

The Annual General Meeting of RAO UES of Russia
May 30, 2003 Zelenograd

The registration - 8 a.m.
The beginning of AGM – 11 a.m.

Agenda of the Meeting:

1. Approval of the Annual Report of RAO UES of Russia for 2002, annual accounting statements, including the Profit and Loss Statement (Profit and Loss Account) as well as distribution of profits and losses based on the financial year results.
2. Payment of dividends.
3. Amendments and addenda to the Charter of RAO UES of Russia, including:
 - 3.1. As proposed by the Board of Directors of RAO UES of Russia.
 - 3.2. As proposed by the shareholders, proposal package 1.
 - 3.3. As proposed by the shareholders, proposal package 2.
4. Approval of amendments and addenda to the internal documents of RAO UES of Russia regulating the activities of its bodies.
5. Approval of the auditor of RAO UES of Russia.
6. Election of the members of the Board of Directors of RAO UES of Russia.
7. Election of the members of the Internal Audit Commission of RAO UES of Russia.

Resolution on item No. 1

The Annual Report of RAO UES of Russia for 2002, annual accounting statements, including the Profit and Loss Statement (Profit and Loss Account) as well as distribution of profits and losses based on the financial year results be approved.

**Balance Sheet of RAO UES of Russia
as of December 31, 2002, RUR million***

	01.01.02	31.12.02
Assets	326,981	341,151
Intangible assets	-	-
Fixed assets at residual value	117,926	47,718
Investments in non-current assets	20,272	19,996
Long-term financial investments	112,829	223,613
Inventories	1472	1,267
Value added tax on acquired valuables	1302	2,302
Debtors	45,693	22,348
Short-term financial investments	23,694	18,363
Monetary assets	3,793	5,541
Other current assets		3
Liabilities	326,981	341,151
Authorized capital	21,558	21,558
Additional capital	193,613	127,271
Reserve capital	3,234	3,234
Social asset funds	12	
Retained earnings of previous years, including funds	22,599	87,415

Retained earnings of the reporting year		31,427
Long-term borrowings	15,598	4,623
Long-term creditors	7,085	7,604
Short-term borrowings	11,963	13,032
Short-term creditors	50,732	44,672
Income due to founders	308	94
Incomes of future periods	50	165
Provision for future expenses and payments	68	-
Other liabilities	161	56

** Russian accounting standards*

A change in the balance line as of January 1, 2002, was due to the revaluation of the fixed assets and to the reclassification of items relating to methodological changes in recording of values in accounts.

Profit and Loss Account of RAO UES of Russia for 2002, RUR million

	2002	2001
(Net) revenue from sale of goods, works, services (without value-added tax, excise duties and similar mandatory payments)	52,591	38,614
Cost of sale of goods, products, works, services	16,948	10,062
Commercial costs	426	354
Administrative costs	2,846	2,247
Profit on sales	32,371	25,951
Interest receivable	444	73
Interest payable	3929	403
Incomes from participation in other organizations	2,124	1192
Other operating incomes	61,438	49,941
Other operating expenses	62,483	50,801
Other non-operating incomes	17117	570
Other non-operating expenses	2,387	2,909
Profit before tax	44,695	23,614
Profit tax and other similar mandatory payments	13,307	10,850
Profit from core business	31,388	12,764
Extraordinary incomes	66	29
Extraordinary expenses	27	16
Net profit (retained earnings) of the reporting period *	31,427	12,777

** according to the Russian accounting standards*

Resolution on item No. 2

The payment of dividends in cash be approved as follows: RUR 0.0337 per ordinary share; and RUR 0.2916 per preferred share. The payment of dividends shall be made before December 1, 2003.

Resolution on item No. 3

3.1. Amendments and addenda to the Charter of RAO UES of Russia proposed by the Board of Directors of RAO UES of Russia be made.

1. Clause 1.4 shall be amended to read as follows:

"The Company shall have its address at: 101 bldg 3, Vernadskogo Pr., Moscow 119526"

2. Paragraphs 3 and 4 of Clause 10.3. shall be amended to read as follows:

"A resolution on the issues specified in subclauses 1 through 3, 5 and 15 of Clause 10.2 of the Charter shall be made by the General Meeting of Shareholders by a three fourth majority of votes of the holders of the voting shares participating in the General Meeting of Shareholders unless the federal law prescribes another number of votes.

A resolution on other issues shall be made by a majority of votes of the holders of the voting shares of the Company participating in the Meeting, except where otherwise set forth in the federal law and this Charter".

3. Subclause 18 of Clause 11.1 shall be amended to read as follows:

"adoption of resolutions on participation of the Company in organizations other than those specified in subclause 10.2.16 of this Charter (on joining an operating organization or establishing a new organization), on acquiring, alienating and encumbering their shares and stakes, and changing the stake in the authorized capital of the said organizations".

