

APPROVED:

By the AGSM of Interregional Distributive Grid
Company of Urals, OAO

Protocol #3 dd. 17.06.2011

AGSM Chairperson

_____ / P.V. Golubev

The CHARTER
Of Interregional Distributive Grid Company of Urals, OAO
(new revision)

Ekaterinburg
2011

Article 1. General Provisions

1.1. Interregional Distribution Grid Company of Urals, OAO (hereinafter referred to as the Company) was established by the decision of its founder (Resolution #28r dd. February 24, 2005 adopted by the Management Board Chairperson of RAO UES of Russia, OAO), pursuant to the Russian Civil Code, Federal Law "On Joint-Stock Companies" and other legal regulatory acts of the Russian Federation.

1.2. In its activities the Company shall be governed by the Russian Civil Code, Federal Law "On Joint-Stock Companies", Federal Law "On Electric Energy Industry", Federal Law "On the peculiarities of the energy industry functioning during the transition period and on the amendments introduced into several legal acts of the Russian Federation and acknowledging several RF legal acts void due to the adoption of the Federal Law "On Electric Energy Industry" as well as other legal regulatory acts of the Russian Federation and the present Charter.

1.3. Full company name in Russian is Открытое акционерное общество "Межрегиональная распределительная сетевая компания Урала".

Full company name in English is Interregional Distributive Grid Company of Urals, Open Joint-Stock Company.

1.4. The Company's abbreviated name in Russian is OAO "МРСК Урала". The Company's abbreviated name in English is IDGC of Urals, OAO.

1.5. The Company is located at: 140 Ulitsa Mamina Sibiryaka, Ekaterinburg, Russia, 620026.

1.6. The Company was incorporated for an indefinite term.

1.7. According to the EGM resolution adopted on December 25, 2007 the Company was reorganized in the form of the merger of Permenergo, OAO, Sverdlovenergo, OAO and Chelyabenergo, OAO into IDGC of Urals, OAO.

Pursuant to:

the transfer act approved by the EGM of Permenergo, OAO on January 18, 2008 (Protocol #26 dd. January 21, 2008),

the transfer act approved by the EGM of Sverdlovenergo, OAO on January 18, 2008 (Protocol #21 dd. January 22, 2008),

the transfer act approved by the EGM of Chelyabenergo, OAO on January 18, 2008 (Protocol #20 dd. January 22, 2008)

the Company is an assign of Permenergo, OAO, Sverdlovenergo, OAO and Chelyabenergo, OAO in terms of their rights and liabilities since records on the cessation of their activities were introduced to the Unified State Register of Legal Entities.

Article 2. The Legal Status of Company

2.1. The legal status of the Company shall be determined by the Russian Civil Code, Federal Law "On Joint-Stock Companies" and other regulatory legal acts of the Russian Federation as well as the present Charter.

2.2. The Company shall be a legal entity according to the Russian legislation.

2.3. The Company shall own its solitary property, reflected on its balance sheet, and shall be able to purchase and effect property and personal non-property rights, discharge liabilities as well as act as a plaintiff and defendant in courts on its own behalf.

2.4. The Company shall be entitled to open its bank accounts in and outside Russia as established by the law.

2.5. The Company shall assume liability with all the property it has.

The Company shall not be liable for the obligations of the state or state bodies as well as its own shareholders.

The Company's shareholders shall not be liable for the Company's liabilities, except for the cases

envisaged by the Russian legislation.

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

The shareholders shall carry the risk of losses related to Company's operations within the cost of their stock.

2.6. The Company shall have a round seal with its full company name in Russian and location.

The Company shall be entitled to have stamps and blanks with its company name, its own logo as well as the duly registered trademark and other visual identification facilities.

2.7. The Company shall have civil rights and discharge liabilities required for any operations that are not prohibited by federal laws.

2.8. The Company shall be entitled to set up branches and representative offices both in and outside Russia.

The Company's branches and representative offices shall not be legal entities, they shall act upon the Company's behalf and regulations approved by the Company.

The Company's branches and representative offices shall be provided with the property being reflected both on their and the Company's balance sheets.

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

The Company shall be responsible for operations performed by its branches and representative offices.

The Appendix hereto shall contain the information about the Company's branches and representative offices.

2.9. The Company shall be entitled to have subsidiary and affiliated companies enjoying legal entity rights in Russia incorporated in accordance with the Federal Law "On Joint-Stock Companies", other federal laws and the present Charter, while outside Russia – in accordance with the legislation of a foreign country where a subsidiary or affiliated company is located unless Russian international treaties stipulate otherwise.

Article 3. The Company's Aims and Objectives

3.1. The main aims of the Company shall be:

- profit earning;
- ensuring efficient and reliable functioning of grid objects;
- ensuring sustainable development of distributive grid complex;
- ensuring reliable and high-quality energy supply to consumers (in terms of energy supply and transition).

3.2. The Company shall be entitled to perform any operations, not prohibited by the legislation, to earn profit and provide its own needs, including the following:

- energy transmission;
- operating technological management;
- connection to grids;
- collection, transfer and processing of technological information, including measurement and metering data;
- control over safe exploitation of consumers' energy objects connected to the Company's grids;
- grids exploitation;
- performance of the powers of the sole executive body of economic entities;
- fiduciary property management;
- operations with securities in the procedure stipulated by the current Russian legislation;

- agent operations;
- design and estimate, exploration, scientific, research and constructing operations;
- forwarding services;
- consulting and information services;
- performance of activities determining conditions of parallel operations in accordance with regimes of the United energy system of Russia within contracts;
- exploitation of energy objects (that are not on the Company's balance) according to contracts concluded with owners of such objects;
- provision of efficiency and operability of energy objects in accordance with the current normative requirements, maintenance, diagnostics, repair of grids and other energy objects;
- testing and measurement of energy objects (including objects belonging to consumers);
- provision of efficiency and operability, maintenance, diagnostics, repair of technological communication networks, measurement and metering gadgets, relay protection equipment and stability control scheme, other technological equipment related to grid functioning;
- elaboration of long-term forecasts, perspective and current plans for grid development, target complex scientific, technical, economic and social programs;
- development of grids and other energy objects, including design, engineer exploration, construction, reconstruction, update, mounting and checkout;
- development of technological communication networks and telematics, measurement and metering gadgets, relay protection equipment and stability control schemes, other technological equipment related to grid functioning, including design, exploration, construction, reconstruction, update, mounting and checkout;
- exploitation of explosive, chemically and fire hazardous production facilities;
- creation and mastering of new equipment, mechanisms and technologies ensuring efficiency, fire, production and ecological safety of facility operations, creation of conditions for developing Russian energy sector, implementation of industry scientific and innovation programs, participation in establishing industry R&D funds;
- control over safety of dangerous production facilities;
- provision of labor protection;
- liquidation of technological violations on grid objects;
- nature-protecting operations;
- operations related to environmental impact, creation, collection, usage, deactivation, storage, burial, transfer, transportation and arrangement of industrial waste;
- water management;
- natural resources management, including mineral and forest resources;
- metrology operations;
- production and repair of measurement gadgets;
- mounting, repair and maintenance of equipment and instruments for measurement, control, testing, navigation, location and other purposes;
- dangerous waste management;
- fire prevention and fighting;
- mounting, repair and maintenance of in-door fire safety gadgets;
- HR management, including training and development, knowledge testing in technical exploitation, fire safety and labor protection as well as other rules and instructions in accordance with the current normative documents;

- passenger and cargo transportation by vehicles, railroads, air planes and water transport (including dangerous cargo);
- maintenance and repair of railroad transport;
- maintenance and repair of railroad equipment;
- cargo handling railroad operations (including dangerous cargo);
- cargo handling water operations (including dangerous cargo);
- exploitation, maintenance and repair of vehicles, railroad, air and water transport as well as lifting machines utilized for technological purposes;
- foreign economic affair;
- storage of oil, gas and derivatives;
- operations as a client-developer;
- preparation of project documentation for capital construction projects;
- activities in construction, reconstruction and overhaul;
- activities in energy saving and efficiency increase;
- scheduling of emergency consumption limitation;
- control measurement of load flow and voltage levels in the grids;
- services in certification of working places;
- local, intrazone and long-distance telecom services;
- communication channel lease;
- telematics (including e-mail, access to information resources, enquiry service, Telefax, Comfax, Burofax, message processing, voice messages, voice transfer services);
- data transmission;
- usage of orbital frequency resources and radio frequency for TV and radio broadcasting (including broadcasting of additional information);
- rental of buildings, constructions, equipment, machines and mechanisms;
- security services, just for own safety, within internal security service guided by the Federal Law "On private detective and security activities in Russia";
- technical protection of confidential information;
- activities in mobilization preparation, civil defense, emergency prevention and liquidation;
- state secret protection, operations with top-secret information, according to the Russian legislation and other normative documents;
- trade secret safety and protection;
- purchase (generation) of energy on wholesale energy market and from retail producers used for resale on retail market in case guarantee supplier status is assigned as is set forth by the Russian legislation;
- sale of energy on retail market in case guarantee supplier status is assigned as is set forth by the Russian legislation;
- medical services, including sanatorium-resort services;
- education and training services;
- exploitation and maintenance of objects controlled by the Russian Technical Supervising Agency;
- other operations, non-prohibited by the federal legislation.

