

**APPROVED**

by the Resolution  
of the General Meeting of JSC "First Power Generating  
Company on the Wholesale Energy Market"  
shareholders

\_\_\_\_\_ 2009

**Articles of Association  
of Joint Stock Company  
"First Power Generating Company on the  
Wholesale Energy Market"**

(Edition of June 26, 2009)

Tyumen  
2009

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## **Article 1. General Provisions**

1.1. Joint Stock Company ““First Power Generating Company on the Wholesale Energy Market” (hereinafter referred to as the Company) has been duly incorporated in accordance with the Civil Code of the Russian Federation, Federal Law On Joint Stock Companies, other regulations of the Russian Federation. The activity of the Company shall be regulated by current legislation of the Russian Federation and the provisions specified herein.

1.2. The full Company name in Russian shall be Открытое акционерное общество «Первая генерирующая компания оптового рынка электроэнергии», in English - JSC OGC-1.

1.3. The abbreviated name of the Company in Russian is ОАО «ОГК – 1».

1.4. The location of the Company: Ul. Odesskaya d. 1 Korp.1 625023 Tyumen, Tyumenskaya Oblast, Russian Federation.

1.5. The Company has been created for an indefinite period of time.

1.6. The Company shall be the legal successor of the following joint stock companies incorporated to the Company:

JSC Nizhnevartovskaya GRES (OGRN 1058602102481)

JSC Urengoyskaya GRES (OGRN 1058602102503)

JSC Irikhinskaya GRES (OGRN 1055612022025)

JSC Kashirskaya GRES-4 (OGRN 1057746557208)

JSC Permskaya GRES (OGRN 1025901794049).

1.7. The Company shall be the legal successor of the following joint stock companies incorporated to the Company concurrently with separation:

JSC OGC-1 Holding (OGRN 1087760001669).

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

2.1. The legal status of the Company shall be determined in accordance with the Civil Code of the Russian Federation, Federal Law On Joint Stock Companies, other regulations of the Russian Federation and the provisions specified herein.

2.2. The Company shall be a legal entity as required by the laws of the Russian Federation.

2.3. The Company shall have separate property independently accounted. The Company shall be entitled to purchase and to implement property rights and personal nonproperty rights and to act as a plaintiff and a defendant at courts.

2.4. The Company shall be entitled to open bank accounts on the territory of the Russian Federation and overseas.

2.5. The Company shall bear responsibility in relation to all commitments to the extent of all of its property.

The Company shall not be responsible for commitments of the Russian Federation and the shareholders.

The Company’s shareholders shall not be responsible for commitments of the Company unless otherwise specified by the applicable regulations of the Russian Federation.

The shareholders shall be entitled to dispose the shares owned by the same without prior consent of other shareholders and the Company.

The Company’s shareholders shall bear the risks of loss related to the operation of the Company within the limits determined by the total value of the shares owned by such shareholders.

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

The Company shall be entitled to have stamps and the headed paper with its name, a logo and a duly registered trade mark and other instruments of visual identification.

2.7. The Company shall have civil rights and commitments required for any operation consistent with the federal legislation.

2.8. The Company shall be entitled to found subsidiaries and open representative offices on the territory of the Russian Federation and overseas.

The subsidiaries and representative offices of the Company shall not act as legal entities operating on behalf of the Company in accordance with the Regulations approved by the Company.

The subsidiaries and representative offices of the Company shall have property accounted both independently and within the Company.

The head of a subsidiary company or a representative office of the Company shall be appointed General Director of the Company and shall act in accordance with the Power of Attorney issued by the Company.

The Company shall be responsible for the operation of subsidiaries and representative offices.

The information on subsidiaries and representative offices is given in Annex 1 attached herein which is an integral part of these Regulations.

2.9. The Company shall be entitled to have subsidiary and affiliated companies which have been assigned the rights of legal entities on the territory of the Russian Federation and have been incorporated in accordance with Federal Law On Joint Stock Companies, other regulations of the Russian Federation and beyond the territory of the Russian Federation as required by the laws of a foreign state where such subsidiary or affiliated company is located unless otherwise specified in the international treaty of the Russian Federation.

### **Article 3. Objectives and Activities of the Company**

3.1. The main objective of the Company is a profitable operation.

3.2. The Company shall be entitled to perform any profit-making activities allowed by law, including without limitations:

- heat and power production;
- supplies (sales) of heat and power ;
- generation (purchase) of heat and power at the wholesale market of electricity (power);
- performance of works within concurrent operation in accordance with the Unified Power System of Russia in the framework of contract relationship;
- fulfilment of power supply conditions specified in agreements;
- operation of power generating equipment in accordance with current regulations, timely and proper maintenance, improvement and renovation of power facilities;
- power supply to consumers connected to the Company's heat supply networks in accordance with agreements;
- operation of power facilities which are not accounted by the Company, however operated in accordance with the agreements with owners of such power facilities;
- power saving operation of power facilities;
- introduction of new machinery and technologies in order to improve efficiency, to ensure safety and environmental security of the Company's facilities;
- activities targeted at environmental protection;
- activities related to impact on environment, environmental protection, rational exploitation of natural resources, disposal, storage and transportation of wastes;
- control over safe maintenance of power and heat facilities operated by customers connected to the Company's heat networks;
- project estimation, research, development and engineering;
- operation of heat supply networks;
- operation of communications facilities and telecommunications service;
- storage of oil and oil products;
- fuel gas distribution; sales of fuel gas supplied through supply networks;
- transportation of gas and gas products by pipelines;
- storage of gas and gas products;
- storage of other liquid and gas products;
- operation of explosive facilities;
- operation and maintenance of Gosgortekhnadzor facilities;
- operation of buildings and erections;
- measurement assurance;
- handling of hazardous wastes;
- operation of internal gas supply networks;
- repair of measuring equipment;
- executive authorities in joint stock and other companies in accordance with current legislation and agreements;
- foreign economic activities;
- forwarding services;
- educational activities including auxiliary training;

- trust property management;
- consulting services;
- operations with securities as required by the laws of the Russian Federation;
- agency activities;
- training and testing of knowledge of rules, regulations and instructions on general, industrial and fire safety;
- arrangements and events targeted at mobilization training, civil defence, emergency response and data protection in relation to state secrets as required by the laws of the Russian Federation;
- safeguarding activities targeted at proper security performed by the Company's Security Service acting in accordance with the Law of the Russian Federation On Private Detective and Safeguarding Activity in the Russian Federation and as required by the laws of the Russian Federation;
- other activities.

3.3. The Company shall be entitled to perform certain activities subject to a special permission (license) in accordance with applicable federal regulation.

The Company shall be entitled to perform the licensed activities from the date of issue of such license or from the date specified in such license and shall terminate such activities upon the expiry of the license unless otherwise specified by the legislation of the Russian Federation.

#### **Article 4. Share Capital of the Company**

4.1. The share capital of the Company shall be determined by the nominal value of the Company's shares purchased by the shareholders (outstanding shares).

The share capital of the Company shall make 25 660 014 425,40804 (Twenty five billion six hundred sixty million fourteen thousand four hundred and twenty five point forty thousand eight hundred and four) Rubles.

4.2. The Company has declared registered ordinary shares of equal nominal value 0,57478 (zero point fifty seven thousand four hundred and seventy eight) Ruble each in the amount of 44 643 192 918 (Forty four billion six hundred three million one hundred ninety two thousand nine hundred and eighteen) shares for the total value of 25 660 014 425,40804 (Twenty five billion six hundred sixty million fourteen thousand four hundred and twenty five point forty thousand eight hundred and four) Rubles.

4.3. The share capital of the Company may be:

- increased by an increase of the nominal value of the shares or by placement of supplement shares;
- decreased by a decrease of the nominal value of the shares or the reduction of their total number, including without limitations by purchase or repayment of a part of outstanding shares of the company in accordance with the Regulations.

