

APPROVED BY:  
by the decision of the annual General Meeting of  
Shareholders of Rosseti North-West, PJSC  
dated June 18, 2024 (minutes dated June 20, 2024 No. 20)

ARTICLES OF ASSOCIATION  
of Rosseti North-West  
Public Joint Stock Company  
(restated)

St. Petersburg  
2024

## Article 1. General provisions

1.1. Rosseti North-West Public Joint Stock Company (hereinafter - the Company) is established by the decision of the founder (the ordinance of the Chairman of the Management Board of RAO UES of Russia, OJSC dated December 09, 2004 No.153r) in compliance with the Civil Code of the Russian Federation, the Federal Law "On Joint Stock Companies" and other bylaws of the Russian Federation. An entry under primary state registration number 1047855175785 on state registration of the Company on December 23, 2004 is made by the Inter-district Inspectorate of the Ministry of the Russian Federation for Taxes and Levies No. 15 for St. Petersburg in the Unified State Register of Legal Entities.

1.2. The Company in its activities shall be guided by the Civil Code of the Russian Federation, Federal Law "On Joint Stock Companies", Federal Law "On Electric Power Industry", Federal Law "On Peculiarities of Functioning of Electric Power Industry in a Transition Period and on Amending Certain Legislative Enactments of the Russian Federation and on Recognizing Certain Legislative Enactments of the Russian Federation to be Void due to Adoption of the Federal Law "On Electric Power Industry", other regulatory legal acts of the Russian Federation and these Articles of Association.

1.3. Full corporate name of the Company in Russian – Публичное акционерное общество «**Россети Северо-Запад**».

Previous full corporate names of the Company in Russian – Публичное акционерное общество «Межрегиональная распределительная сетевая компания Северо-Запада», Открытое акционерное общество «Межрегиональная распределительная сетевая компания Северо-Запада».

Full corporate name of the Company in English – Public Joint Stock Company «Rosseti North-West».

Previous full corporate names of the Company in English - «Interregional Distribution Grid Company of North-West», Public Joint Stock Company; «Interregional Distribution Grid Company of North-West», Joint-Stock Company.

1.4. Abbreviated business name of the Company in Russian – ПАО «Россети Северо-Запад».

Previous abbreviated corporate names of the Company in Russian – ПАО «МРСК Северо-Запада», ОАО «МРСК Северо-Запада».

The Company's abbreviated corporate name in English – Rosseti North-West, PJSC.

Previous abbreviated corporate names of the Company in English – IDGC of North-West, PJSC; IDGC of North-West, JSC.

1.5. Company's Location: Saint Petersburg, Russia. The Company's address shall be specified in Uniform State Register of Legal Entities.

1.6. The Company was established for an indefinite term.

1.7. Based on the resolution of the extraordinary General Meeting of Shareholders of the Company dated December 25, 2007, the Company was reorganized in the form of acquisition of Arkhenergo OJSC, Vologdaenergo OJSC, AEC Komienergo OJSC, Karelenergo OJSC, Kolenergo OJSC, Novgorodenergo OJSC, Pskovenergo OJSC.

In accordance with:

deed of transfer approved by the extraordinary General Meeting of Shareholders of Arkhenergo OJSC dated December 17, 2007 (meeting minutes dated December 26, 2007 No. 2),

deed of transfer approved by the extraordinary General Meeting of Shareholders of Vologdaenergo OJSC dated December 20, 2007 (meeting minutes dated December 25, 2007 No. 3),

deed of transfer approved by the extraordinary General Meeting of Shareholders of AEK Komienergo OJSC dated December 20, 2007 (meeting minutes dated December 26, 2007 No. 24),

deed of transfer approved by the extraordinary General Meeting of Shareholders of Karelenergo OJSC dated December 25, 2007 (meeting minutes dated December 25, 2007 No. 1795pr/1),

deed of transfer approved by the extraordinary General Meeting of Shareholders of Kolenergo OJSC dated December 17, 2007 (meeting minutes dated December 26, 2007 No. 21),

deed of transfer approved by the extraordinary General Meeting of Shareholders of Novgorodenergo OJSC dated December 17, 2007 (meeting minutes dated December 26, 2007 No. 2),

deed of transfer approved by the extraordinary General Meeting of Shareholders of Pskovenergo OJSC dated December 17, 2007 (meeting minutes dated December 26, 2007 No. 20),

upon entering a record into the Unified State Register of Legal Entities on termination of activities of Arkhenergo OJSC, Vologdaenergo OJSC, AEC Komienergo OJSC, Karelenergo OJSC, Kolenergo OJSC, Novgorodenergo OJSC, Pskovenergo OJSC the Company is a legal successor in title to each of the mentioned companies with regard to all of their rights and liabilities.

## **Article 2. The Company's Legal Status**

2.1. The legal status of the Company shall be determined by the Civil Code of the Russian Federation, Federal Law "On Joint Stock Companies", and other regulatory legal enactments of the Russian Federation and these Articles of Association.

2.2. The Company shall be a legal entity and Public Joint Stock Company in accordance with the Russian Federation laws.

2.3. The Company owns such property as is included on its independent balance sheet and is liable for its debts to the extent of such property, and may, in its own name, acquire and exercise property and personal non-property rights, assume responsibilities, and act as a claimant and defendant in court.

2.4. The Company shall have the right to open bank accounts in the territory of the Russian Federation and abroad in accordance with the established procedure.

2.5. The Company shall be liable for its obligations by all the property it possesses.

The Company is not liable for the obligations of the State and authorities thereof as well as for those of its shareholders.

The shareholders of the Company are not liable for obligations of the Company except for cases set forth in the applicable law of the Russian Federation.

The shareholders shall be entitled to alienate their shares without any consent of other shareholders and the Company.

The shareholders of the Company shall bear the risk of losses related to its activities to the limit of the value of the shares they possess.

2.6. The Company shall possess a round seal containing its full business name in the Russian language and its location.

The Company may have stamps and letterheads specifying its trade name, its own logo, as well as a trademark registered in due course and other means of identification.

2.7. The Company shall possess civil rights and bear responsibilities which are necessary to exercise any types of the activities that are not prohibited by Federal Laws.

2.8. The Company shall be entitled to establish branches and open representative offices in accordance with the provisions of the Civil Code of the Russian Federation, the Federal Law "On Joint Stock Companies" as well as other Federal Laws. Branches and representative offices of the Company are not legal entities. Branches and representative offices of the Company shall be vested with the property by the Company that established them and act on the basis of the regulations approved by the Company.

The head of the Company's branch or that of the representative office shall be appointed by the Company's General Director and shall act on the basis of a power of attorney issued by the Company.

The Company shall be liable for the activities performed by its branch and representative office.

The information on the Company's branches and representative offices, if any, shall be stated in the Unified State Register of Legal Entities.

2.9. The Company shall be entitled to have subsidiary business entities vested with the rights of legal entities in the territory of the Russian Federation, established in accordance with the Federal Law "On Joint Stock Companies" and other Federal Laws and these Articles of Association; outside the territory of the Russian Federation - in accordance with the laws of the foreign state at the location of the subsidiary business entity, unless otherwise envisaged by the international agreement of the Russian Federation.

2.10. A business entity where the Company holds more than twenty (20) percent of voting shares (participatory interests) is recognized to be an affiliated company for the purpose hereof.

2.11. When the Company organizes work with the information constituting a state secret, the legislation of the Russian Federation has an unconditional priority.

Court proceedings on all matters related to state secrets shall be held in the territory of the Russian Federation and in accordance with the legislation of the Russian Federation.

### **Article 3. The Goal and Lines of the Company's Activities**

3.1. The major goals of the Company's activities shall be:

- profit generation by the Company;
- performance of efficient and reliable functioning of the facilities of the distribution electricity grid;
- provision of stable development of the distribution electricity grid;
- provision of reliable and high-quality energy supply to consumers (in respect of delivery and transmission of electric energy).

3.2. In order to generate profit and ensure attainment of its goals, the Company shall be entitled to carry out any types of the activities that are not prohibited by the law, including:

- provision of electricity transmission services;
- operational process management;
- provision of services of technical connection of power receiving devices (power installations) of legal entities and individuals to power grids;
- performance of functions on accumulation, transmission and processing of technological information, including the data on measurements and counting;
- control over the safe maintenance of electrical installations by consumers connected to the Company's power grids;
- activity on electric power grids operation;
- provision of services on exercising powers of the sole executive body of business entities;
- provision of services on trust property management;
- carrying out of operations with securities in accordance with the procedures determined by the existing Russian Federation laws;
- carrying out of agent activities;
- project and cost estimate, research and development, and design activities;
- provision of transportation and forwarding services;
- provision of consulting, consultation and information services;
- performance of works defining the conditions for parallel operation in accordance with the use conditions established for the Unified Energy System of Russia within the framework of contractual relations;
- operation under agreements with owners of power facilities that are not registered on the Company's balance sheet;
- ensuring the serviceability and sound work of the electric grid equipment in accordance with the applicable regulatory requirements, carrying out of maintenance works, diagnostics, repairs of electric grids and other electricity grid facilities;