3.3. The Company shall be entitled to perform separate types of activities which list is stipulated by the federal laws exclusively on the basis of a special permit (license).

The right to carry out activities, requiring a license, shall emerge from the moment of license

procurement or within a deadline stipulated therein and shall terminate on the expiry date unless determined otherwise by law or other legal acts.

Article 4. The Charter Capital of Company

4.1. The Charter capital of the Company is represented by the nominal value of the shares purchased by the shareholders (outstanding shares).

The Company's charter capital is RUR 8 743 048 571,1.

4.2. The Company has placed its ordinary registered shares with the equal nominal value of RUR 0.1 each, in the amount of 87 430 485 711 shares equal to overall nominal sum of RUR 8 743 048 571.1.

4.3. The Company's Charter capital shall be able to be:

- enlarged by increasing share denomination or placing additional share issues;
- reduced by decreasing share denomination or their overall amount, including purchase and redemption of the placed shares in accordance with the present Charter.

4.4. No increase of the Company's charter capital shall be allowed until it is paid in full. Payment for additional shares, placed by the Company, by the setoff shall be allowed in cases stipulated by the Federal Law on Joint-Stock Companies.

4.5. The Company's charter capital shall be decreased in accordance with the procedure envisioned by the Russian legislation and the present Charter.

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

4.6. In addition to the placed shares the Company declares that it has 2 475 713 367 ordinary registered shares with the nominal value of RUR 0.1 each, in the total amount of RUR 247 571 336.7 in terms of the nominal value.

These ordinary registered shares, declared for placement, shall provide their owners with the rights specified in item 6.2. hereof.

Article 5. The Shares, Bonds and Other Securities placed by the Company

5.1. The Company shall place common shares and shall be entitled to place one or more types of preferred shares, bonds or other emissive securities as defined by the Russian legislation.

5.2. No conversion of common shares into preferred shares, bonds and other securities shall be allowed.

5.3. The Company's placement of shares and other securities that can be converted into shares shall be carried out pursuant to the Russian legal acts.

5.4. The Company shall be entitled to place additional share issues and other emissive securities through distribution among the shareholders, subscription and conversion.

5.5. In cases envisioned by the Russian legislation, the shareholders shall enjoy pre-emptive right to purchase additional share issues and emissive securities, placed via subscription, in the amount proportionate to the quantity of the possessed shares of that category (type).

5.6. If, during exercising pre-emptive right to purchase additional shares or consolidation of shares, it is impossible for a shareholder to purchase the whole number of shares, some share portions will be generated (split shares).

A split share shall provide a shareholder with the rights granted by relevant category (type) share in the volume relating to the whole share part it represents. Split shares shall be circulated with whole shares equally. If one person acquires two or more split shares of the same category (type), these shares will generate one whole and/or split share equal to the total of those split shares.

5.7. Additional shares, placed via subscription, shall be paid with money, securities, other items, title or other rights with pecuniary valuation. Type of payment for additional shares shall be

determined by the Placement Resolution. Payment for other emissive securities can be effected with money only.

Article 6. The Shareholders' Rights

6.1. A Company's shareholder shall be a person who owns Company's shares on the grounds envisaged by the Russian legislation and the present Charter.

6.2. Every common registered share shall give equal amount of rights to a shareholder who owns it. Shareholders owning ordinary registered shares shall be entitled:

- 1) To participate either in person or through their representatives in a GSM with the voting right for all issues pertaining to their competence;
- 2) To propose issues into a GSM agenda pursuant to the Russian legislation and the present Charter;
- 3) To obtain information about the Company's activities and get familiar with the Company documents pursuant to Article 91 of the Federal Law "On Joint Stock Companies", other legal regulatory acts and the present Charter;
- 4) To receive dividends declared by the Company;
- 5) To get pre-emptive right to purchase additional shares and emissive securities convertible into shares placed via subscription in the amount proportionate to their own common shares in the instances envisaged by the Russian legislation;
- 6) To get a portion of the Company's property in case of its liquidation;
- 7) To fulfill other rights envisioned by the Russian legislation and the present Charter.

Article 7. The Dividends

7.1. According to 3M, 6M, 9M and/or 12M results, the Company shall be entitled to take a decision (declare) on the dividends pay-out for the placed shares. The decision on dividend payout (declaration) as of 3M, 6M and 9M results can be adopted within three months following the termination of the relevant period.

The Company shall be obliged to pay out dividends declared for the shares of each category (type).

7.2. Decisions on dividend pay-out (declaration), including decisions on dividend amount and pay-out form per shares of each category (type) shall be adopted by a GSM.

Dividend amount shall not exceed the amount recommended by the Company's BoD. A GSM shall be entitled to take a decision on non-distribution of dividends per common shares.

7.3. The Company shall not be entitled to make any decision (declaration) on dividend payout, as well as to pay out declared dividends in cases envisioned by the Russian legislation.

7.4. The source for dividend pay-out shall be the Company's profit following tax deductions (net profit). Net profit shall be calculated according to the Company's accounting statements.

7.5. The term and the procedure for dividend payout shall be determined by a GSM resolution. The term for dividend payout shall not exceed 60 (Sixty) days since the resolution. In case the term for dividend payout is not determined by a GSM resolution, it shall be equal to 60 (Sixty) days since the resolution on dividend payout. The Company shall not be entitled to grant advantages regarding dividend payout to certain holders of shares belonging to a certain category (type). Declared dividends on shares belonging to each category (type) shall be paid out simultaneously to all holders of shares belonging to the category (type). The list of persons entitled to dividends shall be prepared as of the date when the list of persons entitled to participate in a GSM deciding upon dividends is prepared. To prepare the list of persons entitled to dividends, a nominal holder shall submit information on persons whose shares it holds.

7.6. In case during the term for dividend payout, determined according to item 7.5. of the present Charter, declared shares are not paid out to a person from the list of persons entitled to dividends, such person shall be entitled to submit a claim on the declared dividends to the Company

within three years following the expiry of the term. The term for submission of a claim on declared dividends shall not be restored in case of non-claim, except for the cases when a person entitled to dividends have not submitted the claim under violence or threat. Following the expiry of the term, determined by the item, dividends, declared and non-claimed by a shareholder, shall be restored as a part of non-distributed profit of the Company.

Article 8. The Company Funds

8.1. The Company shall create the Reserve Fund equaling 5 (Five) percent of the Company's Charter Capital. The amount of obligatory annual contributions to the Reserve Fund shall be 5 (Five) percent of the Company's net profit until the Reserve Fund has reached the specified amount.

8.2. The Company's Reserve Fund shall be meant for covering the Company's losses, as well as redeeming the Company's bonds and repurchasing the Company's shares in case it lacks other resources. The Reserve Fund shall not be used for other purposes.

8.3. The Company shall be entitled to create other funds in compliance with the Russian legislation to ensure its business and financial operations as a legal entity.

Article 9. The Management and Control Bodies of the Company

9.1. The Company shall have the following management bodies:

- The General Shareholder Meeting (GSM);
- The Board of Directors (BoD);
- The Management Board (MB);
- The Chief Executive Officer (CEO).