4. Subclause 23 of Clause 11.1 shall be amended to read as follows:

"determination of the position of the Company (representatives of the Company) on the following items of agendas of the General Meetings of Shareholders (Members) and the meetings of the Boards of Directors of subsidiaries and associated business companies (hereinafter referred to as SACs), including for the purposes of Company's control over resolutions made by companies that are subsidiaries and associated companies of SACs (including an authorization to participate or not to participate in the voting on agenda items, vote on draft resolutions "for," "against" or "abstained"):

- a) on determining the agenda of a General Meeting of Shareholders (Members) of a SAC;
- b) on reorganizing, liquidating a SAC;
- c) on determining the number of directors on the Board of Directors of a SAC, nominating and electing its members and early termination of their terms of office;
- d) on determining the quantity, nominal value, class (type) of the declared shares of SACs and rights conferred by these shares;
- e) on increasing the authorized capital of a SAC by increasing the nominal value of shares or placing additional shares;
- f) on placing SAC securities convertible into ordinary shares;
- g) on splitting, consolidating the shares of a SAC;
- h) on approving major deals made by SACs;
- i) on participation of SACs in other organizations (on joining an operating organization or establishing a new organization) as well as (subject to the provisions of subclauses "j" and "k") on acquiring, alienating or encumbering shares and stakes in the authorized capitals of organizations in which a SAC is a member, and on changing the stake in the authorized capital of the respective organization;
- j) on making deals by a SAC (including acquiring, alienating, pledging or otherwise encumbering by making one or more related deals) in shares and stakes of companies that are subsidiaries and associated companies of SACs which are engaged in the production, transmission, dispatching, distribution and sale of electricity and heat, irrespective of the number of shares (amount of stakes in the authorized capital) of such companies;
- k) on making deals by a SAC (including acquiring, alienating, pledging or otherwise encumbering by making one or more related deals) in shares and stakes of companies that

are subsidiaries and associated companies of SACs which are not engaged in the production, transmission, dispatching, distribution and sale of electricity and heat;

l) on making deals by a SAC (including several related deals) connected with the alienation or a possibility of alienation of the property that constitutes fixed assets, intangible assets and construction in progress items intended for production, transmission, dispatching, and distribution of electricity and heat;

m) on determining the position of SAC representatives on items of agendas of General Meetings of Shareholders (Members) and meetings of the Boards of Directors of companies that are subsidiaries and associated companies of SACs, pertaining to the making (approval) of deals (including several related deals) connected with the alienation or a possibility of alienation of the property that constitutes fixed assets, intangible assets and construction in progress items intended for production, transmission, dispatching, and distribution of electricity and heat;

n) on determining the position of SAC representatives on items of agendas of General Meetings of Shareholders (Members) and meetings of the Boards of Directors of companies that are subsidiaries and associated companies of SACs that are engaged in the production, transmission, dispatching, distribution and sale of electricity and heat, on reorganization, liquidation, and increase of the authorized capital of such companies by increasing the nominal value of the shares or by placing additional shares, and placing of securities convertible in ordinary shares.

The Board of Directors of the Company shall adopt resolutions on issues provided for in subclauses "i," "k," "l," "m" of subclause 11.1.23 in the instances (amounts) determined by the procedure for the Company interaction with business companies whose shares and stakes are held by the Company, as approved by the Board of Directors of the Company in accordance with subclause 11.1.22 of this Charter."

5. Subclause 26 be included in Clause 11.1 (changing the numbering of subclauses 26 and 27 of the said Clause in the existing version for 27 and 28 respectively) to read as follows:

"preliminary approval (as prescribed by the Rules of Procedure of the meetings of the Board of Directors) of resolutions on the Company entering into deals (including several related deals) connected with the alienation or a possibility of alienation of the property that constitutes fixed assets, intangible assets and construction in progress items intended for production, transmission, dispatching, and distribution of electricity and heat in the instances (amounts) determined by a separate procedure established by the Board of Directors of the Company."

6. The last sentence of the last paragraph of Clause 11.1 shall be amended to read as follows:

"The procedure established by the Board of Directors for the issues specified in Clause 11.1 of this Charter may determine the procedure and the terms and conditions of implementing the powers of the Board of Directors and executive bodies of the Company for entering into deals and adopting separate resolutions."

7. Paragraph 3 of Clause 11.3 shall be amended to read as follows:

"Resolutions on Clauses 11.1.18, 11.1.21-11.1.24, 11.1.26 of this Charter shall be made by a two third majority of votes (including in the events that the respective deals have the indicia of deals covered by Chapter XI of the Federal Law "On Joint-Stock Companies").

8. Paragraph 6 of Clause 11.3 shall be amended to read as follows:

"When determining the presence of quorum and the results of voting on an item of the agenda of a meeting of the Board of Directors, written opinions of directors absent from the meeting of the Board of Directors that were received before summing up the voting results on the agenda item shall be counted."

9. Paragraph 2 shall be added to Clause 14.2:

"An auditor of the Company shall be recommended to the General Meeting of Shareholders by the Board of Directors of the Company upon the results of a contest for selecting the auditing organizations for the mandatory auditing of RAO UES of Russia to be carried out as prescribed by the Board of Directors of the Company."

3.2. Amendments and addenda to the Charter of RAO UES of Russia proposed by the shareholders, proposal package 1, be made.

1. Subclause 18 of Clause 11.1 shall be amended to read as follows:

"Adoption of resolutions on the Company participation in organization other than those specified in subclause 10.2.16 of this Charter (on joining an operating organization or establishing a new organization), on acquiring, alienating and encumbering their shares and stakes, and changing a stake in the authorized capital of the said organizations".

