

*APPROVED by the Resolution  
of the Annual General Meeting of Shareholders  
of RAO UES of Russia of June 28, 2002  
as amended by the Resolution  
of the General Meeting of Shareholders of RAO UES of Russia  
of May 30, 2003, of June 28, 2006*

## **1. GENERAL PROVISIONS**

1.1. The Board of Directors of the Unified Energy System of Russia (hereinafter referred to as the "Company") shall be the Company management body acting under the Charter of the Company and these Regulations.

1.2. The Board of Directors shall exercise general management of the Company operations except for matters within authority of the General Meeting of Shareholders under the Federal Law "On Joint Stock Companies" and the Charter of the Company.

1.3. The Board of Directors shall be elected by cumulative vote at the General Meeting of Shareholders and consist of 15 members.

Members of the Board of Directors shall be elected for a term of one year. Persons elected to the Board of Directors may be re-elected for any number of successive terms.

Procedure of nomination to the voting ballot for election to the Board of Directors shall be as specified by the Company Charter.

The Company Board of Directors shall only consist of individuals. No member of the Board of Directors shall have a holding in the Company.

Members of the Management Board shall not constitute more than one fourth of the Board of Directors.

Chairman of the Management Board shall not simultaneously be Chairman of the Board of Directors.

The General Meeting of Shareholders may by its resolution dismiss all members of the Board of Directors.

1.4. Chairman and Deputy Chairman of the Board of Directors shall be elected by majority vote of all members of the Board of Directors.

The Board of Directors may at any time replace Chairman and Deputy Chairman of the Board of Directors by majority vote of all members of the Board of Directors.

1.5. Technical (information, documentary, procedural, secretarial) support of day-to-day operations of the Board of Directors shall be provided by Secretary of the Board of Directors acting under these Regulations and instructions of Chairman of the Board of Directors. Executive Secretary of the Board of Directors shall exercise direct management of the Secretariat of the Board of Directors.

Executive Secretary of the Board of Directors shall be approved by the Board of Directors.

## **2. TERMS OF REFERENCE OF THE BOARD OF DIRECTORS**

2.1. The Board of Directors shall settle any matters relating to general management of the Company operations except for matters within authority of the General Meeting of Shareholders under the Charter of the Company.

2.2. The Board of Directors shall exercise general management of the Company executive bodies and refrain from interference in the performance by such executive bodies of their management, organizational and discretionary functions.

2.3. The terms of reference of the Board of Directors shall be as specified by the Charter of the Company.

2.4. The Board of Directors shall not delegate any matters within its terms of reference to executive bodies of the Company.

## **3. POWERS AND RESPONSIBILITIES OF MEMBERS OF THE BOARD OF DIRECTORS**

3.1. Members of the Board of Directors may attend meetings of the Management Board of the Company, inspect any constituent documents, regulations, accounting records, statements, contracts and other documents and records of the Company including minutes of meetings of the Management Board, receive copies of the above documents, take part in the Company arrangements and request and receive from Chairman of the Management Board any required technical, economic, business and other information.

3.2. Members of the Board of Directors may enjoy any social and other benefits afforded to the Company employees unless otherwise provided for by applicable law.

Upon resolution of the General Meeting of Shareholders members of the Board of Directors may during their terms of office receive remuneration and/or compensation of any expenses relating to the performance of their office duties. The size of such remuneration and compensation shall be approved by the General Meeting of Shareholders.

3.3. The Board of Directors shall bear responsibility for:

- implementation of resolutions of the General Meeting of Shareholders relating to the terms of reference of the Board of Directors;
- effect of resolutions adopted by the Board of Directors within the terms of reference thereof.

3.4. Members of the Board of Directors shall be loyal to the Company.

Members of the Board of Directors shall:

- regularly attend meetings of the Board of Directors;
- implement resolutions of the General Meeting of Shareholders and decisions of the Board of Directors;

- inform Executive Secretary of the Board of Directors of any changes in their permanent employment (office, business, etc.);
- inform the Board of Directors, the Auditing Commission and the Company auditor of their interest in any transaction of which the Company is or intends to become a party and any other conflict of interests between members of the Board of Directors and the Company under an existing or proposed transaction.

3.5. During their term of office members of the Board of Directors shall advise the Board of Directors of their intention to form or engage in the formation of business entities competing with the Company.

