

APPROVED
by the resolution of the Board of
Directors of TGC-4
of August 15, 2005
Minutes No. 6/06

**REGULATIONS
ON THE COMMITTEE FOR STRATEGY, DEVELOPMENT, INVESTMENT,
REFORMING AND CORPORATE GOVERNANCE
OF THE BOARD OF DIRECTORS
of Territorial Generation Company 4**

Moscow
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1. GENERAL PROVISIONS

1.1. The Regulations on the Committee for Strategy, Development, Investment, Reforming and Corporate Governance of the Board of Directors of Territorial Generation Company 4 (hereinafter the "Regulations") are prepared in accordance with the laws of the Russian Federation, the Charter of TGC-4 (hereinafter the "Company"), the Regulations on the Procedure for Convening and Holding the Meetings of the Board of Directors of TGC-4.

1.2. The Committee for Strategy, Development, Investment, Reforming and Corporate Governance of the Board of Directors of Territorial Generation Company 4 (hereinafter the "Committee") shall be established pursuant to a resolution of the Board of Directors of the Company and shall be an advisory body ensuring that the Board of Directors of the Company effectively performs its functions related to the general direction of the activity of the Company.

1.3. The Committee shall not be a body of the Company and shall not be entitled to act on behalf of the Company.

1.4. The resolutions of the Committee shall be advisory to the Board of Directors of the Company.

1.5. The Committee shall act in accordance with these Regulations which reveal the legal status, goal and objectives, rights, duties, structure and composition of the Committee. The activity of the Committee shall be governed by the federal laws, any other regulations of the Russian Federation, the Charter of the Company, the Regulations on the Procedure for Convening and Holding the Meetings of the Board of Directors of the Company, the resolutions of the Board of Directors of the Company.

2. GOALS AND OBJECTIVES OF THE COMMITTEE

2.1. The principal goal of establishing the Committee shall be ensuring the efficient operation of the Board of Directors of the Company with regard to resolving the issues falling within its jurisdiction.

2.2. The objective of the Committee shall be the elaboration and submission of recommendations (opinions) to the Board of Directors of the Company in the following areas of activity of the Board of Directors:

- 1) identifying high-priority directions, strategic goals and fundamental principles of the strategic development of the Company;
- 2) increasing the investment attractiveness of the Company, improving investment activities and making informed investment decisions;
- 3) control of the progress of adopted programs, projects and the process of restructuring of the Company;
- 4) ensuring efficient interaction among the shareholders of the Company;
- 5) the exercise by the Company of the shareholder (participant) rights in relation to its subsidiaries and dependent companies;
- 6) ensuring the efficient work of the representatives of the Company at the general meetings of shareholders (participants), on the Boards of Directors and on the Internal Audit Commissions of subsidiaries and dependent companies;
- 7) exercising control over the disclosure of information by the Company.

3. JURISDICTION OF THE COMMITTEE

3.1. The jurisdiction of the Committee shall include the preliminary consideration, analysis and elaboration of recommendations (opinions) concerning the following issues falling within the jurisdiction of the Board of Directors of the Company:

- 1) determination of high-priority activities and strategies of the Company;
- 2) submission of the following issues for consideration by the General Meeting of Shareholders of the Company:
 1. reorganization of the Company, including the approval of merger (acquisition) agreements;
 2. liquidation of the Company, appointment of the liquidation committee and approval of the interim and final liquidation balance sheets;

3. determination of the quantity, par value, category (type) of authorized shares and the rights carried by such shares;
 4. expansion of the authorized capital of the Company through an increase in the par value of shares or placement of additional shares;
 5. reduction of the authorized capital of the Company by decreasing the par value of shares, through the acquisition by the Company of a portion of shares for the purposes of reducing their total number and by means of redemption of shares acquired or repurchased by the Company;
 6. the Company's stock split and reverse stock split;
 7. adoption of the resolution on the placement by the Company of bonds convertible into shares and other equity securities convertible into shares;
 8. adoption of resolutions on the approval of material transactions where by Article 79 of the Federal Law "On Joint-Stock Companies";
 9. approval of the annual report;
 10. adoption of the resolution on participation in holding companies, financial and industrial groups, associations or unions of other profit-making organizations.
- 3) placement by the Company of bonds and other equity securities except as provided for by the Federal Law "On Joint-Stock Companies" and this Charter;
 - 4) acquisition of the stocks, bonds and other equity securities placed by the Company in the instances provided for by the Federal Law "On Joint-Stock Companies";
 - 5) disposition (sale) of shares in the Company placed under orders of the Company as a result of their acquisition or repurchase from the shareholders of the Company and in any other instances stipulated by the Federal Law "On Joint-Stock Companies";
 - 6) approval of the Company's standards applicable to the organization of business planning;
 - 7) establishment of branch offices and opening of representative offices of the Company, their liquidation;
 - 8) prior approval of resolutions on the execution by the Company of transactions (including several inter-related transactions) concerning the lease of property which constitutes fixed assets, intangible assets, construction-in-progress assets used for the purposes of production, transmission, distribution and/or sale of electricity and/or heat, the provision of services related to real time engineering (dispatch) administration in the electric power industry, including the amendment and termination of said transactions in the instances determined by individual resolutions of the Board of Directors of the Company (for example, through the determination of the amount and/or list) and approval of any transactions specified unless such instances (amounts, list) are specified;
 - 9) prior approval of resolutions on the execution by the Company of transactions (including several inter-related transactions) concerning the property of the Company which constitutes fixed assets, intangible assets, construction-in-progress assets used for the purposes of production, transmission, distribution and/or sale of electricity and/or heat, the provision of services related to real time engineering (dispatch) administration in the electric power industry, including the amendment and termination of said transactions in the instances determined by individual resolutions of the Board of Directors of the Company (for example, through the determination of the amount and/or list) and approval of any transactions specified unless such instances (amounts, list) are specified;
 - 10) approval of material transactions in the instances provided for by Article X of the Federal Law "On Joint-Stock Companies";
 - 11) prior approval of transactions concerning the transfer of shares (stakes) in the SDCs for trust management;
 - 12) adoption of the resolution on the participation of the Company in any other entities (joining any existing entity or establishing a new entity, including the approval of documents of incorporation) and (with due account for the provisions of sub-paragraph 37 of paragraph 15.1. of Article 15 of the Charter of the Company) the acquisition, disposition and charge over shares and stakes in the authorized capitals of entities in which the Company participates, change in the stake in the authorized capital of the respective entity and termination of participation of the Company in any other entities;

