

6) in case of liquidation of the Company, receive part of its property remaining after settlements with creditors, or its value, in the manner prescribed by the legislation of the Russian Federation;

7) appeal against the decisions of the Company's management, entailing civil consequences in the cases and in the manner provided for by the legislation of the Russian Federation;

8) claim, acting on behalf of the Company, compensation for losses caused to the Company;

9) challenge transaction of the Company on the grounds provided by the legislation of the Russian Federation and require the application of the consequences of their invalidity, as well as the application of consequences of invalidity of void transactions of the Company;

10) conclude among themselves, as well as with the Company's creditors and other third parties agreement on the implementation of corporate rights (shareholders' agreement);

11) exercise other rights provided by the legislation of the Russian Federation and these Articles of Association.

6.3. Shareholders on the basis of an agreement with the Company have the right, for the purpose of financing and maintaining activities of the Company, at any time to contribute to the Company's property gratuitous deposits in cash or in any form that does not increase the authorized capital of the Company and does not change the nominal value of shares (stakes in the property of the Company). The property contributed by shareholders as a contribution must belong to the types specified in paragraph 1 of Article 66.1 of the Civil Code of the Russian Federation.

The contract, on the basis of which, the shareholder contributes to the property of the company, must be preliminarily approved by the decision of the Board of Directors of the Company.

6.4. Shareholders - owners of ordinary shares of the Company are obliged:

1) to participate in the formation of the Company's property in the required amount in the order and terms provided by the legislation of the Russian Federation or the Charter of the Company;

2) not to disclose confidential information about the Company;

3) to participate in decision-making, without which the Company cannot continue its activity in accordance with laws of the Russian Federation, if his participation is necessary to make such decisions;

4) not to commit action, obviously aimed at the infliction of harm to the Company;

5) not to commit actions (inaction), that significantly make it difficult to, or make it impossible to achievement of the objectives, for the sake of which the Company was created;

6) to notify the Company about the fact of entering into a corporate contract in the manner and terms established by the legislation of the Russian Federation;

7) to notify in advance other shareholders of the Company of the intention to file a lawsuit against the decision of the General Meeting of Shareholders of the Company and/or to compensate losses caused to the Company or to recognize the transaction of the Company as invalid or to apply the consequences of the invalidity of the transaction by sending a notice to the Company in writing, which must be received by the Company at least five days prior to the day of applying to the court.

Shareholders of the Company may carry out other duties provided by the legislation of the Russian Federation or these Articles of Association.

## **Article 7. Dividends**

7.1. The Company shall be entitled to adopt resolution on (declare) payment of dividends on issued shares for the first quarter, six months, nine months of the financial year and (or) for the

financial year. The resolution on payment (declaration) of dividends for the first quarter, six months and nine months of the financial year may be adopted within three months after the end of the respective period.

The Company shall pay all dividends that are declared on each category (type) of its shares, unless otherwise stipulated by the Federal Law "On Joint Stock Companies".

7.2. Decision on payment (declaration) of dividends is made by the General Meeting of Shareholders. The indicated decision shall determine amount of dividends on shares of each category (type), form of payment, procedure of payment of dividends in kind, and the date on which persons entitled to receive dividends is recorded.

In doing so the decision in terms of setting the date on which the persons entitled to receive dividends is recorded shall be made by the Company's Board of Directors.

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

The General Meeting of the Company's Shareholders shall be entitled to adopt a resolution on non-payment of dividends on ordinary shares.

7.3. In cases provided for by laws of the Russian Federation the Company may not adopt a resolution on (declare) payment of dividends on shares and pay declared dividends on shares.

7.4. The dividends shall be paid out of the Company's profit net of tax (net profit of the Company). The Company's net profit is determined on the basis of the accounting (financial) statements of the Company.

7.5. Dividend payment period for a nominal holder and a beneficial owner being a professional securities market participant, who are recorded in the register of shareholders, shall not exceed 10 working days, and other recorded persons in the register of shareholders - 25 working days from the date on which the persons entitled to receive dividends is recorded.

The date, on which in accordance with the decision on payment (declaration) of dividends the persons entitled to receive them is recorded, cannot be earlier than 10 days from the date of the decision on payment (declaration) of dividends and not later 20 days from the date of such decision.

Dividends are paid to persons who were owners of shares of the corresponding category (type) or persons exercising rights under these shares in accordance with federal laws, at the end of the operating day of the date on which, in accordance with the decision on the payment of dividends, persons entitled to receive them are recorded.

Dividends in monetary form are paid by bank transfer by the Company or on behalf of the registrar, which maintains the register of shareholders of the Company, or a credit institution.

Payment of dividends in cash to individuals, whose rights to shares are recorded in the register of shareholders of the Company, is made by transfer of funds to their bank accounts or special accounts of operators of financial platforms, opened in accordance with the Federal Law "On the execution of financial transactions using a financial platform", the details of which are available from the registrar of the Company, or in the absence of information about bank accounts, special accounts of operators of financial platforms by money order, and to other persons, whose rights to shares are recorded in the register of shareholders, by transferring money to their bank accounts. Obligation of the Company to pay dividends to such persons shall be considered performed from the date of receiving remittances by an organization of the federal postal service or from the date of receipt of funds in the credit institution in which a bank account of the person entitled to receive dividends is opened, and in the case if such a person is a credit organization - to its account.

Persons, who are entitled to receive dividends and whose rights for shares are recorded at a nominal holder of shares, receive dividends in cash in accordance with the legislation of the Russian Federation on securities. A nominal holder, whom dividends were transferred and who did not fulfill his obligation to transfer them as stipulated by the legislation of the Russian Federation on securities, for reasons beyond his control, is obliged to return them to the Company within 10 days after the expiration of one month from the end date of the payment of dividends.

7.6. A person who has not received declared dividends due to the fact that the Company or the Registrar have no exact and necessary address information or bank details, or in connection with a delinquent creditor, may file a claim for the payment of such dividends (unclaimed dividends) within three years from the date of the decision on their payment.

The term to refer to the requirement of payment of unclaimed dividends if missed cannot be restored, except if the person entitled to receive dividends, had not filed the claim under the influence of violence or threats.

After expiry of such term declared and unclaimed dividends to shareholders are restored in retained profit of the Company, and the obligation to pay them is terminated.

## **Article 8. The Company's Funds**

8.1. The Company shall establish the Company's Reserve Fund in the amount of 5 (Five) percent of the Company's Authorised Capital.

The amount of annual mandatory deductions to the Company's Reserve Fund shall be not less than 5 (Five) percent of the Company's net profit until the reserve fund reaches the established amount.

8.2. The Company's Reserve Fund shall be established for covering losses incurred by the Company, as well as redemption of the Company's bonds and purchase of the Company's shares in case of absence of other available assets.

The Company's Reserve Fund may not be used for other purposes.

8.3. The Company has the right to form other funds in accordance with the requirements of the legislation of the Russian Federation.

## **Article 9. Management and Control Bodies of the Company**

9.1. The Company shall have the following management bodies:

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

9.2. The Company's business activities shall be controlled by the Audit Commission.

## **Article 10. General Meeting of the Company's Shareholders**

10.1. The General Meeting of Shareholders shall be the supreme management body of the Company.

10.2. The competence of the General Meeting of Shareholders shall include the following issues:

- 1) amending the Company's Articles of Association or approval of the revised Company's Articles of Association;
- 2) the Company's reorganisation;
- 3) the Company's liquidation, appointment of the Liquidation Committee and approval of intermediate and final liquidation balance sheet;
- 4) determination of the quantity, par value, category (type) of the authorised shares and rights granted by these shares;
- 5) increase of the Company's Authorised Capital by increasing the par value of the existing shares or by issuing additional shares;
- 6) reduction of the Company's Authorised Capital through reduction of the shares' par value, purchase of part of the shares by the Company to reduce their total number or by redemption of shares acquired or purchased by the Company;
- 7) splitting and consolidating of the Company's shares;
- 8) adoption of resolution on issuing bonds by the Company and other securities convertible

into shares;

9) determination of the total number of members of the Board of Directors of the Company, election of its members and early termination of their powers;

10) election of members of the Audit Commission of the Company and early termination of their powers;

11) appointment of the audit organization of the Company;

12) adopting a resolution on transfer of powers of the Company's sole executive body to a managing company (manager) or on early termination of the powers of the managing company (manager);

13) approval of the annual report, annual accounting (financial) statements of the Company;

14) profit distribution (including the payment (declaration) of dividends, except for the payment (declaration) of dividends according to the results of the first quarter, six months, nine months, reporting year) and losses of the Company according to the results of the reporting year;

15) payment (declaration) of the dividends according to the results of the first quarter, six months, nine months of the reporting year;

16) establishing the procedure for the General Meeting of the Company's Shareholders.

17) adopting resolutions on consent to making or on subsequent approval of related party transactions in the cases provided for by Article 83 of Federal Law "On Joint Stock Companies";

18) adopting resolutions on consent to making or on subsequent approval of major transactions in the cases provided for by Article 79 of Federal law "On Joint Stock Companies";

19) adopting resolution on participation in financial industrial groups, associations and other unions of profit making organisations;

20) approval of internal documents, regulating activities of the Company's bodies;

21) adopting resolution on payment of remunerations and (or) compensations to the members of the Company's Audit Commission.

22) adopting resolution on payment of remunerations and (or) compensations to the members of the Company's Board of Directors;

22) decision on the handling of the application for delisting of shares of the Company and (or) securities of the Company convertible into its shares;

23) acquisition by the Company of placed shares in cases stipulated by the Federal Law "On Joint Stock Companies";

24) adopting resolutions on other issues provided for by the Federal law "On Joint Stock Companies".

10.3. The issues referred to the competence of the Company's General Meeting of Shareholders may not be dealt with by the Company's Board of Directors, Management Board or General Director of the Company, unless otherwise provided by the Federal Law "On Joint Stock Companies".

The Company's General Meeting of Shareholders shall not be entitled to deal with and adopt resolutions on issues not referred to its competence by the Federal law "On Joint Stock Companies".

10.4. The resolution of the Company's General Meeting of Shareholders on a voting issue is adopted by the majority of votes of the holders of the Company's voting shares taking part in the meeting unless otherwise provided for by the Federal Law "On Joint Stock Companies". For each issue put to a vote, only a separate (independent) decision can be taken.

10.5. The General Meeting of Shareholders shall adopt resolutions on the following issues by the three-quarters majority of votes of the holders of the Company's voting shares taking part in the General Meeting of Shareholders:

- amending the Company's Articles of Association or approval of the revised Articles of Association;

- the Company's reorganisation;

- the Company's liquidation, appointment of the Liquidation Committee and approval of intermediate and final liquidation balance sheet;

- determination of the quantity, par value, category (type) of the authorised shares and rights granted by these shares;
- reduction of the Authorised Capital of the Company by reducing the par value of the shares;
- issue of shares (equity securities of the Company convertible to shares) by private offering by the Resolution of the General Meeting of the Company's Shareholders on increase of the Authorised Capital of the Company by issue of additional shares (on issue by the Company of the equity securities convertible to shares);
- issue by public offering of ordinary shares comprising over 25 (Twenty five) percent of the previously issued ordinary shares;
- issue by public offering of equity securities convertible into ordinary shares, which can be converted into ordinary shares that constitute more than 25 (Twenty five) percent of previously placed ordinary shares;
- adopting resolutions on consent to making or on subsequent approval of a major transaction, in the cases provided for by Article 79 of the Federal Law "On Joint Stock Companies";
- taking decision on the handling of the application for delisting of shares of the Company and (or) securities of the Company convertible into its shares;
- acquisition by the company of outstanding shares in cases provided for by the Federal Law "On Joint Stock Companies";
- in other cases provided for by the Federal law "On Joint Stock Companies".