9.1. The Audit Commission shall serve as a financial control body.

Article 10. The General Shareholder Meeting

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

10.2. The following issues shall pertain to the GSM reference:

- 1) Introduction of amendments and supplements to the Charter or approval of a new version of the Charter;
- 2) The Company's re-organization;
- 3) The Company's liquidation, appointment of a liquidation commission and approval of interim and final liquidation balance-sheets;
- 4) Definition of quantity, nominal value, category (type) of authorized shares and the rights provided by the shares;
- 5) Increase of the Charter capital by enlarging the nominal value or placing additional shares;
- 6) Decrease of the Charter capital by reducing the nominal value, purchasing shares to reduce their total amount as well as by redeeming shares acquired or paid-up by the Company;
- 7) Splitting and consolidation of the Company shares;
- 8) Decision-taking on the placement of bonds convertible into shares and other emissive securities convertible into shares;
- 9) Determination of the BoD membership, election of its members and early termination of their powers;
- 10) Election of the Audit Commission and early termination of their powers;
- 11) Approval of the Company's auditor;
- 12) Decision-taking on transferring the powers of the sole executive body of the Company to a

managing company (a managing director) and early termination of its powers;

13) Approval of annual reports and financials including profit and loss statements (profit and loss accounts) of the Company, as well as profit distribution (including dividend pay-out (declaration), except for the profit distributed as 3M, 6M and 9M dividends and losses as of the financial year;

14) Dividend pay-out (declaration) as of 3M, 6M and 9M results;

15) Determination of the procedure for arranging a GSM;

16) Decision-taking on approving transactions in cases envisaged by Article 83 of the Federal Law "On Joint-Stock Companies";

17) Decision-taking on approving major transactions in cases envisaged by Article 79 of the Federal Law "On Joint-Stock Companies";

18) Decision-taking on participation in financial and industrial groups, associations and other unions of commercial companies;

19) Approval of internal documents regulating the activities of the Company's bodies;

20) Decision-taking on remuneration and/or compensations paid to the Audit Commission;

21) Decision-taking remuneration and/or compensations paid to the Board of Directors;

22) Decision-taking on other issues stipulated by the Federal Law "On Joint-Stock Companies".

10.3. Issues referred to the GSM competence shall not be passed over for resolution to the Board of Directors, Management Board and CEO.

A GSM shall not be entitled to review or take decisions on the issues that are not referred to its competence by the Federal Law "On Joint-Stock Companies".

10.4. A GSM resolution on an issue put for voting shall be adopted by the majority of votes of shareholders owning voting shares and taking part in a GSM unless otherwise stated by the Federal Law "On Joint-Stock Companies".

10.5. A GSM resolution shall be adopted by the majority of three fourths of the shareholder votes owning voting shares and participating in a GSM on the following issues:

- Introduction of amendments and supplements to the Charter or approval of a new version of the Charter;
- The Company's re-organization;
- The Company's liquidation, appointment of a liquidation commission and approval of interim and final liquidation balance-sheets;
- Determination of quantity, nominal value, category (type) of authorized shares and the rights provided by the shares;
- Decrease of the Charter capital by reducing the nominal value;
- Placement of shares (emissive securities convertible into shares) by private offering upon a GSM resolution to increase the Charter capital by placing additional shares (to place the Company's emissive securities convertible into shares);
- Open-subscription placement of common shares comprising more than 25 (twenty five) percent of the common shares placed earlier;
- Open-subscription placement of emissive securities convertible into common shares that can be converted into shares comprising more than 25 (twenty five) percent of the common shares placed earlier;
- Decision-taking on approval of major transactions covering property with the cost of more than 50 (fifty) percent of the asset book value;
- Other issues stipulated by the Federal Law "On Joint-Stock Companies".

A resolution on approval of an interested-party transaction, pursuant to Article 83 of the Federal Law "On Joint-Stock Companies" shall be adopted by a GSM by the majority of the shareholders, owners of voting shares, with no commercial interest in the transactions.

10.6. Resolutions on the issues stipulated by subitems 2, 5, 7, 8, 12-20, item 10.2, Art. 10 herein as well as on the reduction of the Charter capital by decreasing the nominal value, shall be adopted by a GSM only following the BoD proposal.

10.7. A GSM shall not be entitled to adopt resolutions on issues non-covered by the agenda as well as to change the agenda. GSM resolutions adopted on the issues, non-covered by the GSM agenda (except for the cases when all shareholders participated in it) or adopted with violations of the GSM competence, with no quorum for holding a GSM or without majority of votes required for decision-taking, have no force despite judicial appeal.

10.8. During a GSM the shareholders shall vote according to the scheme "one voting share – one vote", except for cumulative voting when they elect the Company's Board of Directors. During cumulative voting the number of votes a shareholder owns shall be multiplied by the number of people to be elected to the Board of Directors, thus, a shareholder shall be able to give her/his votes to a candidate or to distribute them between two or more candidates. Candidates with the majority of votes are considered elected to the Board of Directors.

10.9. A GSM shall be held at the Company's location or in Moscow or anywhere else according to a BoD resolution. The precise GSM address shall be specified by the Board of Directors while reviewing GSM issues.

10.10. The person presiding over the GSM shall be the BoD Chairperson.

In case the BoD Chairperson is absent during a GSM, her/his presiding functions shall pass to the Deputy BoD Chairperson.

In case the BoD Chairperson and her/his deputy are absent, their presiding functions during a GSM shall be executed by any BoD member in compliance with a BoD resolution or resolution of BoD members attending a GSM.

In case there are no persons, pursuant to the item hereof, presiding over an EGM, held according to a resolution of persons entitled to demand a GSM arrangement, the GSM Chairperson shall be a person who made a decision to hold the EGM (his/her representative), or, in case the decision is made by several persons, a person determined by their decision.

10.11. In case all voting shares belong to one shareholder, resolutions on the issues referred to the GSM competence shall be adopted by the shareholder (her/his authorized management body), documented in writing and submitted to the Company. Herewith, statements of Articles 10-15 of the present Charter determining the procedure and terms of a GSM arrangement and convention shall not come into effect, except for the statements stipulating the terms of an AGM.

Article 11. Arranging a GSM in the form of compresence

11.1. An AGM shall be held not earlier than two months and not later than six months following the end of the financial year.

An AGM shall obligatory adopt resolutions on the BoD and Audit Commission election, approval of the Auditor, approval of the annual report and financials, including profit and loss statements as well as profit distribution (including 3M, 6M and 9M dividend pay-out) submitted by the BoD and losses as of the end of the financial year as well as shall be able to adopt resolutions on other issues referred to the GSM competence.

11.2. A GSM shall be arranged in the form of compresence of the shareholders (their representatives) for discussing the agenda issues and decision-taking on the issues put for voting. A GSM resolutions may be adopted by absentee voting (by questionnaires) pursuant to Article 12 hereof.

11.3. The functions of the counting commission during the GSM shall be performed by a qualified entity holding the Company's register (the Company's registrar).

11.4. The list of persons entitled to participate in a GSM shall be drawn up on the basis of the register.

The list of the persons entitled to participate in a GSM shall not be drawn up prior to the date, when a decision on holding a GSM was taken, and more than 50 (fifty) days prior to a GSM date, except

for the case stipulated by item 14.9. hereof.

11.5. A GSM announcement shall be published by the Company in the Rossiiskaya Gazeta as well as be disclosed at the corporate website within 30 (thirty) days prior to its date.

11.6. Voting papers concerning agenda issues shall be forwarded by registered mail to address disclosed in the register or handed over to every person disclosed in the register against signature within 20 (twenty) days prior to a GSM.

Each person, disclosed in the register, shall be given a copy of voting paper on all issues or one copy of two or more voting papers on various issues.

11.7. Information (materials) on GSM agenda issues, within 20 (Twenty) days, or 30 (Thirty) days, in case of holding a GSM with the agenda issue on the Company's reorganization, prior to a GSM, shall be available for persons, entitled to participate in a GSM for familiarization, at the premises of the Company's executive body as well as other places disclosed in a GSM announcement. The information (materials) should be available for the persons entitled to participate in a GSM during it.

The procedure for familiarizing the persons, entitled to participate in a GSM, with information (materials) on GSM agenda issues and the list of such information (materials) shall be determined by a BoD resolution.

11.8. A shareholder shall be able to participate in a GSM both in person and by proxy. In case a stock is owned jointly by several persons, they receive a copy of voting paper on all issues or one copy for two or more voting papers on various issues. The authority to vote during a GSM shall be used, at their discretion, by one of the stock owners or their common representative.

The authorities of each person shall be properly documented.

11.9. During a GSM held in the form of compresence persons, included into the list of persons entitled to participate in a GSM (or their representatives), shall be entitled to participate in such GSM or forward their filled-in voting papers to the Company.

11.10. A GSM shall be legitimate (or reach quorum), in case shareholders possessing more than half of all votes provided by the outstanding voting shares participated in it.

Shareholders shall be considered to have participated in a GSM in case they registered and in case they submitted their voting papers within two days prior to a GSM date.

In case the agenda includes issues to be voted by different membership of voters, the quorum for such decisions shall be determined separately.

If there is no quorum for solving issues to be voted by one membership, it does not put an obstacle to other issues to be voted by another membership for which there is a quorum.

11.11. If there is no quorum to hold an annual GSM there should be a repetitive GSM with the same agenda. If there is no quorum to hold an extraordinary GSM, there should be a repetitive GSM with the same agenda.

A resolution on holding a repetitive GSM shall be adopted by the Company's BoD.

A repetitive GSM, convened instead of the non-held one, shall be legitimate, if shareholders possessing no less than 30% of the placed voting shares on the whole, take part in it.