13) adoption of the resolution on the execution by the Company of one or more inter-related transactions concerning the disposition, pledging or any other encumbrance of shares and stakes in the SDCs which do not produce, transmit, dispatch, distribute or sell electricity and heat in the event that the market value of transacted shares or stakes as specified in the independent appraiser's report exceeds 30 million rubles and in any other instances (amounts) determined by the individual resolutions of the Board of Directors of the Company;

14) approval of the procedure for interaction between the Company and entities in which the Company participates;

15) determination of position of the Company (representatives of the Company) for the following issues on the agendas of general meetings of shareholders (participants) (except when the functions of the general meetings of shareholders (participants) of the subsidiaries and dependent companies (hereinafter the "SDCs") of the Company are performed by the Board of Directors of the Company) and meetings of the Boards of Directors of the SDCs, including the instruction (not) to participate in voting on issues of the agenda, vote "For", "Against" or "Abstain", while voting on draft resolutions:

a) reorganization and liquidation of the SDCs;

b) determination of the quantity, par value, category (type) of authorized shares in the SDCs and the rights carried by such shares;

c) expansion of the authorized capital of the SDCs through an increase in the par value of shares or placement of additional shares;

d) placement of securities of the SDCs convertible into ordinary shares;

e) the SDCs' stock split and reverse stock split;

f) approval of material transactions executed by the SDCs;

g) participation of the SDCs in any other entities (joining any existing entity or establishing a new entity) and acquisition, disposition and charge over shares and stakes in the authorized capitals of entities in which the SDCs participate, change in the stake in the authorized capital of the respective entity;

h) execution by the SDCs of transactions (including several inter-related transactions) concerning the disposal or possibility of disposal of property which constitutes fixed assets, intangible assets, construction-in-progress assets used for the purposes of production, transmission, dispatch and distribution of electricity and heat in the instances (amounts) determined by the procedure for interaction between the Company and entities in which the Company participates approved by the Board of Directors of the Company;

i) amendment of the documents of incorporation of the SDCs;

16) any other related issues (with the exception of issues falling within the jurisdiction of the other committees of the Company) and any other issues as instructed by the Board of Directors of the Company.

4. RIGHTS OF THE COMMITTEE

4.1. To perform the functions imposed thereupon the Committee shall be vested with the following rights:

1) to conduct research on issues falling within its jurisdiction;

2) to request and receive information and documents necessary to perform its activity from Director General and executives of the Company as specified in the list approved by a resolution of Committee as well as to be entitled to request information from outside entities through the Chairman of the Board of Directors or Director General of the Company;

3) to be rendered professional services by outside entities or retain (in particular on a contractual basis) any third parties in the capacity of experts (consultants) having special expertise with respect to issues falling within the jurisdiction of the Committee within the budget of the Committee. Agreements with the persons retained by the Committee for rendering advisory services shall be executed pursuant to the respective resolution of the Committee by the duly authorized executive of the Company as advised by the Chairman of the Committee or by the Chairman of the Committee under a power of attorney issued by the sole executive body of the Company;

- 4) to invite the employees, management of the Company, members of the other committees of the Board of Directors of the Company or any other persons to participate in in-person meetings of the Committee;
 - 5) if needed, to develop and submit for consideration by the Board of Directors of the Company draft amendments and supplements to these Regulations.
- 4.2. The Committee shall have the other rights specified in these Regulations.

5. DUTIES OF THE COMMITTEE

- 5.1. The Committee shall be obliged to:
- 1) accomplish the tasks assigned to the Committee in good faith and perform its activity in accordance with these Regulations, the requirements of laws of the Russian Federation, the Charter and internal documents of the Company;
 - 2) submit to the Board of Directors cost-effective and legally sound recommendations (opinions) concerning any issues falling within the jurisdiction of the Board of Directors of the Company and the Committee as specified in section 3 of these Regulations;
 - 3) timely inform the Board of Directors of the Company of any risks to which the Company is exposed;
 - 4) to meet the confidentiality requirements, not to disclose any information about the Company which constitutes secrecy in business and/or official secrecy.