Resolutions on consent to making or on subsequent approval of a related-party transaction in accordance with Article 83 of the Federal Law "On Joint Stock Companies" shall be adopted by the General Meeting of the Company's Shareholders by the majority of votes of shareholders - owners of voting shares participating in the meeting and who are not related to the transaction or controlled by persons related to its completion.

The General Meeting of Shareholders, when making a decision on consent to the commission or subsequent approval of a related-party transaction, shall be deemed valid regardless of the number of shareholders not related to the corresponding transaction - owners of voting shares of the company taking part in it.

10.6. Resolutions on issues provided for by Sub-clauses 2, 5, 7, 8, 12-21, 24 of Clause 10.2 of Article 10 of these Articles of Association, as well as on reduction of the Company's Authorised Capital by reducing the par value of shares, as well as the record date on which persons are entitled to receive dividends, shall be adopted by the General Meeting of the Company's Shareholders only upon the proposal of the Company's Board of Directors.

10.7. The General Meeting of the Company's Shareholders may not review and adopt resolutions on items not included in the agenda of the General Meeting of Company's Shareholders, or change the agenda.

Resolutions adopted by the General Meeting of Shareholders on items not included in the agenda of the General Meeting of Shareholders (except for the cases when all Shareholders of the Company take part in the meeting) or violating the competence of the General Meeting of Shareholders when the quorum is not reached or without majority of votes of Shareholders necessary to adopt such resolution shall be deemed void irrespective of any appeal in an action at law.

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

In a cumulative voting the number of votes owned by each Shareholder shall be multiplied by the number of persons which shall be elected to the Board of Directors of the Company and each Shareholder may either cast all of the votes calculated in this way for one nomination or distribute them between two or more nominations.

Candidates that obtained the majority of votes shall be deemed appointed to the Board of

Directors of the Company.

10.9. The General Meeting of Shareholders is held at the Company's location in Moscow.

The actual address of holding General Meeting of the Company's Shareholders shall be specified by the Board of Directors upon dealing with issues connected with holding General Meeting of Shareholders.

10.10. The Chairman of the Board of Directors shall hold the chair at the General Meeting of the Company's Shareholders.

Should the Chairman of the Board of Directors be absent at the General Meeting of the Company's Shareholders, the functions of Chairperson shall be performed by the Deputy Chairman of the Board of Directors.

Should the Chairman of the Board of Directors and its Deputy be absent at the General Meeting of the Company's Shareholders, the functions of Chairperson shall be performed by any member of the Board of Directors appointed by the Company's Board of Directors or elected by members of the Board of Directors present at such of such General Meeting of Shareholders.

If persons holding a chair at the General Meeting of the Company's Shareholders in accordance with this Clause are absent at the Extraordinary General Meeting held by resolution of persons entitled to convene the Extraordinary General Meeting, the Chairman of such General Meeting of the Company's Shareholders shall be the person that decided to hold Extraordinary General Meeting of the Company's Shareholders (or its representative) or if the Extraordinary General Meeting of the Company's Shareholders was convened at the initiative of several persons the Chairperson shall be one of such persons agreed by their resolution.

10.11. Should all voting shares of the Company be held by the Sole Shareholder, resolutions on issues pertained to the competence of the General Meeting of the Company's Shareholders shall be adopted by such Shareholder (authorised management body of such Shareholder), executed in writing and communicated to the Company. In this event the provisions Articles 10-15 of these Articles of Association stipulating the terms of and procedure for preparation, convocation and holding of the General Meeting of Shareholders shall not be applied except for the provisions concerning the terms of holding the Annual General Meeting of Shareholders.

10.12. The functions of the Tabulation Commission at the General Meeting of Shareholders shall be performed by the professional participant of the securities market keeping the Register of the Company's Shareholders (Registrar of the Company).

### **Article 11. Holding of the Company's General Meeting of Shareholders in the Form of a Meeting (Joint Presence)**

11.1. The Annual General Meeting of the Company's Shareholders shall be held within the period between two and six months following the end of a reporting year.

The Annual General Meeting of the Company's Shareholders shall necessarily deal with issues regarding election to the Board of Directors of the Company, Audit Commission of the Company, appointment of an audit organization of the Company, approval of the annual report, annual accounting (financial) statements, as well as profit distribution (including the payment (declaration) of dividends, except for payment (declaration) of dividends according to the results of the first quarter, six months, nine months of the reporting year) and losses of the Company according to the results of the reporting year, as well as other issues pertaining to the competence of the General Meeting of the Company's Shareholders.

11.2. The General Meeting of the Company's Shareholders may be held in form of a meeting (compresence) of the Shareholders (their proxies) to discuss the items on the agenda and adopt resolutions on issues put to vote.

Resolutions of the General Meeting of Shareholders may be taken by an absentee ballot (by

poll), including voting by electronic or other technical means, in accordance with Article 12 of these Articles of Association.

11.3. The list of persons entitled to participate in General Meetings of the Shareholders shall be made in accordance with the rules of the legislation of the Russian Federation on securities to record a list of persons exercising rights under securities.

The date of determining (recording) persons entitled to take part in the Company's General Meeting of Shareholders cannot be established earlier than 10 (ten) days from the date of adopting resolution on convening the General Meeting of the Company's Shareholders and not later than 25 (Twenty five) days before the date of holding the General Meeting of Shareholders, and in the case provided for in subparagraph 14.9. and 14.11. of these Articles of Association - more than 55 (Fifty five) days before the date of the General Meeting of Shareholders.

In the event of holding the Company's General Meeting of Shareholders whose agenda contains the issue of reorganizing the company, the date on which persons entitled to participate in such meeting are determined (recorded) shall not be established later than 35 (Thirty five) days before the date of the general meeting of shareholders.

The date of determining (recording) persons entitled to attend the General Meeting of Shareholders of the Company is disclosed at least 7 (Seven) days prior to that date.

The list of persons entitled to participate in the General Meeting of Shareholders (with the exception of information on their will) is submitted by the Company for review at the request of a person included in the specified list and possessing not less than 1 (one) percent of votes on any item on the agenda of the General Meeting of Shareholders from the date following the date of receipt by the Company of the requirement to provide the specified list (from the date of making the specified list, if such a request was received by the Company until the date of its preparation). The list of persons entitled to participate in the General Meeting of Shareholders (except for information on their will) is provided by the Company for review at the premises of the executive body of the Company, and should also be available for review during the General Meeting of Shareholders at its venue. At the same time, information allowing identification of individuals included in the specified list, with the exception of the last name, first name, patronymic, (if any) is provided only with their consent.

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

11.4. The notice of a General Meeting of Shareholders shall be posted on the website of the Company on the Internet at [www.mrsk-1.ru](http://www.mrsk-1.ru) not later than 30 (thirty) days before the date of holding such meeting, and in the cases provided for by paragraphs 2 and 8 of Article 53 of the Federal Law "On Joint Stock Companies" - no later than 50 (Fifty) days prior to the date of the General Meeting of Shareholders.

The notice of the General Meeting of Shareholders pursuant to a decision of the Board of Directors may additionally be sent to persons entitled to participate in the general meeting of shareholders and registered in the register of shareholders of the Company by one or more of the following ways:

1) sending an electronic message with the text of the message on the holding of the general meeting of shareholders to the email address of the relevant person indicated in the register of

shareholders of the Company;

2) sending a text message containing the procedure for familiarization with the notification of the general meeting of shareholders to the contact phone number or e-mail address, which are indicated in the register of shareholders of the Company.

The notice on holding the General Meeting of Shareholders should specify:

- full corporate name of the Company and registered office of the Company;
- form of holding the General Meeting of Shareholders (meeting);
- date, place (including information about premises), time of the General Meeting of Shareholders and postal address, to which filled-in ballots may be sent;
- date of determining (recording) persons, entitled to participate in the General Meeting of Shareholders;
- agenda of the General Meeting of Shareholders;
- procedure of familiarization with the information (materials) subject to provision during preparation for holding General Meeting of Shareholders, and address (addresses), at which it is possible to learn them;
- categories (types) of shares, whose owners have the right to vote on all or some items on the agenda of the General Meeting of Shareholders;
- the e-mail address for sending filled-in ballots and/or the website address on the "Internet", where the electronic form of the ballots can be filled, if such ways of sending and (or) filling in the ballots are stipulated by the decision of the Board of Directors of the Company in preparation for the General Meeting of Shareholders;
- information about documents, which it is required to show for the admission into the premises, in which General Meeting of Shareholders will be conducted, in case the access to the room is not free;
- time of beginning of registration of persons participating in the General Meeting of Shareholders.

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

The Company shall keep information on the direction of communications provided for in this article, 5 (Five) years from the date of the General Meeting of Shareholders of the Company.

11.5. Voting at the General Meeting of Shareholders is carried out only by ballots for voting on all items on the agenda. The form and text of the ballot paper are approved by the Board of Directors. The receipt by the Company's registrar of information on the will of persons, who have the right to participate in the General Meeting of Shareholders is considered to be voting by ballots, they are not registered in the register of shareholders of the company and, in accordance with the requirements of the legislation of the Russian Federation on securities, gave to persons, registering their rights to shares, instructions on voting.

The ballot paper must be sent or handed in against signature to each person specified in the list of persons entitled to participate in the General Meeting of Shareholders not later than 20 (Twenty) days prior to the General Meeting of Shareholders.

The sending of voting ballots can be carried out by sending a registered or simple letter to the address indicated in the list of persons entitled to participate in the General Meeting of Shareholders and/or an electronic message to the e-mail address of the relevant person indicated in the register of shareholders of the Company. The form of the voting ballot can be additionally placed on the website of the Company on the "Internet".



Each person specified in the list, or his representative, shall receive one voting ballot for all items on the agenda or two or more voting ballots for different items.

11.6. The information (materials) on items on the agenda of the General Meeting of Shareholders shall be available to the persons entitled to participate in the meeting at the premises of the Company's executive body, or at other places specified in the notice on the General Meeting of Shareholders, as well as on the website of the Company at [www.mrsk-1.ru](http://www.mrsk-1.ru), at least 20 (Twenty) days prior to the meeting and 30 (Thirty) days if one of the items on the agenda is the reorganization of the Company. Such information (materials) shall be available to the participants of the General Meeting of Shareholders during the meeting. At this the Company aims to ensure the availability of materials for the General Meeting of Shareholders not less than 30 days prior to the meeting.

The procedure for familiarization of persons entitled to participate in the General Meeting of Shareholders with the information (materials) on items on the agenda of the General Meeting of Shareholders and the list of such information (materials) shall be determined by the decision of the Board of Directors of the Company.

11.7. The right of the shareholders to take part in the General Meeting of Shareholders can be executed personally or by proxy.

If a share is transferred after the record date of persons entitled to participate in the General Meeting of Shareholders and before the date of the General Meeting of Shareholders, the person included in the list of persons entitled to participate in the General Meeting is obliged to issue the acquirer a power of attorney to vote or vote at the General Meeting of Shareholders in accordance with the instructions of the acquirer of the shares, if it is provided by the share transfer agreement. This rule also applies to each subsequent case of transfer of the share.

If a share of the Company is owned jointly by several persons, they will be served one voting ballot for all items on the agenda or two or more voting ballots for different items, and the voting right at the General Meeting of Shareholders shall be exercised at their discretion by one of the joint owners or by their general proxy.

The rights of each indicated person shall be duly documented.

11.8. When a General Meeting of Shareholders is held in the form of a meeting (compresence), the persons included in the list of persons entitled to participate in the General Meeting of Shareholders, or their proxies, may register for participation in such meeting, or send the filled-out ballots to the Company, or fill out the electronic form of the ballot on the website, whose address is indicated in the notice about holding the General Meeting of Shareholders, if such a method of filling the ballot is provided for by the Board of Directors of the Company in preparation for the General Meeting of Shareholders of the Company.