Arranging a repetitive GSM in less than 40 (Forty) days following a non-held one, persons entitled to participate in a GSM shall be determined according to the list of persons entitled to participate in a non-held GSM.

In case the quorum for holding an Annual General Meeting, based on the court decision, is not reached, there should be a repetitive General Meeting with the same agenda within 60 days. Additional legal recourse shall not be required. A repetitive GSM shall be convened and arranged by a person or body of the Company, stipulated by court decision, and in case the person or the body have not convened an AGSM within the term determined by the court decision, a repetitive GSM shall be convened and arranged by other persons or body of the Company taken a legal recourse under condition that the persons or body are stipulated by the court decision. In case the quorum

for EGSM arrangement due to court decision is not reached, a repetitive GSM shall not be arranged.

11.12. A GSM protocol shall be drawn up in two copies within 3 (Three) working days following the end of the GSM. Both copies shall be signed by the GSM Chairperson and Secretary (Corporate Secretary).

11.13. Voting results and resolutions adopted by the GSM shall possibly be announced at the GSM.

If voting results and resolutions adopted by the GSM are not announced at the GSM, they shall be brought to the notice of those, entitled to participate in the GSM within 10 (Ten) days after the protocol on voting results and resolutions adopted by the GSM as well as the report about the voting results are drawn up, as stipulated in item 11.5. hereof.

Article 12. GSM arranged by means of absentee voting

12.1. A GSM resolution shall possibly be adopted without holding a meeting (compresence of shareholders and discussion of agenda issues and decision-taking on issues put for voting) by absentee voting (by questionnaires).

Voting on issues of an absentee-voting GSM agenda shall be performed only by voting papers.

12.2. A GSM which agenda contains issues on the BoD and Audit Commission election, the auditor approval as well as issues specified in subitem 13, item 10.2, article 10 hereof cannot be organized by means of absentee ballot.

A new GSM, held instead of a planned one which should have been arranged in the form of com-presence, cannot be organized by means of absentee ballot.

12.3. The list of persons authorized to participate in the absentee voting concerning the agenda of a GSM shall be drawn up on the basis of the register.

The list of the persons authorized to participate in absentee voting concerning the agenda of a GSM cannot be drawn up before the decision to hold such a meeting is made and more than 50 (Fifty) days prior to the Company's deadline for the receipt of voting papers.

12.4. The announcement on a GSM, held by means of absentee ballot, shall be published by the Company in the Rossiyskaya Gazeta as well as on the corporate website within 30 (thirty) days prior to the Company's deadline for the receipt of voting papers.

12.5. Voting papers on the agenda issues shall be sent by registered mail to addresses stipulated by the list of the persons authorized to participate in a GSM or shall be submitted to such persons against signature within 20 (Twenty) days prior to the Company's deadline for the receipt of voting papers.

Each person, included into the list of persons authorized to participate in a GSM, shall be provided with a one copy of voting paper for voting on all agenda issues or one copy of two and more voting papers for voting on various issues.

The procedure for familiarization of persons, authorized to participate in a GSM, with information (materials) on a GSM agenda and the list of such information (materials) shall be determined by the BoD resolution.

12.6. A GSM, held by means of absentee ballot, shall be legitimate (reach the quorum) in case shareholders, possessing more than half of the votes provided by the placed voting shares, participate in it.

Shareholders shall be considered to have participated in a GSM, held by means of absentee ballot, in case their voting papers are submitted prior to the Company's deadline for the receipt of voting papers.

12.7. The protocol of the voting results shall be drawn up and signed by the Company's registrar within 3 (Three) working days following the Company's deadline for the receipt of voting papers in two copies.

A GSM protocol shall be drawn up within 3 (Three) working days following the Company's

deadline for the receipt of voting papers in two copies. Both copies shall be signed by the GSM Chairperson and Secretary (Corporate Secretary).

12.8. Resolutions, adopted by a GSM as well as voting results arranged in the form of a voting report shall be brought to notice of the persons, authorized to participate in a GSM within 10 (Ten) days after the protocol is drawn up as stipulated in item 12.4. hereof.

Article 13. Proposals to an AGM agenda

13.1. A shareholder (shareholders) of the Company, possessing at least 2 (Two) percent of the Company's voting shares, within 60 (Sixty) days following the end of the financial year, shall be entitled to propose issues to be included onto the agenda of an AGM and recommend candidates to the Board of Directors and Audit Commission, with number of candidates not exceeding the membership of the corresponding body.

13.2. Proposals to include issues onto an AGM agenda and to nominate candidates shall be forwarded in writing and shall contain the name of a shareholder (shareholders), quantity and type of shares they possess as well as their signatures.

13.3. A proposal to include issues into an AGM agenda shall contain the wording for each issue and a proposal to nominate candidates shall contain the names and document details proving identity of candidates (series or number of such document, issuing date, place and authority), name of the body to be elected to.

13.4. The Board of Directors shall consider submitted proposals and make a decision whether to include them into the agenda of a GSM or not within 5 (Five) days following the deadline specified by item 13.1. herein.

13.5. The Board of Directors shall be entitled to refuse issues proposed by a shareholder (shareholders) to the agenda as well as nominees for certain positions in a corresponding body of the Company according to the reasons stipulated by the Federal Law "On Joint-Stock Companies" and other Russian legal acts.

13.6. A reasoned BoD decision on refusal to include an issue onto the GSM agenda or a nominee into the list of candidates to a certain corporate body shall be forwarded to a shareholder (shareholders), who proposed an issue or a candidate, within 3 (Three) days since the decision date.

13.7. The Board of Directors shall not be entitled to change the wording of issues, proposed for the GSM agenda, as well as the wording of decisions concerning these issues (if any).

Besides issues, proposed for the GSM agenda by shareholders as well as in case of no such proposals, absence or deficit of candidates for a certain corporate body, the Board of Directors shall be entitled to include issues and candidates into the GSM agenda at its discretion.

Article 14. The Extraordinary General Shareholder Meeting

14.1. All GSMs, held apart from the AGM, shall be considered extraordinary.

14.2. An EGM shall be arranged upon a BoD decision, based upon its own initiative, a request from the Audit Commission and the Auditor as well as a shareholder (shareholders) possessing at least 10 (ten) percent of voting shares of the Company as of the request date.

14.3. An EGM, held according to a request from the Audit Commission and the Auditor as well as a shareholder (shareholders) possessing at least 10 (Ten) percent of voting shares, shall be arranged by the Board of Directors.

Such GSM shall be held within 40 (Forty) days since submission of a GSM request, except for the case specified in item 14.9. hereof.

14.4. This GSM request shall contain issues to be included onto the agenda.

A person (persons), requesting an EGM convention, shall be entitled to submit a draft EGM resolution as well as a proposal on an EGM form. In case this EGM convention request contains a

nominee promotion proposal, this proposal shall be regulated by the corresponding statements of Article 13 hereof.

The Board of Directors shall not be entitled to change the wording of EGM agenda issues, issue resolutions and proposed form for an EGM convened upon the request from the Audit Commission, the Auditor as well as a shareholder (shareholders) possessing at least 10 (Ten) percent of voting shares.

14.5. In case an EGM convention is requested by a shareholder (shareholders), such request shall contain the name of a shareholder (shareholders) who demand the meeting as well as the quantity and category (type) of the Company shares possessed by them.

An EGM convention request shall be signed by a person (persons) requesting the EGM convention.

14.6. Within 5 (Five) days since the submission of an EGM convention request, prepared by the Audit Commission, Auditor as well as a shareholder (shareholders) possessing at least 10 (Ten) percent of voting shares, the BoD shall adopt a resolution on an EGM convention or refusal to convene it.

14.7. A BoD resolution on an EGM convention or reasoned resolution to refuse its convention shall be forwarded to persons requesting its convention within 3 (Three) days since the adoption.

14.8. In case, within the period, stipulated by item 14.6, article 16 hereof, the BoD does not adopt a resolution to convene an EGM or adopts a resolution to refuse to convene, a body of the Company or persons requesting the convention shall be entitled to take a legal recourse to force the Company to arrange an EGSM. A court decision on coercion to arrange an EGSM shall stipulate the term and procedure for arrangement. The court decision shall be executed by a plaintiff or, upon its request, by a body of the Company or other person in case they agree. The Board of Directors shall not be such body. Herewith, a body of the Company or a person arranging an EGSM, according to a court decision, shall have all authorities required for GSM convention and arrangement stipulated by the Federal Law on Joint-Stock Companies. In case, according to a court decision, a plaintiff arranges an EGSM, EGSM expenses shall be reimbursed in compliance with a GSM resolution at the Company's expense.

14.9. In case the EGM agenda contains an issue on BoD election:

14.9.1. A GSM shall be held within 90 (Ninety) days since the request to convene an EGM.

14.9.2. Shareholders (shareholder) possessing at least 10 (Ten) percent of voting shares shall be entitled to propose BoD candidates, total number not exceeding the BoD membership.