- carrying out of tests and measurements as regards power installations (including those possessed by consumers);
- ensuring the serviceability and sound work, carrying out maintenance, diagnostics and repair of the controlling communication networks, measuring and metering devices, relay protection equipment and emergency automation equipment and other process equipment related to functioning of the electric grid complex;
- development of long-term estimates, prospective and current plans for the development of electricity grid industry, target comprehensive research and development, economic and social programs;
- development of power supply grids and other electricity grid facilities including designing, engineering survey, construction, reconstruction and technical re-equipping, assembling and alignment;
- development of grids of process-oriented communication and telemechanics, measurement and accounting means, relay protection and emergency automation equipment, and other process-oriented equipment related to functioning of the electric grid complex, including designing, engineering survey, construction, reconstruction, technical re-equipping, assembling and alignment;
- operation of hazardous production facilities;
- activities with regard to scientific research, engineering development and technological works inclusive of design, development and adoption of new machinery, technologies and methods and improvement of those already available with a view of enhancing reliability, quality, economic efficiency and environmental safety of consumer power supply, creation of conditions for the development of the power supply system of Russia, implementation of sector R&D and innovation programs, participation in the formation of sector R&D funds;
- arrangement and carrying out of production control over the compliance with the requirements of industrial safety of hazardous production facilities;
- organization of work ensuring occupational safety;
- liquidation of process-oriented disturbances at electric power grid facilities;
- carrying out of activities related to works and services of the nature protection;
- activities, the process of implementation of which is related to influencing the environment, formation, collection, use, utilization, storing, burial, displacement, transportation and placement of industrial wastes;
- activities related to use of aquatic objects;
- activities related to use of natural resources including subsoil assets and forests;
- activities related to the sphere of metrology;
- activities related to manufacturing and repairing of metering devices;
- activities related to providing services of assembly, repair and maintenance of devices and instruments for measurements, control, testing, navigation, target location and other purposes;
- activities related to handling of hazardous wastes;
- activity related to preventing fires;
- carrying out of works on assembling, repair and maintenance of fire safety means of buildings and constructions;
- organization and carrying out of works with the personnel, including training and further education, checking of the personnel's knowledge in the machine operation rules, fire safety rules and labour safety rules, and other rules and regulations in accordance with the applicable regulatory documentation at power industry enterprises;
- transportation of passengers and goods by road, rail, air and inland waterways (including in relation to dangerous goods);
- activities related to maintenance and repairs of the rolling system at the railway vehicles;
- activities related to maintenance and repairs of equipment used at the railway vehicles;
- loading and unloading activities at the railway vehicles (including hazardous cargoes);

- loading and unloading activities at internal water transport (including hazardous cargoes);
- operation, maintenance and repairs of automobile, railway, air and internal water transport means and loading mechanisms used for process-oriented purposes;
- foreign economic activities;
- storage of oil, gas, and products of their processing;
- activities related to exercising the functions of the customer and developer;
- preparation of capital construction objects design documentation;
- engagement in construction, reconstruction and capital repair activities;
- services of the local, intrazone and inter-city telephone communication;
- leasing of communication channels;
- telematic services (including e-mail, service of access to information resources, information and enquiry service, Telefax, Comfax, Bureaufax, service of message processing, voice message service, oral information transmission service);
- services on data transmission;
- use of orbital frequency resources and radio frequencies for TV and radio broadcasting, including additional information broadcasting;
- leasing of buildings, structures, equipment, machines and mechanisms;
- carrying out organizational, practical and preventive measures to ensure integrated security (anti-terrorism and anti-criminal protection, economic security, corruption fighting and information security);
- activities on technical protection of confidential information;
- organization and carrying out of actions related to mobilization training, civil defense, prevention and liquidation of emergency situations;
- protection of the state secret, realization of the works related to use of the state secret information, according to the laws and other legislative normative enactments of the Russian Federation;
- organization and carrying out of actions on safety and protection of the trade secret information;
- purchase (procurement) of electric energy (capacity) from the wholesale electric energy market and from power generators in the retail market for the purpose of resale to consumers in the retail market in case of obtaining the status of the guaranteeing supplier of electric energy in accordance with the procedures established by the legislation of the Russian Federation;
- selling (delivery) of electric energy (capacity) to consumers in the retail market in case of obtaining the status of the guaranteeing supplier of electric energy in accordance with the procedures established by the legislation of the Russian Federation;
- medical activity, including sanatorium service;
- educational activity;
- operation and maintenance of the facilities supervised by the Federal Service for the Atomic, Technical and Environmental Supervision (Rostekhnadzor) of the Russian Federation;
- engagement in energy saving and energy efficiency improvement activities;
- activities in the field of energy survey (energy audit) and provision of energy services;
- elaboration of emergency consumption mode limitation schedule;
- control measurement of power flow, loads and voltage levels in electric power grid networks;
- provision of services for workplace labor conditions attestation;
- realization of other types of activities which are not forbidden by the Federal Laws.

3.3. To the extent permitted by applicable law, the Company may engage in certain types of activities only on the basis of a special permit (license), membership in a self-regulatory organization or a certificate of admission to a certain type of work issued by a self-regulatory organization.

The Company's right to carry out the activities that require obtaining special permit (license), membership in the self-regulatory organization or receipt of the self-regulatory organization's

competency certificate in respect to specific type of works shall arise from the date of receipt of such the permit (license) or within the time period specified in it, or from the date of the Company's entering in the self-regulatory organization or issuing of the competency certificate in respect to specific type of works by the self-regulatory organization and shall be terminated upon loss of effect of the permit (license), membership in the self-regulatory organization or the competency certificate in respect to specific type of works issued by the self-regulatory organization.

#### **Article 4. The Company's Authorized Capital**

4.1. The Company's authorized capital shall be formed by the par value of the Company's shares purchased by the shareholders (shares outstanding).

The authorized capital of the Company shall amount to 9,578,592,313 (nine billion, five hundred and seventy-eight million, five hundred and ninety-two thousand, three hundred and thirteen) rubles and 80 kopecks.

4.2. The Company placed common shares of the equal par value of ten (10) kopecks each in the number of 95,785,923,138 (ninety-five billion, seven hundred and eighty-five million, nine hundred and twenty-three thousand, one hundred and thirty-eight) pieces for the total par value amount of 9,578,592,313 (nine billion, five hundred and seventy-eight million, five hundred and ninety-two thousand, three hundred and thirteen) rubles and 80 kopecks.

4.3. The Company's authorized capital may be:

- increased through increase of the par value of shares or through placement of additional shares;
- decreased through reduction of the par value of shares or through reduction of their total number, including through acquisition and repayment of a part of shares placed by the Company in accordance with these Articles of Association.

4.4. The Authorized Capital of the Company may be increased only after having been paid up in full.

Payment for additional shares placed by the Company by offsetting claims against the Company is allowed in cases stipulated by the Federal Law "On Joint Stock Companies".

4.5. The Company shall have the right, and in the cases stipulated by the Federal Law "On Joint Stock Companies", shall be obliged to reduce its authorized capital.

The reduction of the Company's authorized capital shall be carried out according to the existing Russian Federation laws and these Articles of Association.

The Company shall not have the right to reduce the authorized capital if such a reduction makes the authorized capital less than the minimum amount required by the Federal Law "On Joint Stock Companies" as of the date of documents submission for state registration of corresponding amendments to these Articles of Association, and in cases when the Company is obliged to reduce its authorized capital pursuant to the requirements of the Federal Law "On Joint Stock Companies" as of the date of state registration of the Company.

4.6. The Company declares additional placement of 1,076,862 (one million, seventy-six thousand, eight hundred and sixty-two) pieces of common shares of 10 (ten) kopecks par value each for the total par value amount of RUR 107,686 (one hundred and seven thousand, six hundred and eighty-six) rubles and 20 kopecks.

The ordinary shares declared by the Company for placement shall grant their owners the rights stipulated by clause 6.2. of article 6 of these Articles of Association.

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

5.1. The Company shall place common shares and shall be entitled to place one or several types of preferred shares, bonds and other equity securities according to the existing Russian Federation laws.

5.2. The procedure for converting equity securities of the Company into shares is determined by a decision on the issue of equity securities convertible into shares.

5.3. In the event of conversion into shares at the request of owners of the Company's equity securities to be converted into shares, the period during which the owners have the right to submit or withdraw the conversion request cannot be less than twenty (20) days.

5.4. The request for conversion of equity securities into shares or withdrawal of such a request shall be submitted in accordance with the rules established by the law of the Russian Federation on securities.

5.5. Conversion of common shares into preferred shares, bonds and other securities shall not be allowed.

5.6. Conversion of equity securities into shares of the Company is not allowed if the aggregate price of placement of equity securities to be converted into shares is less than the aggregate par value of additional shares of the Company into which these securities are converted. Placement by the Company of the shares and other securities to be converted into shares shall be carried out in accordance with the Russian Federation legal enactments.

5.7. The Company shall be entitled to place additional shares and other equity securities through subscription and conversion. In case of an increase in the Company's authorized capital at the expense of its property, the Company shall allocate additional shares by distributing them among shareholders.

5.8. In case of exercising the preferential right for acquisition of additional shares as well as during the consolidation of the shares the acquisition by the shareholder of an integral number of shares appears to be impossible, parts of the shares (fractional shares) shall be formed.

The fractional share shall grant the shareholder, its owner, the rights provided by the share of the respective category (type) in the amount corresponding to the part of the whole share it comprises.

