

Annex to __ the Minutes of the Extraordinary
General Meeting of Shareholders of JSC INTER
RAO UES
dated _____ No _____

APPROVED BY:

the Extraordinary General Meeting of
Shareholders of JSC INTER RAO UES
the Minutes dated _____ No _____

Chairman at the Extraordinary General Meeting
of Shareholders of JSC INTER RAO UES

_____ / _____ /

Charter
of INTER RAO UES Open Joint Stock Company

Moscow
2008

Article 1 General

1.1. INTER RAO UES Open Joint Stock Company (former Sochi Thermal Power Plant Open Joint Stock Company) has been founded by the Resolution of the founder dated of October 23, 2002 in compliance with the Civil Code of the Russian Federation, the Federal Law On Joint Stock Companies and other regulations of the Russian Federation and operates being guided by the Russian Federation law now in force and these Charter. The Company has been registered on the 1st November 2002 and given the primary state registration number (OGRN (Primary State Registration Number)) 1022302933630.

1.2. Sochi Thermal Power Plant Open Joint Stock Company has been renamed on the basis of the Resolution of the Extraordinary General Meeting of Shareholders (the Minutes No 1845pr/3 dated March 28, 2008) INTER RAO UES Open Joint Stock Company (hereinafter referred to as the "Company").

1.3. The full name of the Company in the Russian language is Открытое акционерное общество "ИНТЕР РАО ЭЭС" and INTER RAO UES Open Joint Stock Company in the English language.

1.4. The abridged name of the Company in the Russian language is ОАО "ИНТЕР РАО ЭЭС" and JSC INTER RAO UES in the English language.

1.5. The former full name of the Company in the Russian language is Открытое акционерное общество "Сочинская ТЭС" and Sochi TPP Open Joint Stock Company in the English language.

1.6. The former abridged name of the Company in the Russian language is ОАО "Сочинская ТЭС" and Sochi TPP Open JSC in the English language.

1.7. The Company's premises are located: exit 7, 12, naberezhnaya Krasnaia Presnia, Moscow, Russian Federation 123610, „

1.8. The Company has been founded with life span unlimited.

1.9. Based on the decision of the only shareholder of the Company – RAO UES of Russia Open JSC (the minutes of meeting of RAO UES of Russia Open JSC Executive Board No 1791np/2 dated December 18, 2007) – the Company has been reorganized through takeover of Inter RAO UES Holding Open Joint Stock Company (hereafter Inter RAO UES Holding Open JSC), Inter RAO UES Closed Joint Stock Company for international power engineering relations (hereafter Inter RAO UES Closed JSC), Kaliningrad Heat-Electric Generating Station-2 Open Joint Stock Company (hereafter Kaliningrad TET'S-2 Open JSC), North-West Heat-Electric Generating Station Open Joint Stock Company (hereafter North-West TET'S Open JSC), and Ivanovo Combined Cycle Plant Open Joint Stock Company (hereafter Ivanovo CCP Open JSC).

In compliance with:

the separation balance sheet of the RAO UES of Russia Open JSC that recognizes Inter RAO UES Holding Open JSC the successor of the RAO UES of Russia Open JSC which is the transfer statement for the Inter RAO UES Holding Open JSC approved by the resolution of the Extraordinary General Meeting of Shareholders of the RAO UES of Russia Open JSC dated October 26, 2007 and the Minutes dated October 30, 2007;

the transfer statement of the Inter RAO UES Closed JSC approved by the resolution of the Extraordinary General Meeting of Shareholders of the Inter RAO UES Closed JSC dated December 19, 2007, the Minutes No 14 dated December 19, 2007;

the transfer statement of the Kaliningrad TET'S-2 Open JSC approved by the resolution of the Extraordinary General Meeting of Shareholders of the Kaliningrad TET'S-2 Open JSC dated December 17, 2007, the Minutes No 25 dated December 17, 2007;

the transfer statement of the North-West TET'S Open JSC approved by the resolution of the Extraordinary General Meeting of Shareholders of the North-West TET'S Open JSC dated December 19, 2007, the Minutes No 25 dated December 19, 2007;

the transfer statement of the Ivanovo CCP Open JSC approved by the resolution of the Extraordinary General Meeting of Shareholders of the Ivanovo CCP Open JSC dated December 19, 2007, the Minutes No 2 dated December 19, 2007,

the Company is the successor of the Inter RAO UES Holding Open JSC, the Inter RAO UES Closed JSC, the Kaliningrad TET's-2 Open JSC, the North-West TET'S Open JSC, and the Ivanovo CCP Open JSC according to the procedure for universal succession of property, rights and liabilities of each of the above companies from the time they are taken over by the Company (after the record is made in the Single State Register of Legal Entities regarding termination of a legal entity operation due to reorganization through the takeover procedure).

Article 2 Company's Legal Status

2.1. The Company's legal status is identified by the Civil Code of the Russian Federation, the Federal Law On Joint Stock Companies, other regulations of the Russian Federation and these Charter.

2.2. In compliance with legislation of the Russian Federation the Company is an artificial person.

2.3. The Company has a separate property shown in its own balance sheet, may on its own behalf acquire and exercise property and personal non-property rights, discharge obligations, and be concerned in a court as plaintiff or as defendant.

2.4. The Company shall be entitled to open bank accounts in the Russian Federation and outside it in due course.

2.5. The Company shall be liable for its obligations with all property it owns.

The Company shall not be liable for obligations of the Russian Federation and its own shareholders.

Company's shareholders shall not be liable for the obligations of the Company except in cases provided for in legislation of the Russian Federation.

Company's shareholders shall run a risk of loss related to the Company's activities limited by value of shares they hold.

2.6. The Company shall not be liable for obligations of the State and agencies thereof, and the State and agencies thereof shall not be liable for obligations of the Company.

2.7. The Company has a round seal containing the full name thereof in the Russian language and location.

The Company is entitled to have stamps and letter-heads carrying the name, logo and duly registered trade mark and other visual signs of identity.

2.8. The Company shall enjoy the civil rights and bear responsibilities to be engaged in any activities consistent with the Federal laws.

2.9. The Company shall fulfil mobilization training and mobilization obligations in compliance with the Federal laws now in force and other regulations of the Russian Federation.

2.10. The Company shall be entitled to found in due course (participate in foundation) commercial and non-commercial organizations, set up representative offices, branches operating on the basis of charters and provisions agreed to by the Company.

The Company includes representative offices and branches data of which are outlined in Annex No 1 being an integral part of these Charter.

Company's branches and representative offices shall not be artificial persons and operate on Company's behalf and on the basis of the provisions approved by the Company.

The Company shall provide the founded branches and representative offices with property to be shown both in their own balance sheets and the balance sheet of the Company.

Heads of branches and representative offices shall be appointed by the Company and operate on the basis of the power of attorney issued by the Company.

Branches and representative offices shall operate on behalf of the Company that founded them. The Company shall bear responsibility for operation of branches and representative offices.

Any amendments to the Company's Charter caused by changes in data on Company's branches and representative offices shall be submitted to the State agency for registration of legal entities as a notification.

The Company shall set up branches and open representative offices outside the Russian Federation in compliance with legislation of foreign states where branches and representative offices are located unless otherwise provided for by an international agreement the Russian Federation participates in.

2.11. The Company shall be entitled to have subsidiaries and affiliates with an artificial person status in the Russian Federation founded in compliance with the Federal Law On Joint Stock Companies, other Federal laws and these Charter, and outside the Russian Federation founded in compliance with legislation of a foreign state where a subsidiary and an affiliate is located unless otherwise provided for by an international agreement the Russian Federation participates in.

2.12. The Company is a commercial organization.

Article 3 Objective and Activities of the Company

3.1. Earning profit is the main objective of the Company's activities.

3.2. To earn profit the Company shall be entitled to operate in any activity consistent with law, including:

- production of electric power and heat energy;
- assurance of workability of electric and heat networks;
- supply (sales) of electric power and heat energy;
- procurement (purchase) of electric power from the wholesale market;
- assurance of energy-saving operation of equipment in electric power stations and enforcement of power supply in compliance with contracts;
- operation of electric and heat networks;
- assurance of operation of power engineering equipment in conformity with current regulations, timely and high-quality maintenance and repair thereof, technical re-tooling and reconstruction of power engineering facilities and development of energy system;
- operation of power engineering facilities that are off the Company's balance sheet under contracts with owners of the power engineering facilities;
- design and application of new equipment and processes that provide efficiency, safety and environmental safety of Company's industrial facilities; provision of conditions for development of power engineering complex; implementation of research and innovation programs and raising industry R&D funds;
- provision of services for legal entities in selling electric power and heat energy;
- electric power supply for users connected to Company's electric and heat networks according to contracts signed;
- foreign economic activities;
- participation in investment projects; arrangements in financing investment projects for acquisition of assets overseas and in the Russian Federation including shares (interest) of foreign and Russian companies or the rights to control them;
- signing of electric power export (import) contracts on its own behalf and on the instructions of third parties;
- writing, signing and execution of export (import) contracts for delivery of power engineering equipment, supervisory and automatic control facilities, warranty and post-warranty maintenance thereof;
- designing, in collaboration with power engineering companies of other countries, the conditions for joint operation of the UES of Russia and energy systems of the Russian Federation with energy systems of other countries;
- acting as customer or contractor in any domestic and international energy projects, telecommunications projects, and supervisory and automatic control facilities;