11.9. The General Meeting of Shareholders shall be deemed competent (have the quorum), if Shareholders holding in total more than a half of votes of issued voting shares of the Company shall participate in this meeting.

Shareholders shall be deemed to have participated in the General Meeting of Shareholders if they are registered as participants in it, including via the specified in the notice of the General Meeting of Shareholders website (if such a possibility was envisaged by a decision of the Board of Directors of the Company), and shareholders whose ballots have been received, or the electronic form of the ballots that are filled on the website specified in the notice (if such a possibility was envisaged by a decision of the Board of Directors of the Company), no later than two days prior to the date of the General Meeting of Shareholders.

Shareholders shall be also deemed to have participated in the General Meeting of Shareholders, who, in accordance with the rules of the Russian Federation legislation on securities, issued to persons, registering their rights to shares, instructions on voting, if notifications about their will have been received no later than two days before the date of the general meeting of shareholders. If the agenda of the General Meeting of Shareholders includes items the voting on

which different participants are entitled to vote, the quorum for adopting resolution on such items shall be established separately.

The fact that the quorum is not reached to adopt a resolution on issues, which certain participants are entitled to vote on, shall not prevent from adopting a resolution on issues, which other participants vote on and for which the quorum has been reached.

11.10. If the quorum for the Annual General Meeting of Shareholders is not reached, another meeting shall be held later with the same agenda. If the quorum for the Extraordinary General Meeting of Shareholders is not reached, another meeting may be held with the same agenda.

The resolution to convene adjournment General Meetings of Shareholders shall be adopted by the Company's Board of Directors.

Such General Meeting of Shareholders, convened instead of the invalid one, shall be competent if attended by the Shareholders who own in the aggregate at least 30 percent of the votes of the Company's outstanding voting shares.

If the reconvened General Meeting of Shareholders is held less than 40 (Forty) days following the invalid meeting, the persons entitled to take part in the General Meeting of Shareholders shall be determined (recorded) on the date, on which persons that were entitled to take part in the invalid meeting were determined (recorded).

If the quorum is not reached to hold the General Meeting of Shareholders in accordance with the judgement, another General Meeting of Shareholders shall be held within 60 (Sixty) days with the same agenda. Adjournment General Meeting of Shareholders shall be convened and held by a person or body of the Company specified in the judgement. If the quorum is not reached to hold the Extraordinary General Meeting of Shareholders in accordance with the judgement, no other meeting shall be held.

11.11. The minutes of the General Meeting of Shareholders shall be drawn up in two copies within 3 (Three) business days following the closing of the General Meeting of Shareholders. Both copies shall be signed by the chairperson and secretary (Corporate Secretary) of the General Meeting of Shareholders.

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

Minutes of the General Meeting of Shareholders are placed on the official website of the Company on the Internet at [www.mrsk-1.ru](http://www.mrsk-1.ru) in a period not later than 3 (Three) days from the date of their drawing up.

11.12. Resolutions adopted by the General Shareholders Meeting and the voting results may be announced at the General Meeting of Shareholders at which the voting took place, and shall be also communicated to the persons included in the list of persons entitled to attend the General Meeting of Shareholders, in the form of the Voting Report in the manner prescribed for the notice of the General Meeting of Shareholders not later than 4 (Four) working days after the closing date of the General Meeting of Shareholders.

If on the determination (record) date of persons, entitled to attend the General Meeting of Shareholders in the register of shareholders of the Company, the person is a nominee shareholder, the information contained in the Voting Report is provided to the nominal holder of shares in accordance with the rules of the securities legislation of the Russian Federation for the provision of information and materials to persons exercising rights in securities.

11.13. When holding the General Meeting of Shareholders in the form of a meeting, information and communication technologies can be used to allow for the possibility of remote participation in the General Meeting of Shareholders, discussion of issues on the agenda and

decision-making on issues put to the vote without attendance at the venue of the General Meeting of Shareholders.

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

12.1. A resolution of the General Meeting of Shareholders may be approved without holding the meeting (compresence of the Shareholders of the Company to discuss items on the agenda and adoption of the resolutions on issues put for voting) by absentee voting (by poll).

Voting on items on the agenda of the General Meeting of Shareholders held in absentia shall be made upon voting ballots only. The form and text of the ballot paper are approved by the Board of Directors.

The receipt by the company's registrar of information on the will of persons, who have the right to participate in the general meeting of shareholders is considered to be voting by ballots, they are not registered in the register of shareholders of the company and, in accordance with the requirements of the legislation of the Russian Federation on securities, gave to persons, registering their rights to shares, instructions on voting.

12.2. General Meeting of Shareholders may not be held by absentee voting if its agenda includes the items regarding election of members of the Board of Directors of the Company, members of the Audit Commission of the Company, appointment of an audit organization of the Company or any of items provided for by Sub-clause 13 of Clause 10.2 of Article 10 of these Articles of Association, unless otherwise provided by federal law.

Any new General Meeting of Shareholders may not be held by absentee voting (poll) instead of the invalid General Meeting of Shareholders which should have been held by compresence of Shareholders.

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

The date of determining (recording) persons entitled to participate in the absentee voting on items on the agenda of the General Meeting of Shareholders cannot be established earlier than 10 (Ten) days from the date of adopting resolution on convening the General Meeting of Shareholders and more than of the Company and more than 25 (Twenty five) days prior to voting ballots receipt deadline by the Company, and in the case provided for in paragraph 8 of Article 53 of the Federal Law "On Joint Stock Companies" - more than 55 (Fifty five) days before the date of the General Meeting of Shareholders.

In the event of holding a General Meeting of Shareholders, the agenda of which contains the issue of reorganization of the Company, the date on which persons entitled to participate in such meeting are determined (recorded), shall not be established more than 35 days before the date of the general meeting of shareholders.

The date of determining (recording) persons entitled to attend the General Meeting of Shareholders is disclosed at least 7 (Seven) days prior to that date.

12.4. The notice of holding a General Meeting of Shareholders by absentee voting shall be posted on the website of the Company on the Internet at [www.mrsk-1.ru](http://www.mrsk-1.ru) within at least 30 (thirty) days prior to voting ballots receipt deadline by the Company, and in the case provided for in paragraph 8 of Article 53 of the Federal Law "On Joint Stock Companies" - no later than 50 (Fifty) days prior to the date of the General Meeting of Shareholders.

The text of the notice of the General Meeting of Shareholders pursuant to a decision of the Board of Directors may additionally be sent electronically to those shareholders of the Company who informed the Company's registrar of the email addresses to which such communications can be sent.

The notice on holding the General Meeting of Shareholders should specify:

- full corporate name of the Company and registered office of the Company;
- form of holding the General Meeting of Shareholders (absentee voting);
- deadline for the receipt of ballots for voting and the postal address to which the completed ballots should be sent;
- date of determining (recording) persons entitled to attend the General Meeting of Shareholders;
- agenda of the General Meeting of Shareholders;
- procedure of familiarization with the information (materials) subject to provision during preparation for holding General Meeting of Shareholders, and address (addresses), at which it is possible to learn them;
- the e-mail address for sending filled-in ballots and/or the website address on the "Internet", where the electronic form of the ballots can be filled, if such ways of sending and (or) filling in the ballots are stipulated by the decision of the Board of Directors of the Company in preparation for the General Meeting of Shareholders
- categories (types) of shares, whose owners have the right to vote on all or some items on the agenda of the General Meeting of Shareholders.

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

The Company shall keep information on the direction of communications provided for in this article, five years from the date of the General Meeting of Shareholders.

12.5. A voting ballot shall be sent or handed in against signature to each person specified in the list of persons entitled to participate in the General Meeting of Shareholders not later than 20 (Twenty) days prior to the deadline for the receipt of ballots.

The sending of voting ballots can be carried out by sending a registered or simple letter to the address indicated in the list of persons entitled to participate in the General Meeting of Shareholders and/or an electronic message to the e-mail address of the relevant person indicated in the register of shareholders of the Company. The form of the voting ballot can be additionally placed on the website of the Company on the "Internet".

Each person specified in the list of persons entitled to participate in the General Meeting of Shareholders shall receive one voting ballot for all items on the agenda or two or more voting ballots for different items.

The procedure for familiarization of persons entitled to participate in the General Meeting of Shareholders with the information (materials) on items on the agenda of the General Meeting of Shareholders and the list of such information (materials) shall be determined by the resolution of the Board of Directors of the Company.

Information (materials) on the agenda of the General Meeting of Shareholders within 20 (Twenty) days, and in the event of the General Meeting of Shareholders, the agenda of which contains the issue of reorganizing the Company, within 30 (Thirty) days prior to the General Meeting of Shareholders, must be available to persons entitled to participate in the General Meeting of Shareholders for familiarization at the premises of the executive body of the Company and in other places, the addresses of which are indicated in the notice of the General Meeting of Shareholders, as well as on the website of the Company in the information and telecommunication network "Internet" at [www.mrsk-1.ru](http://www.mrsk-1.ru). At the same time, the Company strives to ensure the availability of materials for the General Meeting of Shareholders at least 30 (Thirty) days before the date of its holding.

12.6. The General Meeting of Shareholders held by absentee voting shall be deemed competent (have quorum), if Shareholders holding in total more than a half of votes of issued voting

shares of the Company shall participate in this meeting.

Shareholders shall be deemed to have participated in the General Meeting of Shareholders held by absentee voting if their voting ballots were received and (or) the electronic form of the ballots is filled out on the website on the Internet (indicated in the notice on holding the general meeting of shareholders) (if such an opportunity was provided for by the decision of the Board of Directors of the Company) within the voting deadline, as well as shareholders who, in accordance with the rules of the legislation of the Russian Federation on securities, gave persons registering their rights to shares, instructions on voting, if messages of their have been received before the deadline for the receipt of ballots.

12.7. The minutes on voting results shall be drawn up in two copies within 3 (Three) business days after the deadline for accepting ballots and signed by the Registrar of the Company.

The Minutes of the General Meeting of Shareholders shall be drawn up in two copies within 3 (Three) days after the voting end date. Both copies are signed by the Chairman of the General Meeting of Shareholders and the Secretary of the General Meeting of Shareholders (Corporate Secretary).

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

Minutes of the General Meeting of Shareholders are placed on the official website of the Company on the Internet at [www.mrsk-1.ru](http://www.mrsk-1.ru) in a period not later than 3 (three) days from the date of their drawing up.

12.8. Resolutions adopted by the General Shareholders Meeting and the voting results shall be communicated to the persons, included in the list of persons entitled to attend the General Meeting of Shareholders, in the form of Voting Report in the manner prescribed for the notice of the General Meeting of Shareholders not later than four working days after voting ballots receipt deadline in case of holding the General Meeting of Shareholders by absentee voting.

If on the determination (record) date of persons, entitled to attend the General Meeting of Shareholders in the register of shareholders of the Company, the person is a nominee shareholder, the information contained in the Voting Report is provided to the nominal holder of shares in accordance with the rules of the securities legislation of the Russian Federation for the provision of information and materials to persons exercising rights in securities.

### **Article 13. Proposals to the agenda of the Annual General Meeting of Shareholders of the Company**

13.1. The Company's Shareholder (Shareholders) holding in the aggregate at least 2 (two) percent of the Company's voting shares may within 60 (sixty) days after the end of a financial year introduce items in the agenda of the Annual General Meeting of Shareholders and nominate nominations to the Board of Directors and the Audit Commission; the number of nominees may not exceed the total number of the members of this body.

13.2. The proposal on introducing issues to the agenda of the General Meeting of Shareholders and on nomination of nominations shall be made with indication of the name (s) of the shareholders (shareholder) submitting them, the number and category (type) of their shares, and must be signed by the shareholders (shareholder) or their representatives. Shareholders (shareholder) of the Company, who are not registered in the register of shareholders of the Company, have the right to submit proposals to the agenda of the General Meeting of Shareholders and proposals for nominating candidates also by giving appropriate instructions to a person who accounts their rights to shares. Such instructions are given in accordance with the rules of the legislation of the Russian Federation on securities.