3.6. Members of the Board of Directors shall not, whether directly or indirectly, receive remuneration for influencing decisions of the Board of Directors and/or resolutions of the General Meeting of Shareholders.

3.7. Members of the Board of Directors shall perform their office duties in good faith and in the best interests of the Company.

3.8. Members of the Board of Directors shall be liable to the Company for any damage caused by their actions (omissions) unless other grounds for and extent of liability are provided for by applicable federal law. Such liability shall not be imposed on members of the Board of Directors who voted against the resolution resulting in damage or abstained from vote.

3.9. Members of the Board of Directors neglecting duties provided for by these Regulations for the Board of Directors and the Company Charter shall bear liability to the extent of damage caused by such neglect including lost profits of the Company at full and fair market value unless other grounds for and extent of liability are provided for by applicable law of the Russian Federation.

#### **4. POWERS AND RESPONSIBILITIES OF CHAIRMAN OF THE BOARD OF DIRECTORS**

4.1. Chairman of the Board of Directors shall:

- 1) provide for general administration of activities of the Board of Directors;
- 2) convene regular and extraordinary meetings of the Board of Directors, in particular provide for notification of members of the Board of Directors of the following meetings of the Board of Directors as specified by these Regulations, approve the agenda and form of meetings (by attendance or absentee vote) unless the form thereof was earlier approved by the Board of Directors or the plan of activities of the Board of Directors, supervise meetings of the Board of Directors held by absentee vote;
- 3) chair meetings of the Board of Directors:
  - according to information provided by Executive Secretary of the Board of Directors record the presence or absence of a quorum at meetings of the Board of Directors, inform members of the Board of Directors of the presence of a quorum required for decision making;

- announce the possibility of changing the order of items on the agenda of meetings; when necessary, initiate discussion of the possibility of changing the order of items on the agenda of a meeting;
- provide for final approval of the agenda of meetings of the Board of Directors and inform members of the Board of Directors of the final agenda;
- formally open meetings of the Board of Directors or inform members of the Board of Directors of the incompetence of a particular meeting;
- initiate adjournment of the meeting with a given agenda in the absence of a quorum and arrange notification thereof of members of the Board of Directors who are absent;
- introduce to members of the Board of Directors any persons present at meetings of the Board of Directors, exercise control over involvement of any persons invited to meetings in connection with particular items of the agenda to the extent of discussion of such items by the Board of Directors or instruct Executive Secretary accordingly;
- exercise control over compliance with requirements to the proceedings of the Board of Directors described in paragraph 9.4 of these Regulations;
- give the floor to speakers and contributors and, when necessary, initiate free discussion of any item;
- record formal proposals of members of the Board of Directors relating to draft decision(s) of the Board of Directors;
- put to vote draft decisions as received from members of the Board of Directors during meetings and/or preparation thereof;
- arrange the vote on draft decisions of the Board of Directors;
- formally declare the vote results at meetings of the Board of Directors held by attendance or notify all members of the Board of Directors in writing of any decisions adopted by absentee vote;
- formally dismiss meetings of the Board of Directors after the agenda has been exhausted according to the decision of the Board of Directors to terminate the meeting;
- cause minutes of meetings of the Board of Directors to be taken;
- exercise control over activities of the Secretariat of the Board of Directors;
- sign minutes of meetings of the Board of Directors as chairman thereof;

4) chair the General Meeting of Shareholders performing duties provided for by the Charter and the Regulations for the General Meeting of Shareholders of the Company;

5) exercise personal control over the preparation for the Annual and Extraordinary General Meetings of Shareholders;

6) arrange and control the process of obtaining by members of the Board of Directors of information on the Company operations pursuant to these Regulations;

7) exercise control over the implementation of the plan of activities of the Board of Directors approved by the Board of Directors;

8) represent the Board of Directors with executive bodies of the Company;

9) arrange of behalf of the Board of Directors supervision over the implementation of resolutions of the General Meeting of Shareholders and decisions of the Board of Directors;

10) represent the Board of Directors with representative bodies of other entities;

11) control official correspondence of the Board of Directors with shareholders, executive bodies and the workers collective of the Company, sign letters and other documents on behalf of the Board of Directors;