6. COMPOSITION OF THE COMMITTEE AND PROCEDURE FOR THE ESTABLISHMENT THEREOF, RIGHTS AND DUTIES OF THE COMMITTEE MEMBERS

- 6.1. The Committee shall be composed of 11 (Eleven) persons.
- 6.2. Membership of the Committee shall be elected by the Board of Directors of the Company from among the candidates proposed by members of the Board of Directors of the Company.
- 6.3. Each member of the Board of Directors of the Company shall be entitled to propose no more than 3 (Three) candidates for election as members of the Committee.
- 6.4. Only natural persons may be members of the Committee. A member of the Committee may not be a member of the Board of Directors of the Company.
- 6.5. Proposals of members of the Board of Directors of the Company regarding candidates for election to the Committee shall be submitted to the Chairman of the Board of Directors of the Company in writing no later than 5 (Five) days prior to the date of the Board of Directors meeting (the final date of submission of absentee ballots) the agenda of which includes the issue of election of members of the Committee.
- 6.6. The proposal regarding the nomination of candidate(s) for election as members of the Committee shall contain the following information about the candidate:
- the candidate's full name;
 - the candidate's employer and position as of the submission of the proposal;
 - the details of the candidate's career in the recent 5 (Five) years.
- The proposal regarding the nomination of candidate(s) for election as members of the Committee shall be signed by the member of the Board of Directors of the Company which submitted said proposal.
- 6.7. In the election of members of the Committee consideration shall be given to their education, professional training, work experience in the area of activity of the Committee and other special knowledge necessary for members of the Committee to exercise their powers.
- 6.8. Members of the Committee shall be elected in accordance with the terms and conditions of these Regulations for a term until the first meeting of the newly elected Board of Directors.
- 6.9. The powers of any member of the Committee may be terminated early pursuant to a resolution of the Board of Directors of the Company.
- 6.10. The Chairman of the Committee and members of the Committee may abdicate their powers by sending a respective application to the Chairman of the Board of Directors of the Company and the Chairman of the Committee.
- 6.11. Should membership of the Committee be less than a quorum required for the

Committee meetings defined in these Regulations the Chairman of the Board of Directors shall be obliged to convene an extraordinary meeting of the Board of Directors to elect members of the Committee or include the item of election of members of the Committee in the agenda of the next scheduled meeting of the Board of Directors of the Company.

6.12. Members of the Committee within the jurisdiction of the Committee shall be entitled to:

- 1) request any documents and information necessary to adopt a resolution on any issues within the jurisdiction of the Committee, Director General of the Company and executives of the Company as specified in the list approved by a resolution of the Committee. The request shall be made in writing and signed by the Chairman of the Committee;
- 2) make written proposals regarding the preparation of the Committee Action Plan;
- 3) include items in the agenda of the Committee meetings in accordance with the procedure established by these Regulations;
- 4) request that the Committee meetings be convened;
- 5) exercise any other rights provided for by these Regulations.

6.13. Members of the Committee shall be obliged to review materials for the Committee meeting and elaborate their own position on each issue of the meeting agenda.

6.14. In exercising their rights and fulfilling their duties members of the Committee shall act on behalf of the Company, exercise their rights and fulfill their duties in respect of the Company in good faith and reasonably.

7. CHAIRMAN OF THE COMMITTEE AND PROCEDURE FOR HIS ELECTION

7.1. The Chairman of the Committee shall manage the Committee and organize its operation.

7.2. The Chairman of the Committee shall be elected by the Board of Directors of the Company from among elected members of the Committee by a majority of three-fourths of the votes of members of the Board of Directors of the Company which participate in the meeting of the Board of Directors.

7.3. The Chairman of the Committee may not elect the person which performs the functions of the sole executive body of the Company, any persons which are members of the collegial executive body of the Company as well as persons which occupy positions in the management bodies of the managing entity of the Company.

7.4. The Board of Directors of the Company shall be entitled to re-elect the Chairman of the Committee at any time.

7.5. In the absence of the Chairman of the Committee the Chairman's duties shall be fulfilled by Deputy Chairman of the Committee. Deputy Chairman of the Committee shall be elected by members of the Committee from among such members by a majority vote of the total number of elected members of the Committee. The candidate for Deputy Chairman shall be subject to the restrictions provided for by paragraph 7.3. of these Regulations.

7.6. The Chairman of the Committee shall:

- 1) convene and chair the meetings of the Committee;
- 2) determine the form and approve the agenda of the Committee meetings;
- 3) prepare the list of persons invited to participate in the in-person meeting of the Committee. The executives and/or employees of the Company shall be invited to the in-person meeting of the Committee (consideration of certain items on the meeting agenda) by sending an appropriate invitation to Director General of the Company. Director General of the Company shall be obliged to ensure the participation of the executives and/or employees of the Company or any other persons having the powers, information and qualifications necessary for the efficient participation in the Committee meeting (consideration of certain items on the meeting agenda, provision of information, participation in discussion, adoption of resolutions, etc.) invited to the Committee meeting (consideration of certain items on the meeting agenda);
- 4) arrange for the taking of minutes of the Committee meetings and sign the minutes of the Committee meetings;

- 5) represent the Committee in its interaction with the Board of Directors of the Company, the other committees of the Board of Directors, the executive bodies of the Company, the Auditor, the Internal Audit Commission of the Company and any other bodies and persons;
- 6) handle formal correspondence of the Committee, sign requests, letters and documents on behalf of the Committee;
- 7) allocate duties among the Committee members;
- 8) prepare the Committee Action Plan and submit said plan for approval by the Committee, enforce the resolutions and actions plans of the Committee;
- 9) ensure compliance with the requirements of laws of the Russian Federation, the Charter of the Company, other internal documents of the Company and these Regulations during the course of operation of the Committee;
- 10) perform the other functions provided for by the applicable law, the Charter of the Company, these Regulations and other internal documents of the Company.

8. SECRETARY OF THE COMMITTEE

8.1. The functions of the Secretary of the Committee shall be performed by the Corporate Secretary of the Board of Directors of the Company, unless otherwise provided by a resolution of the Committee. In the event that the Committee adopts a resolution on the election of the Secretary of the Committee of any person the Secretary of the Committee shall be elected by a majority vote of the total number of elected members of the Committee. In the event that the candidate for the position is an employee of the Company, the candidate shall be approved by Director General of the Company.