- complex maintenance, development and implementation of international projects and programs in power engineering area including writing of primary feasibility studies;
- participation in development of the UES of Russia policy and strategy and international power engineering relations thereof with CIS and far abroad countries;
- cooperation with international organizations;
- provision of consulting services;
- transactions with securities in compliance with current law of the Russian Federation;
- engineering survey, design and construction of buildings and installations of I and II criticality rating in compliance with the State Standard, residential and non-residential buildings, installations and facilities;
- financial lease in the Russian Federation;
- pre-design, design and research work related to development of power engineering systems and associated control facilities using own resources and involving other organizations and specialists; operation and enhancement of capacity of current and construction of new power transmission lines (including multinational) and other power engineering facilities; and enhancement of export and exchange of electric power;
- participation in research programs tailored by power engineering organizations, design and research organizations;
- design of software and mathematical support for operation and development of energy systems and power engineering amalgamations, and formation of data bases and software supply to domestic and foreign markets;
- training for personnel of power engineering facilities in Russian and abroad, and staging exhibitions, stands, presentations and seminars to show achievements in national and foreign electric power industry;
- training and enforcement of rules, regulations, procedures for operation, health, occupational and fire safety;
- provision of services and participation in design, application and operation of up-to-date and perspective communication and data transmission systems in the Russian Federation and abroad;
- environmental activities;
- operation of internal gas-supply networks;
- activities related to environment impact and protection, use of natural resources; industrial waste disposal, storage and transportation;
- property trust management;
- exercising of authority in executive bodies of joint stock companies and other businesses according to law and contracts signed;
- forwarding and haulage services;
- education including supplemental education;
- security activity to exclusively assure own safety by formation of the Company's security division operating in compliance with the Russian Federation Law On private detective and security activity in the Russian Federation and legislation of the Russian Federation;
- acting as customs agent and broker;
- holding mobilization, civil defence and emergency arrangements and protection of data making State secrets in compliance with the Russian Federation law;
- storage of oil and oil products;
- operation of fire and explosion hazardous industrial facilities;
- provision of production meteorological services;
- dangerous waste handling;
- other activities consistent with the legislation of the Russian Federation .

3.3. The Company may be concerned in other activities listed in Federal laws provided that it is granted an appropriate permit (license).

The Company's right to take part in the activity to be licensed arises from the time such license is granted or on the date specified in the license and is terminated on the expiry date thereof unless otherwise established by law and other regulations.

Article 4 Company's Authorized Capital

4.1. The Company's authorized capital is made of nominal value of the Companies shares acquired by shareholders (placed shares).

The Company's authorized capital is equal to 227,411,384,501 (two hundred twenty seven billion four hundred eleven million three hundred eighty four thousand five hundred and one) rubles and 30 (thirty) kopecks.

4.2. The Company placed two trillion two hundred seventy four billion one hundred thirteen million eight hundred forty five thousand and thirteen (2,274,113,845,013) ordinary registered book-entry shares of 0.1 (zero point one) rouble nominal value each of total nominal value two hundred twenty seven billion four hundred eleven million three hundred eighty four thousand five hundred and one (227,411,384,501) roubles and thirty (30) kopecks.

4.3. The Company's authorized capital may be:

- incremented by raising nominal value of shares or placement of additional shares;
- decremented by reducing nominal value of shares including reacquiring and redeeming a part of Company's shares placed in compliance with these Charter.

4.4. The Company's authorized capital may be incremented only if it is paid in full.

The Company's authorized capital may not be incremented in order to offset the loss incurred by the Company or to pay outstanding accounts payable.

4.5. The Company's authorized capital shall be decremented according to the procedure provided for by the Russian Federation law and these Charter.

The Company must reduce its authorized capital in cases provided for by the Federal Law On Joint Stock Companies.

4.6. The Company has the right to reacquire the placed shares according to the decision of the General meeting of shareholders to decrement the authorized capital through reacquiring a part of placed shares in order to reduce the total number thereof.

The General meeting of shareholders may not take a decision to decrement the Company's authorized capital through reacquiring a part of placed shares in order to reduce the total number thereof, if the nominal value of shares circulated is below the minimum of the authorized capital provided for by the Federal Law On Joint Stock Companies.

The shares reacquired by the Company in compliance with this paragraph shall be redeemed as soon as they are reacquired.

The shares reacquired in compliance with this paragraph may be paid in the form of money and (or) other property according to the decision of the General meeting of shareholders.

4.7. In addition to distributed shares the Company declares placement of two trillion three hundred fifty seven billion one hundred forty four million five hundred fourteen thousand nine hundred and eighty seven (2,357,144,514,987) ordinary shares of 0.1 (zero point one) rouble nominal value each of total nominal value of two hundred thirty one billion five hundred eighty eight million six hundred fifteen thousand four hundred and ninety eight (231,588,615,498) roubles and seventy (70) kopecks.

The ordinary registered shares declared by the Company for placement give the owners thereof the rights according to 6.2 of these Charter.

Article 5 Shares, bonds and other issue securities of the Company

5.1. The Company places ordinary shares and has the right to place one or more types of preference shares, bonds and other issue securities according to the procedure specified by the Russian Federation law.

5.2. Conversion of ordinary shares into preference, bonds and other issue securities is not authorized.

5.3. The Company shall place shares and other Company's securities converted into shares in compliance with regulations of the Russian Federations.

5.4. The Company may additionally place shares and other issue securities through distribution thereof among Company's shareholders, subscription and conversion.

5.5. In cases provided for in the Russian Federation law shareholders of the Company shall exercise the pre-emptive right to acquire additional shares and issue securities converted into shares placed through subscription in proportion to the number of shares of this category (class) they own.

5.6. If when exercising the pre-emptive right to acquire additional shares and consolidating shares, a shareholder fails to acquire the whole number of shares, shares shall be split into fractions (fractional shares).

A fractional share shall grant the shareholder the rights given by shares of this category (class) the scope of which is prorated by the part of a share.

Fractional shares shall circulate as whole shares do. If a person acquires two or more fractional shares of the same category (class), such share shall make one whole and (or) fractional share equal to the sum of these fractional shares.

5.7. Additional shares placed through subscription shall be paid in the form of money, securities, other things or property rights or other rights that may have money value.

The form additional shares are paid shall be determined in the decision on placement thereof.

Other issue securities shall be paid only in the form of money.

5.8. The Company shall be enabled to reacquire placed shares according to the decision of the Company's Board of Directors in cases provided for in the Federal Law On Joint Stock Companies except the case specified in paragraph 2 of 4.6 of these Charter.

The Board of Directors may not take a decision on reacquiring shares by the Company, if the nominal value of Company's shares circulated is below 90% of the Company's authorized capital.

The shares reacquired by the Company in compliance with this Section shall not be voting shares, shall be ignored during counting of votes and bring no dividends. By decision of the Board of Directors such shares shall be sold at the price at least equal to the market price and within one year from the date of acquisition thereof. Otherwise, the General meeting of shareholders shall decide to decrement the Company's authorized capital through redemption of such shares.

By decision of the Board of Directors the shares reacquired in compliance with this Section may be paid in the form of money and (or) other property.

Article 6 Rights of Company's Shareholders

6.1. Each Company's ordinary share has the same nominal value and grants a shareholder that owns the share the same scope of rights.

6.2. Shareholders owning ordinary shares shall exercise the right to:

1) participate in the General meeting of Company's shareholders with the right to vote all issues within his/her competence personally or by proxy;

2) put forward proposals for the agenda of the General meeting of shareholders according to the procedure provided for by legislation of the Russian Federation and these Charter;

3) receive dividends declared by the Company;

4) receive information on the Company's activities and review the Company's documents in compliance with Article 91 of the Federal Law On Joint Stock Companies, other regulations and these Charter;

5) require that the Company repurchase all or part of the shares they own in cases provided for in law of the Russian Federation;

6) exercise the pre-emptive right to acquire additional shares and issue securities converted into shares placed by the Company through subscription in proportion to the number of ordinary shares they own in cases provided for in legislation of the Russian Federation;

7) receive a part of the Company's property in case of liquidation thereof according to the procedure established by legislation of the Russian Federation and these Charter;

8) exercise other rights provided for by law of the Russian Federation, this Charter and resolutions of the General meeting of shareholders taken in compliance with jurisdiction thereof.

Article 7 Dividends

7.1. The Company has the right to take decisions (declare) on payout of dividends on placed shares after the first quarter, six months, nine months of the fiscal year and (or) whole fiscal year. Decision on payout (declaration) of dividends after the first quarter, six months and nine months of the fiscal year may be taken within three months following the respective period.

The Company must pay declared dividends on shares of each category (class).

7.2. The Company may not pay declared dividends on shares if:

- on the day of payout the Company shows the signs of insolvency (bankruptcy) in compliance with law of the Russian Federation on insolvency (bankruptcy) or such Company's signs may result from dividend payout;

- on the date of payout the Company's net asset value is less than the sum of authorized capital and reserve fund thereof or may be less than the above sum due to dividend payout;

- in other cases provided for in Federal laws.

Once the circumstances outlined in this Section terminate, the Company must pay shareholders the dividends declared.