12) upon consultations with the Board of Directors give official comments on and construe decisions of the Board of Directors and present the position of the Board of Directors on matters discussed at meetings of the Board of Directors on which no decisions of the Board of Directors were made;

13) cause providing shareholders with comprehensive information on decisions made by the Board of Directors (for instance, through publishing minutes of meetings of the Board of Directors at the Company's web site);

14) arrange and exercise control over activities of commissions, committees and working teams of the Board of Directors (if any);

15) exercise formal control over implementation of decisions of the Board of Directors and cease control of implemented decisions of the Board of Directors;

16) exercise supervision over strict compliance with requirements of these Regulations by members of the Board of Directors, Executive Secretary and the Secretariat of the Board of Directors and other persons and bodies;

17) in cooperation with the Auditing Commission and on behalf of the Board of Directors exercise continuous proactive control over activities of the Company executive bodies and administration intended to prevent any attempts of the above bodies at making decisions vested by the Charter and by-laws of the Company in the General Meeting of Shareholders, the Board of Directors and the Auditing Commission;

18) take into account the opinion of each member of the Board of Directors on the wording of minutes of the relevant meeting of the Board of Directors;

19) perform other duties arising from the terms of reference of the Board of Directors specified by the Company Charter and exercise powers provided for by applicable law and the Company Charter.

4.2. If Chairman of the Board of Directors is absent at meetings of the Board of Directors and at the place of permanent employment in intervals between meetings for a period of 45 calendar days or is unable to perform relating duties such duties shall be performed by Deputy Chairman of the Board of Directors.

4.3. In the absence of Chairman and Deputy Chairman of the Board of Directors duties of Chairman of the Board of Directors shall be performed by a member of the Board of Directors appointed by the Board of Directors.

## **5. POWERS AND RESPONSIBILITIES OF EXECUTIVE SECRETARY AND THE SECRETARIAT OF THE BOARD OF DIRECTORS**

5.1. Executive Secretary of the Board of Directors shall be appointed by the Board of Directors.

5.2. The Board of Directors shall form the Secretariat of the Board of Directors headed by Executive Secretary of the Board of Directors.

5.3. Executive Secretary of the Board of Directors shall:

1) in the exercise of management of the Secretariat of the Board of Directors personally provide for organizational, information and documentary support of activities of the Board of Directors both during the preparation for and holding of and in intervals between meetings of the Board of Directors and to this end:

- at the direction of Chairman of the Board of Directors and on his own initiative notify in writing all members of the Board of Directors of the forthcoming extraordinary and regular meetings of the Board of Directors as provided for by these Regulations;
- forward to members of the Board of Directors documents, materials and draft documents and materials required for meetings of the Board of Directors;
- record any correspondence (including inquiries, claims, petitions) addressed to the Board of Directors and/or Chairman and/or Deputy Chairman of the Board of Directors and organize the preparation of replies, explanations, press releases and other response of the Board of Directors to received correspondence;
- forward to members of the Board of Directors any correspondence addressed to them provided it contains no requests or proposals for the discussion of any issues at meetings of the Board of Directors and render members of the Board of Directors necessary assistance in the preparation of replies to letters, inquiries, petitions, etc.;
- cause recording (taking of minutes or shorthand notes) of speeches at meetings of the Board of Directors;
- render every possible technical and organizational support to members of the Board of Directors responsible for the presentation of particular matters at regular and extraordinary meetings of the Board of Directors;
- provide for printing, editing, copying, translation and forwarding to relevant persons of documents, materials, draft documents and materials of the Board of Directors;
- in response to proposals (demands) of member(s) of the Board of Directors inform Chairman of the Board of Directors and, when appropriate, other members of the Board of Directors of draft decisions of the Board of Directors submitted by members before meetings of the Board of Directors or their positions on relevant issues;
- in cooperation with the Company executive body secure appearance of persons invited to meetings of the Board of Directors and actual involvement of such persons in meetings of the Board of Directors on relevant items of the agenda;
- in cooperation with the Company executive body and administration provide technical support of the preparation for and holding of regular meetings of the Board of Directors held by attendance (premises, materials, free access of members of the Board and invitees, distribution of newly received materials, secretarial aid, etc.);

2) provide for the preparation and distribution among members of the Board of Directors of ballots for absentee vote and collection and processing thereof according to these Regulations;