Fractional shares shall have equal circulation with the whole shares. Should one person acquire two or more fractional shares of the same category (type) then the given shares shall form one whole and/or fractional share equal to the sum total of these fractional shares.

5.9. The form of payment of additional shares placed within the framework of private offering, shall be determined by the decision on their placement and shall meet the requirements of legislation of the Russian Federation.

Payment for other equity securities can only be made in cash.

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

6.1. A person owning shares of the Company on the grounds set forth in the applicable law of the Russian Federation and the Articles of Association shall be deemed to be a shareholder of the Company.

6.2. Each ordinary share of the Company shall grant a shareholder - its owner, an equal volume of rights.

The rights of shareholders - owners of the Company common shares, shall be the following:

1) to participate personally or through representatives in the Company's general meeting of shareholders with the right to vote on all items within their competence;

2) to propose items for the agenda of the General Meeting of Shareholders of the Company according to the Russian Federation laws and these Articles of Association;

3) to obtain information on the Company activities and get acquainted with the Company's documents in accordance with Article 91 of the Federal Law "On Joint Stock Companies" and other regulatory and legal enactments and these Articles of Association;

4) to receive dividends declared by the Company;

5) In cases and in the manner prescribed by the law of the Russian Federation, have pre-emptive rights in relation to the following shares and equity securities placed by subscription:

- additional shares and equity securities convertible into shares, in quantity pro rata the number of common shares they hold;



- new additional shares of a new category (type) and equity securities convertible into them or additional preferred shares with priority dividend payments and equity securities convertible into them in quantity pro rata the number of the Company's shares held by them in accordance with the requirements of the law of the Russian Federation;

6) in case of liquidation of the Company, to receive part of its property remaining after settlements with creditors, or its value, in the manner prescribed by the law of the Russian Federation;

7) to appeal against decisions of the Company's management bodies entailing civil law consequences in cases and in the manner prescribed by the law of the Russian Federation;

8) acting on behalf of the Company, to require reimbursement of losses incurred by the Company;

9) to contest the transactions made by the Company on the grounds as required by the law of the Russian Federation, and demand application of consequences of their invalidity as well as a application of consequences of invalidity of the Company's void transactions;

10) to conclude the agreement on the exercise of the corporate rights (the corporate agreement) with each other as well as with the Company's lenders and other third parties;

11) to exercise other rights stipulated in the Russian Federation laws and these Articles of Association.

6.3. Based on a contract entered into with the Company, the shareholders are entitled, for the purposes of funding and maintaining the Company's activities, to contribute to the Company's property gratuitous deposits in cash or in another form that do not increase the authorized capital of the Company or change the nominal value of shares (contributions to the Company's property) at any time. Property contributed by shareholders shall be of the types specified in clause 1 of Article 66.1 of the Civil Code of the Russian Federation.

The contract, on the basis of which a shareholder contributes to the Company's property, shall be preliminarily approved by the decision of the Board of Directors of the Company.

6.4. The shareholders who are the owners of the Company's ordinary shall be obliged:

1) to participate in formation of the Company's property to the extent necessary and in accordance with the procedure, using the method and within the time periods as required by the law of the Russian Federation or the Company's Articles of Association;

2) not to disclose the confidential information concerning the Company activity;

3) to participate in taking the decisions without which the Company cannot continue its activity under the laws of the Russian Federation if its participation is required to take such the decisions;

4) not to take actions wittingly aimed to cause harm to the Company; not to take actions (not to omit to do) which significantly obstruct or make impossible achievement of the objectives for which the Company has been established;

5) to notify the Company of the fact of conclusion of a corporate agreement in the manner and within the time periods established by the law of the Russian Federation;

6) to notify other shareholders of the Company of the intention to file a lawsuit with the court to challenge the decision of the General Meeting of Shareholders of the Company in advance, and/or of the compensation of any losses caused to the Company or recognition of the transaction of the Company as invalid or application of the transaction invalidity consequences by sending a written notice to the Company that must be received by the Company at least five (5) days prior to the day of filing a lawsuit with the court.

The Company's shareholders can bear other obligations provided for by the law of the Russian Federation or hereby.

## **Article 7. Dividend**

7.1. The Company shall be entitled following the results of the first quarter, half a year or nine months of the reporting year and/or following the results of the reporting year to make a decision (to declare) on payment of dividends on placed shares. The decision on payment (declaring) of dividends

according to the results of the first quarter, half a year and nine months of the reporting year may be made within three months after the end of the corresponding period.

The Company shall be obliged to pay the declared dividends per each category (type) of shares unless otherwise stipulated by the Federal Law "On Joint Stock Companies".

7.2. The decision on payment (declaring) of dividends shall be made by the Company's general meeting of shareholders. The above decision shall determine the amount of dividends on shares of each category (type), the form of their payment, the procedure for payment of dividends in the date as whereof the persons entitled to receive dividends are determined.

The decision regarding establishment of the date as whereof the persons entitled to receive dividend are determined shall be taken solely on the proposition of the Board of Directors of the Company.

The amount of the dividend shall not exceed the amount of dividend recommended by the Company's Board of Directors.

The Company's general meeting of shareholders shall be entitled to make a decision not pay dividends per common shares.

7.3. The Company shall not be entitled to take a resolution (to declare) on payment of dividends on shares as well as it shall not possess the right to pay the declared dividends on shares, in the cases as set out by the effective laws of the Russian Federation.

7.4. The source of the dividends payment shall be the Company's profit after taxes (Company's net profit). The net profit of the Company is determined based on the data of accounting (financial) statements of the Company.

7.5. The term for payment of dividend to a nominal holder or a trustee being a professional participant of the security market that are registered in the register of shareholders shall not be in excess of ten (10) business days, to other persons registered in the register of shareholders – twenty-five (25) business days from the date when the persons having the right to receive dividend were determined.

The date as whereof, in accordance with the decision to pay (declare) dividends, the persons entitled to receive them are determined cannot be set earlier than ten (10) days from the date of the decision to pay (declare) dividends and later than twenty (20) days from the date of such a decision.

Dividends shall be paid to persons who were the owners of shares of the corresponding category (type) or to persons exercising rights in relation to such shares in accordance with Federal Laws, at the end of the operating day of the date on which, in accordance with the decision to pay dividends, the persons entitled to receive them are determined.

Payment of dividend in monetary form shall be effected via a non-cash scheme by the Company or, by instruction of the latter, by the Registrar carrying out maintenance of the registers of shareholders of the Company or a credit organization.

Payment of dividend in monetary form to individuals whose rights to shares are accounted for in the register of shareholders of the Company shall be effected by the transfer of funds to their bank accounts, or special accounts of financial platform operators, opened in accordance with the Federal Law "About Making of Financial Transactions with Use of Financial Platform", the details of which are available to the registrar of the Company, or, in the absence of the information on bank accounts, special accounts of financial platform operators by way of postal remittance of funds, with payment to other persons whose rights to shares are accounted for in the register of shareholders of the Company effected by way of funds remittance to their banking accounts. The Company's duty concerning payment of dividend to the said persons shall be deemed discharged from the date when the funds being transmitted were accepted by the federal postal service organization or from the date when the funds were received by the credit organization where the person having the right to receive the dividend has had a banking account opened, or, if the credit organization is such a person, then the transmission shall be carried out to its account.

Persons having the right to receive dividends whose rights to shares are accounted for by a nominal holder, shall receive dividends in monetary form following the procedure established by the Russian Federation law on securities. The nominee holder to the benefit of which the dividends were transferred and which failed to fulfil the obligation to transfer them as established by the law of the Russian Federation on securities, for reasons beyond its control, is obliged to repay them to the Company within ten (10) days after the expiration of one month from the date of expiration of the term for payment of dividends.

7.6. The person having failed to receive announced dividends in connection with the Company or the registrar failing to avail of accurate address data and essential banking details as required or in connection with otherwise caused delay on the part of the creditor shall be entitled to demand payment of such dividends (unclaimed dividends) within three days from the date when decision on such dividend payment was taken.

If defaulted, the term specified for unclaimed dividend payment request filing shall not be recovered except when a person having the right to receipt of dividend has failed to file such request influenced by violence or threat.

Upon expiry of such term the dividend declared but unclaimed by shareholders shall be re-included in unallocated profit of the Company with the duty to pay such dividend terminated.

## **Article 8. The Company's Funds**

8.1. The Company shall set up the Company's Reserve Fund in the amount of five (5) percent of the Company's authorized capital.

The amount of mandatory annual deductions to the Reserve Fund of the Company is five (5) percent of the net profit of the Company until the Reserve Fund reaches the established amount.

8.2. The Company's Reserve Fund shall be aimed to cover the Company's losses and repay the Company's bonds and redeem the Company's shares should any other means be not available.

The Company's Reserve Fund shall not be used for any other purposes.

8.3. The Company shall have the right to establish other funds in accordance with the requirements of the law of the Russian Federation.

## **Article 9. The Company's Governance and Control Bodies**

9.1. The Company's governance bodies shall be:

- The Company's General Meeting of Shareholders;
- Board of Directors of the Company;
- Management Board of the Company;
- General Director of the Company.

9.2. The body performing control over the Company's financial and economic activities shall be the Company's Auditing Commission.