2. Subclause 23 of Clause 11.1 shall be amended to read as follows:

"Determination of the position of the Company and/or SACs (representatives of the Company and/or SACs) on the following items of the agenda of the General Meetings of Shareholders (Members) and the meetings of the Boards of Directors of SACs and/or companies that are subsidiaries and associated companies of SACs (including an authorization to participate or not to participate in the voting on agenda items, vote on draft resolutions "for," "against" or "abstained"):

- determining the agenda of a General Meeting of Shareholders (Members) of a SAC;
- reorganizing and liquidating a SAC;
- determining the number of directors on the Board of Directors of a SAC, nominating and electing its members and early termination of their terms of office;
- determining the quantity, nominal value, class (type) of the declared shares of SACs and rights conferred by these shares;
- on increasing the authorized capital of a SAC by increasing the nominal value of shares or placing additional shares or securities convertible into ordinary shares;
- splitting and consolidating the shares of a SAC;
- making major deals by SACs;
- adopting resolutions on the SAC participation in other organizations (on joining an operating organization or establishing a new organization), on acquiring, alienating or encumbering their shares and stakes, and on changing the stake in the authorized capital of a respective organization;
- adopting resolutions on making deals by a SAC (including acquiring, alienating, pledging or otherwise encumbering by making one or more related deals) in shares and stakes of companies that are subsidiaries and associated companies of SACs which are engaged in the production, transmission, dispatching, distribution and sale of electricity and heat, irrespective of the number of shares/amount of stakes in the authorized capital of such companies;
- adopting resolutions on making deals by a SAC (including acquiring, alienating, pledging or otherwise encumbering by making one or more related deals) in shares and stakes of companies that are subsidiaries and associated companies of SACs which are not engaged in the production, transmission, dispatching, distribution and sale of electricity and heat, if the market value of the shares or stakes which are the subject matter of the deal exceeds RUR 30 million;
- determining the position of the representatives of the Company and a SAC on the making of deals by the SAC and companies that are subsidiaries and associated companies of the SAC (including several related deals) connected with the alienation or a possibility of alienation of the property that constitutes fixed assets, intangible assets and construction in progress items intended for production, transmission, dispatching, and distribution of electricity and heat and whose balance sheet value exceeds RUR 15 million;
- determining the position of SAC representatives in companies that are subsidiaries and associated companies of the SAC that are engaged in the production, transmission, dispatching, and distribution of electricity and heat, on the issues of reorganization, liquidation, and increase of the authorized capital of such companies by increasing the nominal value of the shares or by placing additional shares or securities convertible in ordinary shares.

3. Subclause 26 shall be added to Clause 11.1 (changing the numbering of subclauses 26 and 27 of the previous version respectively) to read as follows:

"Preliminary approval (as prescribed by the Rules of Procedure of the meetings of the Board of Directors) of resolutions on the Company entering into deals (including several related deals) connected with the alienation or a possibility of alienation of the property that constitutes fixed assets, intangible assets and construction in progress items intended for production, dispatching, and distribution of electricity and heat and whose balance sheet value exceeds RUR 15 million."

4. The last paragraph of Clause 11.1 shall be amended to read as follows:

"Issues referred to the competence of the Board of Directors may not be transferred to executive bodies for resolution. The procedure established by the Board of Directors for the issues specified in Clause 11.1 of this Charter may determine the procedure for implementing the powers of the Board of Directors and executive bodies for entering into deals and adopting certain resolutions."

5. Paragraph 3 of Clause 11.3 shall be amended to read as follows:

"Resolutions on Clauses 11.1.18, 11.1.21 through 11.1.24, 11.1.26 of this Charter shall be adopted by a two third majority of votes (including in the events where the respective deals have the indicia of deals covered by Chapter XI of the Federal Law "On Joint-Stock Companies")."

3.3. Amendments and addenda to the Charter of RAO UES of Russia proposed by the shareholders, proposal package 2, be made:

3.3.1. Subclause 17 of Clause 10.2 shall be amended to read as worded in Clause 1 of proposal package 2.

"Approval of internal documents regulating the activities of the bodies of the Company, including the articles of:

- the General Meeting of Shareholders,
- the Board of Directors,
- Rules of Procedure of the meetings of the Board of Directors,
- the Internal Audit Commission,
- the Company's information policies pursued by the managing bodies of the Company,
- the Executive Board,
- the Chairman of the Executive Board,
- the dividend policies of the Company;
- procedure for the Company's interaction with business companies whose shares and stakes are held by the Company,
- on the procedure for adoption of resolutions of the Board of Directors of the Company relating to the obtaining and issuing (granting) of borrowings, loans, credits, guarantees, pledges and sureties, and other deals."

3.3.2. Subclause 16 of Clause 11.1 shall be amended to read as worded in Clause 2 of proposal package 2.

"Approval of internal documents of the Company other than the internal documents referred by this Charter to the competence of the General Meeting of Shareholders or to the competence of the executive bodies of the Company, including the regulations for rewarding the management staff of the Company; approval of the budget of costs of the executive staff of the Company, including the costs required for the maintenance of the staff of the Board of Directors of the Company."

3.3.3. Subclause 21 of Clause 11.1 shall be amended to read as worded in Clause 3 of proposal package 2.

"Adoption of resolutions relating to the obtaining and issuing (granting) of borrowings, loans, credits, guarantees, pledges and sureties as well as preliminary approval of agreements for compensation, for transfer of debt, for assignment of claims, for issuance of notes by the Company, for backing the notes of other issuers by the Company in accordance with the Procedure for Adopting Resolutions by the Board of Directors of the Company relating to the

obtaining and issuance (granting) of borrowings, loans, credits, guarantees, pledges and sureties and other deals approved by the General Meeting of Shareholders."

3.3.4. Subclause 22 of Clause 11.1 shall be amended to read as worded in Clause 4 of proposal package 2.

"Adoption of resolutions within the framework of the Company's relations with business companies whose shares and stakes are held by the Company in accordance with the by-laws governing the said procedure and as approved by the General Meeting of Shareholders."

3.3.5. The following subclauses shall be added to Clause 11.1 (after subclause 26) to read as worded in proposal package 2.