3) provide organizational support of voting at meetings of the Board of Directors;

4) render organizational and technical assistance in minutes taking at meetings of the Board of Directors and mailing thereof to all members of the Board of Directors within 3 days of signing the

minutes including special opinions of members of the Board of Directors who voted against relevant draft decisions and notified their special opinions in writing to the Secretariat of the Board of Directors;

5) on special decisions of the Board of Directors or instructions of Chairman of the Board of Directors render organizational and technical assistance in shorthand, magnetic tape or other electronic recording of meetings of the Board of Directors;

6) arrange cooperation with the Company executive body and administration, archiving and keeping of any documents and materials relating to the Board of Directors;

7) provide for the completion, keeping and prompt updating of questionnaires of members of the Board of Directors intended for efficient information service of members of the Board of Directors;

8) maintain the register of official (incoming and outgoing) correspondence and, if so instructed by Chairman of the Board of Directors, the register of telephone and fax messages;

9) provide technical support for keeping attributes and accessories of the Board of Directors, office equipment, consumables and other assets allocated to the Board of Directors by the Company or particular shareholders;

10) exercise general management of the Secretariat of the Board of Directors and render every possible assistance to committees, commissions and working teams of the Board of Directors;

11) personally and as directed by Chairman of the Board of Directors notify them of any official information of the Company executive body addressed to the Board of Directors;

12) provide for organizational support of the preparation for and holding by the Board of Directors of public events (press conferences, official presentations of declarations and memoranda to mass media, interviewing of members of the Board of Directors, attendance by the Board of Directors and representatives thereof of meetings of the Company workers collectives, public meetings, etc.);

13) exercise control over strict compliance with requirements of these Regulations under the guidance of Chairman of the Board of Directors;

14) execute specific instructions of Chairman of the Board of Directors;

15) perform other duties provided for by applicable law, the Charter, these Regulations and by-laws of the Company.

5.4. The Company shall bear expenses of the Secretariat of the Board of Directors and pay salary to employees thereof.

5.5. The Secretariat of the Board of Directors shall provide technical support enabling efficient activities of the Board of Directors.

## **6. COMMITTEES AND COMMISSIONS OF THE BOARD OF DIRECTORS**

6.1. Committees and commissions of the Board of Directors shall be formed by the Board of Directors.

6.2. Committees and commissions of the Board of Directors shall be appointed for the purpose of in-depth review of any matters within authority of the Board of Directors or examined by the Board of Directors for the purpose of supervision over the Company executive body and administration and giving necessary recommendations to the Board of Directors and the Company executive body.

6.3. Committees of the Board of Directors shall be formed to investigate long-term problems of the Company operations and enable efficient implementation of significant management and control functions of the Board of Directors. Committees of the Board of Directors shall comprise members of the Board of Directors and experts. Committees of the Board of Directors shall be headed by members of the Board of Directors. Upon consultations with the Company executive bodies the Board of Directors may form joint committees of the Board of Directors and the Company executive bodies.

6.4. Commissions of the Board of Directors shall be formed to examine current issues of the Company development and projects. Commissions of the Board of Directors may comprise members of the Board of Directors, officers of the Company, employees of the Secretariat of the Board of Directors, experts including those invited from other entities. Chairmen of commissions of the Board of Directors shall be appointed by the Board of Directors.

6.5. Proceedings, terms of reference and duration of committees and commissions of the Board of Directors shall be approved by separate decisions of the Board of Directors.

## **7. MEETINGS OF THE BOARD OF DIRECTORS**

7.1. Meetings of the Board of Directors may be convened as requested by any member of the Board of Directors, the Auditing Commission, the Company auditor, Chairman of the Management Board and the Management Board of the Company. Regular meetings of the Board of Directors shall be convened by the Board of Directors according to the approved plan of activities and subject to the date and agenda of the following meeting approved by the Board of Directors at one of preceding meetings.

7.2. Meetings of the Board of Directors shall be held as necessary but at least once a quarter.

7.3. Decisions of the Board of Directors shall be valid (the quorum shall be deemed present) if they are adopted by at least half of the Board members.

In the determination whether a quorum is present and of the vote results written opinions shall be taken into account of members of the Board of Directors who are not present at the meeting.