## **Article 10. The Company's General Meeting of Shareholders**

10.1. The General Meeting of Shareholders of the Company shall be the Company's supreme governance body.

10.2. The issues falling within the competence of the General Meeting of Shareholders of the Company shall be the following:

- 1) amending of the Articles of Association of the Company or approval of the restated Articles of Association of the Company;
- 2) restructuring of the Company;

- 3) liquidation of the Company; appointment of the liquidation commission and approval of the interim and final liquidation balances;
- 4) determining of the quantity, par value, category (type) of declared shares and the rights granted by these shares;
- 5) increase in the Company's authorized capital by way of increasing the par value of shares or by way of additional shares placement;
- 6) reduction of the Company's authorized capital by way of reduction of the par value of the shares, by way of acquisition by the Company of a part of shares in order to reduce their total amount and by way of repayment of the shares redeemed or acquired by the Company;
- 7) fractioning and consolidation of the Company's shares;
- 8) making the decision on placement by the Company of bonds convertible into shares and other equity securities convertible into shares;
- 9) determining of the number of members of the Board of Directors, election of their members the early termination of their powers;
- 10) election of the members of the Company's Auditing Commission and early termination of their powers;
- 11) appointment of the auditing entity of the Company;
- 12) making the decision on transfer of powers of the Company's sole executive body to the managing entity (managing director) and on early termination of powers of the managing entity (managing director);
- 13) approval of the annual report, annual accounting (financial) statements of the Company;
- 14) distribution of profit (including payment (declaring) of dividends, except for the payment (declaring) of dividend following the results of the first quarter, half a year, nine months of the reporting year and the Company's loss following the results of the reporting year;
- 15) payment (declaring) of dividends following the results of the first quarter, half a year, nine months of the reporting year;
- 16) determining of the procedure for holding the Company's General Meeting of Shareholders;
- 17) making decisions on consent to the conclusion or on the subsequent approval of the interested party transactions in the cases provided for by Article 83 of the Federal Law "On Joint Stock Companies";
- 18) making decisions on consent to the conclusion or on the subsequent approval of major transactions in the cases provided for by Article 79 of the Federal Law "On Joint Stock Companies";
- 19) making the decision on participation in financial and industrial groups, associations and other unions of for-profit entities;
- 20) approval of internal documents regulating the activities of the Company's bodies;
- 21) making the decision on payment of remuneration and/or compensation to the members of the Company's Auditing Commission;
- 22) making the decision on payment of remuneration and/or compensation to the members of the Company's Board of Directors;
- 23) making a decision on filing an application for the delisting of the Company's shares and/or the Company's equity securities convertible into its shares;
- 24) acquisition by the Company of the shares placed in the cases set out in the Federal Law "On Joint Stock Companies";
- 25) solution of other issues envisaged by the Federal Law "On Joint Stock Companies".

10.3. Matters assigned to the responsibility of the General Meeting of Shareholders of the Company may not be delegated to the Board of Directors of the Company, the Management Board of the Company or the General Director of the Company, unless otherwise stipulated by the Federal Law "On Joint Stock Companies".

The General Meeting of Shareholders of the Company shall not be entitled to consider and take decisions on the items which are not referred to its competence by the Federal Law "On Joint Stock Companies".

10.4. The decision of the General Meeting of Shareholders of the Company on the item put to the vote shall be taken by a majority vote of shareholders – owners of the Company's voting shares, who participate in the meeting, unless otherwise specified in the Federal Law "On Joint Stock Companies". A single (independent) decision only can be made in respect of each issue put to a vote.

10.5. The decisions of the General Meeting of Shareholders of the Company shall be taken by a majority vote equal to three-fourths of votes of shareholders – owners of the Company's voting shares, who participate in the meeting, on the following items:

- amending of the Articles of Association of the Company or approval of the restated Articles of Association of the Company;
- restructuring of the Company;
- liquidation of the Company; appointment of the liquidation commission and approval of the interim and final liquidation balances;
- determining of the quantity, par value, category (type) of declared shares and the rights granted by these shares;
- reduction of the Company's authorized capital by way of reduction of the par value of shares;
- placement of shares (the Company's equity securities convertible into shares) by means of closed subscription under the decision of the General Meeting of Shareholders of the Company about an increase in the Company's authorized capital by way of additional shares placement (about placement of the Company's equity securities convertible into shares);
- placement of the common shares by means of open subscription, the number of which exceeds twenty-five (25) percent of the earlier placed common shares;
- placement of equity securities convertible into common shares by means of open subscription which may be converted into common shares representing more than twenty-five (25) percent of the earlier placed common shares;
- making decisions on consent to the conclusion or on the subsequent approval of major transactions in the cases provided for by Article 79 of the Federal Law "On Joint Stock Companies";
- making a decision on filing an application for the delisting of the Company's shares and/or the Company's equity securities convertible into its shares;
- acquisition by the Company of the shares placed in the cases set out in the Federal Law "On Joint Stock Companies";
- in other cases, as set out in the Federal Law "On Joint Stock Companies".

Decisions to consent to or to the subsequent approval of an interested party transaction pursuant to Article 83 of the Federal Law "On Joint Stock Companies" shall be made by the General Meeting of Shareholders of the Company by a majority vote of shareholders - owners of voting shares participating in the meeting and not being parties interested in the transaction or controlled by persons interested in the transaction.

The General Meeting of Shareholders of the Company, when making a decision on consent to or subsequent approval of an interested party transaction, shall be considered valid regardless of the number of shareholders who do not have any interest in such transaction — shareholders holding voting shares and participating in the meeting.

10.6. Decisions on the issues specified in sub-clauses 2, 5, 7, 8, 12-21, 24 of clause 10.2 of Article 10 hereof, and also about reduction of the Company's authorized capital by way of reduction of the par value of shares and on establishment of the date as whereof the persons having the right to receive dividend are determined shall be taken by the General Meeting of Shareholders of the Company only under the proposal of the Company's Board of Directors.

10.7. The General Meeting of Shareholders of the Company shall not be entitled to review and make decisions on the items which are not included in the agenda of the Company's General Meeting of Shareholders as well as to change the agenda.

The decisions of the General Meeting of Shareholders of the Company taken in respect of the items, which are not included into the agenda of the General Meeting of Shareholders of the Company (excepting the event when all of the Company's shareholders took part in it), or in violation of the competence of the General Meeting of Shareholders of the Company, in the event of absence of quorum for carrying out the General Meeting of Shareholders of the Company or without the shareholders' majority vote required to take the decision, shall not be effective irrespective of filing an appeal through judicial procedures.

10.8. Voting at the General Meeting of Shareholders of the Company shall be carried out under the principle "one voting share - one vote", except for the cumulative voting on the item of election of members of the Company's Board of Directors.

At cumulative voting, the number of the votes belonging to each shareholder shall be multiplied by the number of persons who should be elected to the Company's Board of Directors, and the shareholder shall be entitled to give votes received in this way completely for one candidate or to distribute them between two and more candidates.

The members of the Company's Board of Directors are recognized to be elected if they received the greatest number of votes.

10.9. The Company's General Meeting of Shareholders may be held in the place of the Company's seat or in Moscow.

The specific address for carrying out the General Meeting of Shareholders of the Company shall be determined by the Board of Directors of the Company at solution of issues related to carrying out of the General Meeting of Shareholders of the Company.

10.10. Functions of the person presiding over the General Meeting of Shareholders of the Company shall be exercised by the Chairman of the Board of Directors of the Company.

In case of absence of the Chairman of the Board of Directors of the Company, the functions of the person presiding over the General Meeting of Shareholders of the Company shall be exercised by the Deputy Chairman of the Board of Directors of the Company.

In case of absence of the Chairman of the Board of Directors of the Company and his/her Deputy, the functions of the person presiding over the General Meeting of Shareholders of the Company shall be exercised by any member of the Board of Directors of the Company under the decision of the Company's Board of Directors or under the decision of members of the Board of Directors of the Company who attend the General Meeting of Shareholders of the Company.

If the persons who preside over the Company's General Meeting of Shareholders according to this clause are absent at the extraordinary general meeting held under the decision of the persons entitled to demand carrying out of the extraordinary General Meeting of Shareholders of the Company, the Chairman of the Company's General Meeting of Shareholders shall be the person who made a decision on carrying out of the Company's extraordinary General Meeting of Shareholders (his/her representative), or if the decision on carrying out the Company's extraordinary General Meeting shareholders is taken by several persons - one of these persons defined by their decision.

10.11. Should all voting shares in the Company be owned by a sole Shareholder, decisions on issues falling within the competence of the General Meeting of Shareholders shall be made by such shareholder (the shareholders' authorized management body) alone, executed in writing and communicate to the Company. In such case, those provisions of Articles 10-15 of the Articles of Association which describe procedures and periods for the preparation, convening, and holding of the General Meeting of Shareholders of the Company shall not be applicable, with the exception of those prescribing the period for holding an annual General Meeting of Shareholders of the Company.

10.12. The functions of the Ballot Committee at the General Meeting of Shareholders of the Company shall be exercised by the professional participant of the securities market which keeps the register of the Company's shareholders (the Company's registrar).

### **Article 11. Holding of the Company's General Meeting of Shareholders of the Company in the Form of Meeting (Joint Presence)**

11.1. The Annual General Meeting of Shareholders of the Company is held no earlier than two months and no later than six months after the end of the reporting year.