13.3. The proposal on introducing items to the agenda of the General Meeting of Shareholders shall contain the statement of each proposed item and the proposal on nominations nomination shall contain the name of each proposed nomination, data of the identity document (series and/or number of the document, the date and place of issue and issuing authority) of each proposed nomination and body to which the nomination is proposed.

13.4. The Board of Directors of the Company shall consider the proposals made and adopt the resolution on introducing them to the agenda of the General Meeting of Shareholders or on refusal to introduce them to this agenda not later than within 5 (five) days after the expiry date specified in Clause 13.1. of this Article.

13.5. The Board of Directors of the Company may refuse to include the items proposed by the Shareholder (Shareholders) in the agenda of the General Meeting of Shareholders, as well as to include proposed nominations in the voting list of nominations for election to the respective Company's body for reasons provided for by the Federal Law "On Joint Stock Companies" and other legal acts of the Russian Federation.

13.6. The motivated resolution of the Board of Directors of the Company regarding refusal to include the proposed item in the agenda of the General Meeting of Shareholders or the nomination in the voting list of nominations for election to the respective Company's body shall be sent to the Shareholder (Shareholders) who has (have) proposed the item or nominated the nomination not later than within 3 (three) days from the date of adoption of such decision. If these proposals are received by the Company from persons who are not registered in the register of shareholders of the Company and have given an instruction to the person, who records their rights to shares, this decision of the Board of Directors of the Company shall be sent to such persons not later than 3 (three) days from the date of its adoption in accordance with the rules of the legislation of the Russian Federation on securities to provide information and materials to persons exercising rights in securities.

13.7. The Company's Board of Directors shall not be entitled to change the wordings of the items proposed for inclusion in the agenda of the General Meeting of Shareholders and the wordings of resolutions on such items (if any).

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

#### **Article 14. Convocation of the Extraordinary General Meetings of Shareholders of the Company**

14.1. General Meetings of Shareholders of the Company held in addition to the Annual General Meeting of Shareholders of the Company are extraordinary.

14.2. The Extraordinary General Meeting of Shareholders shall be held by the resolution of the Company's Board of Directors at its own initiative, the request of the Audit Commission of the Company, the audit organization of the Company and the Shareholder (Shareholders) holding at least 10 (Ten) percent of voting shares of the Company as of the date of request.

14.3. An Extraordinary General Meeting of Shareholders shall be convened at the request of the Audit Commission, the audit organization or the Shareholders (Shareholder) of the Company holding at least 10 (Ten) percent of the voting shares of the Company by the Board of Directors of the Company.

Such General Meeting of Shareholders shall be held within 40 (Forty) days from the date of the request to convene the Extraordinary General Meeting of Shareholders except for case provided



for by Clause 14.9 of these Articles of Association.

14.4. The request to convene the Extraordinary General Meeting of Shareholders shall contain items to be introduced to the agenda of the General Meeting of Shareholders.

Persons (a person) requesting the convocation of the Extraordinary General Meeting of Shareholders may submit a draft resolution of the Extraordinary General Meeting of Shareholders and proposal of the form in which such Extraordinary General Meeting shall be held. Should the request of convocation of the Extraordinary General Meeting of Shareholders contain a proposal of nomination, such proposal is subject to the respective provisions of Article 13 of these Articles of Association.

The Board of Directors shall not be entitled to amend the wordings of items of the agenda, wordings of resolutions on such items and change the proposed form of holding such Extraordinary General Meeting of Shareholders convened at the request of the Company's Audit Commission, the audit organization or Shareholders (Shareholder) holding at least 10 (Ten) percent of the voting shares of the Company.

14.5. Should the request of convocation of the Extraordinary General Meeting of Shareholders be made by the Shareholders (Shareholder) it shall contain the name of the Shareholder (names of the Shareholders) requesting to convene such Extraordinary General Meeting of Shareholders, number and category (type) of shares held by them.

The request to convene the Extraordinary General Meeting of Shareholders shall be signed by the person (persons) requesting to convene such Extraordinary General Meeting of Shareholders.

14.6. A resolution to convene the Extraordinary General Meeting of Shareholders or refuse to convene it shall be adopted by the Board of Directors of the Company within 5 (Five) days from the date of request of the Audit Commission, the audit organization or the Shareholder (Shareholders) of the Company holding at least 10 (Ten) percent of the voting shares of the Company.

14.7. The resolution of the Board of Directors to convene the Extraordinary General Meeting of Shareholders or motivated refusal shall be sent to the persons who requested the convocation of such meeting not later than within 3 (Three) days from the date of adoption of such resolution. If the request to hold an extraordinary general meeting of shareholders was received from persons who are not registered in the register of shareholders of the company and gave an instruction to the person, who records their rights to shares, this decision of the Board of Directors of the Company shall be sent to such persons not later than three days from the date of its adoption in accordance with the rules of the legislation of the Russian Federation on securities for the provision of information and materials to persons exercising rights in securities.

14.8. Should within the period specified in Clause 14.6 of Article 14 the Board of Directors of the Company adopt no resolution on convocation of the Extraordinary General Meeting of Shareholders or the resolution on refusal to convene it, a body of the Company or persons who request it, may ask the court to compel the Company to hold an extraordinary general meeting of shareholders.

The decision of the court to compel the Company to hold an extraordinary general meeting of shareholders shall indicate the dates and procedure of its holding.

Pursuant to the court decision its execution rests with the plaintiff or on his application to the authority of the Company or any other person subject to their consent. This body cannot be the Board of Directors of the Company.

The bodies of the Company or a person who, in accordance with the decision of the court shall hold an extraordinary general meeting of shareholders, has all the authority pursuant to the Federal Law "On Joint Stock Companies" necessary for convening and holding of this meeting.

If, in accordance with the decision of the court an extraordinary general meeting of shareholders shall be held by the plaintiff, the costs of preparation and holding of this meeting can be reimbursed by a decision of the General Meeting of shareholders at the expense of the Company.

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

14.9.1. General Meeting of Shareholders shall be held within 75 (Seventy five) days following the date of submitting the request to convene the Extraordinary General Meeting of Shareholders of the Company. In this case, the Board of Directors of the Company is obliged to determine the date to which proposals of shareholders will be accepted on nominating candidates for election to the Board of Directors of the Company.

14.9.2. The Shareholders (Shareholder) holding jointly at least 2% of the voting shares of the Company shall be entitled to propose nominations to the Board of Directors; the number of such nominations shall not exceed the number of the members of the Board of Directors.

Such proposals shall be submitted to the Company at least 30 (Thirty) days before holding the Extraordinary General Meeting of Shareholders.

The Board of Directors of the Company shall consider the proposals made and adopt the resolution on introducing them to the agenda of the General Meeting of Shareholders or on refusal to introduce them to this agenda not later than within 5 (Five) days after the expiry date specified in paragraph 2 of this Sub-clause.

14.9.3. The date of determining (recording) persons entitled to take part in the General Meeting of the Company's Shareholders cannot be established earlier than 10 (Ten) days from the date of adopting resolution on convening the General Meeting of the Company's Shareholders and later than 55 (Fifty five) days before the date of holding the General Meeting of Shareholders of the Company.

14.9.4. The notice on holding the Extraordinary General Meeting of Shareholders shall be sent not later than 50 (Fifty) days prior to the date of its holding.

14.10. In cases where, in accordance with the Federal Law "On Joint Stock Companies", the Board of Directors of the Company is required to decide on holding an extraordinary General Meeting of Shareholders to elect members of the Board of Directors of the Company, such General Meeting of Shareholders shall be held within 70 (Seventy) days since the decision to hold it made by the Board of Directors of the Company.

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

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

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



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

## **Article 15. The Company's Board of Directors**

15.1. The Board of Directors of the Company is a collegial management body, which controls the activity of the executive bodies of the Company and performs other functions assigned at it by law or the Articles of Association of the Company. The Board of Directors of the Company performs the general management of the Company's activities except for issues referred by the Federal Law "On Joint Stock Companies" and these Articles of Association to the competence of the General Meeting of Shareholders.

The following issues refer to the competence of the Company's Board of Directors:

- 1) determination of the priority directions of the Company's activity, including the approval of the Company's development strategy, the Company's long-term development programs, innovative development program, consideration of reports on their execution;
- 2) on approval of an investment program of the Company, including its amendments<sup>1</sup>;
- 3) consideration of a report on implementation of the Company's investment program (for the first quarter, first half of the year, nine months, reporting year);
- 4) convocation of the Annual and Extraordinary General Meetings of Shareholders except for the cases provided for by Clause 14.8. of Article 14 of these Articles of Association as well as declaring the date of holding the new General Meeting of Shareholders instead of the meeting deemed invalid due to absence of quorum;
- 5) approving the agenda of the General Meeting of Shareholders;
- 6) election of the Secretary of the General Meeting of Shareholders;
- 7) determination of the date (record date) of making the list of persons entitled to participate in the General Meeting of Shareholders of the Company, approval of cost estimate for holding the General Meeting of Shareholders and resolving any other issues related to the arrangement and holding of the General Meeting of Shareholders of the Company;
- 8) introduction to the resolution of the General Meeting of Shareholders of the Company of issues provided for by Sub-clauses 2, 5, 7, 8, 12-21, 24 of Clause 10.2 of Article 10 of these Articles of Association, reduction of the Company's Authorised Capital by reducing the par value of the shares, as well as determining the record date of persons entitled to receive dividends;
- 9) issue by the Company of additional shares into which preferred shares placed by the Company of a certain type are converted, convertible into common shares or preferred shares of other types, the placement of bonds by the Company and other equity securities other than shares; as well as Eurobond issue and determining policy as regards the issue of securities (except for shares) and Eurobonds;
- 10) approval of a resolution on issue of shares of the Company, equity securities of the Company convertible into its shares, a document containing the terms of placement of the Company's shares and the Company's equity securities convertible into its shares, a securities prospectus, reports of the results of shares redemption, reports of the results of submitting requests by the Company's Shareholders regarding repurchase of their shares; adoption of a decision on accepting offers (acceptance) on acquisition of additional shares placed by public subscription after the expiry of the

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<sup>1</sup> This issue is subject to mandatory consideration by the Board of Directors of the Company before the publication of information on the draft investment program of an electric power industry entity and materials justifying it.

pre-emptive right, in cases determined by the Board of Directors of the Company;

11) determination of the property value (monetary value), placement price or its determination procedure and price of repurchase of equity securities in cases provided for by the Federal Law "On Joint Stock Companies";

12) purchase of shares issued by the Company, bonds and other securities in cases provided for by the Federal Law "On Joint Stock Companies" or other federal laws;

13) alienation (sale) of the Company's shares which became disposable by the Company as a result of their purchase or repurchase from the Company's Shareholders as well as in other cases provided for by the Federal Law "On Joint Stock Companies";

14) election of the Company's General Director and early termination of his/her powers including adopting resolution on early termination of the employment agreement with him/her;

15) determination of the quantitative composition of the Management Board of the Company, as well as the election of members of the Management Board of the Company and early termination of their powers, including making a decision on the early termination of employment contracts with them;

16) approval of the terms of the agreement concluded with the General Director of the Company, members of the Management Board of the Company, establishment of the amount of remuneration and compensation paid to the General Director of the Company and members of the Management Board of the Company;

17) approval of the combination by the General Director of the Company and members of the Management Board of the Company of positions in management bodies of other organizations, as well as other paid positions in other organizations;

18) guidelines to the General Meeting of Shareholders in respect of amount of remuneration and compensation payable to the members of the Audit Commission of the Company;