4.4. An eventual increase of the share capital of the Company shall be subject to its mandatory complete payment.

The Company shall not be entitled to increase the share capital to cover loss or to pay overdue accounts payable.

4.5. The share capital of the Company may be decreased as required by the laws of the Russian Federation and the provisions specified herein.

The Company shall be obliged to decrease the share capital in cases specified in the Federal Law On Joint Stock Companies

4.6. The Company shall declare in addition to outstanding shares 22 624 051 032 (twenty two billion six hundred twenty four millions fifty one thousand thirty two) shares of registered ordinary shares of equal nominal value 0.57478 (zero point fifty-seven thousand four hundred and seventy-eight) Ruble each.

The registered ordinary shares declared by the Company shall confer to the shareholders the rights specified in Clause 6.3 hereof.

#### **Article 5. Shares, Notes and Other Securities of the Company**

5.1. The Company shall place ordinary shares and shall be entitled to place one or more categories of preferred shares, notes or other equity securities as required by the laws of the Russian Federation.

5.2. The conversion of ordinary shares into preferred shares, notes or other securities shall not be allowed.

5.3. The Company's shares or other securities converted into shares shall be performed as required by the laws of the Russian Federation.

5.4. The Company shall be entitled to place additional shares or other equity securities allocating the same among the Company's shareholders, subscription and conversion.

5.5. In cases specified in the Federal Law On Joint Stock Companies the Company's shareholders shall

have a pre-emptive right to purchase subscribed additional shares and equity securities converted to shares in the amount determined on pro rata basis by the shares of such category owned by such shareholder.

5.6. If the purchase of the whole number of shares is not possible for the shareholder implementing his/her pre-emptive right to purchase additional shares or in the case of consolidation of shares, the shares shall be diluted (fractional shares).

A fractional share shall confer to its owner the rights conferred by a share of a relevant category to the extent determined by the part of the whole share.

Fractional shares shall circulate on a par with whole shares. If the same person purchases two or more fractional shares of the same category such shares shall make one whole and/or one fractional share equal to the sum of such fractional shares.

5.7. The additional shares subject to subscription procedures may be paid by cash, securities, goods or property rights or other rights which have a monetary value.

The method of payment for additional shares shall be determined in the resolution on their placement.

Other equity securities shall be paid by cash only.

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

6.1. The Company's shareholder is a person who owns the Company's shares as required by the laws of the Russian Federation and the provisions specified herein.

6.2. Each ordinary nominal share of the Company confers to a relevant shareholder who owns such share equal rights.

6.3. The shareholders who own ordinary nominal shares of the Company shall be entitled:

1) To participate in person or by proxy in the General Meeting of the Company's shareholders and to vote on all resolutions within his/her competence;

2) To make suggestions on issues on the agenda of the General Meeting as required by the laws of the Russian Federation and the provisions specified herein;

3) To receive information of the Company's activities and to study the Company's documents in accordance with Article 91 of Federal Law On Joint Stock Companies, other regulations and the provisions specified herein.

4) To receive dividend declared by the Company;

5) To be granted a pre-emptive right to purchase subscribed additional shares and equity securities converted into shares in the amount determined on pro rata basis by the shares of such category as required by the laws of the Russian Federation;

6) To receive a portion of property in case of winding up of the Company;

7) To implement other rights as required by the laws of the Russian Federation and the provisions specified herein.

## **Article 7. Dividends**

7.1. The Company shall be entitled to make a resolution (to declare) on payment of dividends on the outstanding shares based on the results of the first quarter, six months, nine months of a financial year and / or the whole financial year. The resolution on payment (declare) of dividends for the first quarter, six months, nine months of a financial year may be made within three months after the expiry of a relevant period.

The Company shall pay declared dividends on shares of each category.

7.2. The resolution on payment (declare) of dividends including without limitations the resolution on the amount of dividends and the method of payment for each category of shares shall be made by the General Meeting of the Company's shareholders.

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

The General Meeting of the Company shall be entitled to make a resolution on suspension of payments of dividends on shares.

7.3. In cases specified by the legislation of the Russian Federation the Company shall not be entitled to make a resolution on payment (declare) of dividends on shares and shall not be entitled to pay dividends declared on shares.

7.4. Dividends shall be paid from the Company's profit after taxation (net profit of the Company). The Company's net profit shall be determined by the financial statements of the Company.

7.5. The term for payment of dividends shall be determined by the General Meeting of the Company's shareholders, however this term shall not exceed 90 (ninety) days from the date of the resolution on the payment of dividends.

## **Article 8. Provisions of the Company**

8.1. The Company shall create the Provision in the amount of 5 (five) percent of the share capital of the Company.

The amount of mandatory annual allocations to the Provision of the Company shall make 5 (five) percent of the Company's net profit up to complete generation of the fixed total amount of the Provision.

8.2. The Provision of the Company shall be used to cover the Company's loss, to repay the Company's bonds and to redeem shares of the Company if no other funds are available.

The Provision of the Company shall not be used for other purposes.

8.3. The Company shall be entitled to create other provisions required for the operation of the Company as required by the laws 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;
- Board of Directors;
- Management Board;
- General Director.

9.2. The Internal Audit Commission shall act as a control body of the Company.

### **Article 10. General Meeting of the Company**

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

10.2. The General Meeting shall have the authority to take decisions in relation to the following issues:

- 1) Any amendment of the Articles of Association or the approval of a new edition of the Articles of Association;
- 2) Reorganization of the Company;
- 3) Winding up of the Company, the appointment of the liquidation committee and the approval of an intermittent and final winding up financial statements;
- 4) Determination of the quantity, par value, category (type) of outstanding shares and the rights conferred by such shares;
- 5) Increase of the share capital of the Company through the increase of the nominal value of shares or the issue of additional shares;
- 6) Decrease of the share capital of the Company through the decrease of the nominal value of shares,
  - 6.1) Decrease of the share capital of the Company through the redemption of a portion of shares by the Company in order to reduce their number, as well as through repayment of shares purchased or bought out by the Company;
- 7) Dilution and consolidation of the Company's shares;
- 8) Decisions relating to the placement of convertible bonds or other convertible equity securities;
- 9) Determination of the number of the members of the Board of Directors, election of the members of the Board of Directors, early withdrawal of their authorities;
- 10) Election of the members of the Internal Audit Commission and early withdrawal of their authorities;
- 11) Approval of the Company's Auditor;
- 12) Decision on the assignment of powers of a sole executive authority of the Company to the management company (manager) of the Company and early withdrawal of the authorities of the management company (manager);
- 13) Approval of annual reports, approval of annual financial statements, including without limitation the profit and loss statement of the Company and profit allocation (including without limitation payment (declaration) of dividends, except the profit allocated to dividends for the first quarter, six months, nine months of the financial year) and the loss of the Company for the financial year;
- 14) Payment (declaration) of dividends for the first quarter, six months, nine months of the financial year;
- 15) Development of the procedures for the General Meeting of the Company;
- 16) Approval of transactions in the cases specified in Article 83 of Federal Law On Joint Stock Companies;
- 17) Approval of transactions in the cases specified in Article 79 of Federal Law On Joint Stock Companies;
- 18) Approval of internal regulations of the Company;

19) Decisions regarding the payment of remuneration and/or compensation to the Internal Audit Commission, including the decisions on the amounts due;

20) Decisions regarding the payment of remuneration and/or compensation to the Board of Directors, including the decisions on the amounts due;

21) Decisions on participation in associations or other business alliances;

22) Other decisions in relation to the issues specified in Federal Law On Joint Stock Companies.

10.3. Matters, which are within the competence of the General Meeting cannot be delegated to the Board of Directors, the Management Board and the General Director of the Company;

10.4. The General Meeting shall not consider or make decisions in relation to the matters which are not vested to the same in accordance with the of Federal Law On Joint Stock Companies.

The General Meeting shall not make any resolutions on the matters which have not been included into the agenda of the General Meeting of the Company and shall not make changes in the agenda.