The annual General Meeting of Shareholders shall obligatorily decide on the election of members of the Board of Directors of the Company, members of the Auditing Commission, on appointment of the Company's auditing entity, approval of the Company's annual report, annual accounting (financial) reporting, as well as distribution of profits (including payment (declaration), with the exception of the payment (declaration) of dividends based on the results of the first quarter, six months, nine months of the reporting year) and losses of the Company based on the results of the reporting year, and other matters falling within the competence of the General Meeting of Shareholders.

11.2. The General Meeting of Shareholders of the Company shall be held in the form of a meeting - joint presence of shareholders (representatives of shareholders) for discussion of the agenda items and decision-making on the items put to the vote.

The decisions of the General Meeting of Shareholders of the Company may be taken by carrying out the absentee voting (by poll) including voting by electronic or other technical means, in accordance with Article 12 of the Articles of Association.

11.3. The list of persons entitled to participate in the General Meeting of Shareholders of the Company is compiled in accordance with the rules of the law of the Russian Federation on securities for the compilation of a list of persons exercising rights to securities.

The date on which the persons entitled to participate in the General Meeting of Shareholders of the Company are determined (recorded) cannot be set earlier than ten (10) days from the date of the decision to hold the General Meeting of Shareholders of the Company and more than twenty-five (25) days prior to the date of the General Meeting of Shareholders, and in the cases provided for by clauses 14.9 and 14.11 of the Article 14 of these Articles of Association, more than fifty-five (55) days before the date of the General Meeting of Shareholders.

In the case of the General Meeting of Shareholders of the Company, the agenda of which contains the issue of the Company's reorganization, the date on which persons entitled to participate in such a meeting are determined (recorded) cannot be set more than thirty-five (35) days before the date of the General Meeting of Shareholders of the Company.

Information on the date on which persons entitled to participate in the Company's General Meeting of Shareholders of the Company are determined (recorded) shall be disclosed at least seven (7) days before the due date.

The list of persons entitled to participate in the General Meeting of Shareholders of the Company (except for information on their will) shall be provided by the Company for review at the request of the person included in the said list and having at least one percent vote on any item on the agenda of the General Meeting of Shareholders of the Company with the date following the date of receipt by the Company of the request for the provision of the specified list (from the date of compilation of the specified list, if such a request has been received by the Company before the date of its compilation). The list of persons entitled to participate in the General Meeting of Shareholders of the Company (except for information on their will) shall be provided by the Company for review at the premises of the executive body of the Company and shall also be available for review during the General Meeting of Shareholders of the Company at its venue. At the same time, information allowing identification of individuals included in the said list, with the exception of the last name, first name and patronymic (if available), shall be provided only with their consent.

Upon request of a person included in the list of persons entitled to participate in the General Meeting of Shareholders of the Company, who has at least one percent of votes on any item on the agenda of the General Meeting of Shareholders of the Company, the Company is obliged to provide him/her with a copy of the list of persons entitled to participate in the General Meeting of Shareholders of the Company (with the exception of information on their will), within seven (7) business days from the date of receipt of the relevant request by the Company (from the date of compiling the specified list, if such a request has been received by the Company until the date of its abandonment).

11.4. Notice of arrangement of the General Meeting of Shareholders of the Company shall be placed on the official website of the Company in the data and telecommunications network Internet at [www.rosseti-sz.ru](http://www.rosseti-sz.ru) no later than thirty (30) days before the date of the meeting, and in cases provided for by clauses 2 and 8 of the Article 53 of the Federal Law "On Joint Stock Companies" — no later than 50 (Fifty) days prior to the date of the General Meeting of Shareholders of the Company.

By decision of the Board of Directors of the Company, a notice of arrangement of the General Meeting of Shareholders of the Company may be additionally sent to persons entitled to participate in the General Meeting of Shareholders of the Company and registered in the register of shareholders of the Company in one or more of the following methods:

1) sending an electronic message with the text of the notice of arrangement of the General Meeting of Shareholders of the Company to the e-mail address of the relevant person indicated in the register of shareholders of the Company;

2) sending a text message containing the procedure for familiarization with the notice of arrangement of the General Meeting of Shareholders of the Company to the contact phone number or e-mail address specified in the register of shareholders of the Company".

The notice of arrangement of the General Meeting of Shareholders of the Company shall specify:

- the Company's full business name and seat;
- form of arrangement of the General Meeting of Shareholders of the Company (meeting);
- the date, the place (including data on the venue), the time of holding the General Meeting of Shareholders of the Company and the postal address to which the completed ballots can be sent;
- the date of determining (documenting) the persons entitled to participate in the General Meeting of Shareholders of the Company;
- agenda of the General Meeting of Shareholders of the Company;
- the procedure of familiarization with the information (the materials) to be provided in the process of preparing for holding of the General Meeting of Shareholders of the Company and the address (the addresses) at which one can familiarizes oneself with it.
- the categories (types) of shares, the owners of which are entitled to vote on all or some items on the agenda of the General Meeting of Shareholders of the Company;
- the e-mail address for sending the completed ballots and/or the Internet website in the data and telecommunications network Internet, where the e-ballots can be completed, if such methods of sending and (or) completing the ballots are stipulated by the decision of the Board of Directors of the Company in preparation for the General Meeting of Shareholders of the Company;
- the information on the documents required to be shown for access to the premise where the General Meeting of Shareholders of the Company is to be held in case if the access to the premise is not free;
- the time of the beginning of registration of the persons participating in the General Meeting of Shareholders of the Company.

If a person registered in the Company's shareholder register is a nominal holder of shares, the notice on holding the Company's General Meeting of Shareholders and the information (materials) to be provided to the persons entitled to participate in the Company's General Meeting of Shareholders when preparing for the General Meeting of Shareholders of the Company shall be provided in accordance with the rules of the Russian Federation legislation on securities for the provision of information and materials to the persons exercising their rights to securities.



The Company shall keep the information on sending the notices provided for herein for five (5) years upon holding the General Meeting of Shareholders of the Company.

11.5. The voting at the General Meeting of Shareholders of the Company shall be carried out only by the ballots for voting on all agenda items. The form and the text of the ballot shall be approved by the Board of Directors of the Company. The receipt by the Company's Registrar of information on the will of the persons who are entitled to participate in the Company's General Meeting of Shareholders, yet not registered in the register of shareholders of the Company, and, in accordance with the rules of the law of the Russian Federation on securities, who have provided the persons registering their rights to shares with their orders (instructions) on voting, shall be put equal to voting by ballots.

The voting ballot shall be sent or handed over against signature to each person indicated in the list of persons entitled to participate in the General Meeting of Shareholders of the Company no later than 20 (twenty) days prior to the General Meeting of Shareholders of the Company.

Voting ballots may be sent by registered or regular mail to the address specified in the list of persons entitled to participate in the General Meeting of Shareholders of the Company and/or by e-mail to the respective address of each such person registered in the register of Company's shareholders. Voting ballot form may additionally be made available on the Company's website accessible over the data and telecommunications network Internet.

Each person included in the list or their representative shall be provided with one copy of the ballot for voting on all items or one copy of two and more ballots for voting on different items.

11.6. The information (material) on the agenda items of the General Meeting of Shareholders of the Company within twenty (20) days, and in case of holding the General Meeting of Shareholders of the Company, the agenda of which contains an item on reorganization of the Company - within thirty (30) days before holding the General Meeting of Shareholders of the Company shall be made available to the persons who are entitled to participation in the General Meeting of Shareholders of the Company in the premises of the Company's executive office and other places, the addresses of which are specified in the notice of arrangement of the General Meeting of Shareholders of the Company as well as on the Internet website of the Company in the data and telecommunications network Internet at [www.rosseti-sz.ru](http://www.rosseti-sz.ru). During carrying out of the General Meeting of Shareholders of the Company, the specified information (materials) shall be available to the persons who take part in it. In such a case, the Company strives to provide the availability of the materials to the General Meeting of Shareholders of the Company at least thirty (30) days prior to its holding.

The procedure of examination by the persons who are entitled to participation in the General Meeting of Shareholders of the Company, of the information (materials) on the agenda items of the General Meeting of Shareholders and the list of such information (materials) shall be defined by the decision of the Company's Board of Directors.

11.7. The right to participation in the General Meeting of Shareholders of the Company may be exercised by the shareholder both personally and through its representative.

In the event that a share is transferred after the specified date of determination (record) of persons entitled to participate in the General Meeting of Shareholders of the Company and before the date of the General Meeting of Shareholders of the Company, the person included in the list of persons entitled to participate in the General Meeting of Shareholders of the Company shall issue a power of attorney in favor of the share purchaser empowering it to vote or vote at the General Meeting of Shareholders of the Company in accordance with the instructions of the share purchaser if this is provided for by the agreement on the transfer of shares.

The above rule also applies to each subsequent transfer of shares.

If the share of the Company is in the common share ownership of several persons, the latter shall be provided with one copy of the ballot for voting on all items or one copy of two and more ballots for voting on different items, and the powers to vote at the General Meeting of Shareholders

of the Company are exercised at their discretion by one of the participants in the common share ownership or their common representative.

The powers of each of the specified persons shall be properly registered.