7.3. Decision (declaration) on dividend payout including decision on amount of dividends and form of payout on shares of each category (class) shall be taken by the General meeting of Company's shareholders.

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

The General meeting of Company's shareholders may take a decision not to pay dividends on ordinary shares.

7.4. The Company may not take decision (declare) on dividends on shares:

- unless the Company's authorized capital is paid in full;

- unless all shares to be repurchased according to Article 76 of the Federal Law On Joint Stock Companies are repurchased by the Company;

- on the date such decision is taken the Company shows the signs of insolvency (bankruptcy) in compliance with law of the Russian Federation on insolvency (bankruptcy) or such Company's signs may result from dividend payout;

- on the date such decision is taken the Company's net asset value is less than the sum of authorized capital and reserve fund thereof or may be less than the above sum due to such decision;

- in other cases provided for in Federal laws.

7.5. The dividends shall be paid out of the Company's after-tax income (Company's net profit). The Company's net profit shall be derived from the Company's accounting reports.

7.6. Dividends shall be paid within the time limit specified by the General meeting of Company's shareholders and within at most sixty (60) days from the date such decision is taken.

Article 8 Company's Funds

8.1. The Company shall form the Reserve fund making fifteen (15) percent of the Company's authorized capital.

Annual mandatory appropriations for the Company's Reserve fund shall make five (5) percent of the Company's retained earnings till the Reserve fund reaches the specified amount.

8.2. The Reserve fund shall be used for compensation for Company's loss, Company's bond redemption and repurchase of Company's shares if other funds are unavailable.

The Reserve may not be used for any other purpose.

8.3. In compliance with the legislation of the Russian Federation the Company shall be enabled to form other funds that assure its business and financial activities as an entity in civil circulation.

Article 9 Company's Managing and Auditing Bodies

9.1. The Company's managing bodies include:

- General meeting of shareholders;
- Company's Board of Directors;
- Company's Executive Board (collegial executive body);
- Chairman of the Executive Board (single executive body).

9.2. The Company's Auditing Committee shall be the body for inspection of Company's business and financial activities.

Article 10 The General meeting of Company's shareholders

10.1. The General meeting of shareholders is the supreme managing body of the Company.

The issues that fall within jurisdiction of the General meeting of shareholders shall include:

- 1) amendments to the Charter and approval of new revision of the Company's Charter ;
- 2) Company's reorganization;
- 3) Company's liquidation, appointment of the liquidation committee and approval of interim and final liquidation balance sheets;
- 4) determination of the number, nominal value, category (class) of declared shares and the rights granted by these shares;
- 5) increase in the Company's authorized capital through increment of shares' nominal value and additional placement of shares when the issue is exclusively under jurisdiction of the General meeting of shareholders according to the Federal Law On Joint Stock Companies;
- 6) reduction of the Company's authorized capital through decrement of shares' nominal value, reacquisition by the Company of a part of shares to reduce total number thereof and, also, redemption of shares reacquired and repurchased by the Company;
- 7) splitting and consolidation of Company's shares;
- 8) determination of the number of Directors, election of the Company's Board of Directors and early termination of powers thereof;
- 9) election and early termination of the Executive Board Chairman's powers;
- 10) election of the Company's Auditing Committee and early termination of powers thereof;
- 11) adoption of the Company's Auditor;
- 12) taking decision on transfer of powers of the Company's single executive body to a management company (manager);
- 13) approval of annual reports and annual accounting reports including the Company's profit and loss statement as well as appropriation of the Company's profit (including dividend payout (declaration) except appropriation of the profit for dividends for the first quarter, six months and nine months of the fiscal year) and apportionment of losses resultant from the fiscal year;

- 14) approval of the procedure for the General meeting of Company's shareholders;
- 15) election of counting commission members and early termination of powers thereof;
- 16) payout (declaration) of dividends resultant from the first quarter, six months and nine months of the fiscal year;
- 17) approval of transactions in cases provided for in Article 83 of the Federal Law On Joint Stock Companies;
- 18) approval of major transactions in cases provided for in Article 79 of the Federal Law On Joint Stock Companies;
- 19) taking decision to participate in finance and industrial groups, associations and other amalgamations of commercial entities;
- 20) approval of in-house procedures regulating activities of the Company's bodies;
- 21) taking decision to pay remuneration and (or) compensation to the members of the Company's Auditing Committee;
- 22) taking decision to pay remuneration and (or) compensation to the members of the Company's Board of Directors;
- 23) other issues provided for by the Federal Law On Joint Stock Companies.

10.2. The issues under jurisdiction of the General meeting of shareholders shall not be resolved by the Board of Directors, the Company's Executive Board or the Chairman of the Executive Board.

The General meeting of shareholders shall not consider and resolve the issues beyond jurisdiction thereof according to the Federal Law On Joint Stock Companies.

10.3. Decision of the General meeting of shareholders on an issue put to vote shall be taken by the majority of votes of shareholders owning Company's voting shares and participating in the meeting unless otherwise established by the Federal Law On Joint Stock Companies

10.4. Decision of the General meeting of Company's shareholders shall be taken by three forth majority of votes of shareholders owning Company's voting shares and participating in the meeting on the following issues:

- amendments to the Charter and approval of new revision of the Charter ;
- Company's reorganization;
- Company's liquidation, appointment of the liquidation committee and approval of interim and final liquidation balance sheets;
- determination of the number, nominal value, category (class) of declared shares and the rights granted by these shares;
- reduction of the Company's authorized capital through decrement of shares' nominal value;
- placement of shares (Company's issue securities converted into shares) through private offering by decision of the General meeting of shareholders on increment of the Company's authorized capital through additional placement of shares (on placement of Company's issue securities converted into shares);
- placement of ordinary shares through public offering making more than twenty five (25) percent of ordinary shares placed before;
- placement through public offering of issue securities subject to conversion into ordinary shares that may be converted into ordinary shares, making more than twenty five (25) percent of ordinary shares placed before;
- taking decision on approval of major transactions related to property price of which exceeds 50 (fifty) percent of book value of Company's assets;
- other issues provided for by the Federal Law On Joint Stock Companies.

Decision on approval of a transaction of interest according to Article 81 of the Federal Law On Joint Stock Companies shall be taken by the General meeting of shareholders by majority of voting shares owned by all shareholders uninterested in the transaction.

10.5. The issues according to 2, 5, 7, 11-12, 16-22 in Section 10.1 of Article 10 of this Charter and the issue related to decrease in the Company's authorized capital through decrement of shares' nominal

value may be resolved by the General meeting of Company's shareholders if proposed by the Company's Board of Directors.

10.6. The General meeting of shareholders may not take decisions on issues beyond the agenda of the General meeting of Company's shareholders and change the agenda.

10.7. Voting in the General meeting of shareholders shall be based on the "one voting share – one vote" principle except cumulative voting on election of members of the Company's Board of Directors.

The cumulative voting implies that the number of votes belonging to each shareholder is multiplied by the number of persons to be elected to the Company's Board of Directors and a shareholder may use all his/her votes to vote one candidate or distribute them between two or more candidates.

The candidates that collected most of votes shall be deemed elected to the Company's Board of Directors.

10.8. The General meeting of Company's shareholders may be held in location of the Company's premises or in the city of Moscow.

The exact venue of the General meeting of Company's shareholders shall be specified by the Board of Directors when addressing the issues related to arrangements of the General meeting of shareholders.

10.9. The General meeting of shareholders shall be presided over by the Chairman of the Board of Directors.

If the Chairman of the Board of Directors does not attend the General meeting of shareholders, the General meeting of shareholders shall be presided over by the Deputy Chairman of the Board of Directors.

If the Chairman of the Board of Directors and his/her Deputy do not attend the General meeting of shareholders, the meeting may be presided over by any member of the Board of Directors as decided by the members of Board of Directors attending the General meeting of shareholders.

Article 11 Holding of the of Company's Shareholders General Meeting in the form of compresence

11.1. The annual General meeting of Company's shareholders shall be held at least two months and at most six months after termination of the fiscal year.

The minimum of issues to be addressed at the General meeting of shareholders includes election of the Board of Directors, the Auditing Committee, adoption of the Company's Auditor, approval of the Company's annual report, annual accounting reports including the Company's profit and loss statement submitted by the Company's Board of Directors, as well as appropriation of profit (including dividend payout (declaration) except the profit appropriated for dividends for the first quarter, six months and nine months of the fiscal year) and apportionment of losses of the Company resultant from the fiscal year.

11.2. The General meeting of shareholders shall be held in the form of compresence of shareholders (shareholders' proxies) to discuss the issues in the agenda and take decisions on the issues put to vote.

Decisions of the General meeting of shareholders may be taken by absentee voting (by questionnaires) in compliance with Article 12 of this Charter.

11.3. A professional participant in the securities market holding the register of the Company's shareholders (the Company's registrar) shall act at the General meeting of shareholders as a counting commission.

11.4. List of persons entitled to participate in the General meeting of shareholders shall be made up using the register of the Company's shareholders.

The date when the list of persons entitled to participate in the General meeting of Company's shareholders is originated may not come earlier than the date when the decision to hold the General

meeting of Company's shareholders is taken and more than fifty (50) days prior to the General meeting of shareholders except in cases provided for by the Federal Law On Joint Stock Companies.