10.5. The resolution of the General Meeting on the matters put to the vote shall be passed by a majority vote of shareholders who own voting shares of the Company and are present at the General Meeting, unless otherwise specified in Federal Law On Joint Stock Companies.

10.6. The resolution of the General Meeting on the matters put to the vote shall be passed by a three-quarters majority vote of shareholders who own voting shares of the Company and are present at the General Meeting in relation to the following matters:

- Any amendment of the Articles of Association or the approval of a new edition of the Articles of Association;

- Reorganization of the Company;

- Winding up of the Company, the appointment of the liquidation committee and the approval of an intermittent and final winding up financial statements;

- Determination of the quantity, par value, category (type) of outstanding shares and the rights conferred by such shares;

- Placing of shares (convertible securities of the Company) through the closed subscription in accordance with the resolution of the General Meeting on the increase of the share capital of the Company through placing additional shares (on placing convertible securities of the Company);

- Public subscription of ordinary shares making 25 (twenty five) percent of outstanding ordinary shares;

- Public subscription of convertible equity securities which may be converted into ordinary shares making 25 (twenty five) percent of outstanding ordinary shares;

- Approval of a large-scale property transactions if the value of such property exceeds 50 (fifty) percent of the net value of the Company's assets;

- Decrease of the share capital of the Company through the decrease of the nominal value of shares,

- In other cases specified in Federal Law On Joint Stock Companies.

The resolution on the approval of the transaction in accordance with Article 81 of Federal Law On Joint Stock Companies shall be made by the General Meeting of the Company in accordance with Article 83 of Federal Law On Joint Stock Companies.

10.7. The resolution on the issues specified in Paragraph 2, 3, 5, 6, 7, 12, 16-18, 21 of Clause 10.2 of Article 10 thereof shall be made by the General Meeting of the Company's upon the request of the Board of Directors.

10.8. The Annual General Meeting shall be held not earlier than two month after the closure of the financial year and within six months from the same date at the latest.

The Annual General Meeting shall consider such mandatory matters as the election of the Board of Directors, the Internal Audit Commission, the approval of the Auditor of the Company, the approval of the annual report of the Company, the annual financial statements including the profit and loss statement of the Company as well as profit allocation, including payment (declaration) of dividends except profit allocated in the form of dividends for the first quarter, six months, nine months of the financial year) and loss of the Company incurred during the financial year.

10.9. The Annual General Meeting shall be held in the form of joint presence of shareholders (representatives of shareholders) in the discussion of the matters on the agenda in order to make resolutions in relation to the matters put on vote.

The General Meeting of the Company may be held in Tyumen at the Company's location or at the location of any branch of the Company specified in Schedule attached herein.

The address of the General Meeting of the Company shall be determined by the Board of Directors in the course of preparation of the General Meeting.

10.10. The Chairman of the Board of Directors shall chair the General Meeting, and if the Chairman of the Board of Directors is not present, the Vice Chairman of the Board of Directors or any member of the

Board of Directors of the Company.

10.11. Convocation and preparation of the General Meeting of the Company shall be specified in the Regulations on General Meetings of the Company approved by the General Meeting.

10.12. Resolutions of the General Meeting may be made without any meeting held (joint presence of shareholders) by ballot voting.

10.13. The list of persons authorized to participate in the General Meeting shall be made on the basis of the register of the Company's shareholders as of the date fixed by the Board of Directors in the course of preparation of the General Meeting in accordance with Article 51 of Federal Law On Joint Stock Companies.

10.14. The announcement on the General Meeting shall be published by the Company in the Nezavisimaya Gazeta and on the web-site of the Company 30 (thirty) days before the date of such General Meeting, unless the more extended term is fixed for such notifications by Federal Law On Joint Stock Companies.

10.15. The information (materials) on the matters on the agenda of the General Meeting shall be provided to all persons entitled to participate in the General Meeting within 20 (twenty) days before the day of the General Meeting or 30 (thirty) days before the day of the General Meeting if the issue of an eventual reorganization of the Company has been put on the agenda. The addresses of the places where such information (materials) have been made available shall be specified in the notification on the convocation of the General Meeting; such information (materials) shall be also published on the web-site of the Company.

The Board of Directors of the Company shall determine the procedures applied to the disclosure of the information (materials) on the matters put on the agenda of the General Meeting to the persons entitled to participate in the General Meeting, as well as the scope of such information (materials).

10.16. The voting on the matters put on the agenda of the General Meeting shall be made by written ballots only.

The voting ballot shall be sent by registered mail or delivered against signature to all persons specified in the list of the persons entitled to participate in the General Meeting 20 (twenty) days before the day of the General Meeting at the latest.

If the ballot voting procedures are applied the voting ballot shall be sent by registered mail or delivered against signature to all persons specified in the list of the persons entitled to participate in the General Meeting 20 (twenty) days before the day of the General Meeting at the latest.

10.17. The General Meeting shall have quorum if the shareholders making in total more than a half of votes by the outstanding voting shares of the Company and the shareholders who have submitted their voting ballots at least two days before the day of the General Meeting have participated in the General Meeting.

10.18. The shareholders who have been registered for the participation in the General Meeting held in the form of joint presence and the shareholders who have submitted their voting ballots at least two days before the day of the General Meeting shall be considered legitimate participants of the General Meeting.

If the ballot voting procedures are applied, the shareholders who have submitted their voting ballots before the day fixed as the final date of the acceptance of the ballots by the Company shall be considered legitimate participants of the General Meeting.

10.19. General meetings held between the Annual General Meetings are considered extraordinary.

10.20. An Extraordinary General Meeting shall be convoked upon the decision of the Board of Directors, upon the request of the Internal Audit Commission of the Company, the Auditor of the Company and a shareholder (shareholders) who owns at least 10 (ten) percent of voting shares of the Company as of the date of such request.

10.21. The Extraordinary General Meeting convoked upon the request of the Internal Audit Commission of the Company, the Auditor of the Company and a shareholder (shareholders) who owns at least 10 (ten) percent of voting shares of the Company as of the date of such request shall be arranged by the Board of Directors of the Company and shall be held within 40 (forty) days from the date of such request.

If the agenda of an Extraordinary General Meeting contains the matter related to the election of the members of the Board of Directors, the General Meeting shall be held within 70 (seventy) days from the date of such request.

10.22. The decision on the convocation of an Extraordinary General Meeting or on the refusal of such convocation shall be made by the Board of Directors within 5 (five) days from the date of such request.

The decision of the Board of Directors on the convocation of an Extraordinary General Meeting or a motivated refusal of such convocation shall be sent to the persons who have requested such convocation within 3 (three) days from the date of such decision.

10.23. If no decision on the convocation of an Extraordinary General Meeting has been made by the Board of Directors within the term specified in Clause 10.21 of this Article or if the decision on the refusal of such convocation has been made, the General Meeting may be convoked by the persons who have requested such convocation.

The bodies and the persons who have initiated the convocation of an Extraordinary General Meeting shall have all powers required for the convocation of the General Meeting in accordance with Federal Law On Joint Stock Companies and the provisions specified herein.

10.24. The minutes of the General Meeting shall be made within 15 (fifteen) days after the closure of the General Meeting (after the final date of the acceptance of ballots by the Company).

The minutes of the General Meeting shall be signed by the Chairman of the General Meeting (presiding the General Meeting) and the secretary of the General Meeting.

10.25. The results of voting and the resolutions made by the General Meeting of the Company may be declared at the General Meeting of the Company.

If the results of voting and the resolutions made by the General Meeting of the Company have not been declared at the General Meeting of the Company, the resolutions made by the General Meeting of the Company, as well as the results of voting in the form of a report shall be provided within 10 (ten) days at the latest from the date of the voting minutes to the authorized persons who are entitled to take part in General Meetings of the Company, relevant information shall be published by the Company in the *Nezavisimaya Gazeta* and on the web-site of the Company.