* preliminary approval of deals, including several related deals (as well as making addenda and amendments to respective contracts and agreements) for leasing, contributing under a particular partnership agreement (joint venture agreement), giving for trust, use free of charge, pledging real estate facilities of the Company intended for production, dispatching, and distribution of electricity and heat and whose balance sheet value exceeds RUR 15 million;

** adoption of a resolution on appointment of the acting (pro tempore) Chairman of the Executive Board in connection with the absence of the Chairman of the Executive Board of the Company at the place of location of the Company (including in connection with vacation, disease, and business trip of the Chairman of the Executive Board of the Company) for 20 calendar days;

*** preliminary approval of contracts and agreements (as well as making addenda and amendments to the said contracts and agreements) with financial consultants of the Company, auditing, legal, attorney and consulting companies, and with similar independent unincorporated consultants providing expert & consulting and presentation services in the area of finance management, financial law, accounting and taxation;

**** approval of the Company management structure (chart)."

3.3.6. The following paragraphs shall be added to Clause 11.4 to read as worded in Clause 6 of proposal package 2.

"A meeting of the Board of Directors of the Company shall be convoked by the Chairman of the Board of Directors of the Company at his own initiative, at the request of a member of the Board of Directors, Chairman of the Executive Board, Executive Board, Internal Audit Commission, auditor of the Company as well as shareholders (shareholder) of the Company holding in aggregate at least 10 percent of the voting shares of the Company.

Minutes shall be kept at a meeting of the Board of Directors.

Minutes of the meeting of the Board of Directors of the Company shall be prepared within three days of the date thereof (in case of the absentee voting, the date fixed for submission of filled in ballots, questionnaires, etc.).

Minutes of a meeting of the Board of Directors shall specify:

- status of the meeting (ordinary, in accordance with the work plan of the Board of Directors, or extraordinary), and the initiator (initiators) of the meeting, in case of an extraordinary meeting;
- date of preparing the minutes;
- place of the meeting (omitted, in case of the absentee voting);
- time of the meeting: time of opening and time of closing thereof, time of intermissions in the work (in case of the absentee voting, the dates of its opening and closing);

- persons present at the meeting: members of the Board of Directors and invited persons, and if any of the said persons are present at the discussion of some of the agenda items, statement of that fact (in case of the absentee voting, the members of the Board of Directors who sent filled in voting ballots, questionnaires, etc.);

- persons who were not present at the meeting and submitted a written opinion specifying the items for which a written opinion of a member of the Board of Directors is submitted (omitted, in case of the absentee voting);
- agenda of the meeting;
- the essence of all reports of the participants in the meeting, including remarks and questions (omitted, in case of the absentee voting);
- draft resolutions on all items of the agenda specifying their author(s) and how the respective draft resolutions were submitted;
- issues put to vote;
- voting results on the items put to vote;
- adopted resolutions;
- exact time of adopting each of the resolutions (omitted, in case of the absentee voting);
- minority opinion of a member of the Board of Directors who deemed it necessary to express it in adopting the resolution on the respective issue.

The following shall be attached to the minutes of of the meeting of the Board of Directors:

- all materials, documents, drafts, etc., furnished to the members of the Board of Directors as part of the preparation for the meeting and disseminated to the members of the Board of Directors in the course of the meeting;
- written opinion of the member of the Board of Directors who was absent from the meeting (omitted, in case of the absentee voting);
- text of the official notice of the meeting (questionnaire) furnished to the members of the Board of Directors;
- attendance list (omitted, in case of the absentee voting);
- voting ballots (questionnaires);
- other documents and materials provided for by the Company's Articles of the Board of Directors and the Rules of Procedure of the Meetings of the Board of Directors.

Minutes of a meeting of the Board of Directors of the Company shall be signed by the person who chairs the meeting and who is responsible for the correctness of preparing the minutes."

3.3.7. Clause 11.7 shall be added to Article 11 to read as worded in Clause 7 of proposal package 2.

"A member of the Board of Directors of the Company shall be entitled to:

- receive a compensation of business trip and other expenses incurred by the member of the Board of Directors in the process of discharging his duties at the rates established by a resolution of the Board of Directors;
- receive a notice of the meeting of the Board of Directors, materials and documents required for adopting resolutions on items of the agenda of the meeting, at least seven calendar days before the beginning of the meeting;
- receive, upon a resolution of the General Meeting of Shareholders, a regular monetary and another remuneration in the amounts and forms fixed by the General Meeting of Shareholders ;
- receive all documents of the Company as well as documents of SACs available at the disposal of the executive bodies and the management staff of the Company, within five calendar days after making a respective request (demand) to the Chairman of the Board of Directors;
- initiate an extraordinary meeting of the Board of Directors;
- place questions on the agenda of meetings of the Board of Directors;

- propose draft resolutions on items of the agenda of the meetings of the Board of Directors;
- participate in the formation of a list of persons invited for the meeting of the Board of Directors;
- other rights provided for by the Articles of the Board of Directors of the Company."

3.3.8. Clause 11.8 shall be added to Article 11 to read as worded in Clause 8 of proposal package 2.

"The Board of Directors shall establish committees for the preliminary consideration of the most important issues referred to the competence of the Board of Directors, including the Committee for Improvement of the Corporate Management and Settlement of Corporate Conflicts, the Committee for Audit, the Committee for Strategic Planning, and the Committee for Appointments and Remunerations.