8.2. The Secretary of the Committee shall provide technical (information, documentary, protocol, secretarial) support for the daily operation of the Committee, namely:

- 1) ensure the preparation and holding of the Committee meetings;
- 2) collect and systemize materials for the meetings;
- 3) ensure that members of the Committee and persons invited to participate in the Committee meeting are given timely notice of the upcoming Committee meetings and delivered the meeting agenda, materials on the agenda items and ballots;
- 4) take minutes of meetings, arrange for the preparation of draft resolutions of the Committee;
- 5) maintain records of correspondence (including requests, demands, petitions) addressed to the Committee and/or members of the Committee, ensure that members of the Committee receive the necessary information;
- 6) ensure that the minutes of the Committee meetings and any other documents and materials related to the activity of the Committee are kept in accordance with the documentation storage procedures adopted by the Company;
- 7) accomplish the tasks assigned by the Chairman of the Committee within the powers of the Chairman of the Committee;
- 8) perform any other functions as specified in these Regulations.

8.3. The Secretary of the Committee shall be remunerated and reimbursed for expenses in connection with the fulfillment by the Secretary of the duties thereof.

On behalf of the Company the Agreement with the Secretary of the Committee shall be signed by the Chairman of the Board of Directors of the Company or the person authorized by the Board of Directors of the Company.

The terms and conditions of the agreement with the Secretary of the Committee, including the amount of remuneration, shall be determined by the Board of Directors of the Company or the person authorized by the Board of Directors of the Company.

9. COMMITTEE MEETINGS

9.1. The Committee meetings shall be convened by the Chairman of the Committee in accordance with the action plan approved at the Committee meeting (scheduled meetings) and in the other instances provided for in these Regulations (extraordinary meetings).

9.2. The Committee action plan shall be prepared by the Chairman of the Committee with

due account for the approved action plan of the Board of Directors of the Company and proposals of the Chairman of the Board of Directors of the Company, members of the Committee and resolutions of the Board of Directors of the Company.

9.3. The Committee action plan shall be approved at the Committee meeting which shall be held within 20 (twenty) days from the meeting of the Board of Directors of the Company which approved the action plan of the Board of Directors of the Company.

9.4. The Committee meetings shall be held in Moscow or any other location as agreed upon by the Committee members.

9.5. In convening the Committee meetings the Chairman of the Committee shall determine the date, time, location and form of the meeting, agenda and the list of persons invited to participate in the in-person meeting of the Committee.

9.6. The agenda of the scheduled meeting shall be prepared by the Chairman of the Committee in accordance with the approved action plan of the Committee, resolutions of the Board of Directors of the Company and proposals of the Chairman of the Board of Directors.

Members of the Committee shall be entitled to make motions regarding the preparation of the agenda of scheduled Committee meetings.

The Chairman of the Committee shall be entitled to include received proposals in the agenda of the scheduled meeting or convene an extraordinary meeting of the Committee.

9.7. Extraordinary meetings of the Committee shall be held:

- in accordance with the notice of the upcoming meeting of the Board of Directors of the Company (received from the Secretary of the Board of Directors of the Company) the agenda of which includes any issue(s) falling within the jurisdiction of the Committee as specified in these Regulations;
- at the sole discretion of the Chairman of the Committee ;
- pursuant to a resolution of the Board of Directors of the Company or the Committee;
- upon request from the Chairman of the Board of Directors of the Company or member of the Committee.

9.8. The request from the Chairman of the Board of Directors of the Company, member of the Committee for convening the Committee meetings shall be sent to the Chairman of the Committee in writing no later than 7 (seven) business days prior to the date of the meeting and shall contain the wording of the issue, the justification of the need to consider the issue at the meeting, the draft resolution of the Committee and accompanying materials and information.

The request for convening the Committee meetings shall be signed by the person which made said request. Simultaneously, the copy of the request for convening the Committee meetings with all attachments thereto shall be sent to the Secretary of the Committee.

9.9. Within 1 (one) business day of the date of request for convening an extraordinary meeting the Chairman of the Committee shall adopt a decision to convene an extraordinary meeting of the Committee, set the date, time and location of the Committee meeting (final date and time of submission of absentee ballots) or adopt a decision not to convene an extraordinary meeting of the Committee. The reasoned decision not to convene an extraordinary meeting of the Committee shall be sent to the person or body of the Company requesting that such meeting be convened no later than the day following the date of the adoption by the Chairman of the Committee of the decision not to convene a meeting.

9.10. The Chairman of the Committee may adopt a decision not to convene an extraordinary meeting of the Committee in the following instances:

- 1) the issue(s) proposed for inclusion in the agenda of the Committee meeting do not fall within the Committee's jurisdiction as specified in these Regulations on the Committee;
- 2) the issue on the agenda contained in the request for convening an extraordinary meeting of the Committee has already been included in the agenda of the next meeting to be convened by the decision of the Chairman of the Committee adopted before the above-mentioned request was received;
- 3) failure to comply with the form, procedure and time limits for submission of the request for convening a meeting established by paragraph 9.8. of these Regulations.

9.11. The Chairman of the Committee shall be entitled to include the issues contained in the request for convening an extraordinary meeting of the Committee on the agenda of the next

scheduled meeting of the Committee.