11.8. When holding the General Meeting of Shareholders of the Company in the form of a meeting (joint presence), the persons included in the list of persons entitled to participate in the Company's General Meeting of Shareholders or their representatives may register for participation in such a meeting, send the completed ballots to the Company or compete an e-ballot on the Internet website of the Company in the data and telecommunications network Internet indicated in the notice on holding the Company's General Meeting of Shareholders if such method of the ballot completion is stipulated by the decision of the Board of Directors of the Company in preparation for the General Meeting of Shareholders of the Company.

11.9. The General Meeting of Shareholders of the Company shall be competent (shall have a quorum) if the shareholders possessing in aggregate more than a half of votes of the Company's placed voting shares took part in it.

Those shareholders are recognized to have participated in the General Meeting of Shareholders of the Company who registered for participation in it, including on the Internet website in the data and telecommunications network Internet specified in the notice on holding the General Meeting of Shareholders of the Company (if such a possibility was provided for by the decision of the Board of Directors of the Company) as well as the shareholders whose ballots were received or whose e-ballots were completed on such an Internet website (if such a possibility was provided for by the decision of the Board of Directors of the Company) not later than two (2) days before the date of the General Meeting Shareholders.

Those shareholders are also recognized to have participated in the General Meeting of Shareholders of the Company who, in accordance with the rules of the law of the Russian Federation on securities, provided the persons registering their rights to shares with their orders (instructions) on voting, if the notices on their will were received no later than two (2) days before the date of holding the General Meeting of Shareholders of the Company.

If the agenda of the General Meeting of Shareholders of the Company includes items, voting on which is carried out by different compositions of voting persons, definition of the quorum for decision-making on these items shall be performed separately.

At the same time, absence of quorum for decision-making on the items, the voting on which is carried out by one composition of voting persons, shall not be an obstacle for decision-making on the items, the voting on which is carried out by the other composition of voting persons, for taking which the quorum is present.

11.10. If the quorum for holding the annual General Meeting of Shareholders of the Company is absent, a repeated General Meeting of Shareholders of the Company with the same agenda shall be held. If the quorum for holding the extraordinary General Meeting of Shareholders of the Company is absent, a repeated General Meeting of Shareholders of the Company with the same agenda may be held.

The decision on convocation of a repeated General Meeting of Shareholders of the Company shall be taken by the Company's Board of Directors.

A repeated General Meeting of Shareholders of the Company convened instead of the meeting which did not take place shall be deemed to be duly constituted if the shareholders possessing in aggregate at least thirty (30) percent of votes of the Company's placed voting shares have taken part in it.

When a repeated General Meeting of Shareholders of the Company is held less than forty (40) days after the General Meeting of Shareholders of the Company which did not take place, the persons who are entitled to participation in the General Meeting of Shareholders of the Company shall be determined (documented) as of the date when the persons entitled to participate in the General Meeting of Shareholders of the Company which did not take place were determined (documented).

If the quorum is absent for holding the annual General Meeting of Shareholders of the Company based on the court judgment, a repeated General Meeting of Shareholders of the Company with the same agenda shall be held no later than in sixty (60) days. In such a case, a repeated recourse to the court shall not be required. The repeated General Meeting of Shareholders of the Company shall be arranged by the person or the Company body specified in the court decision; in case such person or the Company body has failed to convene the annual General Meeting of Shareholders of the Company within the term as specified in the court decision the duplicative General Meeting of Shareholders shall be convened or arranged by other persons or the Company body having filed the action with the court provided such persons or the Company body are specified in the court decision. If the quorum is absent for carrying out of the extraordinary General Meeting of Shareholders of the Company based on the court judgment, a repeated General Meeting of Shareholders of the Company shall not be held.

11.11. The Minutes of General Meeting of Shareholders of the Company shall be drawn up not later than three (3) days of the closing of General Meeting of Shareholders of the Company in two copies. Both copies shall be signed by the Chairman of the General Meeting of Shareholders of the Company and the Secretary of the General Meeting of Shareholders of the Company (Corporate Secretary of the Company).

An extract from the minutes of the General Meeting of Shareholders of the Company or from the minutes on the voting results at the General Meeting of Shareholders of the Company may be signed by the Chairperson of the General Meeting of Shareholders of the Company and (or) the Secretary of the General Meeting of Shareholders of the Company, the person holding the position (performing functions) of the Company's sole executive body or another person (persons) authorized by the Company.

Minutes of the General Meeting of Shareholders of the Company are posted on the official website of the Company in the data and telecommunications network Internet at: [www.rosseti-sz.ru](http://www.rosseti-sz.ru) no later than three (3) days from the date of its preparation.

11.12. Decisions taken by the General Meeting of Shareholders of the Company and the results of the voting can be declared at the General Meeting of Shareholders of the Company in the course whereof voting was arranged and shall be communicated to the persons included in the list of persons having the right to participate in the General Meeting of Shareholders of the Company in the form of a Report on Voting Results following the procedure stipulated for notice of arrangement of the General Meeting of Shareholders of the Company within four (4) business days from the closure date of the General Meeting of Shareholders of the Company.

If, as of the date of determining (documenting) the persons entitled to participate in the General Meeting of Shareholders of the Company, the person registered in the register of shareholders of the Company is a nominal holder of shares, the information contained in the Report on the Voting Results shall be provided to the nominal holder of shares in accordance with the rules of the law of the Russian Federation on securities for the provision of information and materials to the persons exercising their rights to securities.

11.13. When holding the General Meeting of Shareholders of the Company, in the form of a meeting information and communication technology can be used providing the possibility of distance participation in the General Meeting of Shareholders of the Company, discussion of the issues on the agenda and decision-making on the issues put to vote without attending the venue of the General Meeting of Shareholders of the Company.

## **Article 12. Holding of the General Meeting of Shareholders of the Company in the Form of Absentee Voting**

12.1. The decision of the General Meeting of Shareholders of the Company may be taken without carrying out a meeting (joint presence of shareholders for discussion of items of the agenda and decision-making on the items put to the vote) by carrying out absentee voting (by poll).

Voting on the items of the agenda of the General Meeting of Shareholders of the Company held in the form of absentee voting shall be carried out only by ballots for voting. The form and the text of the ballot shall be approved by the Board of Directors of the Company.

The receipt by the Company's Registrar of information on the will of the persons who are entitled to participate in the Company's General Meeting of Shareholders, yet not registered in the register of shareholders of the Company, and, in accordance with the rules of the law of the Russian Federation on securities, who have provided the persons registering their rights to shares with their orders (instructions) on voting, shall be put equal to voting by ballots.

12.2. The General Meeting of Shareholders of the Company, the agenda of which includes items on election of the members of the Company's Board of Directors, the members of the Company's auditing entity, approval of the Company's Auditor and items stipulated by sub-clause 13 of clause 10.2 of Article 10 of these Articles of Association may not be held in the form of absentee voting unless otherwise specified by a federal law.

A new General Meeting of Shareholders of the Company shall not be carried out as absentee voting (poll) instead of the General Meeting of Shareholders of the Company which did not take place and which was to be carried out as joint presence.

12.3. The list of persons entitled to participate in absentee voting on the agenda items of the General Meeting of Shareholders of the Company shall be compiled in accordance with the rules of the law of the Russian Federation on securities to compile a list of persons exercising rights to securities.

The date on which the persons entitled to participate in absentee voting on the agenda items of the General Meeting of Shareholders of the Company are determined (recorded) cannot be set earlier than ten (10) days from the date of the decision to hold the General Meeting of Shareholders of the Company and more than twenty-five (25) days before the deadline for accepting ballots by the Company and in the case provided for by clause 8 of article 53 of the Federal Law "On Joint Stock Companies" earlier than fifty-five (55) days before the date of the General Meeting of Shareholders of the Company.

In the case of the General Meeting of Shareholders of the Company, the agenda of which contains the issue of the Company's reorganization, the date on which persons entitled to participate in such a meeting are determined (recorded), cannot be set more than thirty-five (35) days before the date of the General Meeting of Shareholders of the Company.

Information on the date on which persons entitled to participate in the Company's General Meeting of Shareholders of the Company are determined (recorded) shall be disclosed at least seven (7) days before the due date.

12.4. Notice of arrangement of the General Meeting of Shareholders of the Company in the form of absentee voting shall be placed on the official website of the Company in the data and telecommunications network Internet at [www.rosseti-sz.ru](http://www.rosseti-sz.ru) no later than thirty (30) days before the date of the voting ballots collection completion and in cases provided for by clause 8 of the Article 53 of the Federal Law "On Joint Stock Companies" — no later than fifty (50) days prior to the date of the General Meeting of Shareholders.

By a decision of the Board of Directors of the Company, a notice of arrangement of the General Meeting of Shareholders of the Company may be additionally sent to persons entitled to participate in the General Meeting of Shareholders of the Company and registered in the register of shareholders of the Company in one or more of the following methods:

1) sending an electronic message with the text of the notice of arrangement of the General Meeting of Shareholders of the Company to the e-mail address of the relevant person indicated in the register of shareholders of the Company;

2) sending a text message containing the procedure for familiarization with the notice of arrangement of the General Meeting of Shareholders of the Company to the contact phone number or e-mail address specified in the register of shareholders of the Company.