The activities of the Board of Directors' Committee for Improvement of the Corporate Management and Settlement of Corporate Conflicts shall be aimed at creating a system of effective protection measures and additional corporate guarantees for implementing the rights and lawful interests of the shareholders of the Company, ensuring the investment attractiveness of the Company, perfection of the provisions of the Charter and by-laws of the Company that regulate the activities of the bodies of the Company, improving coordination of the activities of the supreme managing body of the Company, of the Board of Directors of the Company and executive bodies of the Company, preventing and effectively settling corporate conflicts with the participation of the shareholders of the Company, members of the Board of Directors and members of the executive bodies of the Company. The Board of Directors' Committee for Improvement of the Corporate Management and Settlement of Corporate Conflicts shall exercise the control over provision of accurate and objective information about the Company to the shareholders of the Company, its potential investors and other interested persons, including over the timely publication at the corporate website of the foundation documents of the Company, by-laws approved by the General Meeting of Shareholders and the Board of Directors of the Company, annual report of the Company, quarterly report of the issuer, quarterly financial statements of the Company, documents to be provided to a shareholder as part of the preparation of the General Meeting of Shareholders, documents subject to disclosure in accordance with the procedure established by the effective legislation as well as the information listed according to the Company's information policies approved by the General Meeting of Shareholders and pursued by its managing bodies.

The Board of Directors' Committee for Audit shall ensure the systematic and planned control of the Board of Directors over the financial & business activities of the executive bodies and the Company as a whole, effective interaction of the Internal Audit Commission of the Company, auditor of the Company and controlling & auditing services of the management staff of the Company, consideration of draft contracts and agreements (draft addenda and amendments to the said contracts and agreements) with financial consultants of the Company, auditing, legal, attorney and consulting companies, and with similar independent unincorporated consultants providing expert & consulting and presentation services in the area of finance management, financial law, accounting and taxation. The Board of Directors' Committee for Audit shall participate in the preparation and holding a contest among auditing companies for discharging the duties of an auditor of the Company, developing the official terms and conditions of the said contest, consider the opinion of the auditor of the Company upon the results of the audit of the financial & business activities of the Company at its meeting (at least 15 calendar days before the consideration of the issues of preliminary approval of the annual report of the Company by the Board of Directors), and furnish recommendations for the payment of the services of the Company's auditor to the Board of Directors for approval.

Upon a request of the Board of Directors' Committee for the Improvement of Corporate Management and Settlement of Corporate Conflicts as well as of the Board of Directors'

Committee for Audit, the Company officers and managers shall, within five days, provide the documents of the Company requested by the Board of Directors' Committee, documents concerning the activities of its subsidiaries and associated companies that are available at the disposal of the management staff of the Company as well as give explanations (answers) to questions asked by the Board of Directors' Committee.

The Board of Directors' Committee for Strategic Planning shall ensure the development of strategic goals of the activities of the Company, priority areas of its activities, recommendations for the dividend policies of the Company, appraisal of the efficiency of the Company's activities in the long run, and the workout of recommendations to the Board of Directors for correction of the existing development strategy of the Company.

The Board of Directors' Committee for Appointments and Remunerations shall determine the criteria for the selection of candidates to the members of executive bodies, develop the Company's policies in the area of remunerations, including for the members of the Board of Directors, members of executive bodies, managing organization (manager), heads of the main structural units of the Company, criteria for the appraisal of their activities, for the selection of candidates to vacancies of the members of the executive bodies, develop the terms and conditions of agreements with the members of the executive bodies, carry out the preliminary appraisal of the candidates for the position of the Chairman of the Executive Board and his deputies, members of the Executive Board, exercises the monitoring of the activities of the Chairman of the Executive Board and members of the Executive Board, and control the human resource policies of the Company as a whole.

The committees of the Board of Directors shall develop and approve the Rules of Procedure for their activities at their own discretion.

If necessary, experts who have the necessary professional knowledge for the work in the respective committee of the Board of Directors may be retained for the work of the committees of the Board of Directors at the expense of the Company."

3.3.9. Clause 11.9 shall be added to Article 11 to read as worded in Clause 9 of proposal package 2.

"The Company shall seek to increase the number of independent directors and enhance their role in the activities of the Board of Directors of the Company.

The following members of the Board of Directors of the Company shall be recognized as independent directors:

- who were not during the last 3 years and are not now officers or employees of the Company, nor officers or employees of the managing organization of the Company;
- who are not officers of another Company in which any of the officers of the Company is a member of the Board of Directors' Committee for Human Resources and Remunerations;
- who are not affiliates of an officer of the Company (officer of the managing organization of the Company);
- who are not affiliates of the Company nor affiliates of such affiliates (other than those affiliated due to the membership in the Board of Directors of the Company);
- who are not parties to liabilities with the Company pursuant to which they may acquire the property (obtain monetary funds) valuing 10 and more percent of the aggregate annual revenue of the said persons, apart from receiving a fee for the participation in the activities of the Board of Directors of the Company;
- who are not representatives of a major counteragent of the Company (a counteragent making deals with the Company for the aggregate annual amount of 0.5 and more percent of the balance sheet value of the assets of the Company);

- who are not representatives of the State on the Board of Directors of the Company.

An independent director may not be considered as independent upon the expiration of a 7 year period of the discharge of the obligations of a member of the Board of Directors of the Company.

Independent directors shall constitute at least a half of the members of the Company Board of Directors' Committee for the Improvement of the Corporate Management and Settlement of Corporate Conflicts, at least a half of the members of the Company Board of Directors' Committee for Audit, at least one third of the members of the Company Board of Directors' Committee for Appointments and Remunerations, and at least one fourth of the members of the Company Board of Directors' Committee for Strategic Planning.