19) determination of the amount of payment for services of the Company's audit organization;

20) guidelines to the General Meeting of Shareholders regarding the amount of a dividend for shares and a procedure for its payment;

21) approval of the Company's internal documents regulating the procedure for formation and use of the Company's funds, making decisions on the use of the Company's funds;

22) approving internal documents of the Company except for the internal documents which approval refers to the competence of the General Meeting of Shareholders as well as other internal documents which approval refers to the competence of the executive bodies of the Company;

23) approval of a business-plan of the Company (an adjusted business-plan of the Company) and consideration of a quarterly report on performance of a business-plan of the Company (for the first quarter, half year, nine months, the reporting year);

24) establishment of branches and representative offices of the Company and their liquidation;

25) adopting resolutions on the Company's participation in other organisations (including approval of constituent documents and candidates for governing bodies of newly created organizations), change of equity interests (number of shares, size of shares, stakes), encumbrance of shares, stakes and termination of the Company's participation in other organisations, with the exception of cases provided for in subpara. 19 of para. 10.2 of Article 10 of these Articles of Association;

26) determination of the Company's credit policy with regard to issue of loans by the Company, entering into facility agreements or loan agreements, issue of independent guarantees, incurrence of liabilities on bills of exchange (issue of promissory note and bill of exchange), pledge of property and adopting resolutions on making by the Company of specified transactions in cases when the procedure for adopting resolutions in respect of these transactions is not determined by the credit policy of the Company as well as adopting in accordance with the procedure provided for by the credit policy of the Company resolutions on coordination of the Company's debt position with the limits established by the Company's credit policy;

- 27) consent to making or further approval of major transactions also approval of conclusions on such transactions as provided for by Chapter X of the Federal Law "On Joint Stock Companies";
- 28) consent to making or further approval of related party transactions provided for by Chapter XI of the Federal Law "On Joint Stock Companies";
- 29) approval of a report on related party transactions concluded by the Company in a reporting year;
- 30) approval of the registrar of the Company and terms and conditions of the agreement with it as well as termination of such agreement;
- 31) election of the Chairman and the Deputy Chairman of the Company's Board of Directors and early termination of their powers;
- 32) election of the Company's Corporate Secretary and early termination of its powers, as well as approval of the Regulation on the Corporate Secretary of the Company;
- 33) adoption of resolution on suspension of powers of the managing company (manager);
- 34) approval of resolutions on appointment of the Company's Acting General Director in cases specified by the certain resolutions of the Company's Board of Directors, as well as holding the General Director disciplinary liable;
- 35) holding the Company's General Director and members of the Company's Management Board disciplinary liable and its encouraging in accordance with the employment laws of the Russian Federation, making a decision on nominating the General Director of the Company for state awards;
- 36) consideration of the General Director's reports on the Company's activity (including on the performance of his/her duties) as well as on implementation of resolutions of the General Meeting of Shareholders and the Company's Board of Directors;
- 37) approval of the procedure for interaction of the Company with business companies whose shares (stakes) the Company owns;
- 38) determination of the position of the Company (the Company's representatives) including guideline to participate or not to participate in the voting on items on the agenda, on draft resolutions "for", "against" or "abstained" on the following items on the agenda of the general meetings of shareholders (members) of subsidiaries and dependent companies (hereinafter referred to as SDCs), and meetings of SDC's boards of directors:
- a) SDC liquidation or reorganisation;
  - b) nomination and election of members of SDC management and supervisory bodies and early termination of their powers, nomination and election of the sole executive body of SDC and early termination of its powers;
  - c) determination of the quantity, par value, category (type) of SDC authorised shares and rights granted by these shares;
  - d) increase of SDC authorised capital by increasing the par value of the existing shares or by issuing additional shares;
  - e) issue of SDC securities convertible into ordinary shares;
  - f) splitting and consolidation of SDC shares;
  - g) taking decisions on consent to making or further approval of major transactions made by SDC;
  - h) taking decisions on SDC participation in other organisations (including approval of candidates for the management bodies of newly created organizations), as well as on purchase, alienation and encumbrance of shares (equity interests) in the authorised capitals of the organisations in which SDC participates, change of equity interests in the authorised capital of the respective organization and termination of participation of SDC in other organizations;
  - i) taking decisions on making by SDC of transactions (including several associated transactions) related to acquisition, alienation (disposal) or possibility of alienation of property being fixed assets, intangible assets, construction in progress aimed to production, transmission, dispatching, distribution of electric and heat energy in cases (to the extent) specified by the procedure

for the Company's interaction with business companies whose shares (stakes) the Company owns approved by the Company's Board of Directors;

j) amending SDC's constituent documents;

k) determining a procedure for payment of remuneration to the members of SDC's Board of Directors and Audit Commission;

l) approval of key performance indicators and functional key performance indicators of the management staff of SDCs, their calculation procedure, target values, as well as reports on their achievement;

m) approval of business-plans (adjusted business-plans) of a SDC, carrying out activities related to transmission, generation or sale of electricity, or whose revenue is more than 5 (Five) percent of the Company's revenue for the last completed reporting period;

n) consideration of a report on status of business plans of a SDC for the reporting year, carrying out activities related to transmission, generation or sale of electricity, or whose revenue is more than 5 (Five) percent of the Company's revenue for the last completed reporting period;

o) approval of profit and loss distribution based on the results of the reporting year;

p) guidelines regarding the amount of a dividend on shares and procedure for its payment;

q) payment (declaration) of dividends based on the results of the first quarter, half of the year, nine months of the reporting year, as well as based on the results of the reporting year;

r) reduction of the share capital of SDCs by reducing the nominal value of shares through the acquisition by SDCs of a part of shares in order to reduce their total number, as well as by redemption of acquired or repurchased shares by SDCs;

s) on the definition of credit policy of SDCs in the part of grant of loans, conclusion of credit treaties and loan agreements, issue sureties, the adoption of liabilities on bills (issuing of ordinary and the transferable promissory notes), transfer of property in pledge and the adoption of decisions on the accomplishment by SDCs of specified transactions in cases, when the order of the adoption of decisions on them is not defined the credit policy of SDCs, as well as the adoption in the order stipulated of the credit policy of SDCs, making on bringing the debt position of SDCs into conformity with the limits established by the credit policy of SDCs, about consideration of the report on the credit policy of SDCs, on the approval of credit plan of SDCs, on the approval of the plan of perspective development of SDCs, the adjusted plan of perspective development of SDCs, about consideration of the report on the implementation of the plan of perspective development of SDCs;

t) definition of credit policy in the part of granting loans to SDCs, conclusion of credit contracts and loan agreements, issue of independent sureties, the adoption of liabilities on bills (issuing of ordinary and transferable promissory notes), transfer of property in pledge and the adoption of decisions on the accomplishment by SDCs of specified transactions in cases, when the order of the adoption of decisions on them is not defined the credit policy of SDCs, as well as the adoption in the order stipulated of the credit policy of SDCs, making on bringing the debt position of SDCs into conformity with the limits established by the credit policy of SDCs, about consideration of the report on the credit policy of SDCs, on the approval of credit plan of SDCs;

39) determination of the position of the Company (the Company's representatives) on the following items on the agenda of the meetings of SDC's boards of directors (including guideline to participate or not to participate in the voting on items on the agenda, on draft resolutions "for", "against" or "abstained"):

a) determination of the position of SDC's representatives on such items of the agenda of the general meetings of shareholders (members) and meetings of the boards of directors of companies being subsidiaries and dependent companies in respect of SDC as making (approval) of transactions (including several associated transactions) related to acquisition, alienation (disposal) or possibility of alienation of property being fixed assets, intangible assets, construction in progress aimed to production, transmission, dispatching, distribution of electric and heat energy in cases (to the extent) specified by the procedure for the Company's interaction with business companies whose shares

(stakes) the Company owns approved by the Company's Board of Directors;

b) determination of the position of SDC's representatives on such items of the agenda of the general meetings of shareholders (members) and meetings of the boards of directors of companies being subsidiaries and dependent companies in respect of SDC carrying out production, transmission, dispatching, distribution of electric and heat energy as reorganisation, liquidation, increase of the authorised capital of such companies by increasing the par value of the existing shares or by issuing additional shares, securities convertible into ordinary shares;

40) taking decisions on consent to commit by the Company of:

a) transactions the subject of which are the non-current assets of the Company in an amount exceeding 10 (Ten) percent of the book value of these (non-current) assets of the Company according to the accounting (financial) statements as of the last reporting date;

b) transactions (including several associated transactions) related to acquisition, alienation (disposal) or possibility of alienation of property being fixed assets, intangible assets, construction in progress aimed to production, transmission, dispatching, distribution of electric and heat energy in cases (amounts) specified by the certain resolutions of the Company's Board of Directors, or, if such cases (amounts) have not been defined by the Company's Board of Directors;

c) transactions for a period of more than 5 (Five) years connected with transferring of real estate, electric grid facilities or receiving for temporary possession and use or for temporary use of real estate for temporary possession and use or for temporary use, in cases (amounts) determined by separate decisions of the Company's Board of Directors, or if the specified cases (amounts) are not determined by the Company's Board of Directors.

d) transactions that may give rise to obligations denominated in foreign currency (or obligations the value of which is tied to foreign currency), transactions with derivative financial instruments, in cases and amounts determined by separate decisions of the Board of Directors of the Company, and also, if these cases (sizes) have not been determined by the Board of Directors of the Company, the definition of the Company's policy regarding transactions with derivative financial instruments;

e) one or more interrelated transactions related to the acquisition or possibility of acquisition by the Company of investment shares of a mutual investment fund and/or bonds, if the price of such a transaction or several interrelated transactions is 1 (One) or more percent of the book value of the Company's assets, determined according to its data of financial statements as of the last reporting date;

f) transactions related to the gratuitous transfer of the Company's property or property rights (claims) to oneself or to a third party, transactions related to the release of property obligations to oneself or to a third party, transactions related to the gratuitous provision by the Company of services (performance of work) to third parties, in cases (sizes) determined by individual decisions of the Board of Directors of the Company, and making decisions on the completion of these transactions by the Company in cases where the above cases (sizes) are not determined;

g) transactions related to the provision of sponsorship support by the Company, in cases (sizes) determined by individual decisions of the Board of Directors of the Company, and making decisions on the completion of these transactions by the Company in cases where the above cases (sizes) are not determined;

h) one or more interrelated transactions related to the transfer or the possibility of transfer by the Company into trust management of property worth more than 1,000,000,000 (One billion) rubles.