### **Article 11. Suggested Agenda of the Annual General Meeting of the Company's Shareholders**

11.1. The shareholders (shareholder) who own in total at least 2 (two) percent of the voting shares of the Company shall be entitled to put matters on the agenda of an Annual General Meeting and recommend candidates to the Board of Directors and to the Internal Audit Commission, the total number of which shall not exceed the total number of the members of relevant bodies.

Such offers shall be submitted to the Company within 90 (ninety) days after the closing date of the financial year.

11.2. The suggested matters to be put on the agenda of the General Meeting and the recommendations shall be submitted in writing; such notifications shall contain the name of the shareholders (shareholder) who have submitted the same, the number and the category (type) of shares owned by them and shall be duly signed by such shareholders (shareholder).

11.3. The suggested matters to be put on the agenda of the General Meeting shall contain the text of such matter, and the recommendations shall contain the name and the details of the identification document (series and/or number of the document, the date and the place of issue, the issuing authority) of each recommended candidate, as well as the name of the body that he/she has been recommended to.

11.4. The Board of Directors shall consider the offers submitted and shall make the decisions on putting such matters on the agenda of the General Meeting or on the refusal to put such matters on the agenda within 5 (five) days from the date specified in Clause 11.1 of this Article.

11.5. The Board of Directors shall be entitled to reject the matters offered by the shareholder (shareholders) for the agenda of the General Meeting and the recommended candidates to a relevant body of the Company for the reasons specified in Federal Law On Joint Stock Companies and other regulations of the Russian Federation.

11.6. The motivated decision of the Board of Directors on the refusal to include the offered matter to the agenda of the General Meeting or a recommended candidate to the list of candidates to a relevant body of the Company shall be sent to the shareholder (shareholders) who has made such offer or who has recommended such candidate within 3 (three) days from the date of such decision at the latest.

11.7. The Board of Directors shall not be entitled to change the wording of the matters offered to be put into the agenda of the General Meeting and, if any, the wording of resolutions made on such matters.

In addition to the matters offered to be put on the agenda of the General Meeting and if such offers or such candidates are not available, or if the number of the candidates recommended is not sufficient to create a relevant body of the Company, the Board of Directors shall be entitled to include any matters on the agenda of the General Meeting and to recommend any candidates at its own discretion.

### **Article 12. The Company's Board of Directors**

12.1. The Board of Directors shall carry out the overall management of the Company save for the matters determined by the Federal Law On Joint-Stock Companies and these Articles as the General Meeting reserved matters.

The matters reserved by the Company's Board of Directors shall include as follows:

1) Defining the priorities for the Company's business and approval of the Company's development programs;

2) Calling the Annual and Extraordinary General Meetings of the Company; adoption of decisions on the matters related to the convocation, preparation and holding of the General Meetings, including approval of the agenda of the Company's General Meeting and defining the date for drawing up a list of persons entitled to receive notices of the General Meetings;

3) Placement of bonds or other equity securities by the Company unless otherwise provided by the Federal Law On Joint-Stock Companies and these Articles;

- 4) Determination of price (evaluation) for any property, the price for placement and redemption of the equity securities as required by Federal Law On Joint-Stock Companies, as well as at settlement of matters specified in Paragraphs 15,23 and 34 of Clause 12.1 of these Articles;
- 5) Purchase of shares placed by the Company, bonds and other securities except as required by the Federal Law On Joint-Stock Companies and these Articles;
- 6) Electing the General Director of the Company and early termination of his/her powers; defining the terms and conditions of the labor contract with the General Director; appointment of the person authorized for signing the labor contract with the General Director; bringing to the disciplinary responsibility or provide any incentives to the General Director as required by the labor laws of the Russian Federation; nomination of the General Director to be recommended to any state awards;
- 7) Defining the remuneration for the Auditor's services;
- 8) Providing recommendations on the dividend on shares and its payment procedure;
- 9) Adoption of a decision to use the Reserve and other funds of the Company; approval of the Company's internal documents defining the procedure for generation and use of the Company's funds;
- 10) Approval of the Company's internal documents other than those to be approved by the General Meeting, as well as other internal documents to be approved by the Company's executive bodies; approval of internal documents developed for the purposes of compliance with the laws of the Russian Federation and securities market makers' regulations to be applied to the traded issuers;
- 11) Establishing and winding up subsidiaries and representative offices of the Company, including making amendments to the Company's Articles of Association related to establishment and winding up of such subsidiaries and representative offices of the Company (including changes in the names and locations of the Company's subsidiaries and representative offices);
- 12) Approval of major transactions as required by Chapter X of the Federal Law On Joint-Stock Companies;
- 13) Approval of transactions as required by Chapter XI of the Federal Law On Joint-Stock Companies;
- 14) Approval of the Company's registrar and the terms and conditions of the agreement with such registrar, as well as termination of such agreement and defining the terms for such termination;
- 15) Adoption of a decision to participate in (membership in any existing company or establishment of a new company) and on termination of its participation in other companies, as well as on purchase, disposal, encumbrance of shares or interest in the authorized capital of any company in which the Company holds any share, change in the shareholding in the authorized capital of the relevant company (save for the companies specified in Paragraph 21, Cl. 10.2, Art. 10 hereof);
- 16) Approval of a decision on the issue of securities, prospectus, securities issue reports, reports on share acquisition from the Company's shareholders, redemption reports, and reports on the demands made to the Company's shareholders on the repurchase of shares owned by them;
- 17) Approval of the business plan (adjusted business plan) and the execution reports in relation thereto;
- 18) Approval of target values (adjusted values) of key performance indicators (KPIs) of the Company and the execution reports in relation thereto;
- 19) Defining the borrowing policy of the Company to the extent of issuing loans by the Company, entering into facility and loan agreements, surety commitments, obligations ensuring from a bill (issue of promissory notes and bills of exchange), pledge of any property; and adoption of decisions to enter into the specified transactions unless the procedure for adoption of such decisions is defined by the Company's borrowing policy; and adoption of decisions as required by the Company's borrowing policy on bringing the Company's debt position to compliance with the limits determined by the Company's borrowing policy;
- 20) Defining the Company's purchasing policy, including approval of the Regulations on the Restricted Purchase of Goods, Works and Services; adoption of decisions in accordance with the approved Regulations;
- 21) Defining the Company's housing policy to the extent providing the employees with the corporate support for housing improvements in the form of subsidies, recoveries for expenses, non-interest-bearing loans; and adoption of decisions on providing such support by the Company;
- 22) Defining the priorities for social security policy of the Company, including the approval of the Insurer (insurers, insurance broker) of the Company;
- 23) Disposal (sale) of the Company's shares acquired by the Company as a result of purchase or repurchase thereof from the Company's shareholders, and otherwise as provided by the laws of the Russian Federation;

24) Preliminary approval of decisions on the Company entering into transactions as follows:

a) Transactions (including series of transactions) with the property of the value exceeding 10-25 percent of the Company's assets' fair value as of the date of adoption of a decision on such transaction;

b) Transactions (including series of transactions) with the property constituting fixed assets, non-tangible assets, construction in progress to be used for production, transfer, dispatching or distribution of the electric and thermal power;

c) Transactions (including series of transactions) related to disposal or possible disposal of property constituting fixed assets, non-tangible assets, construction in progress to be used for production, transfer, dispatching or distribution of the electric and thermal power to the extent (in the amounts) determined by specific resolutions of the Company's Board of Directors;

d) Adoption of decisions on the Company entering into any transaction or series of transactions on disposal, pledge or other encumbrance of stock and shares of other companies not involved into production, transfer, dispatching, distribution or sale of the electric and thermal power, or repair or service activities in the event that the market value of such stock or shares involved into transaction determined in accordance with the independent appraiser's report does not exceed RUR 30 million, and to the extent (in the amounts) determined by specific resolutions of the Company's Board of Directors;