11.5. A notice about the General meeting of shareholders shall be communicated (or handed over) to each person in the list of persons entitled to participate in the General meeting of Company's shareholders, published by the Company in Izvestia paper and placed on the Company's web-site in Internet at least thirty (30) days prior to the meeting.

If a person listed in the register of Company's shareholders is a nominee shareholder, a notice about the General meeting of shareholders shall be communicated to the address of the nominee shareholder provided that the list of persons entitled to participate in the General meeting of shareholders does not contain another mail address where the notice about the General meeting of shareholders is to be communicated.

11.6. Ballot papers for voting on the agenda issues shall be sent by registered mail to the address shown in the list of persons entitled to participate in the General meeting of shareholders or served against signature to each person in the list of persons entitled to participate in the General meeting of shareholders at least twenty (20) days prior to the date the General meeting of shareholders is to be held.

11.7. Information (matters) on the agenda of the General meeting of shareholders for twenty (20) days and, if the agenda of the General meeting of shareholders includes the issue on the Company's reorganization, for thirty (30) days prior to the General meeting of shareholders shall be available for review to the persons entitled to participate in the General meeting of shareholders in the premises of the Company's executive body and other locations addresses of which are given in the notice about the General meeting of shareholders. The Information (matters) on the agenda of the General meeting of shareholders at least ten (10) days prior to the General meeting of shareholders shall be placed on the Company's web-site in Internet. The above information (matters) shall be available to participants in the General meeting of shareholders during the period the meeting is held.

The procedure for review of the information (matters) on the issues in the agenda of the General meeting of shareholders by the persons entitled to participate in the General meeting of shareholders and list of such information (matters) shall be specified by a decision of the Company's Board of Directors.

11.8. A shareholder shall exercise his/her right to participate in the General meeting of shareholders both personally and by proxy.

If a share is jointly owned by a few holders, they shall be provided with one copy of the ballot paper for voting on all issues or one copy of two and more ballot papers for voting on various issues, while the legal powers to vote at the General meeting of shareholders shall be exercised at their option by one of the owners or by their common proxy.

Legal powers of each person mentioned above shall be appropriately documented.

11.9. When the General meeting of shareholders is held in the form of compresence the persons in the list of persons entitled to participate in the General meeting of shareholders (their proxies) may participate in the meeting or send completed ballot papers to the Company.

11.10. The General meeting of shareholders shall have legal powers (has the quorum), if it is attended by shareholders possessing in the aggregate more than a half of votes of Company's placed voting shares.

The shareholders registered for participation in the meeting shall be considered as attended the General meeting of shareholders.

11.11. If there is no quorum for holding the annual General meeting of Company's shareholders, one more General meeting of Company's shareholders shall be held with the same agenda. If there is no quorum for holding the extraordinary General meeting of Company's shareholders, the General meeting of Company's shareholders with the same agenda shall be held again.

The General meeting of Company's shareholders held instead of the cancelled meeting has legal

powers, if it is attended by shareholders possessing in the aggregate at least thirty (30) percent of votes of Company's placed voting shares.

If the special General meeting of shareholders is held in less than forty (40) days after the cancelled General meeting of shareholders, the persons entitled to participate in the General meeting of shareholders shall be verified by the list of persons that have been entitled to participate in the cancelled General meeting of shareholders.

11.12. The voting protocol shall be made up and signed by members of the counting commission within at most fifteen (15) days after the General meeting of shareholders.

11.13. The Minutes of the General meeting of shareholders shall be made up in duplicate within at most fifteen (15) days after the General meeting of shareholders. The both copies shall be signed by the chairman and the secretary of the General meeting of shareholders.

11.14. Voting results and decisions taken by the General meeting of shareholders may be made public at the General meeting of shareholders.

If voting results and decisions taken by the General meeting of shareholders are not given publicity at the General meeting of shareholders, the decisions of the General meeting of shareholders and voting results shall be made known to the persons in the list of persons entitled to participate in the General meeting of shareholders within at most ten (10) days from the date the voting protocol is originated in the form of a voting report according to the procedure provided for announcement about holding the General meeting of Company's shareholders.

Article 12 Holding of the General Meeting of Company's Shareholders in the form of absentee voting

12.1. Decision of the General meeting of shareholders may be taken without holding the meeting (compresence of shareholders for discussion of the agenda issues and taking decisions on the issues put to voting) by absentee voting (by questionnaire).

Voting on the issues in the agenda of the General meeting of shareholders held in the form of absentee voting shall be implemented only using ballot papers.

12.2. The General meeting of shareholders with the agenda including the issues on election of the Board of Directors, the Auditing Committee, adoption of the Company's Auditor, and the issues according to sub-section 13 of Section 10.2 in Article 10 of this Charter may not be held in the form of absentee voting.

The General meeting of shareholders may not be held again in the form of absentee voting (by questionnaire) instead of the cancelled General meeting of shareholders that has been supposed to be held in the form of compresence.

12.3. List of persons entitled to participate in absentee voting on issues in the agenda of the General meeting of shareholders shall be made up using the register of the Company's shareholders.

The date when the list of persons entitled to participate in absentee voting on issues in the agenda of the General meeting of shareholders may not come earlier than the date when the decision to hold the General meeting of Company's shareholders is taken and more than fifty (50) days prior to the closing date of the ballot paper acceptance by the Company.

12.4. A notice about the General meeting of shareholders to be held in the form of absentee voting shall be communicated (or handed over) to each person in the list of persons entitled to participate in the General meeting of Company's shareholders, published in Izvestia paper and placed on the Company's web-site in Internet at least thirty (30) days prior to the closing date of the ballot paper acceptance by the Company.

12.5. Ballot papers for voting on the agenda issues shall be sent by registered mail to the address shown in the list of persons entitled to participate in the General meeting of shareholders or served against signature to each person in the list of persons entitled to participate in the General meeting of shareholders at least twenty (20) days prior to the closing date of the ballot paper acceptance by the

Company.

Each person in the list of persons entitled to participate in the General meeting of shareholders shall be given one copy of the ballot paper for voting on all issues or one copy of two and more ballot papers for voting on various issues.

The procedure for review of the information (matters) on the issues in the agenda of the General meeting of shareholders by the persons entitled to participate in the General meeting of shareholders and list of such information (matters) shall be specified by a decision of the Company's Board of Directors and be compliant with the Federal Law On Joint Stock Companies.

12.6. The General meeting of shareholders held in the form of absentee voting shall have legal powers (has the quorum), if it is attended by shareholders possessing in the aggregate more than a half of votes of Company's placed voting shares.

The shareholders ballot papers of which are accepted prior to the closing date of the ballot paper acceptance by the Company indicated in the papers shall be considered as attended the General meeting of shareholders held in the form of absentee voting.

12.7. The voting protocol shall be made up and signed by the secretary of the General meeting of shareholders in duplicate within at most fifteen (15) days after the closing date of the ballot paper acceptance.

The Minutes of the General meeting of shareholders shall be made up in duplicate within at most fifteen (15) days after the General meeting of shareholders. The both copies shall be signed by the chairman and the secretary of the General meeting of shareholders.

12.8. The decisions of the General meeting of shareholders and voting results shall be made known to the persons in the list of persons entitled to participate in the General meeting of shareholders within at most ten (10) days from the date the voting protocol is originated in the form of a voting report according to the procedure provided for the announcement about holding the General meeting of Company's shareholders.

Article 13 Proposals for the Agenda of the Annual General Meeting of Company's Shareholders

13.1. Within at most sixty (60) days from termination of the fiscal year the shareholders (shareholder) of the Company owning in the aggregate at least two (2) percent of the Company's voting shares may propose issues for the agenda of the annual General meeting of shareholders and candidates for the Company's Board of Directors and Auditing Committee the number of which shall not exceed the total number of members of respective Company's body.

13.2. Proposals of issues for the agenda of the General meeting of shareholders and candidates shall be made in writing including the name(s) of the shareholder(s) that put them forward, number and category (class) of shares they hold, and be signed the shareholder(s).

13.3. A proposal of issues for the agenda of the General meeting of shareholders shall include the wording of the issue proposed, and a proposal of a candidate shall include the name and data from the ID card (series and (or) number of the card, date and location of issue and agency that issued the document) of the candidate and the name of the body the candidate is nominated for.

13.4. The Company's Board of Directors shall review the proposals made and take a decision on inclusion of the proposals into the agenda of the General meeting of Company's shareholders or refusal to include the issue into the agenda within at most five (5) days after the time period given in 13.1 of this Article.

13.5. The Company's Board of Directors has the right to reject the issues proposed by a shareholder(s) for the agenda of the General meeting of shareholders and candidates proposed for inclusion into the list of nominees for voting to respective Company's body on grounds provided for in the Federal Law On Joint Stock Companies and other regulations of the Russian Federation.

13.6. The reasoned decision of the Company's Board of Directors to reject an issue proposed for

the agenda of the General meeting of shareholders or a candidate for inclusion into the list of nominees for voting to respective Company's body shall be communicated to shareholder(s) that proposed the issue or the candidate within at most three (3) days from the date the decision is taken.

13.7. The Company's Board of Directors may not change wording of the issues proposed for the agenda of the General meeting of shareholders and (if any) wording of the decisions on such issues.