41) nomination by the Company of nominations to be elected to the position of the sole executive body, other management bodies, supervisory bodies as well as nominations of the audit organization (individual auditor) of organisations in which the Company participates;

- 42) determination of the Company's policy in the area of insurance coverage, control over provision of insurance coverage of the Company, including approval of the Company's nominations of insurers;
- 43) approval and amending of organisational structure of the Company's executive bodies;
- 44) approval of a regulation on wages and material encouragement of management officials; approval of the list of top managers of the Company;
- 45) approval of nominations to separate positions of the executive bodies of the Company determined by the Company's Board of Directors;
- 46) preliminary approval of collective agreement, arrangements entered into within the framework of regulation social and labour relations regulating as well as approval of documents related to non-state private pension benefits to the Company's employees;
- 47) creation of committees of the Company's Board of Directors, approval of internal documents that determine their competence and procedure, determination of their quantitative composition, election of the chairman and members of the committee of the Board of Directors of the Company and early termination of their powers;
- 48) approval of candidates for organizers of securities issues and consultants for transactions directly related to raising funds in the form of public borrowings;
- 49) determination of purchase policy of the Company including approving the Regulation on purchase, approval of the head of the Company's Central Purchasing Body, consideration of the Company's procurement report based on the results of six months, as well as adopting other resolutions in accordance with the documents regulating the Company's procurement activities;
- 50) approval of key performance indicators and functional key performance indicators of the Company's management, the procedure for their calculation, target values and reports on their achievement;
- 51) determination of the Company's policy in terms of improving reliability of the distribution power grid and other power grid facilities including approval of the Company's strategy programs on improving liability of power grid, power grid development and its safety;
- 52) determination of the Company's policy in terms of increasing the accessibility of the electric grid infrastructure, including approval of the Company's strategic programs to increase the availability of grid connection services and development of the electric grid complex;
- 53) determination of the Company's housing policy with regard to corporate support of employees, housing improvements expressed by subsidies, recovery of expenses, interest-free loans and adopting resolutions on providing by the Company of specified support in cases when the procedure for its provision is not determined by the housing policy of the Company;
- 54) filing an application for listing of shares of the Company and (or) securities of the Company convertible into shares of the Company;
- 55) determination of principles and approaches to the organization of the risk management and internal control system in the Company, including approval of internal documents of the Company determining the policy of the Company in the field of risk management and internal control;
- 56) determination of principles and approaches to organizing internal audit, including approval of internal documents of the Company defining the Company's policy in the field of organizing internal audit of the Company;
- 57) assessment of key risks (both financial and non-financial risks), as well as establishing an acceptable amount of risks for the Company;
- 58) organization of carrying out at least 1 (One) time a year of analysis and evaluation of functioning of the risk management and internal control system, including on the basis of data from reports regularly received from the executive bodies of the Company, internal audit and external auditors of the Company;
- 59) annual consideration of issues on organization, functioning and effectiveness of the risk management and internal control system;

60) control and organization of activity of the internal audit, including approval of the provision on the internal audit, approval of a plan of internal audit activity, the report on performance of the plan of activities of internal audit and budget of the internal audit, preliminary approval of a decision of the sole executive body of the company on the appointment, dismissal (not at the initiative of the employee) of the head of internal audit, application of disciplinary sanctions to him, and also approval of the terms of the employment contract of the head of the internal audit, review of results of assessment of the quality of the internal audit functions;

61) recommendation to executive bodies of the Company on any matters of the Company's activities;

62) definition of the Company's information policy and consideration of reporting of the sole executive body on its implementation;

63) taking a decision on approval:

a) of the agreement on making by the shareholder (shareholders) of the Company non-repayable contributions to the Company's property that do not increase the authorized capital of the Company and do not change the nominal value of shares of the Company, for the purpose of financing and maintaining the activities of the Company;

b) of the agreement on making by the Company non-repayable contributions to the property of the companies in the authorized capital of which the Company participates, in monetary or other form, which do not increase the authorized capital of the specified companies and (or) do not change the nominal value of the shares;

64) approval of the Program for disposal of non-core assets of the Company, approval of the register of non-core assets of the Company and adoption of other decisions in accordance with documents approved by the Company regulating the procedure for disposing of non-core assets of the Company;

65) approval of the annual report in the field of corporate social responsibility and sustainable development;

66) approval of the Company's anti-corruption policy and reports on its implementation;

67) resolution of internal corporate conflicts;

68) determination of the status of members of the Board of Directors of the Company, as well as consideration of the results of self-assessment and independent assessment of the activities of the Board of Directors of the Company and committees of the Board of Directors of the Company;

69) other issues referred to the competence of the Board of Directors by the Federal Law "On Joint Stock Companies" and these Articles of Association.

15.2. The issues referred to the competence of the Board of Directors of the Company may not be resolved by the Company's General Director and Management Board.

15.3. The members of the Company's Board of Directors shall on exercising their rights and performing their obligations act for the benefit of the Company and exercise their rights and perform their obligations to the Company reasonably and in good faith.

15.4. The members of the Company's Board of Directors shall be liable to the Company for losses caused to the Company by their faulty actions (omission), unless other bases and extent of liability are established by the federal laws.

Members of the Board of Directors who either voted against the resolution that resulted in losses for the Company or did not participate in the meeting that passed said resolution shall not be liable for the losses.

## **Article 16. Election of the Board of Directors of the Company**

16.1. The Company's Board of Directors shall include 11 (eleven) persons.

16.2. The members of the Company's Board of Directors shall be elected by the General Meeting of Shareholders of the Company pursuant to the procedure provided for by Clause 10.8 of Article 10 of these Articles of Association until the next Annual General Meeting of Shareholders.

In case of election of the Company's Board of Directors at the Extraordinary General Meeting of Shareholders, members of the Board of Directors shall be elected for the period until the date of the Annual General Meeting of Shareholders of the Company.

Should the Annual General Meeting of Shareholders be not held within the terms established by Clause 11.1. of Article 11 of these Articles of Association, the powers of the Board of Directors of the Company shall be terminated excluding the ones to prepare, convene and hold the Annual General Meeting of Shareholders.

16.3. Only an individual may be elected as a member of the Board of Directors of the Company.

16.4. The number of re-elections of persons elected to the Company's Board of Directors is not restricted.

16.5. The powers of all members of the Company's Board of Directors may be terminated earlier upon the resolution of the Company's General Meeting of Shareholders.

The resolution of the General Meeting of Shareholders on early termination of powers may be adopted in respect of all members of the Board of Directors.

### **Article 17. Chairman of the Board of Directors of the Company**

17.1. The members of the Company's Board of Directors shall elect the Chairman of the Company's Board of Directors of their number by a majority of the total number of votes of the members of the Company's Board of Directors.

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

17.2. The Chairman of the Company's Board of Directors shall manage activity of the Company's Board of Directors, convene meetings of the Board of Directors and preside at them, ensure taking minutes of the meetings, preside at the General Meeting of Shareholders.

17.3. If the Chairman of the Company's Board of Directors is not present, the Deputy Chairman of the Board of Directors elected by a majority of votes of the total number of members of the Company's the Board of Directors of their number shall act as Chairman.

### **Article 18. Meetings of the Board of Directors of the Company**

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

18.2. The meetings of the Board of Directors shall be held as and when necessary but not less than once in three months.

The meeting of the Company's Board of Directors shall be convened by the Chairman of the Board of Directors (or by Deputy Chairman of the Board of Directors in cases provided for by Clause 17.3 of Article 17 of these Articles of Association) at his own initiative, at the request of a member of the Company' Board of Directors, Audit Commission, Head of Internal Audit of the Company (head of the Company's structural unit, responsible for organizing and implementing Internal Audit, and in the case of engaging an external independent organization to carry out Internal Audit, the head of the said organization), the Company's General Director, a member of the Management Board, the Auditor of the Company.

18.3. The first meeting of newly elected members of the Company's Board of Directors shall obligatory resolve issues regarding election of the Chairman of the Board of Directors, the Deputy Chairman of the Company's Board of Directors, and the issue of electing Deputy Chairman of the Board of Directors of the Company may also be considered.

This meeting of the Company's Board of Directors shall be convened by a member of the Company's Board of Directors in accordance with the internal document regulating the procedure for



convening and holding meetings of the Company's Board of Directors.

18.4. The Board of Directors may adopt resolutions by absentee voting (by ballot). In case of absentee voting, each member of the Company's Board of Directors shall be served with materials regarding the agenda items and the voting ballot specifying the date by that the voting ballot filled and signed by the member of the Company's Board of Directors must be provided to the Company's Board of Directors.

18.5. The member of the Company's Board of Directors absent at the meeting of the Company's Board of Directors may express its opinion with respect to the agenda items in writing pursuant to the procedure established by the internal document regulating the procedure for convening and holding meetings of the Company's Board of Directors.

18.6. No member of the Company's Board of Directors may delegate his or her right to vote to any other person even if this other person is a member of the Company's Board of Directors as well.

18.7. The resolutions at the meeting of the Company's Board of Directors shall be adopted by a majority of votes of the Company's Directors participating in the meeting unless otherwise is provided for by the law of the Russian Federation and these Articles of Association.

Provided that consent to commit a transaction shall be received on several grounds simultaneously (established by these Articles of Association and established by Chapter X or Chapter XI of the Federal Law "On Joint Stock Companies"), the procedure for receiving consent to commit a transaction shall be regulated by provisions of the Federal Law "On Joint Stock Companies".

In cases where consent to conclude a transaction must be obtained simultaneously on several grounds (established by these Articles of Association), and these Articles of Association provide for a different procedure for making a decision by the Board of Directors in relation to the relevant issues, consent to the transaction must be obtained on the basis that the decision is adopted by the Board of Directors by a qualified majority.

In cases where consent to carry out a transaction must be obtained simultaneously on several grounds (established by these Articles of Association), and these Articles of Association provide for the same procedure for making decisions by the Board of Directors of the Company in relation to relevant issues, consent to carry out a transaction must be obtained on one of the grounds.

18.8. The resolution of the Company's Board of Directors on consent to making or on subsequent approval of a major transaction shall be adopted by all members of the Board of Directors unanimously, in this case, the votes of the retired members of the Board of Directors of the Company are not taken into account.

The resolutions of the Company's Board of Directors shall be adopted by a three-quarter majority of votes of members of the Company's Board of Directors of total number of votes under the following issues:

- on suspension of powers of the managing company or manager and on appointment of Acting General Director of the Company;
- on convocation of the Extraordinary General Meeting of the Company's Shareholders in cases provided for by Clauses 21.11, 21.12 of Article 21 of these Articles of Association.

On adopting by the Company's Board of Directors resolutions provided for by this Clause of the Articles of Association the votes of the ex-members of the Board of Directors shall not be taken into account.

In this case, a retired member of the Board of Directors of the Company is a deceased member of the Board of Directors of the Company or limited in legal capacity by a court decision, declared incompetent or disqualified, as well as a member of the Board of Directors of the Company who notified the Company of the renunciation of his powers. Such refusal must be made in writing in advance of the meeting of the Board of Directors of the Company.

18.9. The resolution on consent to making or on subsequent approval of any related-party transaction shall be adopted by the Company's Board of Directors in accordance with Article 83 of the Federal Law "On Joint Stock Companies".

18.10. Resolutions of the Board of Directors on issues provided for by Sub-clauses 25, 37-39 of Clause 15.1 of Article 15 of these Articles of Association shall be adopted by the two-thirds majority of the Company's Board of Directors participating in this meeting.

18.11. Issues provided for by Sub-clauses 2, 3, 23 of Clause 15.1 of Article 15 of the Company's Articles of Association shall be considered at the Meetings of the Company's Board of Directors held in form of compresence unless all members of the Board of Directors agree with the meeting in the form of absentee voting.

18.12. When resolving issues at the meeting of the Company's Board of Directors every member of the Board of Directors shall have one vote. In case of equality of votes, the Chairman of the Company's Board of Directors shall have a casting vote.

18.13. A quorum at the meeting of the Company's Board of Directors shall make at least a half of the elected members of the Company's Board of Directors, and in making decisions on the consent or the subsequent approval of transactions provided for by Chapter XI of the Federal Law "On Joint Stock Companies", at least 2 (Two) members of the Board of Directors of the Company who are not related to the transaction and who meet the requirements set forth in clause 3 of Article 83 of the Federal Law "On Joint Stock Companies".

Should the number of members of the Company's Board of Directors become less than the number constituting the specified quorum, the Company's Board of Directors shall adopt resolution to convene an Extraordinary General Meeting of Shareholders for election of new members of the Company's Board of Directors. The rest of the members of the Board of Directors may only resolve to convene such Extraordinary General Meeting of Shareholders. In this case, a quorum at the meeting of the Company's Board of Directors shall make at least a half of remaining members of the Company's Board of Directors.

18.14. Minutes shall be taken at the meeting of the Company's Board of Directors. Minutes of the meeting of the Company's Board of Directors shall be executed and signed not later than within 3 (Three) days following the date of this meeting by the Chairman of the meeting and the Corporate Secretary of the Company which are responsible for accuracy of the minutes. All materials regarding the agenda items of the meeting and documents approved by the Board of Directors shall be attached to the minutes.