Such proposals shall be submitted to the Company no less than 30 (Thirty) days prior to the EGM date.

The BoD shall consider the proposals and make decisions whether to include them into the agenda or not within 5 (Five) days following the end of the term specified in para. 2 of the subitem.

14.9.3. The list of persons entitled to participate in a GSM shall not be made prior to GSM decision date and more than 85 (Eighty five) days prior to the GSM date.

14.9.4. An EGM convention shall be announced not later than 70 (Seventy) days prior to its date.

Article 15. The Board of Directors

15.1. The Board of Directors shall manage the Company, except for issues referred to the GSM competence by the Federal Law "On Joint-Stock Companies" and the present Charter.

The following issues shall pertain to the BoD reference:

- 1) Definition of the Company's priorities and development strategy;
- 2) AGM and EGM convention, except for the cases specified in item 14.8., Article 14 hereof as well as announcement of the date for a new GSM instead of the abortive one, not held due to the lack of quorum;

- 3) Approval of the GSM agenda;
- 4) Election of a GSM secretary;
- 5) Determination of the date when the list of persons entitled to participate in the General Meeting is to be drawn up; approval of estimated expenses for GSM arrangement and other issues connected with its preparation and arrangement;
- 6) Proposal of issues, envisaged by subitems 2, 5, 7, 8, 12-20, item 10.2, Article 10 herein, for GSM's resolution as well as the issue on the Charter Capital reduction by reducing nominal value;
- 7) Placement of bonds and other securities, except for the cases outlined by the Russian legislation and present Charter;
- 8) Approval of Security Issue (Additional Issue) Resolution, the Prospectus and Issue (Additional Issue) Results Reports, Acquisition Results Reports, Redemption Results Reports, Buy-out Results Reports;
- 9) Evaluation (monetary value) of property, offering and buy-out price in cases envisaged by the Federal Law "On Joint-Stock Companies", as well as solving issues stipulated by subitems 11, 22, 38, item 15.1., Article 15 hereof;
- 10) Acquisition of the outstanding shares, bonds and other securities in cases stipulated by the Federal Law "On Joint-Stock Companies";
- 11) Alienation (sale) of the shares possessed by the Company as a result of purchase or buy-out as well as in other cases stipulated by the Federal Law "On Joint-Stock Companies";
- 12) Election of the CEO and early termination of the powers including decision-taking on the early termination of the labor contract;
- 13) Determination of the Management Board membership, election of MB members, determination of remuneration and compensations paid to them, early termination of their powers;
- 14) Recommendations to the GSM on remuneration and compensations paid to the Audit Commission members and Auditor's fee;
- 15) Recommendations on the dividend amount and payment procedure;
- 16) Approval of the Company's internal documents stipulating the procedure for Company's fund generation and usage;
- 17) Decision-taking on fund usage; approval of special-purpose fund cost estimates and review of cost estimate completion results;
- 18) Approval of the Company's internal documents, except for the documents which approval pertains to the GSM competence as well as other internal documents which approval pertains to the competence of executive bodies;
- 19) Approval of a business plan (updated business plan), including investment program and a quarterly report on their completion as well as the approval (adjustment) of the control indicators of the Company's cash flows;
- 20) Review of investment program, including amendments to it;
- 21) Establishment of branches and representative offices, their liquidation as well as introduction of amendments to the Charter concerning the establishment of branches and representative offices (including change of their names and location) and their liquidation;
- 22) Decision-taking on the participation in other companies (joining an existing organization or forming a new one including approval of founding documents) and the purchase, sale and encumbrance of the charter capital in companies in which the Company participates, change of the share to the charter capital of a corresponding company, withdrawal from other companies;
- 23) Definition of the Company's credit policy regarding granting of loans, conclusion of credit and loan agreements, provision of guarantees, acceptance of bill obligations (promissory notes and bills of exchange), property hypothecation and decision-taking on making the above-mentioned transactions in cases when decision tree is not outlined by the Company's credit policy, as well as decision-taking on adjustment of the Company's debt position to the limits, set forth by the Company's credit policy;

- 24) Approval of major transactions in cases set forth by Article X of the Federal Law "On Joint-Stock Companies";
- 25) Approval of transactions set forth by Article XI of the Federal Law "On Joint-Stock Companies";
- 26) Approval of the Company's Registrar, details of the contract and contract termination;
- 27) Election of the BoD Chairperson and early termination of the powers;
- 28) Election of the BoD Deputy Chairperson and early termination of the powers;
- 29) Election of the Corporate Secretary and early termination of the powers;
- 30) Preliminary approval of decisions regarding the Company's transactions connected with gratuitous transfer of the Company property or title (demands) to itself or a third party; transactions involving discharge of property liability to itself or a third party; transactions connected with gratuitous rendering by the Company of the services to third parties in cases (amounts) determined by separate BoD resolutions and adoption of resolutions on transaction conclusion in cases where the above-stated cases (amounts) are left undetermined;
- 31) Decision-taking on the suspension of the powers possessed by a managing company (a managing director);
- 32) Decision-taking on the appointment of the Acting CEO, in cases determined by separate BoD resolutions, as well as bringing her/him to disciplinary liability;
- 33) Bringing the CEO and MB members to disciplinary liability or reward in accordance with the Russian labor legislation;
- 34) Review of CEO's reports on operations (including those relating to her/his performance), on implementation of GSM and BoD resolutions;
- 35) Approval of the interaction procedure between the Company and companies in which the Company has a stake;
- 36) Determination of the Company's (its representatives') position, including the instruction to vote or refrain from voting on agenda issues, to vote "FOR", "AGAINST", "ABSTAIN" on the following agenda issues of the SAC's GSM (except for the cases when SAC GSM functions are performed by the BoD) and BoD sessions (except for the issue on GSM agenda approval when functions of SAC GSM are performed by the BoD):
 - a) Determination of SAC GSM agenda;
 - b) Affiliate restructuring or liquidation;
 - c) Determination of the membership in management and control bodies of SACs, nomination, election of the members and pre-term termination of their powers, nomination and election of the sole executive bodies of SACs and pre-term termination of powers;
 - d) Definition of the membership of SAC management and control bodies, nomination, election of the members and pre-term termination of the powers, nomination, election and pre-term termination of the powers of the sole executive body;
 - e) Determination of amount, par value, category (type) of SAC's authorized shares and the rights vested by those shares;
 - f) Increase of the SAC's charter capital by increasing the nominal value or by placing additional shares;
 - g) Placement of SAC's securities convertible into common shares;
 - h) Splitting and consolidation of SAC's shares;
 - i) Approval of major transactions concluded by SACs;
 - j) SAC's participation in other companies (joining an existing company or establishment of a new company) as well as acquisition, alienation and encumbrance of shares and interests in the charter capital of companies where a SAC has a stake; change in participatory interest of relevant company;
 - k) Conclusion of transactions by a SAC (including multiple interrelated transactions) involving acquisition, alienation or eventual alienation of the property comprising the main assets, intangible assets, incomplete construction sites for the purpose of electricity/thermal energy generation,

- transmission, dispatching, and distribution in cases (amounts), determined by the interaction procedure between companies in which the Company participates, approved by the BoD;
- l) Introduction of amendments and supplements to SAC's founding documents;
 - m) Determination of the procedure for SAC's BoD and AC members remuneration pay-out;
 - n) Approval of target key performance indicators (adjusted target key performance indicators);
 - o) Approval of a report on the completion of planned annual and quarter key performance indicators;
 - p) Approval of a business plan (an updated business plan), including investment program and a quarterly report on its execution;
 - q) Approval of a report on business plan completion;
 - r) Approval of profit and loss distribution based on the fiscal year-end results;
 - s) Recommendations for dividend amount and payout procedure;
 - t) Dividends payment (declaration) as of 1Q, 1H, 9M as well as fiscal year results;
 - u) Review of an investment program, including amendments to it;
 - v) Approval (review) of a report on investment program completion.
- 37) Determination of the Company's (its representatives') position on the following SAC BoD agenda issues (including the instruction to vote or refrain from voting on agenda issues or to vote "FOR", "AGAINST" or "ABSTAIN" on draft resolutions):
- a) Determination of SAC representatives' positions on agenda issues of GSM and BoD of their SACs regarding conclusion (approval) of transactions (including multiple interrelated transactions) to involve acquisition, alienation or potential alienation of the property comprising the capital assets, intangible assets, incomplete construction projects for the purpose of electricity/thermal energy generation, transmission, distribution in cases (amount) determined by the interaction procedure between companies in which the Company participates, approved by the BoD;
 - b) Determination of SAC representatives' positions on agenda issues of GSM and BoD of their SACs that are involved in generation, transmission, dispatching, distribution and sale of electrical and thermal energy, regarding reorganization, liquidation, increase of the charter capital by increasing the nominal share value or by placing additional shares as well as offering securities convertible into common shares;
- 38) Preliminary approval of the Company's decisions on:
- a) Transactions involving the Company's non-current assets exceeding 10% of the book value of the assets according to the data reflected in the financials as of the last reported date;
 - b) Transactions (including multiple interrelated transactions) involving acquisition, alienation or potential alienation of property comprising the main assets, intangible assets, uncompleted construction objects for the purpose of electrical/thermal energy generation, transmission, dispatching, distribution in cases (amount) determined by special BoD resolutions;
 - c) Transactions (including multiple interrelated transactions) involving acquisition, alienation or potential alienation of property comprising the main assets, intangible assets, uncompleted construction objects for the purposes other than electrical/thermal energy generation, transmission, dispatching, distribution in cases (amount) determined by special BoD resolutions.
- 39) Nomination of candidates for election to the sole executive body, other management and control bodies, as well as auditor candidates at legal entities in which the Company participates and which are involved into electrical/thermal energy generation, transmission, dispatching, distribution and sales as well as maintenance and other service activity types;
- 40) Determination of directions for insurance coverage of the Company, including approval of a Company's underwriter;
- 41) Approval of the organization structure of the Company's Executive Office and introduction of amendments to it;
- 42) Approval of the Regulations on the CEO's financial stimulation, Regulations on financial stimulation of the Company's management; approval of the management list.