In addition to the issues proposed by shareholders for the agenda of the General meeting of shareholders, and if such proposals are not available or candidates proposed by shareholders for formation of a respective body are not available or their number is insufficient, the Company's Board of Directors has the right to include issues into the agenda of the General meeting of shareholders or candidates into the list of nominees at its option.

Article 14 Convening the Extraordinary General meeting of Company's shareholders

14.1. General meetings of Company's shareholders other than the annual meeting are extraordinary meetings.

14.2. An extraordinary General meeting of Company's shareholders shall be held by decision of Company's Board of Directors on its own initiative, a request of the Company's Auditing Committee, Company's Auditor as well as a shareholder(s) owning at least ten (10) percent of Company's voting shares as of the date the request is made.

14.3. An extraordinary General meeting of shareholders held on a request of the Company's Auditing Committee, Company's Auditor or a shareholder(s) owning at least ten (10) percent of Company's voting shares shall be convened by the Company's Board of Directors.

Such General meeting of shareholders shall be held within forty (40) days from the date the request to hold the extraordinary General meeting of shareholders is made except in cases provided for in the Federal Law On Joint Stock Companies.

14.4. The request to hold the extraordinary General meeting of Company's shareholders shall contain articulated issues for the agenda of the meeting.

A person(s) making a request to convene the extraordinary General meeting of Company's shareholders may propose a draft resolution of the extraordinary General meeting of Company's shareholders, and the form the General meeting of shareholders is to be held. If the request to convene the extraordinary General meeting of shareholders contains a proposal for nomination of candidates, such proposal shall be covered by respective provisions of Article 13 of this Charter.

The Company's Board of Directors may not change wording of the issues in the agenda, wording of the decisions on such issues and change the proposed form the extraordinary General meeting of shareholders is to be held on a request of the Company's Auditing Committee, Company's Auditor or a shareholder(s) owning at least ten (10) percent of Company's voting shares.

14.5. If the request to convene the extraordinary General meeting of Company's shareholders is made by a shareholder(s), it shall contain the name(s) of the shareholder(s) requesting to convene the meeting, number and category (class) of Company's shares they hold.

The request to convene the extraordinary General meeting of Company's shareholders shall be signed by the person(s) who require that the extraordinary General meeting of Company's shareholders be held.

14.6. Within five (5) days from the date the request of the Company's Auditing Committee, Company's Auditor or a shareholder(s) owning at least ten (10) percent of Company's voting shares to convene the extraordinary General meeting of Company's shareholders is made, the Company's Board of Directors shall take a decision to convene the extraordinary General meeting of Company's shareholders or refuse to convene the meeting.

14.7. The decision of the Company's Board of Directors to convene the extraordinary General meeting of Company's shareholders or reasoned decision to refuse to convene it shall be communicated to the persons requiring that it be convened within at most three (3) days from the time the decision is

made.

14.8. If within the time period according to 14.6 in Article 14 of this Charter the Company's Board of Directors fails to take a decision to convene the extraordinary General meeting of Company's shareholders or takes a decision to refuse to convene it, the extraordinary General meeting of Company's shareholders may be convened by the bodies and persons who require that it be convened.

Such being the case, the bodies and persons who convene the extraordinary General meeting of shareholders shall have powers provided for in the Federal Law On Joint Stock Companies and this Charter and required to convene and hold the General meeting of shareholders.

14.9. If the proposed agenda of the extraordinary General meeting of shareholders contains the issue on election of members of the Company's Board of Directors:

14.9.1. The General meeting of shareholders shall be held within ninety (90) days from the time the request to convene the extraordinary General meeting of shareholders is made.

14.9.2. Shareholders (shareholder) of the Company owning in the aggregate at least two (2) percent of the Company's voting shares may propose candidates for the Company's Board of Directors the number of which shall not exceed the total number of members of the Company's Board of Directors.

Such proposals shall be communicated to the Company at least thirty (30) days from the date of the extraordinary General meeting of shareholders.

The Company's Board of Directors shall review the proposals made and take a decision on inclusion of the proposals into the agenda of the extraordinary General meeting of Company's shareholders or refusal to include the issue into the agenda within at most five (5) days after termination of the time period mentioned in paragraph 2 of this sub-section.

14.9.3. The date when the list of persons entitled to participate in the General meeting of Company's shareholders is originated may not come earlier than the date when the decision to hold the General meeting of Company's shareholders is taken and more than eighty five (85) days prior to the General meeting of Company's shareholders.

14.9.4. The announcement of the extraordinary General meeting of shareholders shall be made at least seventy (70) days prior to the date the meeting is to be held.

Article 15 Company's Board of Directors

15.1. The Company's Board of Directors is in overall charge of Company's activities except for issues under jurisdiction of the General meeting of shareholders as prescribed by the Federal Law On Joint Stock Companies and this Charter.

The issues under jurisdiction of the Company's Board of Directors are as follows:

- 1) to outline priority areas of Company's activities and strategy;
- 2) to convene annual and extraordinary General meeting of Company's shareholders except in cases mentioned in 14.8 in Article 14 of this Charter and announce the date of the General meeting of shareholders instead of the meeting cancelled for lack of quorum;
- 3) to approve of the agenda of the General meeting of Company's shareholders;
- 4) to elect the secretary of the General meeting of shareholders;
- 5) to specify the date of making the list of persons entitled to participate in General meeting of shareholders; approve of estimated expenditures for the General meeting of Company's shareholders and address other issues on preparatory arrangements and holding the General meeting of shareholders;
- 6) to propose issues according to , 5, 7, 11-12, 16-22 of Section 10.1 in Article 10 of this Charter and the issue on reduction of the Company's authorized capital through decrement of shares' nominal value to the General meeting of Company's shareholders to resolve;
- 7) to increase the Company's authorized capital through additional placement of Company's shares according to the number and categories (classes) of declared shares;

- 8) to place Company's bonds and other issue securities except in cases established by the Federal Law On Joint Stock Companies and this Charter;
- 9) to approve of the decision on issue of securities, securities prospectus;
- 10) to determine the price (money equivalent) of property; cost of placement and repurchase of issue securities in cases provided for by the Federal Law On Joint Stock Companies;
- 11) to acquire shares, bonds and other securities placed by the Company in cases provided for by the Federal Law On Joint Stock Companies;
- 12) to specify the number of members in the Company's Executive Board, election and early termination of powers of the Executive Board members including taking decision on early termination of their labour contracts;
- 13) to specify the rate of remuneration and compensation paid to the Chairman and members of the Company's Executive Board;
- 14) to impose disciplinary liabilities on the Chairman and members of the Company's Executive Board and stimulate them in compliance with labour law of the Russian Federation and Company's in-house procedures;
- 15) to review reports of the Executive Board on Company's activities, enforcement of resolutions of the General meeting of shareholders and the Company's Board of Directors;
- 16) to take decision on termination of powers of the management company (manager);
- 17) to take decision on appointment of the acting Chairman of the Company's Executive Board;
- 18) to recommend the General meeting of Company's shareholders the rate of remuneration and compensation paid to the members of the Company's Auditing Committee and specify the rate of remuneration of the Auditor;
- 19) to recommend the amount of dividends on shares and procedure for payout thereof;
- 20) to approve the Company's in-house procedures that prescribe the procedure for formation and use of Company's funds;
- 21) to take decision on use of Company's funds, approve of estimated use of special funds and review of reported use of special funds;
- 22) to approve the Company's in-house procedures except the documents subject to approval by the General meeting of shareholders and in-house procedures subject to approval by the Company's executive bodies;
- 23) to adopt candidate independent appraiser(s) to assess the price of shares, property and other assets of the Company as provided for by the Federal Law On Joint Stock Companies, this Charter and special decisions of the Company's Board of Directors;
- 24) to approve of the business-plan (revised business-plan) and the report on execution thereof;
- 25) to approve of target values (corrected values) of key performance indicators of the Company and reports on respective achievements;
- 26) to take decisions on Company's participation in other organizations (including approval of founding documents), changes in participatory interest (number of shares, size of shares, interest), encumbrance of shares (interest) and termination of Company's participation in other organizations with the following provision considered:
 - to take a decision on conducting by the Company of several related transactions associated with alienation, mortgage or any other encumbrance of shares and interest of subsidiary and affiliated companies that are not engaged in production, transmission, dispatching, distribution and sale of electric and heat power, if the market price of traded shares or interest set according to the opinion of an independent appraiser exceeds thirty (30) million roubles;
- 27) to preliminarily approve of the following transactions (in cases (amounts) determined by special decisions of the Company's Board of Directors):
 - (a) transactions associated with gratuitous transfer of Company's property or property rights (claims) to itself or third parties;
 - (b) transactions associated with exemption from property liability to itself or third parties;