7.4. Each members of the Board of Directors shall have one vote. Delegation of a member's vote to other member of the Board of Directors is prohibited under applicable law. In case of a tie vote Chairman of the Board of Directors shall have a casting vote. Decisions on matters referred to in paragraphs 11.1.6 and 11.1.19 of the Company Charter shall be unanimous. Decisions on matters referred to in paragraphs 11.1.18, 11.1.21-11.1.24 of the Company Charter shall be adopted by two thirds of members of the Board of Directors present at the meeting including decisions on transactions provided for in Chapter XI of the Federal Law "On Joint Stock Companies". Decisions

on other matters within authority of the Board of Directors shall be adopted by simple majority vote of members of the Board of Directors present at the meeting unless otherwise specified by applicable law, the Company Charter and these Regulations.

7.5. Meetings of the Board of Directors shall generally be held by attendance (compresence of members of the Board of Directors for the purpose of discussing the items of the agenda and adopting relevant decisions).

In case of absentee vote members of the Board of Directors shall be sent ballots. Ballots to be sent to members of the Board of Directors shall be prepared by Executive Secretary and signed by Chairman of the Board of Directors. Such ballots shall contain the following items:

1. reference to the decision of the Board of Directors, Chairman of the Board of Directors or item of the plan of activities of the Board of Directors under which the meeting by absentee vote shall be held or initiators of the meeting if it is initiated by other persons and bodies;
2. wording of questions to be discussed (the agenda);
3. draft decisions on each item of the agenda;
4. voting options ("pro", "contra", "abstain");
5. requirement to check only one voting option on each item of the agenda;
6. description of the rules of checking the relevant voting option (underline, strike out, outline, etc.);
7. requirement to have the ballots signed by members of the Board of Directors;
8. deadline for filing ballots;
9. means by which filled-in ballots may be sent;
10. "Special Opinion" box (if "contra" or "abstain" option is checked and also if a member of the Board of Directors failed to check any option).

The ballots received from members of the Board of Directors shall be processed by Executive Secretary of the Board of Directors as instructed by Chairman of the Board of Directors.

If a meeting of the Board of Directors is held by absentee vote decisions of the Board of Directors shall be deemed adopted if they were approved by the majority (as specified in paragraph 7.4 of these Regulations) of all members of the Board of Directors.

7.6. The Board of Directors shall approve the List of Major Issues to be discussed at meetings of the Board of Directors during the period to the following Annual General Meeting of Shareholders based on the proposals of shareholders holding in aggregate at least five per cent of ordinary shares, Chairman and members of the Board of Directors, the Auditing Commission and the Management Board of the Company and the quarterly schedule of meetings of the Board of Directors.

The Board of Directors may include additional issues in the approved schedule of meetings.

7.7. Notices of meetings of the Board of Directors shall be given in writing at least 10 days before the date thereof to each member of the Board of Directors and include the proposed agenda.

If necessary, a meeting of the Board of Directors may be adjourned with consent of all members of the Board of Directors present at the meeting without making decisions on items of the agenda.

7.8. Meetings of the Board of Directors may be attended by invited officers of government authorities, members of the Management Board, the Auditing Commission, experts of the Company executive bodies according to the list approved by Chairman of the Board of Directors.

7.9. During the preparation and adoption of decisions provided for in paragraph 11.1.24 of the Company Charter the Board of Directors and executive bodies of the Company shall be guided by the following provisions:

1. The concepts of "non-current assets", "subsidiaries" and "affiliated companies" shall be interpreted according to applicable law.

2. Transactions in shares of subsidiaries and affiliated companies to be approved by the Board of Directors shall be deemed to involve both ordinary and preference shares thereof according to the relevant shareholders registers.

3. Book value of the Company's non-current assets shall be calculated based on the last balance sheet produced by the Company and duly approved by tax authorities.

4. Transactions in non-current assets shall mean both a single transaction and a series of transactions in non-current assets executed successively over a six month period after the execution of the first of such transactions, the price thereof on an accrual basis exceeding 10 per cent of book value of the relevant assets.

For the purpose of these Regulations transactions in shares of subsidiaries and affiliated companies shall mean a single transaction and a series of transactions in shares of the relevant subsidiary or affiliated company effected successively over a six month period after the execution of the first of such transactions. In that case the authorized capital as the calculation basis shall be determined as of the date of initiation by the Company executive body of the first transaction.