9.12. The notice of the Committee meeting shall contain the meeting agenda, the form of the meeting, the date, location and time of the meeting (final date and time of submission of ballots for voting on items on the meeting agenda). The notice of meeting shall be executed by the Secretary of the Committee and signed by the Chairman of the Committee or Deputy Chairman of the Committee (in the instances provided by these Regulations). The notice of meeting shall be sent to the Committee members and persons invited to participate in the in-person meeting of the Committee no later than 5 (five) business days prior to the date of the Committee meeting (final date and time of submission of ballots for absentee meetings). Materials and information related to the agenda items shall be sent to members of the Committee and persons invited to participate in the in-person meeting of the Committee no later than 3 (three) business days prior to the date of the Committee meeting (final date and time of submission of ballots for an absentee meeting), including the resolutions (recommendation) of the Management Board of the Company in the instances set forth in paragraph 9.16. of these Regulations.

Materials related to issues on the Committee meeting agenda shall necessarily include draft resolutions on these issues. The preparation of draft resolutions (drafting) shall be arranged for by the Chairman of the Committee, with the exception of instances in which the Committee considers issues upon request from the persons specified in paragraph 9.8. of these Regulations.

The persons invited to participate in the in-person meeting of the Committee shall be delivered materials related to the items on the Committee meeting agenda in the discussion of which they are supposed to participate.

9.13. Any materials (information) related to the agenda items may be provided (delivered) to members of the Committee and persons invited to participate in the in-person meeting of the Committee in the original form, via fax or e-mail. The notice of the Committee meeting shall be delivered to members of the Committee via fax or in the original form.

9.14. In the event that the issues to be considered at the extraordinary meeting of the Committee are urgent the timeline for convening an extraordinary meeting and delivering materials related to issues on the agenda of such meeting may be reduced by decision of the Chairman of the Committee.

The in-person meeting of the Committee may consider any issues not included in the meeting agenda, subject to the prior consent of all present members of the Committee.

9.15. Upon receipt from the Corporate Secretary of the Company of notice of meeting of the Board of Directors of the Company the agenda of which includes any issues falling within the jurisdiction of the Committee as specified in these Regulations the Chairman of the Committee shall take all measures to ensure that the Committee meetings are held in a timely manner to elaborate recommendations (resolutions) concerning said issues on the agenda of the meeting of the Board of Directors of the Company and submitted to the Board of Directors in accordance with the approved Regulations on the Procedure for Convening and Holding the Meetings of the Board of Directors of the Company.

9.16. Upon receipt from the Corporate Secretary of the Company of notice of meeting of the Board of Directors of the Company the agenda of which includes any issues falling within the jurisdiction of the Committee as specified in these Regulations and subject to prior consideration by the Management Board of the Company, pursuant to the Regulations on the Management Board of the Company, the Committee meeting on such issues shall be held upon their prior consideration at the meeting of the Management Board of the Company. In this case the respective resolutions (recommendations) of the Management Board shall be provided to the Committee members by the Committee meeting.

The foregoing shall not apply in the instances of failure to comply with the time limits for holding said meeting of the Management Board and providing resolutions (recommendations) approved by the Management Board to the Committee specified in the Regulations on the Management Board of the Company.

10. PROCEDURE FOR HOLDING COMMITTEE MEETINGS

10.1. The Committee meetings may be held in the form of in-person presence of the Committee members (in-person meeting) or in the form of absentee voting on items on the

meeting agenda (absentee meeting).

10.2. The in-person meeting of the Committee shall be opened by the individual chairing the meeting - the Chairman of the Committee or, in the absence thereof, by Deputy Chairman.

10.2.1. The in-person meeting of the Committee shall be attended by the Committee members and invited persons.

10.2.2. The Secretary of the Committee shall determine whether the in-person meeting of the Committee has a quorum.

The individual chairing the in-person meeting shall inform the attendees of the existing quorum required for the Committee meeting and read out the meeting agenda.

10.2.3. Should a quorum not be reached, the meeting shall be declared ineligible. The Individual chairing the meeting shall adopt either of the following decisions:

1) set the time for the postponed meeting in consultation with the persons attending the meeting;

2) set the date of the second meeting with the same agenda;

3) include the issues which were supposed to be considered at the failed Committee meeting in the agenda of the next scheduled meeting of the Committee.

10.2.4. The in-person meeting of the Committee shall be eligible (have a quorum) if attended by at least half of elected members of the Committee.

10.2.5. In determining the results of voting on the issues included in the agenda of the in-person meeting of the Committee attended by at least half of members of the Committee consideration shall be given to the written opinions of members of the Committee failing to attend the meeting executed and received in accordance with the procedure set forth in these Regulations.

10.2.6. The written opinions of the Committee members failing to attend the in-person meeting of the Committee shall be executed exclusively through the completion of ballot for voting on items on the agenda.

10.2.7. After considering the results of discussion of the agenda issues and votes of the Committee members present at the meeting the Secretary of the Committee, on the day of the in-person meeting of the Committee, shall prepare a ballot as specified in Appendix 1 to these Regulations signed by the Chairman of the Committee and deliver it in the original form or via fax to the Committee members which failed to attend the meeting.

10.2.8. In completing the ballot for each issue put to vote, any Committee member shall leave uncrossed only one of possible voting options ("For", "Against", "Abstained"). The completed ballot shall be signed by the Committee member specifying his/her full name.

The completed and signed ballot shall be submitted by the Committee member to the Secretary of the Committee no later than the day following the date of the Committee meeting in the original form via fax with the subsequent delivery of the original ballot at the address specified in the ballot.

10.2.9. Any completed ballot breaching the requirements set forth in sub-paragraph one of paragraph 10.2.8 of these Regulations shall be ignored in the counting of votes with regard to the respective issue.

Any unsigned ballot and any ballot received upon expiration of the term specified in paragraph 10.2.8 shall be deemed null and void and shall be ignored in the counting of votes and tally of absentee votes.