25) Preliminary adoption of decisions on the Company entering into transactions (to the extent (in the amounts) determined by specific resolutions of the Company's Board of Directors) as follows:

a) Transactions related to transfer of the Company's property or property rights or claims to any third party without compensation;

b) Transactions related to the discharge of any third parties' property liabilities to the Company or the Company's property liabilities to any third party;

c) Transactions related to rendering services (execution of works) by the Company to any third party without compensation;

26) Approval of transactions which may lead to occurrence of obligations denominated in foreign currency (or obligations the value of which is determined by the exchange rate) to the extent and in the amounts determined by specific resolutions of the Company's Board of Directors, and unless such events (amounts) are determined by the Company's Board of Directors;

27) Approval of the procedure for the Company's interaction with other companies in which the Company has a shareholding;

28) Defining the position of the Company (the Company's representatives), including authorizing the Company's representatives to vote on the agenda issues or not; to vote for or against, or abstain from voting on any draft resolutions or on the following agenda issues of the general meetings of shareholders (members) of subsidiaries and affiliates (hereinafter S&A) (unless the functions of the general meetings of S&A are performed by the Company's Board of Directors) and at the meeting of the S&A' boards of directors (other than approval of the agendas of S&A' general meetings, when the functions of the general meetings of S&A are performed by the Company's Board of Directors):

a) Defining the agenda of the S&A' general meeting of shareholders (members) (unless the discussion of issues is required by Cl. 1, Art. 47, Arts. 53 and 55 of the Federal Law On Joint-Stock Companies);

b) Reorganization of any S&A;

b) Winding up of any S&A;

c) Defining the amount, fair value and category (type) of any S&A's authorized shares and rights provided by such shares;

d) Increase of the authorized capital of any S&A through the increase of the shares' fair value or placement of additional shares;

e) Placement of any S&A's securities convertible into ordinary shares;

f) Dilution and consolidation of the shares of any S&A;

g) Approval of major transactions to be entered into by any S&A;

h) Participation of any S&A in other companies (membership in any existing company or establishment of a new company), as well as on purchase, disposal, encumbrance of shares or interest in the authorized capital of any company in which the S&A holds any share; and change in the shareholding in the authorized capital of the relevant company;

i) Transactions to be entered by any S&A (including series of transactions) related to any property constituting fixed assets, non-tangible assets, construction in progress to be used for production, transfer, dispatching or distribution of the electric and thermal power to the extent (in the amounts) determined by the procedure for interaction of the Company with its associated companies;

j) Any amendment to the constitutive documents of any S&A;

k) Defining the quantitative composition of the S&A's Board of Directors, nomination and election of its members, and early termination of their powers.

29) Defining the position of the Company (the Company's representatives) on the following agenda issues at the meetings of any S&A's board of directors (including authorization to vote on agenda issues or not, and to vote for or against, or abstain from voting on draft resolutions:

a) Defining the position of any S&A's representatives on the agenda issues at the general meetings of shareholders (members) and the board of directors of any affiliated companies in relation to such S&A on entering into or approval of transactions (including series of transactions) related to disposal or possible disposal of any property constituting fixed assets, non-tangible assets, construction in progress to be used for production, transfer, dispatching or distribution of the electric and thermal power to the extent (in the amounts) determined by the procedure for interaction of the Company with its associated companies;

b) Defining the position of any S&A's representatives on the agenda issues at the general meetings of shareholders (members) and the board of directors of any affiliated companies in relation to such S&A involved into production, transfer, dispatching or distribution of the electric and thermal power on reorganization, winding-up, increase of the authorized capital through the increase of the fair value or placement of additional shares, or placement of securities convertible into ordinary shares;

30) Adoption of decisions on the matters reserved by the supreme management bodies of the companies in which the Company owns 100 (hundred) percent of the authorized capital or all the voting shares;

31) Adoption of decisions on the nomination of members for the sole executive body and other management or control bodies; and nomination of the auditor in the associated companies of the Company;

32) Defining the quantitative composition of the Company's Management Board, election of its members, determination of remunerations and compensations payable to them, and early termination of their powers, including adoption of decisions on the early termination of labor agreements entered into with them;

33) Election of the Chairman of the Company's Board of Directors and early termination of his/her powers;

34) Election of the Deputy Chairman of the Company's Board of Directors and early termination of his/her powers;

35) Election of the Secretary of the Company's Board of Directors and early termination of his/her powers;

36) Suspension of the managing company's (manager's) powers and appointment of the acting General Director as provided by Clauses 17.8 and 17.9, Article 17 hereof;

37) Review of the reports on the Company's operations submitted by the General Director (including reports on fulfillment of his/her duties) and on implementation of the resolutions passed by the General Meeting and the Meeting of the Company's Board of Directors;

38) Generation of the committees of the Company's Board of Directors and approval of the regulations on the committees of the Company's Board of Directors;

39) Approval of the independent appraiser candidate(s) for evaluation of share, property and other assets of the Company as provided by the Federal Law On Joint-Stock Company, these Articles and specific resolutions of the Company's Board of Directors;

40) Submitting the issues specified in Paragraphs 2, 3, 5, 6, 7, 8, 12 – 17, 19 - 21, Clause 10.2, Article 10 hereof for approval by the Company's General Meeting;

41) Approval, amendment and cancellation of the Company's investment program (investment project); approval of the Company's investment program report to be submitted by the General Director; and approval of the form of report to be submitted by the Company's General Director;

42) Other matters reserved by the Board as provided by the Federal Law On Joint-Stock Companies.

12.2. The matters reserved by the Company's Board of Directors may not be submitted for approval by the Company's General Director or Management Board.

12.3. The Directors shall act to the best of the Company's interests, exercise its rights and fulfill its responsibilities in relation to the Company in good faith and on a reasonable basis. The Directors shall be liable to the Company for any loss caused to the Company through their actions (omissions) unless other conditions and liability limits are determined by the federal laws.

In this regard, those Directors who voted against the resolution causing the loss to the Company or did not vote shall not be liable.

12.5. The issues specified in Paragraphs 17, 20 and 21, Clause 12.1 hereof may only be included into the agenda of the Board's meeting after their preliminary review by the Company's Management Board.

### **Article 13. Election of the Company's Directors**

13.1. The Company's Board of Directors shall include 11 (eleven) members.

13.2. The Company's Directors shall be elected by the Company's General Meeting for the period up to the next General Meeting.

In the event of the election of the Company's Board of Directors at the Extraordinary General Meeting the Directors shall be deemed elected for the period up to the date of the Annual General Meeting of the Company.

Should the Annual General Meeting is not held within the period required by Clause 10.8, Article 10 hereof, the powers of the Company's Board of Directors, other than those related to calling, preparation and holding of the General Meeting, shall be terminated.

13.3. The Company's Directors may be individuals only.

13.4. The person elected as the Company's Director may be re-elected unlimited number of times.

13.5. The Company's General Meeting may by its resolution terminate the powers of any member of the Company's Board of Directors.

13.6. Upon resolution of the Company's General Meeting the members of the Company's Board of Directors may be paid remuneration and/or compensation for expenses related to fulfillment of the functions of the Company's Directors within the period of performance of their duties.

### **Article 14. Chairman of the Company's Board of Directors**

14.1. Chairman of the Company's Board of Directors shall be elected by the Directors among the same by a majority vote of the elected Directors.

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

14.2. The Chairman of the Company's Board of Directors shall coordinate the activities of the Board of Directors, call its meetings and act as its chairman; arrange for keeping minutes and take chair at the General Meeting.

14.3. Should the Chairman of the Board be absent, his/her functions shall be fulfilled by the Deputy Chairman of the Board of Directors to be elected among the Directors by a majority vote, or should the Deputy Chairmen be absent – by any Director to be elected by a majority vote of the Directors present at the meeting of the Board of Directors.

### **Article 15. Meetings of the Company's Board of Directors**

15.1. Procedures for calling and holding the meetings of the Board of Directors is determined by the Regulations on the Meetings of Company's Board of Directors (hereinafter the Regulations on the Board of Directors) approved by the General Meeting.