The notice of arrangement of the General Meeting of Shareholders of the Company shall specify:

- the Company's full business name and seat;
- the form of holding the General meeting of Shareholders of the Company (absentee meeting);
- the end date for accepting the ballots for voting and the postal address to which the completed ballots are to be sent;
- the date of determining (documenting) the persons entitled to participate in the General Meeting of Shareholders of the Company;
- agenda of the General Meeting of Shareholders of the Company;
- the procedure of familiarization with the information (the materials) to be provided in the process of preparing for holding of the General Meeting of Shareholders of the Company and the address (the addresses) at which one can familiarizes oneself with it.
- the e-mail address for sending the completed ballots and/or the Internet website in the data and telecommunications network Internet where the e-ballots can be completed if such methods of sending and (or) completing the ballots are stipulated by the decision of the Board of Directors of the Company in preparation for the General Meeting of Shareholders of the Company;
- the categories (types) of shares, the owners of which are entitled to vote on all or some items on the agenda of the General Meeting of Shareholders of the Company.

If a person registered in the Company's shareholder register is a nominal holder of shares, the notice on holding the Company's General Meeting of Shareholders and the information (materials) to be provided to the persons entitled to participate in the Company's General Meeting of Shareholders when preparing for the General Meeting of Shareholders of the Company shall be provided in accordance with the rules of the Russian Federation legislation on securities for the provision of information and materials to the persons exercising their rights to securities.

The Company shall keep the information on sending the notices provided for by this clause of the Company's Articles of Association for five (5) years upon holding the General Meeting of Shareholders of the Company.

12.5. Any voting ballot shall be sent or delivered against a signed acknowledgment of receipt to each person included in the list of persons entitled to participate in the General Meeting of Shareholders of the Company no later than twenty (20) days prior to the deadline for receipt of ballots by the Company.

Voting ballots may be sent by registered or regular mail to the address specified in the list of persons entitled to participate in the General Meeting of Shareholders of the Company and/or by e-mail to the respective address of each such person registered in the register of Company's shareholders. Voting ballot form may additionally be made available on the Company's website accessible over the data and telecommunications network Internet.

Each person included in the list of persons entitled to participation in the General Meeting of Shareholders of the Company shall be provided with one copy of the ballot for voting on all items or one copy of two and more ballots for voting on different items.

The procedure of examination by the persons who are entitled to participation in the General Meeting of Shareholders of the Company of the information (materials) on the agenda items of the General Meeting of Shareholders and the list of such information (materials) shall be defined by the decision of the Company's Board of Directors.

The information (material) on the agenda items of the General Meeting of Shareholders of the Company within twenty (20) days, and in case of holding the General Meeting of Shareholders of the Company, the agenda of which contains an item on reorganization of the Company - within thirty (30) days before holding the General Meeting of Shareholders of the Company shall be made available to the persons who are entitled to participation in the General Meeting of Shareholders of the Company in the premises of the Company's executive office and other places, the addresses of which are specified in the notice of arrangement of the General Meeting of Shareholders of the Company as well as on the Internet website of the Company in the data and telecommunications network Internet at

[www.rosseti-sz.ru](http://www.rosseti-sz.ru). In such a case, the Company strives to provide the availability of the materials to the General Meeting of Shareholders of the Company at least thirty (30) days prior to its holding.

12.6. The General Meeting of Shareholders of the Company held in the form of absentee voting shall be deemed to have been duly constituted (shall have a quorum) if the shareholders owning in aggregate more than a half of votes of the Company's placed voting shares took part in it.

Those shareholders are recognized to have taken part in the General Meeting of Shareholders of the Company in the form of absentee voting, whose ballots were received and (or) whose e-ballots were completed on the Internet website of the Company in the data and telecommunications network Internet specified in the notice on holding the General Meeting of Shareholders (if such a possibility was provided for by the decision of the Board of Directors of the Company) not later than the deadline for acceptance of the ballots as the Company set out therein as well as those shareholders, who, in accordance with the rules of the law of the Russian Federation on securities, provided the persons registering their rights to shares with their orders (instructions) on voting, if the notices on their will were received not later than the deadline for acceptance of the ballots.

12.7. The minutes on voting results shall be made up and signed by the Company's Registrar in two copies not later three (3) business days upon the expiry date of the period for accepting voting ballots.

The Minutes of General Meeting of Shareholders of the Company shall be drawn up not later than three (3) business days of the deadline for the Company's acceptance of ballots. Both copies shall be signed by the Chairman of the General Meeting of Shareholders of the Company and the Secretary of the General Meeting of Shareholders of the Company (Corporate Secretary of the Company).

An extract from the minutes of the General Meeting of Shareholders of the Company or from the minutes on the voting results at the General Meeting of Shareholders of the Company may be signed by the Chairperson of the General Meeting of Shareholders of the Company and (or) the Secretary of the General Meeting of Shareholders of the Company, the person holding the position (performing functions) of the Company's sole executive body, or another person (persons) authorized by the Company.

Minutes of the General Meeting of Shareholders of the Company are posted on the official website of the Company in the data and telecommunications network Internet at: [www.rosseti-sz.ru](http://www.rosseti-sz.ru) no later than three (3) days from the date of its preparation.

12.8. Decisions taken by the General Meeting of Shareholders of the Company and voting results shall be communicated to the persons included in the list of persons having the right to participate in the General Meeting of Shareholders of the Company in the form of a Report on Voting Results following the procedure stipulated for notice of arrangement of the General Meeting of Shareholders of the Company within four (4) business days from the ballots collection completion date with the General Meeting of Shareholders of the Company arranged in the form of absentee voting.

If, as of the date of determining (documenting) the persons entitled to participate in the General Meeting of Shareholders of the Company, the person registered in the register of shareholders of the Company is a nominal holder of shares, the information contained in the Report on the Voting Results shall be provided to the nominal holder of shares in accordance with the rules of the law of the Russian Federation on securities for the provision of information and materials to the persons exercising their rights to securities.

### **Article 13. Proposals for Inclusion on Agenda of General Meeting of Shareholders of the Company**

13.1. Shareholders (shareholder) of the Company, holding in aggregate at least two (2) percent of the voting shares of the Company, no later than sixty (60) days after the end of the reporting year, has the right to put issues on the agenda of the annual General Meeting of Shareholders of the Company and nominate candidates for the Board of Directors of the Company and Auditing

Commission of the Company, the number of which cannot exceed the quantitative composition of the corresponding body.

13.2. The proposal on inclusion of items into the agenda of the General Meeting of Shareholders of the Company and the proposal on nomination of candidates shall be submitted with the name of the shareholders (shareholder) submitting them, the number and category (type) of their shares as well as be signed by the shareholders (shareholder) or their representatives. The shareholders (shareholder) of the Company not registered in the Company's shareholder register may also submit their proposals on inclusion of items into the agenda of the General Meeting of Shareholders of the Company and on nomination of candidates by giving the relevant orders (instructions) to a person who accounts for their rights to shares. Such orders (instructions) shall be given in accordance with the rules of the law of the Russian Federation on securities.

13.3. The proposal to include items on the agenda of the General Meeting of Shareholders of the Company shall contain the wording of each proposed item, and the proposal to nominate candidates shall contain the name and the ID data (series and (or) document number, date and place of issue, the issuing authority) of each proposed candidate, the name of the body to which the candidate is nominated.

13.4. The Company's Board of Directors shall be obliged to consider the received proposals and to make the decision on their inclusion into the agenda of the Company's General Meeting of Shareholders or on refusal to include them into the specified agenda no later than 5 (five) days after the expiration of the term specified in clause 13.1 of article 13 hereof.

13.5. The Company's Board of Directors shall be entitled to refuse to include the items proposed by the shareholder (shareholders) into the agenda of the General Meeting of Shareholders of the Company and to refuse to include the recommended candidates into the list of nominees for voting when electing the corresponding body of the Company on the bases stipulated by the Federal Law "On Joint Stock Companies" and other legal enactments of the Russian Federation.

13.6. A substantiated decision by the Board of Directors of the Company to refuse to include a proposed issue on the agenda of the General Meeting of Shareholders or a nominated candidate on a list of candidates for elections to the Company's corresponding body shall be sent to the shareholder(s) who submitted such proposal or nomination within three (3) days of the date of such decision. If these proposals have been received by the Company from the persons not registered in the register of shareholders of the Company, who gave an order (instruction) to the person accounting for their rights to shares, this decision of the Board of Directors of the Company shall be sent to such persons not later than three (3) days upon its making in accordance with the rules of the law of the Russian Federation on securities for the provision of information and materials to the persons exercising their rights to securities.

13.7. The Board of Directors of the Company has no rights to change draft agenda items proposed for inclusion in the agenda of the General Meeting of Shareholders of the Company as well as to the draft decisions (if present) on such matters.

Along with the issues proposed by shareholders for inclusion in the agenda of the General Meeting of Shareholders of the Company, as well as candidates proposed by shareholders to form a relevant body, the Board of Directors of the Company shall have the right to include in the agenda of the General Meeting of Shareholders of the Company issues and (or) candidates to the list of candidates for voting on elections to the relevant body of the Company at its discretion. The number of candidates proposed by the Board of Directors of the Company may not exceed the established number of members of the relevant body.

#### **Article 14. Convocation of the Extraordinary General Meeting of Shareholders of the Company**

14.1. General meetings of shareholders of the Company held in addition to the annual General meeting of Shareholders of the Company are extraordinary.