10.2.10. The results of voting on the issues included in the agenda of the in-person Committee meeting shall be determined (tallied) based on the results of votes of the Committee members present at the in-person meeting and the ballots completed and signed by members of the Committee and received by the Secretary of the Committee in due time. The votes shall be tallied upon expiration of the term for submission of ballots.

10.3. The decision to hold an absentee meeting of the Committee shall be adopted by the Chairman of the Committee.

10.3.1. For holding an absentee meeting of the Committee, the materials (information) related to issues on the agenda of the absentee meeting of the Committee members shall be accompanied by the ballots for voting on the agenda issues prepared as specified in Appendix 2 to these Regulations.

10.3.2. In the completion of the absentee ballot by the Committee member only one of possible voting options ("For", "Against", "Abstained") shall be left uncrossed for each issue on the agenda. The completed ballot shall be signed by the Committee member specifying his/her full name.

The completed and signed ballot shall be submitted by the Committee member no later than the final date and time of submission of ballots specified in the ballot to the Secretary of the Internal Audit Commission in the original form or via fax with the subsequent delivery of the original ballot at the address specified in the ballot.

10.3.3. The Committee members whose ballots were received by the Secretary of the Committee no later than the final date and time of submission of ballots shall be deemed to have participated in the absentee voting.

10.3.4. The absentee meeting of the Committee shall be eligible (have a quorum) if attended by at least half of elected members of the Committee.

10.3.5. The existence of a quorum for the adoption of a resolution at the absentee meeting of the Committee and the results of voting on the issues of the agenda shall be determined independently for each issue of the agenda based on the ballots completed and signed by the Committee members.

10.3.6. Any completed ballot breaching the requirements and time limits specified in paragraph 10.3.2. of these Regulations shall be deemed null and void, shall not participate in determining whether a quorum exists and the tally of votes only with regard to voting on the respective issue(s) of the Committee meeting agenda.

10.4. Resolutions shall be adopted at the Committee meetings by a majority of the total number of elected members of the Committee.

10.5. In the resolution of issues at the meetings each Committee member shall have one vote. In the event of tie vote the vote of the Chairman of the Committee shall be decisive.

One member of the Committee shall not be entitled to assign his/her vote to another member of the Committee or any other person.

10.6. Within 2 (Two) business days from the Committee meeting the Secretary of the Committee shall prepare the minutes of the meeting.

10.7. The minutes of the Committee meeting shall be signed by the Chairman and the Secretary of the Committee. The minutes shall be prepared in two counterparts, one counterpart shall be delivered by the Secretary of the Committee to the Board of Directors of the Company within 1 (one) business day upon execution with prepared materials and recommendations attached thereto and the other counterpart shall remain deposited in the archived records of the Committee. All Committee members shall be delivered the copies of minutes, prepared materials and recommendations.

10.8. The Chairman and the Secretary of the Committee shall be liable for taking minutes correctly. The Secretary of the Committee shall be liable for keeping the minutes, ballots, materials and recommendations of the Committee.

10.9. The minutes of the Committee meeting shall contain:

- 1) form in which the meeting was held
- 2) date, location and time of the meeting (final date and time of submission of ballots);
- 3) the list of the Committee members which participated in the consideration of issues on the agenda specifying the form of voting (in person or by submission of a ballot) and the list of the other persons attending the in-person meeting;
- 4) agenda;
- 5) motions from the Committee members regarding the issues on the agenda;
- 6) issues put to vote, the results of voting on such issues specifying the nature of vote cast by each member of the Committee;
- 7) adopted resolutions.

10.10. At the sole discretion of the Committee member, a summary of the member's opinion on issues on the Committee meeting agenda may be attached to the Minutes of the Committee meeting. Such opinion shall be prepared by the Committee member and submitted to the Secretary of the Committee.

11.INTERACTION WITH BODIES OF THE COMPANY AND OTHER PERSONS

11.1. In fulfilling its duties the Committee shall maintain effective labor relations with the management bodies, supervisory bodies and functions of the Company and other entities and individuals.

11.2. The Chairman and the Secretary of the Committee shall be obliged to ensure information, engineering and coordinated interaction between the Committee and the Board of Directors, executive bodies, supervisory bodies and functions of the Company and the other committees of the Board of Directors of the Company.

11.3. Director General and executives of the Company as specified in the list approved pursuant to a resolution of the Committee, upon request from the Chairman of the Committee, shall be obliged to provide the information and materials necessary to the Committee members for the adoption of resolutions on any issues falling within the jurisdiction of the Committee.

Said information and materials shall be provided within 3(three) business days from receipt of the request, unless a longer terms is set in the request.

Should incomplete or unreliable information (materials) be provided, the Committee members shall be entitled to request additional information (materials).

11.4. The Chairman of the Committee shall submit the recommendations (opinions) prepared (elaborated) by the Committee to the Board of Directors of the Company and simultaneously provide the copies of said recommendations (opinions) to the Director General of the Company.

12.CONFIDENTIALITY

12.1. During the fulfillment of duties of members of the Committee and within one year upon expiration of the term of powers on the Committee the persons which are (were) members of the Committee, the Secretary of the Committee and any third parties involved in the operation of the Committee shall be obliged to meet the confidentiality requirements for any non-public information received by them in connection with their activity on the Committee. The concept of non-public information relating to the activity of the Company and its composition shall be established by a resolution of the Board of Directors of the Company.

12.2. Members of the Committee, the Secretary of the Committee and any third parties involved in the operation of the Committee shall be entitled to receive said information provided that they enter into an agreement with the Company for the use of said information (Appendix 3 to these Regulations).