15.2. The meetings of the Board of Directors shall be held as required, however at least once a quarter.

The Company's Board of Directors meeting shall be called by the Board Chairman (or by the Deputy Chairman of the Board of Directors, or by any Directors as provided by Clause 14.3, Article 14 hereof) under its own initiative or upon demand of the Board of Directors, Audit Committee, Auditor or General Director.

15.3. At the first meeting of the newly elected Company's Board the Board Chairman, Deputy Chairman and Secretary must be elected.

The mentioned Board meeting shall be called by one of the Director as required by the Board Regulations.

15.4. The Board may pass its resolution by an absentee vote (by voting ballots). In the event of absentee vote the Directors shall be provided with the agenda materials and a voting ballot with stating the date when the voting ballot filled out and signed by the Director must be submitted to the Board of Directors (the Secretary of the Board of Directors).

15.5. Any Director not present at the physical meeting of the Company's Board of Directors may express his/her opinion on the agenda issues in writing as required by the internal document regulating the procedure for calling and holding the meeting of the Board of Directors.

15.6. The Director may not transfer his/her vote to any other person, including another member of the Board of Directors.

15.7. Resolutions of the Board of Directors shall be passed by a majority vote of the Directors present at the meeting unless otherwise provided by the laws of the Russian Federation and these Articles.

15.8. Resolutions of the Board of Directors shall be passed by majority three quarters of the Directors of their total amount on the following issues:

- Termination of the management company's (manager's) powers and appointment of the acting

General Director of the Company;

- Early termination of the General Director's powers.

At passing the resolutions specified by this Clause hereof by the Company's Board of Directors the votes of the removed members of the Board shall not be taken into account.

15.9. A resolution of the Company's Board of Directors shall be adopted unanimously by all the Directors if related to the approval of a major transaction, and as provided by the Federal Law On Joint-Stock Companies.

In the event of a non-arm's length transaction the relevant resolutions shall be adopted under Art. 83 of the Federal Law On Joint-Stock Companies.

In the event when a transaction must be reviewed by the Board both under provisions of these Articles and the Federal Law On Joint-Stock Companies (Chapters X or XI), the provisions of the Federal Law On Joint-Stock Companies shall be applied to its approval procedure.

15.10. At transaction of any business at the meeting of the Board of Directors each Director shall have one vote only. In case of equality of votes the Chairman of the Board of Directors shall have a casting vote.

15.11. No business shall be transacted at any meeting of the Board of Directors unless the quorum of one half of the elected Directors is present.

In the event that the number of the Company's Directors ceases to be a number required for quorum, the Company's Board of Directors must adopt a resolution on holding an Extraordinary General Meeting to elect new Directors. The remaining Directors may only adopt resolutions on calling of such Extraordinary General Meeting. In this case, the quorum necessary for the transaction of the business at the meeting of the Board of Directors shall be a half of the remaining Directors.

15.12. Minutes shall be kept during each meeting of the Board of Directors. The minutes of the meeting of the Board of Directors shall be drawn up and signed within 3 (three) days after holding the same by the chairman of the meeting and the Secretary of the Board of Directors which shall be liable for accuracy thereof. Minutes shall be accompanied by all the material on the agenda issues and the documents approved by the Board of Directors.

In the event of passing a resolution by an absentee vote the minutes shall be accompanied by the voting ballots signed by the Directors.

#### **Article 16. Committees of the Company's Board of Directors**

16.1. The Committees of the Board of Directors shall be generated under the resolution of the Board of Directors.

16.2. The Committees of the Board of Directors shall be created for the purpose of preparation of the matters reserved by the Board or to be studied by the Board for the purpose of the Company's executive body control; and for preparation of the required recommendations for the Company's Board of Directors and executive body.

16.3. The general regulations, generation procedure, reserved matters and powers of the Committees of the Board of Directors shall be determined by specific resolutions of the Board of Directors.

#### **Article 17. Executive Bodies of the Company**

17.1. The current management of the Company shall be ensured by the General Director being a sole executive body, and by the Company's Management Body being a collegial executive body.

17.2. The Company's General Director and Management Board shall be accountable to the Company's General Meeting and Board of Directors. General Director shall be personally liable for protection of the national security information.

17.3. Upon resolution of the General Meeting, the powers of the Company's sole executive body may be delegated to any management company or manager under agreement.

The rights and obligations of the management company (manager) related to the current management of the Company shall be determined by the laws of the Russian Federation and by the agreement to be entered into between the management company (manager) and the Company.

The signatory of the agreement with the management company (managers) on behalf of the Company shall be the Chairman of the Company's Board of Directors or any person duly authorized by the Company's Board of Directors.

The terms and conditions of the agreement with the management company (manager) including those related to the terms of its powers shall be determined by the Company's Board of Directors.

17.4. The powers of the Company's executive bodies shall be established and terminated upon resolution of the Company's Board of Directors unless otherwise required by the federal laws and these Articles.

17.5. The rights and obligations of the Company's General Director and Management Board Members related to the current management of the Company shall be determined by the laws of the Russian Federation and by the labor agreement to be entered into between the Company and each of them.

The signatory of the labor agreement with the General Director on behalf of the Company shall be the Chairman of the Company's Board of Directors or any person duly authorized by the Company's Board of Directors.

The terms and conditions of the agreement with the Company's General Director including those related to the terms of its powers shall be determined by the Company's Board of Directors.

The rights and obligations of the Company in relation to the Company's General Director and Management Board shall be exercised and fulfilled by the Chairman of the Board of Directors or any person duly authorized by the Company's Board of Directors.

17.6. Holding any positions in the management bodies of other companies or other salaried offices in other companies by the General Director or Management Board Members shall only be allowed under the consent of the Company's Board of Directors.

17.7. The Board of Directors may at any time by its resolution terminate the powers of the Company's General Director and Management Board Members, or establish a new executive body.

The powers of the Company's General Director and Management Board Members shall be terminated subject to the laws of the Russian Federation and the labor agreement entered into between the Company and each of them.

17.8. The General Meeting may at any time by its resolution terminate the powers of the management company (manager).

The Company's Board of Directors may by its resolution terminate the powers of the management company or a manager. At the same time with the above mentioned resolution, the Company's Board of Directors must by its resolution appoint the acting General Director of the Company and call the Extraordinary General Meeting to settle a matter on the early termination of the management company's (manager's) powers, and unless otherwise determined by the Board of Directors delegate the powers of the sole executive body of the Company to the management company (manager).

17.9. Should the management company (manager) be unable to fulfill its duties, the Company's Board of Directors may by its resolution appoint the acting General Director of the Company and call the Extraordinary General Meeting to settle a matter on the early termination of the management company's (manager's) powers, and unless otherwise determined by the Board of Directors delegate the powers of the sole executive body of the Company to the management company or manager.

17.10. The acting General Director of the Company shall ensure the current management of the Company within the scope of matters reserved by the Company's executive bodies unless otherwise determined by the Company's Board of Directors.

17.11. The Company's General Director, Management Board Members, acting General Director, as well as the management company (manager) shall act to the best of the Company's interests, exercise its rights and fulfill its responsibilities in relation to the Company in good faith and on a reasonable basis.

17.12. Company's General Director, Management Board Members, acting General Director, as well as the management company (manager) shall be liable to the Company for any loss caused to the Company through their actions (omissions) unless other conditions and liability limits are determined by the federal laws.

In this regard, those Management Board Members who voted against the resolution causing the loss to the Company or did not vote shall not be subject to the liability mentioned herein.

### **Article 18. Management Board of the Company**

18.1. The Company's Management Board shall act under these Articles and under the Management Board Regulations approved by the General Meeting which shall determine the procedures for calling and holding the meetings, and adoption of resolutions.