5. To have transactions referred to in paragraph 11.1.24 of the Company Charter approved by the Board of Directors the Company executive body shall file with the Board of Directors relevant applications as provided for by these Regulations.

6. The application for preliminary approval by the Board of Directors of transactions referred to in paragraph 11.1.24 of the Company Charter shall be filed by Chairman of the Management Board with Chairman of the Board of Directors at least 15 calendar days before the earlier approved date of the meeting of the Board of Directors (the date provided for by the plan of activities of the Board of Directors or approved by members of the Board of Directors as the date of an extraordinary meeting).

7. The form of such application shall be determined by the Company executive body and include the following items: 1) transaction type, 2) counterparties, 3) subject of transactions, 4) transaction price (as specified by an independent appraiser), 5) time of performance and other material terms of transactions, 6) enforcement procedure, 7) jurisdiction, 8) feasibility study, 9) proposed schedule of the presentation by the Company executive body of report(s) on continuing transactions and final reports, 10) dates of signing and effective dates of relevant contract(s), 11) amendment procedure, 12) desirable time for consideration of the application by the Board of Directors, 13) opinion on interests of particular persons in the transaction subject to requirements specified in Articles 81-83

of the Federal Law "On Joint Stock Companies". Upon resolution of the Company executive body the application may also describe draft contract(s) or letter of intent.

8. Preliminary approval of a transaction referred to in paragraph 11.1.24 of the Company Charter shall be valid to the date of execution thereof.

9. The Board of Directors shall exercise control over the implementation of approved transactions based on final reports on such transactions submitted by the Company executive body.

## **8. PREPARATION FOR MEETINGS OF THE BOARD OF DIRECTORS**

8.1. Draft agenda of regular meetings of the Board of Directors shall be prepared by Executive Secretary and approved by Chairman of the Board of Directors.

8.2. Any item of the agenda may be proposed by persons referred to in paragraph 7.6 of these Regulations. The initiator shall file with Executive Secretary of the Board of Directors such proposal and the following documents addressed to Chairman of the Board of Directors:

- explanatory note substantiating the discussion of draft document (issue) at the meeting of the Board of Directors;
- draft decision on the Board of Directors on the issue;
- supporting materials.

8.3. The explanatory note and draft decision of the Board of Directors shall meet the standards (formats) of information submission approved by the Board of Directors.

The explanatory note, draft decision and supporting materials shall be delivered to Executive Secretary of the Board of Directors at least 10 days before the date of the meeting.

8.4. Control over prompt filing of proposals for items to be placed on the agenda of the Board of Directors (including explanatory notes, draft decisions of the Board of Directors and supporting materials) and over consistency of explanatory notes and draft decisions of the Board of Directors with approved standards shall be exercised by Executive Secretary of the Board of Directors.

Executive Secretary shall inform Chairman of the Board of Directors of any failure to meet the deadline for filing proposals of items to be placed on the agenda of the Board of Directors (including explanatory notes, draft decisions of the Board of Directors and supporting materials) and approved standards to enable approval by Chairman of the Board of Directors of draft agenda of the Board of Directors.

8.5. Draft agenda of the Board of Directors, explanatory notes, draft decisions of the Board of Directors and supporting materials shall be forwarded to members of the Board of Directors and the government authority authorized to issue voting directions to representatives of the Russian Federation at least 5 business days before the meeting.

8.6. The Board of Directors may by majority vote of members attending the meeting reject any items which were not notified to members of the Board of Directors within the period specified for forwarding draft agenda of meetings of the Board of Directors, explanatory notes and supporting materials.

8.7. Members of the Board of Directors may at least 2 days before the meeting deliver to Executive Secretary their comments on and proposals for issues to be discussed.

8.8. The Board of Directors may place on the agenda additional items by two thirds of votes of members attending the meeting.

## **9. HOLDING OF MEETINGS OF THE BOARD OF DIRECTORS AND EXECUTION OF ADOPTED DECISIONS**

9.1. Meetings of the Board of Directors shall be attended by members of the Board of Directors and persons invited to contribute on each matter to be discussed according to the list approved by Chairman of the Board of Directors.