12.3. All documents related to the activity of the Committee shall be kept at the location of the Company in accordance with the document storage procedures established by the Company. The Secretary of the Committee shall be liable for storing said documents.

13. SECURING THE OPERATION OF THE COMMITTEE

13.1. A separate expense item shall be included in the preparation of the expense side of the total budget of the Company to secure the operation of the Committee. Expenses incurred by the Committee shall, in particular, include the remunerations and compensations of the Chairman and members of the Committee, expenses in connection with the retention of outside consultants, administrative staff expenses and other expenses.

13.2. Pursuant to a resolution of the Board of Directors of the Company, the Committee members may be remunerated and reimbursed for expenses associated with the fulfillment of their duties. The amount of such remunerations and compensations, the procedure and time limits for the payment thereof shall be established by a resolution of the Board of Directors of the Company.

13.3. The proposal concerning the amount of budget of the Committee (including the itemization of information) shall be prepared at the Committee meeting and submitted to the Board of Directors of the Company.

Attached to the draft budget of the Committee shall be the opinion of the Director General of the Company on the possibility of financing the proposed budget within the scheduled scope as part of performance of the financial and economic activities of the Company in the respective planning period.

13.4. The Chairman of the Committee shall be liable for the preparation of the budget of the Committee and its submission for approval by the Board of Directors of the Company.

13.5. For the purposes of holding the Committee meeting, Director General of the Company, upon petition of the Chairman of the Committee, shall be obliged to provide premises to the Committee, provide unimpaired access to such premises for the persons listed in the aforesaid petition and take any other action for holding the Committee meeting.

14. FINAL PROVISIONS

14.1. The Board of Directors of the Company shall be entitled to request from the Committee the report of the daily operations of the Committee at any time. The time limits for the preparation and submission of such report shall be determined pursuant a resolution of the Board of Directors.

14.2. The Chairman of the Committee shall be entitled to provide to the Board of Directors of the Company individual reports on issues falling within the jurisdiction of the Committee.

14.3. Information about individual resolutions of the Committee shall be published on the Internet on the web-site of the Company. The need to publish information shall be determined by the Chairman of the Board of Directors of the Company.

14.4. Information on the operation of the Committee shall be included in the Annual Report of the Company .

14.5. These Regulations and all amendments and supplements hereto shall be approved by the Board of Directors of the Company.

14.6. Any matters unsettled by these Regulations shall be governed by the Charter of the Company, the Regulations on the Procedure for Convening and Holding the Meetings of the Board of Directors of the Company and other internal documents of the Company, the applicable law and resolutions of the Board of Directors of the Company.

14.7. If as a result of the amendment of laws or regulations of the Russian Federation certain articles of these Regulations come into collision therewith such articles shall become null and void and prior to the amendment of these Regulations the Committee members shall be guided by the laws and subordinate regulations of the Russian Federation.

COMMITTEE OF THE BOARD OF DIRECTORS
of Territorial Generation Company 4

BALLOT

for voting on issues on the agenda of the in-person meeting of the
Committee for Strategy, Development, Investment, Reforming and Corporate Governance of
TGC4
to be held on the ___ day of _____ 200__

Issue 1:

Resolution (adopted at the meeting):

FOR

AGAINST

ABSTAINED

(leave your answer uncrossed)

Issue 2:

Resolution (adopted at the meeting):

FOR

AGAINST

ABSTAINED

(leave your answer uncrossed)

The completed and signed ballot shall be sent via fax _____ or in the
original form no later than _____

/date, time/

Any ballot received by the Company upon the expiration of the aforesaid term shall not
participate in determining whether a quorum exists, shall be ignored in the counting of votes
and tally of absentee votes.

Please send the original ballot at: _____

**Member of the Committee
of the Board of Directors of TGC-4**

(signature) / (full name)

Chairman of the Committee

of the Board of Directors of TGC-4

_____/_____
(signature) (full name)

WITHOUT A SIGNATURE OF THE CHAIRMAN AND MEMBER OF THE BOARD OF DIRECTORS COMMITTEE THE BALLOT SHALL BE INVALID

COMMITTEE OF THE BOARD OF DIRECTORS
of Territorial Generation Company 4

BALLOT

for voting on issues on the agenda of the absentee meeting of the
Committee for Strategy, Development, Investment, Reforming and Corporate Governance of
TGC4
to be held on the ___ day of _____ 200__

Issue 1:

Resolution:

FOR

AGAINST

ABSTAINED

(leave your answer uncrossed)

Issue 2:

Resolution:

FOR

AGAINST

ABSTAINED

(leave your answer uncrossed)

The completed and signed ballot shall be sent via fax _____ or in the original form no later than _____

/date, time/

Any ballot received by the Company upon the expiration of the aforesaid term shall not participate in determining whether a quorum exists, shall be ignored in the counting of votes and tally of absentee votes.

Please send the original ballot at: _____

Member of the Committee
of the Board of Directors of TGC-4

_____/_____

(signature)

(full name)

WITHOUT A SIGNATURE OF MEMBER OF THE BOARD OF DIRECTORS COMMITTEE THE BALLOT SHALL BE INVALID

CONFIDENTIALITY AGREEMENT

(city/town) _____

(month) (day), 200_.

TGC-4 represented by its Director General _____ acting under the Charter and _____ (hereinafter referred to as the "Counterparty"), collectively referred to as the "Parties", enter into this agreement whereby it is agreed as follows:

Preamble

For the purposes of rendering assistance to the Board of Directors of TGC-4 in the fulfillment of its duties the Board of Directors of TGC-4 shall establish the Committee for Strategy, Development, Investment, Reforming and Corporate Governance of the Board of Directors of TGC-4 in the capacity of advisory body acting in accordance with these Regulations on the Committee for Strategy, Development, Investment, Reforming and Corporate Governance of the Board of Directors of TGC-4.