18.2. The matters reserved by the Company's Management Board shall include as follows:

- 1) Developing the Company development programs and submitting them for approval by the Board of Directors;
- 2) Preparation of the financial and operational report of the Company and report on the implementation of the resolutions passed by the General Meeting and the Board of Directors;
- 3) Adoption of decisions regarding transactions with the property of the value exceeding 1-10 percent of the Company's assets' fair value as of the date of adoption of a decision on such transaction;

- 4) Introduction of social benefits and protection for the Company's employees;
- 5) Review of the reports submitted by the Company's General Director and heads of the Company's business units on the implementation of plans, programs and directions approved; review of other documents and information related to the operations of the Company and its subsidiaries and affiliates;
- 6) Settlement of other matters related to the current management of the Company subject to the resolutions of the Company's General Meeting and Board of Directors, and other issues submitted by the General Director for approval by the Company's Management Board;
- 7) Defining the position of the Company (the Company's representatives) on the following agenda issues of the general meetings of shareholders (members) of S&A (unless the functions of the general meetings of S&A are performed by the Company's Board of Directors) and at the meeting of the S&A' boards of directors:
  - a) Defining the terms and conditions of the labor agreement to be entered into with the S&A General Director and appointing the person to be authorized by the S&A Board of Directors for defining the terms and conditions, and signing the labor agreement to be entered into between S&A and the General Director;
  - b) Determination of the remunerations payable to the S&A Board of Directors and Audit Committee;
  - c) Defining the insurance coverage policy of S&A including approval of the S&A Insurance Coverage Regulations; approval and amendment of the S&A Insurance Coverage Program; approval of the S&A insurers (approval of the S&A insurer selection results); approval of the insurance broker in charge of selection of S&A insurer; and review of the insurance coverage report submitted by the S&A sole executive body;
  - d) Defining the terms and conditions of the agreement to be entered into with the management company (manager) including those related to the remuneration payable to the management company (manager), or appointing the person to be authorized by the Company's Board of Directors for defining the terms and conditions of the agreement to be entered into with the management company (manager);
  - e) Election of the Chairman of the Company's Board of Directors and early termination of his/her powers;
  - f) Election of the Chairman of the S&A Board of Directors and early termination of his/her powers;
  - g) Defining the terms and conditions of the labor agreement to be entered into with the S&A General Director and appointing the person to be authorized by the S&A Board of Directors for defining the terms and conditions, and signing the labor agreement to be entered into with S&A General Director;
  - h) Defining the insurance coverage policy of S&A including approval of the S&A Insurance Coverage Regulations; approval and amendment of the S&A Insurance Coverage Program; approval of the S&A insurers (approval of the S&A insurer selection results); approval of the insurance broker in charge of selection of S&A insurer; and review of the insurance coverage report submitted by the S&A sole executive body;
  - i) Approval of the business plan (adjusted business plan) and the execution reports in relation thereto including approval (adjustment) of the investment program and the execution report in relation thereto;
  - j) Defining the terms and conditions of the agreement to be entered into with the management company (manager) including those related to the remuneration payable to the management company (manager), or appointing the person to be authorized by the Company's Board of Directors for defining the terms and conditions of the agreement to be entered into with the management company (manager);
  - k) Approval of target values (adjusted values) of key performance indicators (KPIs) of the S&A and the execution reports in relation thereto;
  - l) Approval of the profit allocation for the given financial year;
  - m) Providing recommendations to the General Meeting on the dividend on shares and its payment procedure;
  - n) Payment (declaration) of dividends for the first quarter, six or nine months of the financial year, and for the given financial year;
- 8) Preliminary consideration of the matters listed below prior to submitting them to the Board of Directors:
  - a) Draft purchasing policy, including approval of the Regulations on the Restricted Purchase of Goods, Works and Services; and draft resolutions as required by the approved Regulations;
  - b) Draft housing policy to the extent providing the employees with the corporate support for housing improvements in the form of subsidies, recoveries for expenses, non-interest-bearing loans; and draft resolutions on providing such support by the Company;
  - c) Business plan (adjusted business plan) and the execution reports in relation thereto; and approval (adjustment) of the cash flow benchmarks and the execution report in relation thereto.

18.3. The Company's Management Board Members shall be elected by the Company's Board of Directors which shall also determine the number thereof. The Company's Management Board must include no less than three members.

18.4. No business shall be transacted at any meeting of the Company's Management Board (in the event of absentee vote) unless a quorum of at least half of the elected Management Board Members is present.

18.5. Any resolution put to the vote of the Management Board shall be decided by a simple majority vote of the Management Board Members present at the meeting (who joined the absentee vote). In case of equality of votes the Chairman of the Management Board shall have a casting vote.

18.6. The Management Board Member may not transfer his/her vote to any other person, including another Member of the Management Board.

### **Article 19. General Director of the Company**

19.1. General Director shall ensure the current management of the Company subject to the resolutions of the Company's General Meeting, Board of Directors and Management Board passed within the scope of their respective reserved matters.

19.2. The matters reserved by the Company's General Director shall include any issues related to the current management of the Company other than those reserved by the Company's General Meeting, Board of Directors or Management Board.

19.3. The Company's General Director shall act on behalf of the Company without power of attorney and subject to the restrictions provide for by the applicable laws, these Articles and resolutions of the Company's Board of Directors; the General Director shall include as follows:

- 1) Ensuring execution of the Company's plans required for implementation of its objectives;
- 2) Arrangement for accounting and reporting in the Company;
- 3) Disposal of the Company's property, entering into transactions on behalf of the Company, issue of power of attorneys, and opening current and other accounts with the banks, other credit institutions (and with professional participants of the securities markets as required by the applicable laws);
- 4) Issue of orders, approval (acceptance) of regulations, by-laws and other internal documents of the Company related to his/her reserved matters, issue instructions binding upon all the employees of the Company;
- 5) Approval of the Regulations on the subsidiaries and representative offices of the Company;
- 6) Approval of the Company's organizational structure, manning table and official salary of the Company's employees;
- 7) Exercising the employer's rights and obligations provided for by the labor laws in relation to the Company's employees;
- 8) Approval of the plans and activities related to training and professional improvement of the Company's employees;
- 9) Fulfillment of the functions of the Company's Management Board's Chairman;
- 10) Distribution of duties among Deputy General Directors;
- 11) Submitting financial and operational reports of the subsidiaries and associates in which the Company owns any share (interest) for approval by the Board of Directors, and information on other companies in which the Company has a shareholding;
- 12) No later than 45 (forty-five) days prior to the date of the Company's General Meeting, submitting the Company's annual report, balance sheet, profit and loss statement, and profit allocation for approval by the Board of Directors;
- 13) Adoption of a decision to create any funds of the Company's subject to the provisions of Pars. 9), Cl. 12.1 hereof;
- 14) Settlement of other matters related to the current management of the Company other than those reserved by the Company's General Meeting, Board of Directors or Management Board.

19.4. General Director shall be elected by the Company's Board of Directors by majority vote of the Directors present at the meeting.

The procedure for nomination of the Company's General Director to be elected by the Company's Board of Directors shall be determined by the internal document regulating the procedure for calling and holding the meeting of the Board of Directors.

## **Article 20. The Company's Audit Committee and Auditor**

20.1. The Audit Committee shall be elected by the General Meeting for the purpose of controlling the financial and business operations of the Company for the period up to the next Annual General Meeting.

In the event of the election of the Audit Committee at the Extraordinary General Meeting the Audit Committee Members shall be deemed elected for the period up to the date of the Annual General Meeting of the Company.

The Audit Committee shall include 5 (five) members.

20.2. The Company's General Meeting may by its resolution terminate the powers of all or any of the members of the Audit Committee.