9.2. The presence of a quorum at meetings of the Board of Directors held by attendance shall be recorded by Executive Secretary of the Board of Directors in draft minutes of the meeting.

If a quorum is not present the meeting shall be declared incompetent. In such case Chairman of the Board of Directors shall make any of the following decisions:

- 1) upon consultations with members of the Board of Directors present at the meeting appoint the time of the adjourned meeting with the agenda approved earlier and take steps to secure the presence of members of the Board of Directors;
- 2) personally appoint the time of the adjourned meeting with the agenda approved earlier and take steps to secure the presence of members of the Board of Directors;
- 3) inform members of the Board of Directors of the estimated time of their notification of the adjourned meeting;
- 4) include the agenda of the failed meeting in the agenda of the following regular meeting of the Board of Directors;
- 5) upon consultations with members of the Board of Directors present at the meeting exclude the agenda of the failed meeting, whether in full or in part, from the list of issues to be discussed at meetings of the Board of Directors (except as otherwise provided for by applicable law).

The adjourned meeting may be held not earlier than in one hour nor later than in 20 days of the decision of Chairman of the Board of Directors.

The presence of a quorum at a meeting to discuss the approved agenda shall be determined once for the duration of the meeting whatever the actual duration of such meeting be.

If any members leave the meeting of the Board of Directors so that their number becomes less than half of the entire Board of Directors Chairman of the Board of Directors may make any of the following decisions:

1) since the absence of a quorum determined as provided for by these Regulations prevents decision making by the Board of Directors dismiss the meeting after the discussion of the last issue has been completed;

2) since the absence of a quorum provided for by these Regulations prevents decision making by the Board of Directors proceed with the meeting without decision making to identify positions of remaining members of the Board of Directors and issue to the Board of Directors recommendations to be discussed at the following meeting of the Board of Directors.

Determination of a quorum under these Regulations shall be a preliminary procedure preceding meetings of the Board of Directors. No vote on the approval of a quorum (information of Executive Secretary on the presence of a quorum) shall be taken.

Determination of a quorum at meetings shall be an internal procedure of the Board of Directors during which no invitees shall generally be present.

9.3. Prior to the approval of the agenda of the meeting Chairman of the Board of Directors may exclude any items proposed for the agenda if:

- the person who proposed such item is not present at the meeting;
- the person who proposed such item made an oral or written application for the exclusion thereof.

The reasons for the exclusion of items from draft agenda described above are not exhaustive.

9.4. Speeches at meetings of the Board of Directors may take up to 10 minutes, supplementary speeches and contributions during debates — up to 5 minutes, answers to arising questions — up to 3 minutes. The length of speeches may be changed by chairman of the meeting as necessary.

Members of the Board of Directors and invitees may take part in debate, make proposals, comments, render information on matters under discussion. Debate shall be terminated at the suggestion of chairman or any member of the Board of Directors.

9.5. When necessary, the Board of Directors may hold field meetings.

9.6. To revise draft decisions and consider proposals and comments made at meetings the Board of Directors may upon consultations with Chairman of the Management Board appoint working teams comprising the Company executive officers.

Heads of such teams appointed by the Board of Directors shall arrange activities thereof and provide for prompt presentation of revised draft decisions.

If no deadline for the presentation thereof has been specified draft decisions shall be revised within three days.

9.7. Minutes at meetings of the Board of Directors shall be maintained by Executive Secretary of the Board of Directors. To this end the audio records of meetings may be used. Such minutes shall be prepared within 3 days of the meeting.

The minutes shall specify:

- place and time of the meeting;
- persons present at the meeting;
- agenda of the meeting;
- questions put to the vote and the vote results;
- adopted decisions.

Decisions of the Board of Directors adopted by absentee vote shall be recorded in separate minutes.

Minutes of meetings of the Board of Directors shall have consecutive numbers.

Minutes of meetings of the Board of Directors shall be signed by chairman and Executive Secretary of the Board of Directors responsible for the accuracy thereof.

Excerpts from minutes of meetings of the Board of Directors may be issued and certified on behalf of the Company by Chairman of the Board of Directors and Executive Secretary of the Board of Directors. Executive Secretary of the Board of Directors shall record issued excerpts from minutes of meetings of the Board of Directors.