- (c) transactions associated with gratuitous provision of services (performance of work) by the Company to third parties;
- 28) to preliminarily approve of the following transactions:
 - (a) transactions involving Company's fixed assets of price exceeding ten percent (10%) of the book value of these Company's assets on the date of decision on conducting such transaction;
 - (b) transactions (including several related transactions) associated with alienation or potential alienation of the property comprising fixed assets, intangible assets, work in progress (in cases (amounts) determined by special decisions of the Company's Board of Directors);
- 29) to approve of the principles of Company's collaboration with organizations in which Company participates;
- 30) to specify Company's (Company representatives') standing including instructions to participate in or abstain from voting on the agenda issues; vote for, against or abstain when voting on draft resolutions; vote on the following issues in agenda of General meetings of shareholders (participants) of subsidiary and affiliated companies (hereafter SAC) and SAC Boards of Directors:
 - (a) agenda of SAC General meetings of shareholders (participants);
 - (b) SAC reorganization, liquidation;
 - (c) determination of the number, nomination, election, and early termination of powers of members in SAC Boards of Directors;
 - (d) determination of the amount, nominal value, category (class) of SAC declared shares and the rights given by these shares;
 - (e) increase in SAC authorized capital through increment of share nominal value or additional placement of shares;
 - (f) placement of SAC securities converted into ordinary shares;
 - (g) splitting and consolidation of SAC shares;
 - (h) approval of major transactions conducted by SAC;
 - (i) SAC participation in other organizations (joining an operating organization or starting a new organization); acquisition, alienation and encumbrance of shares and interest in the authorized capital of the organizations in which SAC are participants; change in participatory interest in the authorized capital of respective organization;
 - (j) conducting by SAC of transactions (including several related transactions) associated with alienation or potential alienation of the property comprising fixed assets, intangible assets, work in progress used for production, transmission, dispatching, distribution and sale of electric and heat power in cases (amounts) determined by special decisions of the Company's Board of Directors;
 - (k) approval of updated revisions of and amendments to SAC founding documents.
- 31) to specify areas of Company's insurance coverage including the approval of Company's insurer;
- 32) to preliminarily approve of a collective bargaining agreement, and social and labor agreements concluded by the Company;
- 33) to adopt a candidate financial advisor invited in compliance with the Federal Law "On Securities Market" and candidate managers for issue of securities and advisors on transactions associated with raising funds through public borrowing;
- 34) to shape Company's purchase policy including approval of the Procedure for regulated purchase of commodities, work and services; adoption of the head of the Company's Central Purchasing Division and members thereof as well as approval of an annual overall procurement plan, and other decisions in conformity with Company's documents regulating Company's procurement operations;
- 35) to alienate (sell) Company's shares possessed by the Company through acquisition or purchase from Company's shareholders and other manners provided for by law of the Russian Federation;
- 36) to set up branches and open representative offices of the Company, liquidation thereof and

make amendments to the Company's Charter associated with setting-up of branches and opening of representative offices of the Company (including changes in names and location of branches and representative offices) and liquidation thereof;

37) to approve of major transactions in cases provided for in Chapter X of the Federal Law On Joint Stock Companies;

38) to approve of transactions in cases provided for in Chapter XI of the Federal Law On Joint Stock Companies;

39) to adopt Company's registrar, approve of terms and conditions of the contract signed with him/her and cancellation of the contract;

40) to elect the Chairman of the Company's Board of Directors and early terminate his/her powers;

41) to elect the Deputy Chairman of the Company's Board of Directors and early terminate his/her powers;

42) to elect the Secretary of the Company's Board of Directors and early terminate his/her powers;

43) to set up committees in the Company's Board of Directors and approve of provisions on committees in the Company's Board of Directors;

44) to provide social benefits and assurances for Company's employees;

45) to map out Company's housing policy to the extent of provision of corporate support for Company's employees in improvement of living conditions in the form of subsidy, reimbursement for expenses, interest-free loans and decisions on provision of the above Company's support when the procedure for provision thereof is not specified in Company's housing policy;

46) other issues put under jurisdiction of the Board of Directors according to the Federal Law On Joint Stock Companies and this Charter.

15.2 The issues under jurisdiction of the Board of Directors may not be addressed by the Company's Executive Board. The procedure adopted by the Board of Directors according to 15.1 of this Charter may prescribe the manner and conditions of exercising powers by the Board of Directors and Company's executive bodies in relation to transactions and special decisions.

15.3 When exercising their rights and discharging their obligations, members of the Board of Directors shall express interests of the Company and exercise their rights and discharge their obligations in a reasonable manner and good faith.

15.4 Members of the Board of Directors shall be liable to the Company for damage caused by their acts and omissions, if other reasons for and scope of responsibility are not specified in Federal laws.

Such being the case, the members of the Board of Directors who voted against the decision that caused damage to Company or did not participate in voting shall bear no responsibility.

Article 16 Election of Company's Board of Directors

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

16.2. The members of the Board of Directors shall be elected for the office at the General meeting of Company's shareholders according to the procedure mentioned in 10.7 of this Charter for till the next annual General meeting of shareholders.

If the members of the Company's Board of Directors are elected at the extraordinary General meeting of shareholders, they shall be considered elected for the office till the date of annual General meeting of shareholders.

If an annual General meeting of shareholders is not held within the time period according to Section 11.1 of Article 11 of this Charter, powers of the Company's Board of Directors shall be terminated except the powers to convene, prepare and hold the General meeting of shareholders.

16.3. A member of the Company's Board of Directors shall be only a natural person. The members of the Executive Board shall not make more than one fourth of strength of the Company's Board of

Directors.

16.4. The persons elected for the Company's Board of Directors may be re-elected with no limit.

16.5. By a decision of the General meeting of Company's shareholders powers of all members of the Company's Board of Directors may be terminated ahead of time.

Article 17 Chairman of Company's Board of Directors

17.1. The Chairman of the Company's Board of Directors shall be elected from among the members by a majority of votes of the total number of the Company's Directors.

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

17.2. The Chairman of the Company's Board of Directors shall organize the work of the Company's Board of Directors, convene meetings thereof and preside over them and be in charge of keeping the minutes thereof.

17.3. If the Chairman of the Board of Directors is not available, he shall be substituted by the Deputy Chairman of the Board of Directors elected from among the members of the Board of Directors by a majority of votes of the total number of the Company's Directors.

Article 18 Meetings of Company's Board of Directors

18.1. The procedure for convening and holding meetings of the Company's Board of Directors shall be determined by the terms of reference of the Company's Board of Directors approved by the General meeting of Company's shareholders.

18.2. Meetings of the Board of Directors shall be held as required and at least once a quarter.

A meeting of the Board of Directors shall be convened by the Chairman of the Board of Directors (or the Deputy Chairman of the Board of Directors in cases provided for in Section 17.3 of Article 17 of this Charter) on his/her own initiative, on request of a member of the Board of Directors, Company's Auditing Committee, Auditor or members of the Company's Executive Board or the Chairman of the Company's Executive Board.

18.3. The minimum of issues addressed at the first meeting of the Company's new Board of Directors shall include election of Chairman of the Board of Directors, the Deputy Chairman of the Board of Directors and the secretary of the Company's Board of Directors.

The above meeting of the Board of Directors shall be convened by one of members of the Board of Directors in compliance with the terms of reference of the Company's Board of Directors.

18.4. Decision of the Company's Board of Directors may be taken by absentee voting (by questionnaire). In case of absentee voting all members of the Board of Directors shall receive the matters related to the agenda and the questionnaire for voting which includes the deadline when the questionnaire completed and signed by a member of the Board of Directors is to be submitted to the Company's Board of Directors.

18.5. A member of the Board of Directors who does not attend a meeting of the Company's Board of Directors has the right to express his opinion on the agenda in writing according to the procedure provided for in the terms of reference of the Company's Board of Directors approved by the Company's General meeting of shareholders.

18.6. A member of the Company's Board of Directors may not transfer his/her right to vote to another person including another member of the Company's Board of Directors.

18.7. Decisions at meetings of the Company's Board of Directors shall be taken by a majority of votes of the Company's Board of Directors participating in the meeting except in cases provided for by law of the Russian Federation and this Charter.

When a transaction is to be approved simultaneously for a number of reasons (specified in this Charter and Chapter X or Chapter XI of the Federal Law On Joint Stock Companies), provisions of the

Federal Law On Joint Stock Companies shall apply to the approval procedure.

18.8. Decisions of the Company's Board of Directors on issues about:

- approval of a major transaction; and
- increase in the Company's authorized capital through additional placement of shares by the

Company in cases provided for in this Charter shall be unanimously taken by all members of the Board of Directors.

When decisions of the Board of Directors mentioned in this Section of the Charter are taken, votes of former members of the Board of Directors shall be ignored.

18.9. Decisions at meetings of the Company's Board of Directors on issues according to sub-sections 26-29 of Section 15.1 of this Charter shall be taken by two thirds majority of votes of the Company's Directors participating in the meeting.

18.10. Decision on approval of a transaction of interest shall be taken by the Company's Board of Directors in compliance with Article 83 of the Federal Law On Joint Stock Companies.

18.11. When taking decisions at meetings of the Company's Board of Directors each Director shall have one vote. In case of tie vote, the vote of the Chairman of the Board of Directors shall be decisive.

18.12. Quorum for holding meetings of the Board of Directors must be constituted by at least half of elected members of the Company's Board of Directors.

18.13. The Minutes shall be kept at meetings of the Board of Directors. The Minutes of a meeting of the Company's Board of Directors shall be made up and signed within at most three (3) days from the date of meeting by the meeting chairman and the Secretary of the Company's Board of Directors who shall be in charge of keeping correct Minutes. All documents approved of by the Board of Directors shall be attached to the Minutes.

If the Company's Board of Directors takes decisions by absentee voting the Minutes shall be supplemented with the questionnaires for voting signed by members of the Board of Directors.