- 43) Approval of candidates nominated for several positions of the Company's Executive Office determined by the BoD;
- 44) Preliminary approval of the collective agreement, agreements concluded by the Company within the framework of regulating social and labor relations as well as approval of documents on state pension provision for the employees;
- 45) Creation of BoD committees, election of BoD committee members and pre-term termination of the powers possessed by the BoD Committee Chairpersons;
- 46) Approval of independent appraiser (-s) candidates for appraisal of shares, property and other Company assets in cases stipulated by the Federal Law "On Joint-Stock Companies", the present Charter and special BoD resolutions;
- 47) Approval of a financial advisor candidate, hired in accordance with the Federal Law "On Securities Market", as well as candidates for issue manager and advisors on transactions directly related to raising funds in the form of public borrowings;
- 48) Preliminary approval of transactions capable of entailing foreign cash commitments (or commitments with the values being attached to foreign cash) in cases and amount determined by special BoD resolutions as well as when the BoD has not determined the above-mentioned cases (amounts);
- 49) Approval of the Company's purchase policy, including the approval of the Regulations on the regulated purchase procedures, approval of the head of the central purchase body and its members, as well as approval of annual purchase program and decision-taking pursuant to the documents regulating purchase policy of the Company;
- 50) Decision-taking on the CEO nomination to government awards;
- 51) Approval of target (adjusted) key performance indicators (KPIs) and KPI completion reports;
- 52) Shaping the Company's policy aimed at enhancing the reliability of distribution grids and other network facilities, including approval of the Company's strategic programs to improve grids reliability, development and safety;
- 53) Shaping the Company's housing policy with regard to granting corporate support to employees to improve their living conditions by subsidies, expense compensations, interest-free loans and to taking decisions on the above-mentioned support in cases when support policy has not stipulated the support procedure;
- 54) Other issues referred to the BoD competence by the Federal Law, "On Joint-Stock Companies" and the present Charter.

15.2. Issues, referred to the BoD competence, shall not be passed over for consideration by the Company's CEO and Management Board.

15.3. Whilst exercising their rights and fulfilling duties, BoD members shall act to the benefit of the Company and shall perform their rights and duties in good faith and reasonably.

15.4. BoD members shall be liable to the Company for the losses incurred by the Company through their wrongful acts (inaction) unless federal laws defined other grounds and scope of liability.

In this respect, no liability will be incurred by the BoD members who voted against the resolution which resulted in Company losses or who abstained from voting.

Article 16. The Election of the Board of Directors

16.1. The BoD membership shall include 11 (Eleven) members.

16.2. BoD members shall be elected by the GSM in the procedure stipulated by item 10.8, Article 10 hereof for the period till the next annual General Shareholder Meeting.

If the Board of Directors is elected by an EGM, the BoD members shall be deemed to have been elected for the period till the next AGM. If an AGM is not arranged within time-limits specified in item 11.1., Article 11 hereof, the powers of the BoD shall be terminated, except for the powers to convene, arrange and hold the AGM.

16.3. Only an individual shall be able to be a BoD member.

16.4. Persons, elected into the Board of Directors, shall be allowed to be re-elected for unlimited number of times.

16.5. Upon a GSM resolution the powers of the BoD members can be early terminated. A GSM can adopt a resolution to early terminate the powers of all the BoD members only.

Article 17. The BoD Chairperson

17.1. The BoD Chairperson shall be elected by the BoD members from among themselves by the majority of votes.

17.2. The BoD shall be entitled to re-elect the Chairperson at any time by the majority of votes.

17.3. The BoD Chairperson shall arrange the BoD proceedings, convene its meetings and preside over them, arrange record keeping and preside over the GSM.

17.4. If the BoD Chairperson is absent, her/his functions shall be fulfilled by the Deputy Chairperson elected from among the BoD members by the majority of votes.

Article 18. The BoD sessions

18.1. The procedure for arrangement and convention of BoD sessions shall be regulated by an internal document approved by the GSM.

18.2. BoD sessions shall be arranged as required but no less than once in six weeks.

A BoD session shall be convened by the BoD Chairperson (or her/his deputy in cases stipulated by item 17.3, Article 17 herein) at her/his own initiative, by a request from a BoD member, the Audit Commission, CEO, a MB member and the Auditor.

18.3. During the first session of the newly elected BoD, the BoD shall have an obligatory review of issues with regard to the election of the BoD Chairperson, Deputy Chairperson and Corporate Secretary.

The session shall be convened by a BoD member in accordance with the internal document regulating the procedure for arrangement and convention of the BoD sessions.

18.4. BoD resolutions can be adopted by absentee voting (by questionnaires). In case of absentee voting, the agenda materials and a questionnaire for voting shall be forwarded to all BoD members, deadline for submission of a filled-in and signed questionnaire indicated.

18.5. A BoD member, absent during an in-praesentia BoD session, shall be entitled to state her/his opinion over agenda issues in writing in accordance with the internal document regulating the procedure for arrangement and convention of the BoD sessions.

18.6. No transfer of voting right of a BoD member to another person, including another BoD member, shall be allowed.

18.7. All BoD resolutions shall be adopted by the majority of votes of the BoD members participating in the session, except for the cases stipulated by the Russian legislation and the present Charter.

In cases when a transaction is to be approved simultaneously for several reasons (as specified by the Charter and Chapter X or XI of the Federal Law "On Joint-Stock Companies"), the approval procedure shall be governed by the provisions of the Federal Law "On Joint-Stock Companies".

18.8. A BoD resolution on the approval of a major transaction shall be adopted unanimously by all BoD members.

BoD resolutions shall be adopted by the three-fourths majority of votes out of the BoD total number on the following issues:

- suspension of powers possessed by a managing company (managing director) and appointment of

the Acting CEO;

- convention of an EGM in cases set forth by items 21.11., 21.12 Article 21 hereof.

Whenever the BoD adopts resolutions stipulated by this item of the Charter, no votes belonging to BoD members who left the BoD shall be taken into account.

The BoD members who left the BoD shall be those who passed away, were found legally incapable or missing.

18.9. A resolution to approve an interested-party transaction shall be adopted by the BoD pursuant to Article 83 of the Federal Law «On Joint-Stock Companies».

18.10. BoD resolutions on issues set forth by subitems 22-23, 35-37, item 15.1., Article 15 hereof shall be adopted by the two-thirds majority of the BoD members participating in the session.

18.11. Whenever resolving issues during a BoD session, each BoD member shall have one vote. In case of vote equality, decisive vote shall be cast by the BoD Chairperson.

18.12. Quorum for a BoD session shall be reached by at least half of the elected BoD members.

If the number of BoD members becomes less than the above-mentioned quorum, the BoD shall be obliged to decide upon arranging an EGM to elect a new BoD. The remaining members on the Board of Directors shall be entitled to decide only on convention of such EGM. In this case the quorum for a BoD session shall be reached by at least half of the remaining BoD members.

18.13. A record shall be taken during the BoD session. The BoD protocol shall be prepared and signed within 3 (Three) days since the session date by the Chairperson and Corporate Secretary who shall be responsible for its correct documenting. All agenda-related materials and documents, approved by the Board of Directors, shall be attached to the protocol.