20.3. The Audit Committee reserved matters shall include:

1) Confirmation of the reliability of data contained in the Company's annual report, balance sheet and profit and loss statement;

2) Financial analysis of the Company, detection of reserves for improvement in the financial standing of the Company, and development of recommendations for the Company's management bodies;

3) Arranging for and conducting the audit of the Company's financial and business operations including:

4) Audit of the financial, accounting, payment and other documents of the Company related to the financial and business operations of the Company for its compliance with the laws of the Russian Federation, these Articles, by-laws and other documents of the Company;

5) Control over safe-keeping and application of the funds;

6) Control over compliance with the procedure for writing off of the bad debts to the Company's loss;

7) Control over expenditures of the Company subject to the approved business plan and budget of the Company;

8) Control over generation and application of the reserve and other special funds of the Company;

9) Validation and control over the payment of dividends on the Company's shares, bond yields and other yields;

10) Verifying the status of previously issued instructions on elimination of violations and defects detected by previous audits;

11) Other actions (activities) related to the audit of the Company's financial and business operations.

20.4. Any matters reserved by the Audit Committee shall be decided by a simple majority vote of its members.

20.5. The Audit Committee may, and should material violation in the Company's financial and business operations be detected, must demand the call of the Extraordinary General Meeting of the Company.

20.6. The Audit Committee shall be governed by the provisions of the internal document of the Company to be approved by the General Meeting.

Subject to the audit resolution, the Audit Committee may engage professionals in the given fields of law, economy, finance, accounting, management and economic security, etc. including special companies for the audit purposes.

20.7. The audit of the Company's financial and business operations may at any time be initiated by the Audit Committee; be conducted upon resolution of the Board of Directors or under demand of the Company's shareholder(s) holding in the aggregate at least 10 percent of the Company's voting shares.

20.8. Upon resolution of the Company's General Meeting the members of the Company's Audit Committee may be paid remuneration and/or compensation for expenses related to fulfillment of their functions within the period of performance of their duties.

20.9. The Company's General Meeting shall select the Company's Auditor on an annual basis for the purpose of auditing and confirming the annual financial statements of the Company.

20.10. The Company's Auditor shall conduct the audit of the Company's financial and business operations as required by the laws of the Russian Federation and under the agreement entered into with the Auditor.

The remuneration payable to the Auditor shall be determined by the Board of Directors.

20.11. Based on the results of the audit of the Company's financial and business operations the Company's Audit Committee and Auditor shall prepare a report which shall include:

- Their opinion on the accuracy of the financial statements and other information (data) specifying the circumstances which have or might have an material effect on the accuracy of such financial statements and such information (data);

- Other information as required by the laws of the Russian Federation.

The procedure and due dates of such audit reports shall be determined by the laws and regulations of the Russian Federation and internal documents of the Company.

### **Article 21. Accounting and Financial Statements of the Company**

21.1. The Company must ensure accounting and submit financial statements as required by the laws of the Russian Federation and these Articles.

21.2. General Director shall be responsible for the arrangement, state and accuracy of the accounting in the Company, prompt submitting of the annual report and other financial statements to the relevant authorities, and the data related to the operations of the Company disclosed to the Company's shareholders and mass media, subject to the laws the Russian Federation and these Articles.

21.3. The accuracy of data contained in the Company's annual report and annual financial statements must be confirmed by the Company's Audit Committee and Auditor.

21.4. The Company's annual report, balance sheet, profit and loss statement, and profit allocation shall be subject to preliminary approval by the Board of Directors at least 30 (thirty) days prior to the date of the Annual General Meeting of the Company.

### **Article 22. Record Keeping by the Company. Disclosure.**

22.1. The Company must keep the following documents:

- 1) Resolution on establishment of the Company;
- 2) Articles of Association of the Company and any amendment thereto registered as required by the applicable regulations, the Company's state registration certificate;
- 3) Documents evidencing the Company's ownership rights to the property on its balance sheet;
- 4) The Company's internal documents approved by the management bodies;
- 5) Regulations on the subsidiaries and representative offices of the Company;
- 6) Annual reports;
- 7) Resolution on the securities issue;
- 8) Prospectus, quarterly issuer's report and other documents containing the information subject to publication or other disclosure as required by the federal laws;
- 9) Accounting documents;
- 10) Financial statements;
- 11) Minutes of the General Meetings, minutes of the meetings of the Board of Directors, Management Board and Audit Committee;
- 12) Independent appraiser's reports;
- 13) Lists of the Company's affiliated parties;
- 14) Reports of the Company's Audit Committee, Auditor, or government or municipal fiscal authorities;
- 15) Any other records required by the laws of the Russian Federation, these Articles, internal documents of the Company or by the resolutions of the Company's management bodies.

22.2. The Company shall keep the records listed in Clause 22.1 hereof at the location of its executive body as required by the federal executive authority for securities market.

22.3. In the event of the Company's reorganization all the records shall be transferred to successor as required by the relevant regulations.

In the event of the Company's winding up the records to be kept permanently of any scientific and historical importance shall be transferred for state custody to the Federal Archival Service of Russia; the personnel-related records (orders, personal files, record cards, personal account, etc.) shall be transferred for custody to the relevant archive of the constituent entity of the Russian Federation.

Transfer and arrangement of records shall be subject to the requirements of the archive authorities.

The Company's data shall be submitted by it as required by the laws of the Russian Federation.

22.4. The Company's shall ensure the access to the records listed in Clause 22.1 hereof for the Company's shareholders subject to the restrictions imposed by the laws of the Russian Federation.

22.5. The access to the records listed in Clause 22.1 hereof to be reviewed on the premises of the Company's executive body must be provided by the Company within 7 (seven) days after the date of the relevant request.

The Company must upon request of the persons entitled to access the records as provided by Clause 22.1 hereof provide them with the copies of the mentioned records.

The fee amount shall be determined by the General Directors and may not exceed the cost of copying such records.

The Company shall provide the Company's shareholders and employees with an access to the information subject to the requirements of the laws related to the national security information.

### **Article 23. Reorganization and Winding Up of the Company**

23.1. The Company may be reorganized under its resolution by the way of merger, takeover, separation, spin-off or transformation, and as provided by the Civil Code of the Russian Federation and federal laws.

23.2. The Company may be wound up under the judgment or its resolution as provided by the Civil Code of the Russian Federation, Federal Law On Joint-Stock Companies and these Articles.

23.3. In the event of the Company's reorganization, winding up or cessation of activities involving the national security information the Company must ensure the safe-keeping of such information and its media through development and implementation of secrecy measures, data protection, guarding and fire prevention measures.

**List of Subsidiaries and Representative Offices of JSC OGK-1**

No.	Name of the representative office, subsidiary, separated division	Address
1	Verkhnetagilskaya GRES, subsidiary of the Open Joint-Stock Company First Power Generating Company on the Wholesale Energy Market	624160, Russian Federation, Sverdlovsk Region, Verkhny Tagil, Promyshlenny proyezd sector; No. 4 Promplohadka
2	Kashirskaya GRES, subsidiary of the Open Joint-Stock Company First Power Generating Company on the Wholesale Energy Market	142900, Russian Federation, Moscow Region, Kashira-2.
3	Iriklinkaya GRES, subsidiary of the Open Joint-Stock Company First Power Generating Company on the Wholesale Energy Market	462803, Russian Federation, Orenburg Region, Novoorsky District, p. Energetik
4	Nizhnevartovskaya GRES, subsidiary of the Open Joint-Stock Company First Power Generating Company on the Wholesale Energy Market	28634, Russian Federation, Tyumen Region, Khanty-Mansiysk Autonomous Area – Yugra, Nizhnevartovsk District, Izluchinsk
5	Permskaya GRES, subsidiary of the Open Joint-Stock Company First Power Generating Company on the Wholesale Energy Market	618740, Russian Federation, Perm Territory, Dobryanka, Permskaya GRES
6	Urengoyskaya GRES, subsidiary of the Open Joint-Stock Company First Power Generating Company on the Wholesale Energy Market	629325, Russian Federation, Tyumen Region, Yamalo-Nenets Autonomous Area, Novy Urengoy, Limbyayakha District
7	Moscow Subsidiary of the Open Joint-Stock Company First Power Generating Company on the Wholesale Energy Market	117447, Moscow, ul. Bolshaya Cheremushkinskaya, 13-17, bld. 1