Article 19 Committees of Company's Board of Directors

19.1. Committees of the Company's Board of Directors shall be set up by the decision of the Company's Board of Directors.

19.2. The committees of the Company's Board of Directors shall be set up for addressing the issues under jurisdiction of the Company's Board of Directors or reviewing the issues for inspection of activity of the Company's executive bodies and provision of recommendations for the Company's Board of Directors and executive bodies.

19.3. Terms of reference including the formation procedure, jurisdiction and term of activity of the committees of the Board of Directors shall be specified in special decisions of the Board of Directors.

Article 20 Companies Executive Bodies

20.1. The Chairman of the Executive Board as the single executive body and the Executive Board as the collegial executive body shall in charge of Company's current activities.

The Chairman of the Executive Board and the Executive Board shall report to the General meeting of Company's shareholders and the Company's Board of Directors.

20.2. By decision of the General meeting of Company's shareholders powers of the Company's single executive body may be transferred under contract to a management company or a manager.

The rights and obligations of a management company (manager) related to Company's current activity management shall be governed by law of the Russian Federation and the contract of the management company (manager) with the Company.

The contract with a management company (manager) shall be signed in behalf of the Company by the Chairman of the Company's Board of Directors or a person authorized by the Company's Board of

Directors.

The contract terms including term of powers shall be determined by the Company's Board of Directors or a person authorized by the Company's Board of Directors.

20.3. The Chairman of the Executive Board shall be elected and his powers shall be terminated ahead of time by decision of the General meeting of Company's shareholders; and the Company's Executive Board shall be set up and powers of the Executive Board members shall be terminated ahead of time by a decision of the Company's Board of Directors except in cases provided for by the Federal law and this Charter.

20.4. The rights and obligations of the Chairman of the Executive Board, members of the Company's Executive Board related to Company's current activity management shall be governed by law of the Russian Federation, this Charter and labor contracts concluded by each member with the Company, and Company's in-house procedures that regulate the activity of the Executive Board.

The labor contract with the Chairman of the Executive Board shall be signed in behalf of the Company by the Chairman of the Company's Board of Directors or a person authorized by the Company's Board of Directors.

The labor contract with the members of the Company's Executive Board shall be signed in behalf of the Company by the Chairman of the Company's Executive Board as authorized by the Company's Board of Directors.

Labor contract terms shall be determined by the person authorized by the Company's Board of Directors to sign the labor contract in compliance with paragraphs 2, 3 of this Section.

20.5. The Chairman of the Executive Board and members of the Executive Board may combine their positions with managerial positions in bodies of other organizations and reimbursable positions in other organizations only by consent of the Company's Board of Directors.

20.6. Rights and obligations of an employer in behalf of the Company in relation to the Chairman of the Executive Board and members of the Executive Board shall be exercised and fulfilled by the Board of Directors or a person authorized by the Company's Board of Directors according to the procedure specified in decisions of the Company's Board of Directors.

20.7. The Board of Directors may at any time take a decision on termination of powers of the Company's Executive Board members and formation of a new collegial executive body.

Powers of the Chairman of the Executive Board and members of the Executive Board shall be terminated for reasons specified by law of the Russian Federation and the contract concluded by each of them with the Company.

20.8. The General meeting of shareholders may at any time take a decision on early termination of powers of the Chairman of the Executive Board and election of a new Chairman of the Executive Board.

20.9. The General meeting of shareholders may at any time take a decision on early termination of powers of the management company (manager).

20.10. The Company's Board of Directors may take a decision on termination of powers of the Chairman of the Executive Board. The Company's Board of Directors may take a decision on termination of powers of the management company (manager). Concurrently with the above decisions the Company's Board of Directors must take a decision on formation of a temporary single executive body and extraordinary General meeting of shareholders to address the issue on early termination of powers of the Chairman of the Executive Board or the management company (manager) and election of a new Chairman of the Company's Executive Board or transfer of powers of the Company's single executive body to the management company (manager).

20.11. If the Chairman of the Executive Board is temporarily unavailable (for reason of sickness, business trip, vacation), his duties may be discharged by one of his/her deputies by the order of the Chairman of the Company's Executive Board.

20.12. If the Chairman of the Executive Board or the management company (manager) may not discharge his/her obligations, the Company's Board of Directors may take a decision on appointment of

an acting Chairman of the Company's Executive Board and extraordinary General meeting of shareholders to address the issue on early termination of powers of the Chairman of the Executive Board or the management company (manager) and election of a new Chairman of the Executive Board or transfer of powers of the Company's single executive body to the management company or manager.

20.13. The acting Chairman of the Company's Executive Board shall be in charge of Company's current activity within the limits of jurisdiction of the Company's executive bodies unless otherwise decided by the Company's Board of Directors.

20.14. The Chairman of the Executive Board, members of the Company's Executive Board, the acting Chairman of the Company's Executive Board, and the management company (manager) when exercising their rights and fulfilling their obligations shall act for Company's interests and in a reasonable manner and good faith.

20.15. The Chairman of the Executive Board, members of the Company's Executive Board, the acting Chairman of the Company's Executive Board, and the management company (manager) shall be liable to the Company for damage caused by their acts and omissions, if other reasons for and scope of responsibility are not specified in Federal laws.

The responsibility according to this Section shall not be imposed on the members of the Company's Executive Board who voted against the decision that caused damage to Company or did not participate in voting.

Article 21 Company's Executive Board

21.1. The Company's Executive Board shall operate on the basis of this Charter and Terms of Reference of the Executive Board approved by the General meeting of shareholders which specify frequency and procedure for convening and holding of meetings thereof and procedure for taking decisions.

21.2. The issues under jurisdiction of the Company's Executive Board are as follows:

1) to map out and submit long-term plans of the main Company's activities to the Board of Directors for consideration;

2) to make up an annual (quarter) business-plan and write a report on accomplishment thereof;

3) to prepare target values (corrected values) of key performance indicators and write reports on respective achievements;

4) to write a report on Company's business and financial activity and implementation of decisions taken by the General meeting of Company's shareholders and Company's Board of Directors;

5) to approve of plans and activities related to training and upgrading of Company's employees;

6) to take decisions on transactions involving property, work and services of price ranging from 10 to 25 percent of book value of Company's assets on the date of decision on conducting such transaction except transactions conducted by the Company in routine business;

7) to review reports written by deputies of the Chairman of the Executive Board, members of the Executive Board, heads of Company's divisions on implementation of approved plans, programs, instructions and review reports, documents and other information on activity of the Company and subsidiary and affiliated companies thereof;

8) to approve of a report on issue of securities; reports on acquisition of shares from Company's shareholders; reports on share redemption; and reports on requests submitted by Company's shareholders for repurchase of the shares they hold;

9) to nominate candidates for position of the single executive body, other managerial bodies, enforcement bodies; and candidates for position of the auditor of the organizations where the Company is a participant and which are engaged in production, transmission, dispatching, distribution and sale of electric and heat power, maintenance business and provision of services;

10) to address other issues related to management of Company's current activity as prescribed by decisions of the General meeting of shareholders, the Company's Board of Directors, and issues

transferred to the Executive Board for consideration by the Chairman of the Executive Board.

21.3. The number of members of the Executive Board shall be determined by the Company's Board of Directors.

Members of the Company's Executive Board shall be elected by the Company's Board of Directors at the suggestion of the Chairman of the Company's Executive Board for five-year (5) period.

The Executive Board shall be deemed competent, if a meeting is attended by (absentee voting involves) at least half of elected members of the Executive Board.

All decisions shall be taken by the Executive Board by a simple majority of votes of the Executive Board members attended the meeting (participated in the absentee voting).

21.4. The voting right of a member of the Company's Executive Board shall not be transferred to another person including another member of the Company's Executive Board.

Article 22 Chairman of the Company's Executive Board

22.1. The Chairman of the Executive Board shall be in charge of Company's current activity in compliance with decisions of the General meeting of Company's shareholders, the Company's Board of Directors, and the Company's Executive Board taken within their jurisdiction.

22.2. The issues under competence of the Chairman of Company's the Executive Board shall include issues related to management of Company's current activity except the issues under jurisdiction of the General meeting of Company's shareholders, the Company's Board of Directors, and the Company's Executive Board.

22.3. The Chairman of the Company's Executive Board shall act without a power of attorney in the Company's behalf with consideration for restrictions provided for by law now in force, this Charter and decisions of the Company's Board of Directors, and:

- 1) ensure implementation of Company's plans consistent with the objectives thereof;
- 2) be in charge of Company's accounting and reporting;
- 3) take charge of Company's property, conduct transactions in Company's behalf, issue powers of attorney, open current and other accounts in banks and other lending institutions (and in cases provided for by law in organizations being professional participants in securities market);
- 4) issue orders, approve of procedures, local regulations and other Company's in-house regulations related to jurisdiction, and give instructions binding on all Company's employees;
- 5) be in charge of activity of the Company's Executive Board and attend meetings thereof;
- 6) approve of the general structure of the Company's executive staff;
- 7) approve of staffing table and salaries of Company's employees in compliance with the general structure of the Company's executive staff;
- 8) exercise the rights and obligations of an employer provided for in the labor law of the Russian Federation in relation to Company's employees;
- 9) share responsibilities among the Chairman of the Executive Board and members of the Executive Board;
- 10) approve of Provisions on Company's branches and representative offices;
- 11) at least forty five (45) days prior to the date of the annual Company's General meeting of shareholders submit the annual report, the balance sheet, the Company's profit and loss statement, and appropriation of the Company's profit and apportionment of Company's losses to the Company's Board of Directors for consideration;
- 12) map out and submit target values of key performance indicators for divisions (officers) to the Company's Executive Board for approval;
- 13) address other issues on Company's current activity except the issues under jurisdiction of the General meeting of Company's shareholders, the Company's Board of Directors, and the Company's Executive Board.