Questionnaires signed by the BoD members shall be attached to the protocol during adoption of resolutions via absentee voting.

18.14. BoD resolutions, adopted with violations of the BoD competence, with no quorum for holding a BoD session reached or without the majority of BoD votes required for decision-taking, have no force despite a judicial appeal.

Article 19. The BoD Committees

19.1. The BoD committees shall be formed by a BoD resolution.

19.2. The BoD Committees shall be set up to elaborate on various issues pertaining to the BoD competence or examined by the BoD in line with the procedure for control over activities of the Company's executive body and to prepare required recommendations to the BoD and executive bodies.

19.3. Regulations stipulating activities, the committee formation procedure, competence and terms of office shall be determined by special BoD resolutions.

Article 20. The Corporate Secretary

20.1. For proper observance of the procedure for GSM preparation and arrangement as well as the BoD activities the Corporate Secretary can be elected by the BoD.

20.2. The labor contract with the Corporate Secretary on behalf of the Company shall be signed by the BoD Chairperson or a person authorized by the Board of Directors.

20.3. The conditions of the contract with the Corporate Secretary, including the amount of remuneration, shall be determined by the BoD or a person authorized by the Board of Directors.

20.4. The Corporate Secretary shall participate in the arrangement of GSMs, BoD sessions within the competence in compliance with the Russian legislation requirements, the Charter and other internal documents of the Company.

20.5. The members of the executive bodies and officers of the Company shall assist the Corporate Secretary in performing her/his functions. The Corporate Secretary shall be accountable to the BoD in terms of his/her activities.

20.6. Regulations stipulating activities, procedure for appointment and termination of powers, terms of office, rights and duties of the Corporate Secretary shall be determined by the Regulations on the Corporate Secretary approved by the Board of Directors.

Article 21. The Executive Bodies

21.1. The Company's activities shall be managed by the sole executive body – the CEO – and collegiate executive body – the Management Board.

21.2. The CEO and MB shall be accountable to the GSM and the BoD.

21.3. According to a GSM's resolution the powers of the sole executive board of the Company may be outsourced to a managing company or a managing director under a contract.

The rights and duties of a managing company (a managing director) to provide the day-to-day management of the Company shall be determined by the Russian legislation and contract concluded with the Company.

The contract on behalf of the Company shall be signed by the BoD Chairperson or an officer authorized hereto by the Board of Directors.

Terms of the contract, including the terms of office, shall be determined by the BoD or an officer authorized hereto by the Board of Directors.

21.4. Creation of executive bodies and pre-term termination of powers shall be executed upon a BoD resolution, except for the cases stipulated by the Russian legislation and the Charter.

21.5. The rights and liabilities of the CEO and MB to manage the Company's operations shall be governed by the Russian legislation, the present Charter and labor contract between the Company and each of them.

21.6. The labor contract on behalf of the Company shall be signed by the BoD Chairperson or another officer authorized hereto by the Board of Directors.

21.7. The conditions of labor contract, including the terms of office, shall be determined by the BoD or a person authorized by the BoD to sign labor contracts according to item 21.6, Article 21 hereof.

21.8. No overlapping of positions in management bodies of other companies or any other paid positions at other companies, occupied by the CEO and MB members, shall be allowed unless approved by the BoD.

21.9. Employer's rights and obligations, on behalf of the Company, regarding the CEO and MB members shall be fulfilled by the BoD or a person authorized by the BoD.

21.10. The BoD, at any time, shall be entitled to decide on the termination of powers of the CEO and MB members and on creation of new executive bodies.

Termination of the CEO's and MB members' powers shall be effected on the basis stipulated by the Russian legislation and labor contract concluded between the Company and each of them.

21.11. A GSM shall be entitled at any time to decide on the early termination of a managing company's (a managing director's) powers.

The BoD shall be entitled to decide on suspension of a managing company's (a managing director's) powers. In parallel with the decision, the BoD shall have to decide on the appointment of the Acting CEO and the arrangement of an EGM to solve the issue of early termination of a managing company's (a managing director's) powers and – unless other decision is adopted by the BoD – on the transfer of powers belonging to the sole executive body to a managing company (a managing director).

21.12. In case a managing company (a managing director) is unable to fulfill its obligations, the BoD shall be entitled to decide on the appointment of the Acting CEO and the arrangement of an

EGM to decide upon the issue of early termination of a managing company's (a managing director's) powers and – unless other decision is adopted by the BoD – on the transfer of powers belonging to the sole executive body to another managing company (managing director).

21.13. The Acting CEO shall manage the Company on a day-to-day basis within the competence of the Company's executive bodies unless the BoD decides otherwise.

21.14. The CEO, MB members, acting CEO and managing company (managing director), while exercising their rights and obligations regarding the Company, shall act to the benefit of the Company in good faith and reasonably.

21.15. The CEO, MB members, acting CEO as well as a managing company (a managing director) shall be liable to the Company for the losses incurred by the Company through their wrongful acts (inaction) unless other reasons and scope of responsibility is stipulated by the federal laws.

The CEO shall take on a personal liability for the protection of information considered a state secret as well as for non-observance of the state restrictions on familiarization with above-mentioned information.

The liability, described herein, shall not pertain to the MB members who voted against the decisions which caused the losses or those who abstained from voting.

21.16. In case of temporary absence of the CEO (due to her/his illness, business trip, vacation) her/his duties can be entrusted to one of the deputies based upon a CEO's order, only when there is no BoD resolution on assignment of the Acting CEO.

Article 22. The Management Board

22.1. The MB of the Company shall act according to the present Charter as well as the Regulations on the Management Board, approved by the GSM, specifying the terms and procedure of its convention and arrangement as well as decision-taking.

22.2. The MB competence shall include:

- 1) Elaboration and submission of the Company's development strategy for the BoD's review;
- 2) Preparation of the annual (quarter) business plan, including the investment program and a completion report, approval (adjustment) of cash flows (budget) of the Company;
- 3) Preparation of the Company's annual report on financial and economic operations as well as on the execution of GSM- and BoD-approved decisions by the MB;
- 4) Review of reports, prepared by the CEO's deputies, heads of separate subdivisions, on the results of approved plans, programs, instructions as well as review of reports, documents and other information about operation of the Company and its SACs;
- 5) Decision-taking on the issues referred to the competence of the supreme authorities of the companies where the Company possesses 100 (One hundred) percent of the charter capital (taking into account subitem 36, 37 item 15.1., Article 15 hereof);
- 6) Preparation and submission of financial and economic reports of the companies where the Company possesses 100 (One hundred) percent of the charter capital for a BoD review;
- 7) Decision-taking on conclusion of major transactions (property, work and services which cost amounts to 1 up to 25 percent of the Company's assets book value, according to financial statements as of the last reported period (except for the cases specified in subitem 38, item 15.1 hereof);
- 8) Decision-taking on other issues according to decisions adopted by the GSM, BoD as well as issues submitted by the CEO for MB's review.

22.3. MB members shall be elected by the BoD, determined by a BoD resolution upon CEO's proposal.

If the BoD declines candidates to the MB, promoted by the CEO, the BoD shall be entitled to nominate candidates promoted by the BoD member (-s).

The MB membership shall not be less than 3 (Three) persons.

22.4. The MB shall reach the quorum if more than half of its elected members participate in the session (absentee voting).

22.5. All resolutions shall be adopted by the majority of votes belonging to the MB members present at a session (or participating in the absentee voting). In case of a tied ballot, the decisive vote shall be cast by the MB Chairperson.

22.6. No transfer of voting right from one MB member to another person, including another MB member, shall be allowed.

Article 23. The CEO

23.1. The CEO shall manage the Company on a day-to-day basis according to resolutions adopted by the GSM, BoD and MB within their competence.

23.2. The CEO's competence shall include all matters of day-to-day management of the Company, except for issues referred to the GSM, BoD and MB competence.

23.3. The CEO shall act without the power of attorney, on behalf of the Company, including the restrictions stipulated by the Russian legislation, the present Charter and BoD resolutions:

- Ensuring fulfillment of the Company's plans required for reaching its objectives;
- Arranging accounting and reporting operations;
- Administering the Company's property, concluding transactions on behalf of the Company, issuing powers of attorney, opening the clearing and other accounts at banks, other credit institutions (and also in cases stipulated by the legislation - at organizations being professional participants of securities market);
- Issuing decrees, approving (adopting) instructions, internal regulations and other internal documents of the Company regarding her/his competence; giving instructions obligatory for execution by all Company employees;
- Approving the Regulations on the branches and representative offices;
- Approving staff schedule and official salaries according to the organization structure of the Company's executive office;
- Exercising rights and liabilities of the employer regarding the Company's employees as stipulated by the labor legislation;
- Performing the functions of the MB Chairperson;
- Distributing responsibility between the CEO deputies;
- Submitting reports on financial and business operations of the subsidiary and associated companies, whose shares are owned by the Company as well as information on other companies where Company has a stake for a BoD's review, except for the cases described in subitem 6, item 22.2 Article 22 hereof;
- Within 45 (Forty five) days prior to the AGM date, submitting annual report and financial statements, profit and loss statement as well as distribution of profits and losses for a BoD's review;
- Considering other issues of the Company's activity, except for the issues related to the GSM, BoD or MB competence.