The Company Board of Directors' Committee for the Improvement of Corporate Management and Settlement of Corporate Conflicts as well as the Company Board of Directors' Committee for Audit shall be headed by independent directors. The composition of the said Board of Directors' committees may not include the members of the Board of Directors who are the members of the executive bodies of the Company."

3.3.10. Clause 11.10 shall be added to Article 11 to read as worded in Clause 10 of proposal package 2.

"Independent directors shall constitute at least one fourth of the members of the Board of Directors of the Company."

3.3.11. Paragraph 2 of Clause 14.2 shall be amended to read as worded in Clause 11 of proposal package 2.

"The General Meeting of Shareholders shall approve an auditor of the Company. The auditor of the Company shall be recommended to the General Meeting of Shareholders by the Board of Directors of the Company upon the results of a contest for selection of auditing organizations in accordance with the effective legislation, this Charter and by-laws of the Company. The said contest shall be organized by the Board of Directors of the Company. The official terms and conditions of the contest shall be developed and approved by the Board of Directors' Committee for Audit. Upon the resolution of the Board of Directors, the composition of the contest commission shall include the members of the Board of Directors' Committee for Audit as well as the representatives of the state and other persons in accordance with the regulatory and legal acts of the Russian Federation. The commission shall be headed by the Chairman of the Board of Directors of the Company or his deputy. The contest commission shall take account of the principle of rotation of the auditor of the Company (the same auditing company may not be an auditor of the Company for more than five years successively). The amount of the payment for the services of the auditor shall be approved by the Board of Directors of the Company upon the recommendation of the Board of Directors' Committee for Audit."

3.3.12. The following paragraphs shall be added to Clause 14.2 to read as worded in Clause 12 of proposal package 2.

"Upon the results of auditing the financial & business activities of the Company, the auditor of the Company shall prepare a report containing:

- a confirmation of the accuracy of data contained in the reports and other financial documents of the Company;
- information concerning the facts of violation of the procedure for accounting and submitting financial statements established by the legal acts of the Russian Federation as well as of the legal acts of the Russian Federation in conducting the financial & business activities of the Company.

The said report shall be subject to the preliminary review at a meeting of the Board of Directors' Committee for Audit (with the participation of representatives of the Company's auditor) at least 15 calendar days before the Company Board of Directors deciding on the issue of preliminary approval of the annual report."

3.3.13. Clause 15.5 shall be added to Article 15 to read as worded in Clause 13 of proposal package 2.

"Foundation documents of the Company, by-laws approved by the General Meeting of Shareholders and the Board of Directors of the Company, the annual report of the Company approved by the annual General Meeting of Shareholders, the quarterly report of the issuer, quarterly financial reports (including those prepared according to the international standards), documents subject to disclosure in accordance with the procedure established by the effective legislation as well as the information listed according to the Company's information policies approved by the General Meeting of Shareholders and pursued by its managing bodies shall be published at the official corporate website (representation) of the Company. The said information, being published, shall not be deleted afterwards from the said corporate site."

Resolution on item No. 4

4.1. Amendments and addenda to the Articles of the Board of Directors of the Company proposed by the Board of Directors of the Company be made

1. Clause 3.1 shall be amended to read as follows:

"Members of the Board of Directors shall, subject to the confidentiality requirements, have the right to:

- Participate in the meetings of the Executive Board of the Company;
- Participate in the events of the Company;
- Obtain on-line engineering, economic, business and other information regarding the Company required for the performance of their functions;
- Get acquainted with documents of the Company, obtain copies thereof as well as copies of documents of subsidiaries and associated companies (SACs) available at the disposal of the Company, in accordance with the list approved by the Board of Directors of the Company.

The information and documents referred to in this paragraph shall be furnished to the members of the Board of Directors of the Company within seven calendar days from the date of the respective request received by the Company and addressed to the Chairman of the Executive Board of the Company."

2. Clause 7.3. shall be amended to read as follows:

"Resolutions of the Board of Directors of the Company shall be valid (a quorum is present at the meeting) if at least a half of the total number of members of the Board of Directors of the Company participated in the voting on the item of agenda.

When determining the presence of the quorum and voting results on an item of the agenda of the meeting of the Board of Directors of the Company, written opinions of the members of the Board of Directors of the Company who were absent from the meeting, which opinions were received before summing up the voting results on the agenda item shall be counted. A written opinion of a member of the Board of Directors of the Company shall be understood in this Regulations as a document signed by him and:

sent by advice-of-receipt post or courier to the postal address of the Company or to the address specified in the agenda of the meeting of the Board of Directors of the Company; delivered against signature to the Chairman of the Executive Board of the Company or the Chairman of the Board of Directors of the Company, or the Secretary of the Board of Directors of the Company, or persons who fulfill their functions;

sent by fax to the number specified in the agenda of the meeting of the Board of Directors of the Company;

sent by email using the digital electronic signature to the email address specified in the agenda of the meeting of the Board of Directors of the Company."

3. Sentences 4, 5 and 6 shall be deleted from Clause 7.4.

4. In paragraph 2 of Clause 8.3, the words "at least 10 days before the date of the meeting" shall be deleted and the words "at least 25 days before the date of the meeting" shall be inserted.

5. In Clause 8.5, the words "at least 5 working days before the date of its holding, shall be sent to the members of the Board of Directors" shall be deleted and the words "at least 20 working days before the date of its holding, shall be furnished to the members of the Board of Directors" shall be inserted

4.2. Amendments and addenda to the Articles of the General Meeting of Shareholders of the Company proposed by the Board of Directors of the Company be made.