In case of absentee vote by the Company's Board of Directors, the voting ballots signed by members of the Company's Board of Directors shall be attached to the minutes.

18.16. The resolutions of the Company's Board of Directors adopted in violation of competence of the Company's Board of Directors shall in the absence of a quorum for holding such Meeting of the Board of Directors or in the absence of majority of votes of the Company's Board of Directors necessary for adopting resolution be invalid irrespective of their appealing in court.

## **Article 19. Committees of the Board of Directors of the Company**

19.1. Committees of the Company's Board of Directors shall be established upon resolution of the Company's Board of Directors.

19.2. Committees of the Company's Board of Directors shall be established for preliminary consideration of issues referred to the competence of the Company's Board of Directors or studied by the Company's Board of Directors in process of supervising activity of the Company's executive body as well as for development of necessary recommendations to the Company's Board of Directors and executive bodies.

19.3. Regulations, the formation procedure, competence and term of powers of committees of the Board of Directors shall be determined by the Company's internal documents approved by the Company's Board of Directors, and separate resolutions of the Board of Directors.

19.4. The Board of Directors of the Company forms the Audit Committee of the Board of Directors of the Company for preliminary consideration of issues related to the control over the Company's financial and economic activities, including assessment of independence of the

Company's audit organization and absence of a conflict of interest with it, as well as assessment of quality of audit of the Company's accounting (financial) statements.

## **Article 20. Corporate Secretary of the Company**

20.1. For the purposes of due compliance in the Company with the procedure for preparation and holding of the General Meeting of Shareholders, activity of the Company's Board of Directors the Board of Directors may elect the Corporate Secretary of the Company, who in his or her activity reports directly to the Board of Directors. The Corporate Secretary is an official of the Company, ensuring the Company's compliance with the current legislation of the Russian Federation, these Articles of Association and internal documents of the Company, guaranteeing the rights and legitimate interests of shareholders of the Company.

20.2. The status of the Corporate Secretary, requirements for his or her candidacy, procedure for appointment and termination of powers of the Corporate Secretary, his or her subordination and the procedure for interaction with management bodies and structural divisions of the Company, as well as other issues related to the activities of the Corporate Secretary of the Company are governed by the Regulation on the Corporate Secretary approved by the Board of Directors of the Company.

## **Article 21. Executive Bodies of the Company**

21.1. The Company's current activity shall be managed by the Company's sole executive body which is the General Director, and by the collegial executive body of the Company which is the Company's Management Board.

21.2. The activity of the General Director and the Management Board of the Company shall be regulated by the Company's Board of Directors and the Company's General Meeting of Shareholders.

The executive bodies of the Company on a regular basis report to the Board of Directors for the creation and operation of an effective system of risk management and internal control and are responsible for its effective functioning.

21.3. The powers of the sole executive body of the company may be delegated upon resolution of the General Meeting of the Shareholders to a management organisation or a manager under the relevant agreement.

Rights and obligations of the management organisation (manager) relating to management of the Company's current activity shall be established by the law of the Russian Federation and by the agreement entered into by the management organisation (manager) with the Company.

The agreement with a management organisation (manager) on behalf of the Company shall be signed by the Chairman of the Company's Board of Directors or the person authorised by the Company's Board of Directors.

The terms and conditions of the agreement with a management organisation (manager), including with regard to the term of powers, shall be determined by the Company's Board of Directors or the person authorised by the Company's Board of Directors.

21.4. Forming the Company's executive bodies and early termination of their powers shall be carried out under the resolution of the Company's Board of Directors except for the cases provided for by the Federal Law and these Articles of Association.

21.5. Rights and obligations of the General Director and members of the Company's Management Board relating to management of the Company's current activity shall be determined by the law of the Russian Federation, these Articles of Association and the employment agreement entered into with the Company.

21.6. The employment agreement on behalf of the Company shall be signed by the Chairman of the Company's Board of Directors or the person authorised by the Company's Board of Directors.

21.7. The terms and conditions of the employment agreement, including with regard to the term

of powers, shall be determined by the Company's Board of Directors or the person authorised by the Company's Board of Directors to execution of the employment agreement in accordance with Clause 21.6 of Article 21 of these Articles of Association.

21.8. The General Director and the members of the Management Board may hold offices in management bodies of other organisations and any other salaried offices in other organisations with consent of the Board of Directors of the Company only.

21.9. Rights and obligations of the employer on behalf of the Company in respect to the General Director and the members of the Company's Management Board shall be exercised by the Company's Board of Directors or the person authorised by the Company's Board of Directors.

21.10. The Board of Directors may adopt at any time resolution on early termination of the powers of the Company's General Director, members of the Company's Management Board and on establishment of new executive bodies.

The powers of the General Director and members of the Management Board shall terminate on grounds established by the law of the Russian Federation and the employment agreement entered into with the Company.

21.11. The General Meeting of Shareholders may adopt at any time the resolution on early termination of powers of a management organisation (manager).

The Company's Board of Directors may adopt at any time the resolution on suspension of powers of a management organisation or a manager. Simultaneously with the specified resolution, the Company's Board of Directors shall adopt resolution on appointment of The Company's Acting General Director and holding the Extraordinary General Meeting of Shareholders to resolve the issue regarding early termination of powers of the management organisation (manager) and, unless otherwise is resolved by the Board of Directors, resolution on delegation of powers of the sole executive body of the Company to the management organisation (manager).

21.12. Should the management organisation (manager) be not able to perform its obligations, the Company's Board of Directors may adopt resolution on appointment of The Company's Acting General Director and holding the Extraordinary General Meeting of Shareholders to resolve the issue regarding early termination of powers of the management organisation (manager) and, unless otherwise is resolved by the Company's Board of Directors, resolution on delegation of powers of the sole executive body of the Company to any other management organisation or other manager.

21.13. The Company's Acting General Director shall manage the Company's current activity within the limits of the competence of the Company's executive bodies unless any other resolution is adopted by the Company's Board of Directors.

21.14. The Company's General Director, members of the Company's Management Board and The Company's Acting General Director as well as the management organisation (manager) shall on exercise of their rights and performing their obligations act for the benefit of the Company as well as exercise their rights and perform their obligations in respect of the Company reasonably and in good faith.

21.15. The Company's General Director, members of the Company's Management Board and The Company's Acting General Director as well as the management organisation (manager) shall be held liable to the Company for losses caused to the Company by their faulty actions (omissions), unless other grounds and scope of liability are established by the federal laws.

The General Director shall be personally liable for arrangement of protection of the state secret as well as for non-compliance with the restrictions of the access to information deemed as a state secret provided for by the applicable law.

At that the members of the Management Board of the Company who either voted against the resolution that resulted in losses to the Company or did not participate in the meeting that adopted such resolution shall not be held liable for these losses.

21.16. In case of temporary absence of the General Director (including, but not limited to,

due to illness, business trip, leave) his/her duties shall under the order of the General Director of the Company be performed by one of his/her deputies only in case of absence of a resolution of the Company's Board of Directors on appointment of the Company's Acting General Director.

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

## **Article 22. The Company's Management Board**

22.1. The Company's Management Board acts under the Articles of Association, as well as under the Regulation on the Management Board establishing the term, the procedures for convocation and holding its meetings, as well as the procedure for making resolutions.

22.2. The following issues refer to the competence of the Company's Management Board:

1) drawing up and submission to the Board of Directors of the Company's development strategy;

2) drawing up of business-plan (adjusted business-plan) and a quarterly report on business-plan execution (for the first quarter, half year, nine months, the reporting year), as well as approval (adjustment) of the indicators of cash flow (budget) of the Company;

3) drawing up of the Company's annual report, a report on implementation by the Management Board of resolutions of the General Meeting of Shareholders and the Board of Directors of the Company;

4) consideration of reports (information) of the Deputy General Directors of the Company, heads of separate structural subdivisions of the Company on results of the Company's activity and its SDC, submitted for consideration by the Management Board of the Company in accordance with instructions of the Management Board or the Board of Directors of the Company;

5) adopting resolutions on issues referred to the competence of the supreme management bodies of business companies, 100 (one hundred) percent of the Authorised capital/voting shares of which belongs to the Company (taking into consideration Sub-clauses 38, 39 of Clause 15.1 of Article 15 of these Articles of Association);

6) adopting resolutions on making transactions which deal with property, work and services which value is between 5 and 25 percent of the Company's net assets according to the accounting (financial) statements for the last reporting date (except for cases provided for by Sub-clause 40 Clause 15.1 of these Articles of Association);

7) effective risk management within the framework of the current activities of the Company; approval of the budget for the risk management activities of the Company within the limits agreed by the Board of Directors of the Company; resolution of cross-functional (performed by several structural divisions) tasks of risk management.

8) resolution of other issues related to management of current activity of the Company in accordance with the resolutions of the General meeting of Shareholders, the Board of Directors of the Company as well as issues submitted to the Management Board by the Company's General Director.

22.3. The members of the Company's Management Board shall be elected by the Company's Board of Directors; the number of members of the Company's Management Board shall be specified by the resolution of the Company's Board of Directors at the suggestion of the Company's Director.

Should the Company's Board of Directors reject the nominations to the Company's Board of Directors offered by the General Director, the Company's Board of Directors may elect to the Management Board the nominations offered by the member (members) of the Company's Board of Directors.

The number of members of the Management Board of the Company shall be not less than 3 (three) persons.

22.4. The Management Board shall be deemed duly constituted should at least half of the elected members of the Management Board at the Meeting (absentee meeting).

22.5. The Board of Directors shall pass resolutions by a simple majority of votes of the number of members of the Management Board participating in a meeting (participating in absentee voting). In case of an equality of votes, the Chairman of the Company's Management Board shall have a casting vote.

22.6. Members of the Management Board may not transfer the voting right to other persons, including other members of the Management Board.

### **Article 23. General Director of the Company**

23.1. The General Director shall manage the current activity of the Company in accordance with resolutions of the General Meeting of the Company's Shareholders, the Board of Directors and the Management Board of the Company adopted in accordance with their competence;

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

23.3. The General Director of the Company shall act on behalf of the Company without any Power of Attorney, taking into account limitations provided for by the applicable laws of the Russian Federation, these Articles of Association and resolutions of the Company's Board of Directors:

- ensure implementation of the Company's business activity plans necessary for achievement of the Company's objectives;

- organise business and tax accounting and reporting in the Company, storage of accounting documents;

- manage the Company's assets, make transactions on behalf of the Company, issue Powers of Attorney, open settlement and other accounts of the Company with banks, other credit institutions (and, in cases provided for by the law, entities which are professional participants of the securities market);

- issue orders, approve (accept) guidelines, regulations and other internal documents of the Company with respect to issues referred to its competence, give instructions binding for all employees of the Company;

- approve Regulations on branch offices and representative offices of the Company;

- in accordance with the general structure of executive bodies of the Company, approve payroll plan and official salaries of the Company's employees;

- exercise in respect to the Company's employees rights and obligations of the employer provided for by the employment law;

- act as the Company's Chairman of the Management Board;

- allocate duties between the deputies of the General Director;

- not later than 45 (Forty five) days prior to the date of the Annual General Meeting of Shareholders of the Company, submit for consideration of the Company's Board of Directors the annual report, annual financial statements, proposals on distribution of profits and losses of the Company;

- resolve any other issues related to the Company's current activity except for the issues referred to the competence of the General Meeting of Shareholders, the Board of Directors and the Management Board of the Company.

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

Nomination of nominations for the position of the Company's General Director to be elected by the Company's Board of Directors shall be proposed pursuant to the procedure established by the

internal document of the Company regulating the procedure for convening and holding meetings of the Company's Board of Directors.