In connection with exercising of his/her rights and fulfilling his/her duties the Counterparty shall be granted access to confidentiality information. Under this Agreement the Parties shall agree the terms and conditions concerning the restrictions on the use and the subsequent disclosure of such information.

Confidentiality and Restricted Use

1. For the purposes of this Confidentiality Agreement, the term "Confidential Information", in whole or in part, means any and all information whatsoever, whether oral, written or electronic, related to TGC-4 (hereinafter referred to as the "Informing Party") and concerning its business and commercial activities, technologies, clients and/or suppliers, which is of actual or potential commercial value due to the fact that it is unknown to any third parties, and communicated by the Informing Party to the Counterparty in accordance with this Agreement along with all historical records or copies of this information or extracts from such information contained in any type of media.

The Counterparty shall be obliged to keep the information confidential applying the same level of thoroughness used by the Counterparty for storing its proprietary information and such Confidential Information shall not be used or reproduced and the Counterparty shall not make any reference thereto for any purposes. The Confidential Information shall not be disclosed by the Counterparty to any third party natural persons or legal entities.

2. The Counterparty shall not be entitled to provide the Confidential Information to any other persons ("give advice" or otherwise) which use or may use it for the purposes which lead or may potentially lead to its disclosure or any other use which is unauthorized or prohibited by the applicable law and this Agreement, including the use of such information for personal gain or contributing to the gain of other persons, whether or not such person is the Counterparty's affiliate.

In the event of such use of the Confidential Information for the purposes specified above the Counterparty shall be obliged to immediately cease such actions and TGC-4 shall be entitled to demand that TGC-4 be compensated for damage in accordance with the applicable law.

The Counterparty shall be obliged to notify the Committee of all transactions in the securities of TGC-4 and subsidiaries and dependent companies of TGC-4 planned and/or completed by the Counterparty.

3. The Counterparty shall be liable in accordance with the applicable law for the actions of its affiliates, including, but not limited to, the spouse, parents, children, full and half-brothers and sisters, adoptive parents and adoptees any other persons recognized as affiliates by the applicable law with respect to the Confidential Information received from the Counterparty which

led or may lead to its disclosure or any unauthorized use, including the use of such information for personal gain or contributing to the gain of other persons or inflicting losses on TGC-4.

4. This Confidentiality Agreement shall not be construed as a document granting license or any other rights with respect to the Confidential Information and its further use to the Counterparty.

Unless otherwise agreed upon in a separate written agreement executed by and between the Parties all Confidential Information shall remain the property of the Informing Party.

5. The obligations imposed under this Confidentiality Agreement upon the Parties of this Agreement shall not serve as a barrier for the Informing Party with respect to the transfer of any Confidential Information to its financial, legal or any other advisors and third parties, which, possibly, from time to time work for the benefit of the Informing Party, need to know such Confidential Information and, prior to such transfer of information, entered into a respective confidentiality agreement in writing.

The Confidential Information obtained by the Counterpart from the Informing Party may be provided to third parties in the event that the obligation to provide it was established by the requirements of laws of the Russian Federation or the possibility of such disclosure is stipulated in this or any other written agreement between the Parties.

The Confidential Information may be provided by the Counterparty to state authorities, any other state bodies or local governments only upon a reasoned request signed by the duly authorized person specifying the purposes and legal grounds for requesting information. In the event of receipt of such or any other request for the provision of the Confidential Information the Counterparty shall be obliged to give immediate written notice thereof to the Informing Party.

Return of Confidential Information

6. Upon request from the Informing Party or at the sole discretion of the Informing Party any and all Confidential Information in any form whatsoever received or acquired by the Counterparty from the Informing Party or for the Informing Party shall be returned or, should it be impossible, destroyed within 14 (fourteen) days from receipt of such request and no copies of such information or data concerning such information or extracts from it (in any form) shall be retained by the Counterparty and subsequently the Counterparty shall not use or reproduce such information in whole or in part for any purposes whatsoever.

Term and Termination of the Agreement

7. This Confidentiality Agreement shall come into force upon the execution hereof and shall be effective within 360 (three-hundred and sixty) days from the execution hereof. Notwithstanding the foregoing, this Confidentiality Agreement may be terminated by the Informing Party at any time by giving a prior written notice to the Counterparty seven days before the termination of this Agreement. The termination or expiration of this Confidentiality Agreement shall not relieve neither Party of the fulfillment of the obligations imposed thereupon by this Confidentiality Agreement with respect to the Confidential Information transferred or acquired prior to such termination or expiration of this Agreement and such obligations shall remain in force within 2 (two) years from such expiration or termination of this Agreement.

Governing Law

8. This Confidentiality Agreement shall be governed in accordance with law of the Russian Federation.

Any claims or controversies arising out of this Agreement or in connection with this Agreement or concerning this Agreement or legal relations established by this Agreement shall be taken by the Parties to the respective court at the location of TGC-4.

Miscellaneous

9. Upon the execution hereof this Confidentiality Agreement shall be a full agreement between the Parties with respect to the subject matter considered herein and upon its

performance shall supersede and cancel all previous agreements, documents, minutes and contacts, both oral and written, between the Parties concerning the subject matter of this Agreement.

Any amendments and/or supplements to this Confidentiality Agreement shall be in writing and signed by both Parties.

This Agreement is made in two equally authentic counterparts, one counterpart for each Party.

Date of execution of this Agreement, bank account details and signatures of the Parties