1. Clause 2.4 shall be amended to read as follows:

"2.4. If a proposal to the agenda of the General Meeting of Shareholders is sent by post, the date of making such a proposal shall be the date specified on the imprint of the calendar stamp confirming the date of posting, and if a proposal to the agenda of the General Meeting of Shareholders is delivered against signature, the date of delivery."

2. Paragraph 5 shall be added to Clause 2.6 to read as follows:

"If a suggestion to the agenda of the General Meeting of Shareholders or a request for an extraordinary General Meeting of Shareholders is signed by the shareholder (his representative) whose rights to shares are counted in respect of a custody account with the depository, a statement of the custody account of the shareholder with the depository who keeps records of the right to the said shares shall be attached to such a proposal (request)."

3. Clause 3.3 shall be amended to read as follows:

"3.3. If a request for an extraordinary General Meeting of Shareholders is sent by an ordinary letter or other ordinary mail, the date of making such a request shall be the date on the imprint of the calendar stamp confirming the date of receiving the posting, and if the request for the extraordinary General Meeting of Shareholders is sent by a first-class letter or other registered mail, the date of delivery of the posting to the addressee against the receipt signature."

4. A paragraph shall be added to Clause 4.1 after paragraph 10 (paragraph 11 of Clause 4.1 of the Articles shall be considered paragraph 12 respectively) to read as follows:

"type (types) of preferred shares whose holders have the right to vote on items of the agenda of the General Meeting of Shareholders."

5. Paragraph 13 shall be added to Clause 4.1 to read as follows:

"A General Meeting of Shareholders may be held in Moscow or the town of Konakovo, Tver Region. A specific address for holding a General Meeting of Shareholders shall be established by the Board of Directors of the Company in deciding on the issues of holding the General Meeting of Shareholders."

6. Clause 5.4 shall be amended to read as follows:

"5.4. Voting ballots received by the Company and signed by a proxy shall be invalidated if the Company or the registrar that performs the functions of the counting commission receives a notice of substitution (recall) of that proxy not later than two days before the date of holding the General Meeting of Shareholders.

A person eligible to participate in the General Meeting of Shareholders (including a new proxy) shall be registered for participation in the General Meeting of Shareholders and provided with voting ballots in the event that the notice of substitution (recall) of the proxy has been received by the Company or the registrar that performs the functions of a counting commission before the registration of the proxy whose powers are terminated."

7. Paragraph 3 of Clause 6.3 shall be amended to include after the words "sign the minutes of the General Meeting of Shareholders" the words "and the report on the voting results."

8. Paragraph 2 of Clause 6.4 shall be amended to include after the words "keep and sign the minutes of the Meeting of Shareholders" the words "sign the report on the voting results."

9. Paragraph 3 shall be added to Clause 8.1 to read as follows:

"If, by the time of opening the General Meeting of Shareholders, the quorum for any of the items included in the agenda of the General Meeting of Shareholders is not present, the General Meeting of Shareholders shall be adjourned for no more than two (2) hours. The General Meeting of Shareholders may be adjourned only once."

10. Paragraph 2 of Clause 9.6 shall be deleted.

11. Clause 10.5 shall be amended to read as follows:

"10.5. The poll deed shall specify the information set forth in Federal Law No. 208-FZ, dated December 26, 1995, "On Joint-Stock Companies" and other regulatory and legal acts of the Russian Federation."

4.3. The Regulations for Remuneration of the Members of the Board of Directors of the Company for Performance of Their Duties and Compensation of Expenses Incidental to Performance of Their Functions of the Members of the Board of Directors of the Company shall be amended as proposed by the Board of Directors of the Company.

1. In Clause 2, the words "upon the end of the fiscal year" shall be replaced by the words "for the period of work", and the words "in the year elapsed" shall be deleted.

2. In Clause 3, the words "upon the results of work for the year" shall be deleted.

After the words "net profit", the words "according to the data of the annual accounting statements approved by the General Meeting of Shareholders" shall be added. The words "in the period between annual General Meetings of Shareholders" shall be replaced by the words "for the period of work."

3. In Clause 4, after the words "Members of the Board of Directors", the words "upon the results of the year" shall be replaced by the words "for the period of work", and the words "average market" shall be replaced by the words "weighted average." The words "for the year" and the second sentence shall be deleted.

4. In Clause 6, the word "annual" shall be deleted. After the words "RAO UES of Russia", the words "at which the Board of Directors of the Company was elected" shall be added.

5. Clause 11 shall be added to the Regulations to read as follows:

"11. The Company may, at its own expense, take out an insurance policy to cover the liability of the members of the Board of Directors provided for by Article 71 of the Federal Law "On Joint-Stock Companies," as well as reimburse the members of the Board of Directors of the Company for reasonable costs of legal consultants or attorneys and judicial costs incurred by the members of the Board of Directors of the Company in connection with judicial proceedings related to the performance by them of their duties of the members of the Board of Directors of the Company in accordance with the procedure established by the Board of Directors of the Company unless otherwise stipulated by federal laws."

6. Footnote 1 shall be added to the word "REGULATIONS":

"¹ The Regulations as stated shall be applicable as from the date of the General Meeting of Shareholders of RAO UES of Russia for 2001, to wit June 28, 2002."

7. Footnote 2 shall be added to Clause 2:

"² For the purposes of these Regulations, a period of work for the calculation of remuneration to the members of the Board of Directors under Clauses 2, 3, 4 shall be understood as a period between the dates of the two last General Meetings of Shareholders at which the Board of Directors of the Company was elected."