#### **Article 24. Audit Commission, internal audit and audit organization of the Company**

24.1. The Audit Commission of the Company shall be elected by the General Meeting of Shareholders to control financial and business activity of the Company for the period until the next Annual General Meeting of Shareholders.

In case of election of the Company's Audit Commission at the Extraordinary General Meeting of Shareholders, members of the Audit Commission shall be elected for the period until the date of the Annual General Meeting of Shareholders of the Company.

24.2. The Company's Audit Commission shall include 5 (Five) persons.

24.3. The official responsible for the organization and implementation of the Internal audit (the head of the structural unit responsible for the organization and implementation of the internal audit) is appointed and dismissed on the basis of the decision of the Board of Directors of the Company. The terms of the employment contract with the specified persons are approved by the Board of Directors of the Company.

If internal documents of the Company provide for the possibility of internal audit by another legal entity, the determination of such a person and the terms of the contract with him, including the amount of his remuneration, is carried out by the Board of Directors of the Company.

24.4. The powers of all or some members of the Company's Audit Commission may be early terminated under the resolution of the General Meeting of Shareholders of the Company.

Members of the Audit Commission of the Company may not simultaneously be members of the Board of Directors or hold other positions in the management bodies of the Company.

24.5. The competence of the Company's Audit Commission shall include:

- audit (inspection) of financial, accounting, payment and calculation documents as well as other documents of the Company related to the Company's financial and business activity to determine whether these documents comply with the laws of the Russian Federation, the Articles of Association, internal and other documents of the Company;

- audit and analysis of the financial condition of the Company, its solvency, the risk management and internal control system functioning, the liquidity of assets, the ratio of debt to equity, accuracy and timeliness of calculation and payment of interest on bonds, income on other securities;

- control over expenditure of monetary funds of the Company in accordance with the approved business plan and budget of the Company;

- control over the formation and use of the reserve and other funds of the Company;

- checking the timeliness and correctness of settlement transactions with counterparties and budget, as well as the settlement operations on wages, social insurance, and payment of dividends and other payment transactions;

- monitoring compliance with the established procedure for writing off debts of insolvent debtors;

- verification of the Company's business operations, carried out in accordance with existing agreements;

- verification of compliance with the use of material, labour and financial resources, financial and economic activities of existing agreements, norms and standards, approved cost estimates and other documents regulating the activities of the Company;

- control over the safety and use of fixed assets;

- check of funds and assets of the Company, effective use of assets and other resources of the Company, identifying reasons for non-production losses and costs, identification of reserves to improve the financial condition of the Company;

- check of performance of instructions given previously for elimination of violations and defects previously revealed by the Company's Audit Commission;

- development of recommendations for the management bodies of the Company;
- other actions (measures) related to check of financial and business activity of the Company.

24.6. All resolutions on issues referred to the competence of the Audit Commission shall be adopted by a majority of votes of the total number of its members.

24.7. The Audit Commission of the Company may, and, in case of revelation of grave violations in financial and business activity of the Company, shall require convening an Extraordinary General Meeting of the Company.

24.8. The procedure for activities of the Company's Audit Commission shall be established by the Company's internal document approved by the General Meeting of Shareholders of the Company.

The Audit Commission may, in accordance with the resolution on audit (inspection), engage in its work experts in the relevant fields of law, economics, finances, accounting, management, economic security and other fields of knowledge, who do not hold positions in the Company, as well as specialized organizations, to apply to the Company on the conclusion of civil contracts with these experts and organizations.

24.9. Audit (inspection) of the Company's financial and business activities is conducted following the results of the Company's activity for a year, and may be also conducted at any time at the initiative of the Audit Commission of the Company, upon the resolution of the General Meeting of Shareholders, the Board of Directors of the Company or at the request of the Company's Shareholder (Shareholders) holding in total not less than 10 percent of voting shares of the Company.

24.10. At the request of the Audit Commission of the Company persons holding positions in the Company's management bodies shall provide documents on financial and economic activities of the Company.

24.10.1. Following the results of the audit of financial and economic activities of the Company the Audit Commission of the Company shall issue an opinion, which shall contain:

- confirmation of the data contained in the Company's reports, and other financial documents of the Company;
- information on facts of violation of the procedure for maintaining accounting records and submitting accounting (financial) statements established by legal acts of the Russian Federation, as well as legal acts of the Russian Federation when carrying out financial and economic activities;
- confirmation of accuracy of data contained in the report on concluded related-party transactions.

24.10.2. Under the decision of the General Meeting of Shareholders, members of the Audit Commission of the Company during the performance of their duties may be paid remuneration and (or) compensation for expenses related to the performance of their duties. The amount of such remunerations and compensations shall be determined by the General Meeting of Shareholders.

24.11. To assess the reliability and efficiency of risk management and internal control, the Company conducts the Internal Audit.

24.12. The procedure for activities of the Internal Audit is determined by these Articles of Association, the Internal Audit Policy approved by a decision of the Board of Directors of the Company, and local regulations governing the activities of the Internal Audit.

24.13. The General Meeting of Shareholders annually appoints an audit organization of the Company to audit the annual accounting (financial) statements of the Company, which must be independent in accordance with Federal Law No. 307-FZ dated 30 December 2008 "On Auditing Activities".

24.14. The amount of payment for the services of an audit organization is determined by the Board of Directors of the Company.

24.15. The Company's audit organization conducts an audit of the Company's annual accounting (financial) statements in accordance with the legal acts of the Russian Federation and on the basis of an agreement concluded with it.

24.16. Following the results of audit, the Company's audit organization shall prepare the opinion



containing:

- confirmation of accuracy of the data contained in the accounting (financial) statements of the Company;
- information on facts of violation of procedure for accounting and provision of the accounting (financial) statements established by regulations of the Russian Federation, as well as violation of regulations of the Russian Federation in the course of financial and business activities carried out by the Company.

Requirements for the form, content and procedure for providing an auditor's report based on the results of an audit are established by the Standards of Auditing, the Bank of Russia, legal acts of the Russian Federation on the basis of an agreement concluded with the audit organization of the Company.

## **Article 25. Business accounting and financial statements of the Company**

25.1. The Company shall keep accounting records and submit financial statements pursuant to the procedure established by the law of the Russian Federation and these Articles of Association.

25.2. In accordance with the laws of the Russian Federation and these Articles of Association, the Company's executive body shall be responsible for organisation and accuracy of business accounting in the Company, submission of financial statements to the relevant state authorities in due time as well as for representation of information on the Company's activity furnished to Shareholders of the Company, creditors and mass media.

25.3. The accuracy of data contained in the annual report and annual financial statements of the Company shall be confirmed by the Audit Commission of the Company.

25.4. The annual report shall be preliminarily approved by the Company's Board of Directors not later than 30 (Thirty) days prior to the date of the Annual General Meeting of Shareholders of the Company.

## **Article 26. Safekeeping of Documents by the Company. Providing information by the Company**

26.1. The Company shall keep documents, stipulated by the Federal Law "On Joint Stock Companies", the Articles of Association and internal documents of the Company, decisions of the Company's management bodies, as well as documents provided for by regulatory legal acts of the Russian Federation.

26.2. The Company shall keep the documents specified in Clause 26.1 of Article 26 of these Articles of Association at the location of the executive body of the Company pursuant to the procedure and within time-limits established by the Bank of Russia.

26.3. In case of reorganisation of the Company, all documents shall be transferred to a legal successor pursuant to the established procedure.

26.4. In case of liquidation of the Company, documents for permanent storage which are of scientific and historical importance shall be transferred for state custody to the Federal Archives Service of Russia, documents relating to personnel (orders, personnel files, personal registration cards etc.) shall be transferred for custody to the relevant archive of the constituent entity of the Russian Federation.

The documents shall be transferred and arranged in compliance with requirements of archive authorities.

26.5. The Company is obliged to provide shareholders with access, upon their request, to documents in the manner and terms stipulated by the legislation of the Russian Federation.

26.6. Information about the Company is presented by it in accordance with the Federal Law "On Joint Stock Companies" and other legal acts of the Russian Federation.

26.7. The requirement to provide access to the documents of the Company may be presented to

the Company in one of the following ways:

- by sending by post or via courier service to the address of the Company contained in the Unified State Register of Legal Entities, as well as to other addresses specified in the Articles of Association of the Company or disclosed on the Company's website in the information and telecommunications network "Internet" for sending a request;

- delivery against signature to the person holding the position (performing the functions) of the sole executive body, to the Chairman of the Board of Directors of the Company or to another person authorized to accept written correspondence addressed to the Company, including the Corporate Secretary;

- giving by the authorized person, whose rights to the shares of the Company are accounted for by the nominee holder who records the rights of the authorized person to the shares of the Company, instructions to this nominee holder, if provided by the agreement with him, and sending by this nominee holder a message about the will of the authorized person in accordance with the instruction received from him;

- by sending by e-mail.

26.8. The date of submission of the request sent by e-mail is the date of registration of the received request as an incoming document.

26.9. The Company has the right to deny access to documents and information in cases established by the Federal Law "On Joint Stock Companies". In this case, the Company is obliged, within seven working days from the date of the request, to notify the person who submitted the request in writing of the decision taken. A notice of refusal to provide access to the Company's documents is sent to such a person by the communication method specified in the request.

26.10. The amount of fee shall be fixed by the General Director of the Company and shall not exceed the amount of expenses for making copies of documents and, if the request states that they must be sent to the address specified by the shareholder, the corresponding shipping costs.

Information on the cost of making copies of documents is posted on the Company's website in the information and telecommunications network "Internet".

In the event that the shareholder (eligible person) does not pay the costs of the Company for making and (or) shipping copies of documents of the Company on the earlier received and executed Request, the period for providing access to the Company's documents on subsequent requests shall be calculated from the date of receipt of such payment.

26.11. The Company shall provide the Shareholders and employees of the Company with access to information in compliance with requirements of the law on state and commercial secret.

26.12. The term for fulfilling the obligation to provide documents containing confidential information shall be calculated no earlier than from the moment of signing between the Company and the shareholder requesting access to the documents of a nondisclosure agreement (confidentiality agreement).

The Company posts on its website on the "Internet" the terms of the confidentiality contract (agreement). In the case of a group request of shareholders, this agreement must be signed by each of them, and in granting access to documents to a shareholder's representative by proxy, by the shareholder himself and his representative.

26.13. Notices about signs of possible interest in transactions of the joint-stock company, as well as the Notices on the change of information containing the signs of a possible interest in a transaction by the joint-stock company are sent to the Company in one of the following ways:

- sending by postal service by registered mail with notification of delivery or through courier service to the address of the Company contained in the unified state register of legal entities, as well as to other addresses specified in the Company's Articles of Association or in the internal document of the Company approved by the general meeting of shareholders of the Company;

- handing over against signature to the person holding the position (performing the functions) of the sole executive body of the Company, or to another person authorized to receive written

correspondence addressed to the Company;

- sending an electronic document signed by an electronic signature in accordance with the requirements of Federal Law No. 63-FZ of April 6, 2011 "On electronic signature", via telecommunication channels, including through the "Internet";

- sending by telecommunication, including facsimile and telegraph communication facilities, e-mail.

## **Article 27. Reorganisation and Liquidation of the Company**

27.1. The Company may be voluntarily reorganised by way of merger, consolidation, de-merger, split-off and conversion as well as on grounds and pursuant to the procedure established by the Civil Code of the Russian Federation and Federal laws.

27.2. The Company may be liquidated under the court decision or voluntarily pursuant to the procedure established by the Civil Code of the Russian Federation, the Federal Law "On Joint Stock Companies" and these Articles of Association.

27.3. On reorganisation, liquidation of the Company or close-down of work containing information representing state secret, the Company shall secure safety of this information or its medium by means of development and implementation of secrecy order measures, information security, countering foreign technical intelligence, security and fire safety.