The Chairman of the Executive Board shall be elected for five-year (5) period at the General

meeting of Company's shareholders by majority of votes of shareholders possessing Company's voting shares and participating in the meeting.

Article 23 Company's Auditing Committee and Auditor

23.1. To audit Company's business and financial activity the General meeting of shareholders shall elect the Company's Auditing Committee of five (5) members for the period till next annual General meeting of Company's shareholders.

If the Company's Auditing Committee is elected at the extraordinary General meeting of shareholders, it is deemed elected till next annual General meeting of Company's shareholders.

23.2. By decision of the General meeting of Company's shareholders powers of the Company's Auditing Committee may be terminated ahead of time.

23.3. The following shall be within jurisdiction of the Company's Auditing Committee:

1) to approve of authenticity of data in the annual report, the balance sheet, and the Company's profit and loss statement;

2) to review Company's financial standing, find reserves to improve Company's financial standing and give recommendations to Company's managerial staff;

3) to organize and implement the audit of Company's business and financial activity, in particular, audit of Company's financial, accounting, payment and other documents related to Company's business and financial activity to the extent of consistency with law of the Russian Federation, the Charter, Company's in-house and other documents;

4) to control over safeguard and use of fixed assets;

5) to enforce the established procedure for writing off insolvency-induced accounts receivable to Company's loss;

6) to control over Company's money spending in compliance with approved Company's business-plan and budget;

7) to control over formation and use of the Company's reserve and other funds;

8) to verify correct and timely distribution and payout of dividends on Company's shares; interests on bonds and income on other securities;

9) to enforce recommendations to correct violations and faults detected by previous audits;

10) to make other arrangements related to audit of Company's business and financial activity.

23.4. All decisions on issues under jurisdiction Auditing Committee shall be taken by a simple majority of votes of the total number of members.

23.5. In case of major violations in Company's business and financial activity the Company's Auditing Committee has the right to require that the extraordinary General meeting of Company's shareholders be held.

23.6. Activity of the Company's Auditing Committee shall be regulated by the Company's in-house document approved by the General meeting of Company's shareholders.

In compliance with decision on audit the Company's Auditing Committee may invite experts in appropriate fields of law, economics, finance, accounting, management, business security and other areas including specialized organizations.

23.7. Audit of Company's business and financial activity may be carried out at any time on initiative of the Company's Auditing Committee, decision of the General meeting of shareholders or Company's Board of Directors or on a request of the Company's shareholder(s) owning in the aggregate at least ten (10) percent of the Company's voting shares.

23.8. To audit and approve of Company's annual financial reports the General meeting of shareholders shall annually adopt the Company's auditor.

23.9. Rate of Auditor's remuneration shall be determined by the Company's Board of Directors.

23.10. The Auditor shall audit Company's business and financial activity in conformity with law of the Russian federation and based on the contract concluded with the Auditor.

23.11. On completion of audit of Company's business and financial activity the Company's Auditing Committee, the Company's Auditor shall write a report which must contain:

- approval of authenticity of data in Company's reports and other financial documents;
- information on violations by the Company of the procedure for accounting and financial reporting established by regulations of the Russian Federation as well as violations of the Russian Federation regulations when operating in business and finance.

The procedure and deadline for writing the report on audit of Company's business and financial activity shall be determined by regulations of the Russian federation and Company's in-house procedures.

Article 24 Company's Accounting and Financial reports

24.1. The Company must keep the books and provide financial reports according to the procedure established by law of the Russian federation and this Charter.

24.2. The responsibility for organization, state and authenticity of book-keeping in the Company; timely submission of the annual report and other financial reports to appropriate governmental bodies, and data on Company's activity provided for Company's shareholders, creditors and mass media shall lie with the Chairman of the Executive Board in compliance with law of the Russian Federation and this Charter.

24.3. Authenticity of information in the Company's annual report, annual accounting reports shall be approved of by the Company's Auditing Committee and Auditor.

24.3. The company's annual report, the balance sheet, the profit and loss statement, and appropriation of profit and apportionment of losses shall be preliminarily approved of by the Company's Board of Directors at least thirty (30) days prior to the annual General meeting of Company's shareholders.

Article 25 Document Keeping in the Company. Provision of information by the Company

25.1. The Company must keep the following documents:

- 1) decision on the Company set-up;
- 2) the Company's Charter , amendments to the Company's Charter duly recorded, and Certificate of Company State Registration;
- 3) documents proving Company's rights to property on balance thereof;
- 4) Company in-house procedures approved by Company's managerial bodies;
- 5) Regulations on Company's branches and representative offices;
- 6) annual financial reports;
- 7) issue prospectus, issuer's quarterly report and other documents containing information subject to publication or disclosure in another manner according to Federal laws;
- 8) accounting documents;
- 9) accounting reporting documents;
- 10) the Minutes of General meetings of shareholders, meetings of Company's Board of Directors, decisions of the Company's Auditing Committee duly completed;
- 11) ballot papers and letters of attorney (copies of letters of attorney) for participation in the General meeting of shareholders;
- 12) reports of independent appraisers;
- 13) lists of Company's affiliated persons;
- 14) lists of persons enabled to participate in the General meeting of shareholders; receive dividends and other lists made up by the Company so that shareholders would be able to exercise their rights in compliance with the Federal Law On Joint Stock Companies;
- 15) reports of Company's Auditing Committee, the Company's Auditor and governmental and

municipal agencies of financial control;

16) other documents provided for by law of the Russian Federation, this Charter , Company's in-house procedures and decisions of Company's managerial bodies.

25.2. The Company shall keep the documents listed in 25.1 of this Article in premises of the Company's executive body according to the procedure and for the period of time specified by the Federal executive authority for securities market.

25.3. In case of Company reorganization all documents shall be duly transferred to the successor.

25.4. In case of Company liquidation the documents subject to permanent keeping, documents of scientific and historical importance shall be handed over for keeping to the Federal Archival Authority of Russia, and staff-related documents (orders, personal files and cards, personal accounts etc.) shall be transferred for keeping to the archive of the appropriate entity of the Russian Federation.

Documents shall be transferred and put in order in compliance with requirements of the archival authorities.

Information on the Company shall be provided for them in conformity with law of the Russian Federation.

25.5. The Company shall provide access for Company's shareholders to the documents listed in 25.1 of this Article based on restrictions established by law of the Russian Federation.

Access to accounting documents shall be provided for shareholders (shareholder) owning in the aggregate at least twenty five (25) percent of the Company's voting shares.

The documents according to 1, 2, 5-7, and 13 in Section 25.1 of this article as well as the Minutes of General meetings of shareholders and in-house documents regulating activity of Company's bodies shall be placed on the Company's web-site in Internet within at most fifteen (15) days from the time of approval or revision thereof unless other time limits are specified in the current law of the Russian federation.

25.6. The documents listed in 25.1 of this Article shall be submitted by the Company within seven (7) days from the date of request for review in the premises of the Company's executive body.

On request of persons having the right of access to the documents listed in 25.1 of this Article the Company is obligated to provide for them the copies of the documents.

25.7. The amount of charge shall be determined by the Chairman of the Company's Executive Board and not exceed the cost of copying the documents.

25.8. The Company shall provide Company's shareholders and employees with an access to information on condition that the state secret law is observed.

Article 26 Company's Reorganization and Liquidation

26.1. The Company may be voluntarily reorganized through merger, affiliation, division, spin-off, and transformation as well as for reasons and according to the procedure specified by the Civil Code of the Russian Federation and Federal laws.

26.2. The Company may be liquidated on a court decision or voluntarily according to the procedure specified by the Civil Code of the Russian Federation, the Federal Law On Joint Stock Companies, and this Charter.

26.3. In case of Company's reorganization, liquidation or termination of work containing information comprising state secrets, the Company must provide safety of the information and carriers thereof through arrangements that ensure confidentiality, data protection, security and fire safety.

Data on branches and representative offices

No	Description	Address
1.	Ivanovo PGU Branch	GRES, Komsomolskaia ul. 1, Komsomolsk, Ivanovo Oblast, Russia
2.	Sochi TPP Branch	Transpotnaia ul 133 Sochi, Russia
3.	North-West TET'S Branch	34 3rd Konnaia Lakhta Olgino Village Saint-Petersburg, Russia
4.	Kaliningrad TET'S-2 Branch	2Energetics pereulok Kaliningrad, Russia
5.	Orel Branch	room 29 137 Moscow Shosse, Orel, 302025
6.	Omsk Branch	bldg 1 14Lenin ul. Omsk 644043
7.	Representative office in Amur Oblast	28 Shevchenko ul. Blagoveschensk, Amur Oblast, Russia, 675000