8. Footnote 3 shall be added to Clause 4:

"³ The remuneration under Clause 4 shall be paid in the event that the market value of an ordinary share of the Company as at the end of the period is higher than the market value of an ordinary share of the Company as at the beginning of the period. The market value as at the date of the period shall be calculated as a weighted average price of one ordinary share of the Company traded during the RTS trading day. If no shares of the Company were traded at RTS on the date of the beginning (end) of the period, the market price as of the date of the immediately following (preceding) trading day shall be taken for the purposes of calculation."

The weighted average price of all ordinary shares of the Company for a period shall be calculated from the formula:

$$V = \frac{\sum_{i=1}^n P_i}{n} * Q$$

, where

V is the weighted average value of all ordinary shares of the Company;

P is the market value as of the ith date of the period;

i is the date of the RTS trading day;

n is the number of trading days from the first to the last day of the period;

Q is the quantity of the issued ordinary shares of the Company.

The absolute increment of the weighted average value of the ordinary shares of the Company shall be determined as a difference between the weighted average value of all ordinary shares of the Company for the current and previous period."

Resolution on item No. 5

ZAO KPMG be approved as an auditor of RAO UES of Russia.

Resolution on item No. 6

The Board of Directors of RAO UES of Russia be elected to include the following members:

1. Mikhail Anatolievich Abyzov	- Deputy Chairman of the Executive Board of RAO UES of Russia
2. Rolf Birchhoff	- Member of the Board of Directors of RAO UES of Russia
3. Alexander Markovich Branis	- Director of Prosperity Capital Management
4. Alexander Stalievich Voloshin	- Head of the Administration of the President of the Russian Federation
5. Sergei Yurievich Vyazalov	- First Deputy Minister of Finance of the Russian Federation
6. German Oskarovich Gref	- Minister of Economic Development and Trade of the Russian Federation
7. Davis John Jeovanis	- Member of the Board of Directors of OAO Svyaz Invest, Director of Basic Element Holding Limited (Jersey)
8. Johnston John Bennet	- Member of the Board of Directors (Chevron)
9. Valentin Georgievich Zavadnikov	- Representative to the Council of Federation of the Federal Assembly of the Russian Federation from the Saratov Region Duma
10. Yevgeniy Petrovich Ischenko	- Deputy of the State Duma of the Federal Assembly of the Russian Federation, member of the State Duma Committee for Property
11. Alexander Ivanovich Kazakov	- Representative to the Council of Federation of the Federal Assembly of the Russian Federation from the Legislative Assembly of the Rostov Region
12. Edward Kaufman	- Chief Executive Officer (Brunswick UBS Warburg)
13. Vadim Georgievich Kleiner	- Corporate Research Director of Hermitage Capital Management
14. Sergei Borisovich Kosarev	- Deputy Minister of Property Relations of the Russian Federation

15. Victor Vasilievich Kudryavy	- Deputy Minister of Energy of the Russian Federation
16. Alexander Yevgenievich Lebedev	- President, Chairman of the Board of Natsionalny Rezervny Bank JSCB
17. Svyatoslav Anatolievich Lychagin	- Head of the Department of the Ministry of Property Relations of the Russian Federation
18. Leonid Borisovich Melamed	- First Deputy Chairman of the Executive Board of RAO UES of Russia
19. Andrei Igorevich Melnichenko	- General Director and Member of the Board of Directors of ZAO MDM (Interregional Business World) Group Managing Company, Chairman of the Board of Directors of Moscow Business World (OAO), Joint-Stock Commercial Bank
20. Oganeg Armenakovich Oganyan	- Representative to the Council of Federation of the Federal Assembly of the Russian Federation from the Administration of the Komi-Permyak Autonomous Area
21. Sergei Victorovich Popov	- Chairman of the Board of Directors of ZAO MDM (Interregional Business World) Group Managing Company, Member of the Board of Directors of Moscow Business World (OAO), Joint-Stock Commercial Bank
22. Seppo Juha Remes	- Chief Executive Officer (Vostok Energo)
23. Yuri Victorovich Sakharnov	- First Deputy Chairman of the FEC of Russia
24. Vyacheslav Yurievich Sinyugin	- Deputy Chairman of the Board of RAO UES of Russia
25. Nikolai Mikhailovich Tarasov	- First Deputy Minister of Natural Resources of the Russian Federation
26. Alexander Vasilievich Tikhonov	- Head of the Department of the Ministry of Property Relations of the Russian Federation
27. Vladimir Tyurinkov	- Managing Director (Hansberger Capital Management)
28. David Alexander Hern	- Member of the Board of Directors of RAO UES of Russia
29. Victor Borisovich Khristenko	- Deputy Chairman of the Government of the Russian Federation
30. Anatoliy Borisovich Chubais	- Chairman of the Executive Board of RAO UES of Russia
31. Ilya Arturovich Yuzhanov	- Minister for Antimonopoly Policy and Support of Entrepreneurship of the Russian Federation
32. Igor Khanukovich Yusufov	- Minister of Energy of the Russian Federation

Annex 8. Resolution on item No. 7

The Internal Audit Commission of RAO UES of Russia be elected to include the following members:

1. Pavel Alexandrovich Gorkin, Head of the Department of the FEC of Russia
2. Leonid Alexeyevich Dushanin, Vice President of Natsionalny Rezervny Bank JSCB,
Head of the Department of the TEC
3. Victor Mikhailovich Myasnikov, Deputy Head of the Department of Property Relations
of the Russian Federation
4. Anatoliy Mikhailovich Chabunin, Head of the Department of the Ministry of Energy of
the Russian Federation
5. Sergei Yurievich Rumyantsev, Deputy Chairman of NP ATS for Settlements and
Finance