23.4. The CEO of the Company shall be elected by the majority of votes cast by the BoD members participating in the session.

Nomination of candidates for the CEO position for further election by the BoD shall comply with the procedure determined by the internal document regulating the procedure for convention and arrangement of the BoD sessions.

Article 24. The Audit Commission and Auditor

24.1. To provide control over the financial and business activities of the Company the GSM

shall elect the Audit Commission for the period till the next AGM.

In case when the Audit Commission is elected by the EGM the AC members shall be deemed to be elected for the period till the next AGM.

The AC membership shall include 5 (Five) persons.

24.2. According to a GSM resolution, the powers of all or several AC members may be terminated ahead of time.

24.3. The Audit Commission competence shall include the following:

- Confirmation of authenticity of information and data contained in annual report and financial statements as well as profit and loss statement;
- Analysis of the Company's financial status, identification of inventory for improving financial status of the Company and provision of recommendations to the management bodies;
- Arrangement of audit inspections of financial and business activities, namely:
- Checks (audits) of financial, accounting, payment and other documentation of the Company connected with the financial and business operations regarding its compliance with the Russian legislation, the Charter, internal and other documents of the Company;
- Control over safety, integrity and usage of the main assets;
- Control over compliance with the stipulated procedure for writing-off the insolvent debtors onto the Company's losses;
- Control over cash expenditures in accordance with the approved business plan and budget;
- Control over the build-up and usage of reserve and other special-purpose funds;
- Checks of correct and timely accrual and payment of dividends, bond yields, yields generated by other securities;
- Check of compliance with the previously issued instructions for elimination of violations and drawbacks revealed by the previous checks (audits);
- Completion of other activities connected with the check of financial and business operations.

24.4. All resolutions on the issues referred to the AC competence shall be adopted by the majority of votes out of the total number cast by its members.

24.5. The Audit Commission shall be entitled or, in case of revealing serious violations in financial and business operations, shall be obliged to demand the convention of an EGM.

24.6. The AC procedures shall be determined by the internal document approved by the GSM.

The Audit Commission, according to a resolution on checks (audit), shall be entitled to hire specialists in appropriate fields of law, economics, finances, bookkeeping, management, economic security, etc., including specialized companies to perform audit inspections and examinations.

24.7. Checks/audits of financial and business operations may be carried out at any time upon an AC initiative, a GSM or BoD resolution as well as upon request from a shareholder (-s), who in totality owns at least 10 percent of the voting shares.

24.8. To check and approve the annual financial statements the GSM shall annually approve the Company's Auditor.

24.9. The Auditor fees shall be determined by the BoD.

24.10. The Company Auditor shall carry out audit of financial and business operations in accordance with the requirements of the Russian legislation on the basis of the contract.

24.11. Following the audit of financial and business operations the Audit Commission and the Auditor shall draw up an auditor report containing the following issues:

- verification of data contained in statements and other financial documents;
- evidence of Company's non-compliance with the regulatory bookkeeping practices and financial accounting procedures as well as legal acts of the Russian Federation in its financial and business operations.

The procedure and timeline for preparation of an auditor report based on the outcome of the audit inspection shall be stipulated by the legal acts of the Russian Federation and internal documents.

Article 25. The Accounting and Financial Statements

25.1. The Company shall be obliged to keep books and submit financial statements in line with the procedure fixed by the Russian legislation and the present Charter.

25.2. Responsibility for arrangement, condition and adequacy of accounting; timely submission of annual statements and other reports into appropriate state bodies, as well as information on Company's operations submitted to the shareholders, creditors and mass-media shall be taken by the CEO in compliance with the Russian legislation and the present Charter.

25.3. Adequacy of data contained in annual report, annual accounting statements shall be approved by the Audit Commission and Company Auditor.

25.4. Annual report, annual accounting statements, profit and loss accounts, distribution of profits and losses of the Company shall be subject to preliminary approval by the BoD within 30 (Thirty) days prior to the AGM date.

Article 26. Storage of Document. Information submission and disclosure

26.1. The Company shall keep the following documents:

- 1) The resolution on the Company incorporation;
- 2) The Company Charter, amendments and supplements introduced to the Charter, registered in accordance with the prescribed procedure as well as state registration certificate;
- 3) Documents evidencing the Company's title of its property on its balance sheets;
- 4) Internal documents approved by the management bodies of the Company;
- 5) The Regulations on the branches and representative offices;
- 6) Annual reports;
- 7) The Prospectuses, quarterly reports and other documents containing information subject to publication or disclosure in any other way as required by the federal laws;
- 8) Accounting documents;
- 9) Accounting statements;
- 10) GSM, BoD, AC and MB Protocols;
- 11) Voting papers, as well as powers of attorney (copies of powers of attorney) authorizing to take part in a GSM;
- 12) Independent appraisers' reports;
- 13) Lists of affiliated entities of the Company;
- 14) Lists of persons authorized to participate in GSMs and persons entitled to receive dividends as well as other lists for the shareholder to exercise their rights in accordance with the requirements of the Federal Law "On Joint-Stock Companies";
- 15) Reports prepared by the Audit Commission of the Company, Company Auditor, state and municipal fiscal control bodies;
- 16) Notifications on conclusion of shareholder agreements forwarded to the Company as well as the list of persons concluded such agreements;
- 17) Judicial acts on litigation related to the creation, management or stockholding of the Company;
- 18) Other documents stipulated by the Russian legislation, the present Charter, internal documents and resolutions of the management bodies.

26.2. The Company shall keep documents stipulated by item 26.1. herein, at the location of the Company's executive body according to the procedure and within the deadlines set by the federal executive body regulating securities market.

26.3. In case the Company is reorganized, all documents shall be duly passed on to the legal successor.

26.4. In case the Company is liquidated, the permanently kept documents of historical and

scientific importance shall be passed over to the Federal Archive Service, staff documents (decrees, personal folders and registration cards) shall be passed on for keeping at relevant archive of the RF subject.

Transfer and arrangement of documents shall be exercised in compliance with the requirements of the archive bodies.

Company information shall be provided by the Company in accordance with the requirements of the Russian legislation.

26.5. The Company shall provide its shareholders with access to the documents stipulated by item 26.1. herein with allowance for the restrictions specified by the Russian legislation.

Business accounting documents and MB session protocols shall be accessible to a shareholder (-s) owning in totality at least 25 (Twenty five) percent of the voting shares.

26.6. The documents stipulated by item 26.1. herein shall be submitted by the Company within 7 (Seven) days, except for the documents stated in subitem 17, item 26.1., which should be presented within 3 (Three) days, from the date of submitting relevant request for familiarization at the premises of the Company's executive body.

The Company shall be obliged, upon request from the persons entitled to have access to the documents stipulated by item 26.1. herein, to provide such persons with the copies of the documents.

26.7. The charge shall be defined by the CEO and shall not exceed the cost of copying.

26.8. The Company shall provide its shareholders and employees with access to information in compliance with the requirements of legislation with reference to the state and commercial secret.

Article 27. The Reorganization and Liquidation

27.1. The Company can be voluntarily restructured through mergers, takeovers, splits, separations, and transformation as well as on the grounds and based on the procedure set forth by the Russian Civil Code and federal laws.

27.2. The Company may be liquidated by a court decision or voluntarily on the basis of the procedure stipulated by the Russian Civil Code, Federal Law "On Joint-Stock Companies" and the present Charter.

27.3. In case when the Company is in the process of restructuring, liquidation or termination of activities dealing with information of state and commercial secret, the Company shall be obliged to secure integrity of such information and data carriers by developing and implementing security system, information protection, technical intelligence controls/countermeasures, security and fire safety.

Appendix No. 1
To the Charter of Interregional
Distributive Grid Company of Urals, OAO

**List of the branches of
IDGC of Urals, OAO**

№	Name	Address
1	Permenergo branch of IDGC of Urals, OAO	48 Komsomolsky Prospekt, Perm, Russia, 614990
2.	Sverdlovenergo branch of IDGC of Urals, OAO	17a Prospekt Kosmonavtov, Ekaterinburg, Russia, 620017.
3.	Chelyabenergo branch of IDGC of Urals, OAO	5 Ploschad Revolutsii, Chelyabinsk, Russia, 454000