9.8. Decisions of the Board of Directors shall be binding on Chairman of the Management Board, the Management Board, departments and employees of the Company.

9.9. Decisions of the Board of Directors shall be notified to officers responsible for the implementation thereof in the form of a separate excerpt from minutes on each issue.

Excerpts from minutes of meetings of the Board of Directors shall be executed by Executive Secretary of the Board of Directors and delivered to responsible officers against receipt within 2 days of signing the minutes.

9.10. Control over the implementation of decisions of the Board of Directors shall be exercised by Chairman of the Board of Directors or delegated to Executive Secretary of the Board of Directors.

9.11. Preparation of materials for, attendance of, execution of minutes and decisions of closed meetings of the Board of Directors shall be subject to requirements to keeping official, business and state secrets.

## **10. KEEPING AND USE OF DOCUMENTS OF THE BOARD OF DIRECTORS**

10.1. Minutes of meetings of the Board of Directors shall be open for inspection by any shareholder of the Company, member of the Board of Directors, member of the Auditing Commission, the Company auditor, Chairman of the Management Board, official representative of federal supervisory authorities at the registered office of the Company or other place specified by the Board of Directors.

10.2. Minutes of meetings of the Board of Directors and relating documents may be inspected by representatives of supervisory authorities at the Company record department in the presence of the

record department employees or requested from the office of Executive Secretary of the Board of Directors against receipt with written consent of Chairman of the Board of Directors.

10.3. Proceedings of the Board of Directors shall be recorded (archived).

Records (archives) of the Board of Directors shall include:

1. minutes of meetings of the Board of Directors;
2. appendices to minutes of meetings of the Board of Directors;
3. other information relating to meetings of the Board of Directors;
4. minutes of the General Meetings of Shareholders;
5. registers of official correspondence of the Board of Directors;
6. employment schedules of the Secretariat of the Board of Directors;
7. documents and records of commissions, committees and working teams of the Board of Directors;
8. documents and records requested by the Board of Directors or members thereof according to the procedure approved by the Board of Directors;
9. inoperative attributes and accessories of the Board of Directors;
10. questionnaires of members of the Board of Directors (completed after election thereof for the purpose of forwarding notices and materials by the Secretariat of the Board of Directors (if any));
11. progress reports on the implementation of decisions of the Board of Directors or components thereof;
12. registers of excerpts from minutes of meetings of the Board of Directors;
13. other materials and documents.

Any documents comprising the records of the Board of Directors shall be kept at the expense of the Company in the Company premises (at the offices of the Company executive bodies).

Arrangement and archiving of documents and materials of the Board of Directors shall be performed by Executive Secretary of the Board of Directors under the supervision of Chairman of the Board of Directors. Executive Secretary of the Board of Directors shall make an inventory of all documents and materials of the Board of Directors on paper and electronic media.

Members of the Board of Directors shall have free access to the records of the Board of Directors and the inventory of documents and materials and may make copies thereof. On decision of the Board of Directors the Board of Directors may have special attributes and accessories such as numbered forms, seals, stamps, logos, symbols, etc. Responsibility for keeping, patenting, use and prompt cancellation thereof shall be born by Chairman of the Board of Directors. The rules of use of such attributes and accessories shall be approved by the Board of Directors.

10.4. Employees of the Company executive bodies given access to documents of the Board of Directors shall bear responsibility for keeping confidential information defined by the Board of Directors and recorded in minutes of the relevant meeting.

10.5. In any situations not specifically covered by these Regulations access to information on matters discussed by the Board of Directors shall only be authorized by the Board of Directors, Chairman of the Board of Directors or deputies thereof.

## **11. APPROVAL AND AMENDMENTS OF THE REGULATIONS FOR THE BOARD OF DIRECTORS**

11.1. Pursuant to subparagraph 19, paragraph 1, Article 48 of the Federal Law "On Joint Stock Companies" these Regulations for the Board of Directors shall be approved and amended by the General Meeting of Shareholders.

11.2. Draft Regulations for the Board of Directors and amendments thereof shall be presented to the General Meeting of Shareholders by the Board of Directors.

11.3. Amendment of these Regulations for the Board of Directors may be initiated by persons referred to in paragraph 7.6 as specified in paragraph 8.2 of these Regulations.