14.2. An extraordinary General Meeting of Shareholders shall be held by the decision of the Company's Board of Directors on its own initiative, upon demand of the auditing entity of the Company or the Auditor of the Company or at the request of shareholders (shareholder) representing, in aggregate, at least ten (10) percent of the Company's voting shares on the date of such request.

14.3. Convocation of the extraordinary General Meeting of Shareholders of the Company on demand of the Company's auditing entity, the Company's Auditor or the shareholders (shareholder) who are (is) owner(s) of at least ten (10) percent of the Company's voting shares shall be carried out by the Company's Board of Directors.

Such extraordinary General Meeting of Shareholders of the Company shall be held within forty (40) days of the submission of the request for such meeting with the exception of the case provided for by clause 14.9 of article 14 hereof.

14.4. The demand on carrying out the Company's extraordinary General Meeting of Shareholders shall contain the items subject to inclusion into the agenda of the extraordinary General Meeting of Shareholders of the Company.

The persons (person) demanding convocation of the Company's extraordinary General Meeting of Shareholders shall be entitled to present the draft decision of the Company's extraordinary General Meeting of Shareholders, the proposal on the form of holding the General Meeting of Shareholders of the Company. Should the requirement about convocation of the extraordinary General Meeting of Shareholders of the Company contain the proposal on recommendation of candidates, the corresponding provisions of article 13 of these Articles of Association shall apply to such a proposal.

The Board Of Directors of the Company may not alter the wordings of matters proposed for inclusion on the agenda, the wordings of decisions proposed on such matters or the form proposed for an extraordinary General Meeting of Shareholders of the Company being convened at the request of the Company's auditing entity, the Company's Auditor or a Shareholder(s) representing at least ten (10) percent of the Company's voting shares.

14.5. Should the demand on convocation of the Company's extraordinary General Meeting of Shareholders be received from the shareholder (shareholders), it should contain the name (designation) of the shareholder (shareholders) demanding convocation of the meeting, with indication of quantity, category (type) of the Company's shares belonging to them.

The demand on convocation of the extraordinary General Meeting of Shareholders of the Company shall be signed by the person (persons) demanding convocation of the Company's extraordinary General Meeting of Shareholders of the Company.

14.6. Within five (5) days of the date of a request submitted by the Company's auditing entity, Company's Auditor or a shareholder(s) representing at least ten (10) percent of the Company's voting shares for an extraordinary General Meeting of Shareholders of the Company, the Board of Directors of the Company shall decide to convene or to refuse to convene such meeting.

14.7. The decision of the Company's Board of Directors on convocation of the extraordinary General Meeting of Shareholders of the Company or the grounded decision on refusal of its convocation shall be sent to the persons demanding its convocation, no later than 3 (three) days upon making such a decision. If the requirement to hold an extraordinary General Meeting of Shareholders has been received by the Company from the persons not registered in the register of shareholders of the Company, who gave an order (instruction) to the person accounting for their rights to shares, this decision of the Board of Directors of the Company shall be sent to such persons not later than three (3) days upon its making in accordance with the rules of the law of the Russian Federation on securities for the provision of information and materials to the persons exercising their rights to securities.

14.8. If the Board of Directors the Company has failed to decide on convention of an extraordinary General Meeting of Shareholders within the term specified in clause 14.6 of Article 14 thereof or a decision has been taken to abandon such meeting convention the Company body or persons requesting such convention shall be entitled to file a request with a court to compel that the Company arrange an extraordinary General Meeting of Shareholders of the Company.



The court decision compelling the Company to arrange an extraordinary General Meeting of Shareholders of the Company shall specify such arrangement term and procedure.

Enforcement of court decision shall be vested in the plaintiff or, upon the latter's petition, in the Company body or any other person subject to their consent. The Board of Directors may not be such body.

In such a case, the Company body or person arranging an extraordinary General Meeting of Shareholders of the Company upon court decision shall have all the authorities provided for by Federal Law "On Joint Stock Companies" as required for such meeting convention and arrangement.

In case it is the plaintiff arranging an extraordinary General Meeting of Shareholders of the Company upon court decision all the expenses as may be related to such meeting preparation and arrangement may be reimbursed by decision of the General Meeting of Shareholders of the Company out of the Company's funds.

14.9. Should the proposed agenda of the extraordinary General Meeting of Shareholders of the Company contain an item on election of members of the Company's Board of Directors:

14.9.1. The General Meeting of Shareholders of the Company shall be held within seventy-five (75) days from the date of presentation of the demand on holding the Company's extraordinary General Meeting of Shareholders. In this case, the Board of Directors of the Company shall determine the date by which the proposals of shareholders on nominating candidates for election to the Board of Directors of the Company are to be accepted.

14.9.2. Shareholders (shareholder) of the Company, holding in aggregate at least two (2) percent of the Company's voting shares shall be entitled to propose candidates for election to the Company's Board of Directors, the number of which may not exceeds the established number of members of the Company's Board of Directors.

Such proposals should be received by the Company at least thirty (30) days prior to the date of carrying out the extraordinary General Meeting of Shareholders.

The Company's Board of Directors shall be obliged to consider the received proposals and to make the decision on their inclusion into the agenda of the extraordinary General Meeting of Shareholders of the Company or on refusal to include them into the mentioned agenda five (5) days at the latest after the end of the period set forth in paragraph 2 of this sub-clause.

14.9.3. The date of determining (documenting) the persons who are entitled to participation in the Company's General Meeting of Shareholders may not be determined earlier than ten (10) days after the date of decision-making on holding the Company's General Meeting of Shareholders and more than fifty-five (55) days prior to the date of holding the Company's General Meeting of Shareholders.

14.9.4. The notice of arrangement of the extraordinary General Meeting of Shareholders of the Company shall be made no later than fifty (50) days prior to the date of its holding.

14.10. In cases where the Board of Directors of the Company shall make a decision to hold an extraordinary General Meeting of Shareholders of the Company to elect members of the Board of Directors of the Company in accordance with the Federal Law "On Joint Stock Companies", such General Meeting of Shareholders of the Company shall be held within seventy (70) days upon making the decision on its holding by the Board of Directors of the Company.

14.11. If the proposed agenda of the General Meeting of Shareholders of the Company contains an issue of reorganization of the Company in the form of a merger, split-off or split-up and the issue of electing the board of directors (the supervisory board) of the company established by reorganization in the form of merger, split-off or split-up, the shareholder or shareholders who are in the aggregate the owners of at least two (2) percent of the voting shares of the reorganized Company shall be entitled to nominate candidates to the board of directors (supervisory board) of the newly established company, its collegial executive body and, if in accordance with the articles of association of the newly established company, the presence of the auditing commission is mandatory, candidates for the auditing commission whose number cannot exceed the number of members of the relevant body

indicated in the notice of the General Meeting of Shareholders of the Company, in accordance with the draft articles of association of the newly established company, and nominate a candidate for the position of the sole executive body of the company being established.

In the event that the proposed agenda for the General Meeting of Shareholders of the Company contains an issue of the Company's reorganization in the form of a merger, a shareholder or shareholders who in total hold at least two (2) percent of the voting shares of the company being reorganized shall have the right to nominate candidates for election to the board of directors (supervisory board) of the company established by reorganization in the form of a merger, the number of which cannot exceed the number of members of the board of directors (supervisory board) elected by the respective company, specified in the notice of the General Meeting of Shareholders in accordance with the merger agreement.

Proposals for the nomination of candidates must be received by the reorganized Company no later than forty-five (45) days before the date of the General Meeting of Shareholders of the reorganized Company.

The decision to include persons nominated by shareholders or the Board of Directors of the reorganized Company as candidates in the list of members of the collegial executive body, the auditing commission and the decision on approving the person performing the functions of the sole executive body of each company established by reorganization in the form of merger, split-off or split-up, shall be made by a majority of three quarters of votes of members of the Board of Directors of the reorganized Company. At the same time, votes of retired members of the Board of Directors of the Company shall not be taken into account.

## **Article 15. The Company's Board of Directors**

15.1. The Company's Board of Directors is the governing board which controls the activity of the Company's executive bodies and fulfils other functions entrusted with it by law or the Company's Articles of Association.

The Company's Board of Directors shall perform general management of the Company's activities, except for addressing the issues referred to the competence of the General Meeting of Shareholders of the Company by the Federal Law "On Joint Stock Companies" and these Articles of Association.

The issues within the competence of the Board of Directors of the Company shall be as follows:

- 1) determination of priority directions of the Company's activities, including approval of the Company's development strategy, the long-term development programs of the Company, the innovative development program and reports on their implementation;
- 2) approval of the Company's investment program, including any changes thereto<sup>1</sup>;
- 3) consideration of the report on fulfillment of the Company's investment program (for the first quarter, first half of the year, nine months, reporting year);
- 4) convocation of the annual and extraordinary General Meetings of Shareholders of the Company, except for the cases set out in clause 14.8 of Article 14 of these Articles of Association and announcement of the date of holding a new General Meeting of Shareholders of the Company instead of the meeting which did not take place due to the quorum absence;
- 5) approval of the Company's General Meeting of Shareholders agenda;
- 6) election of the secretary of the Company's General Meeting of Shareholders;
- 7) setting the date to define (record) persons entitled to participate in the General Meeting of Shareholders of the Company, approval of expenses estimate for the holding of the General Meeting of Shareholders of the Company and attending to other matters related to the arrangement and holding of the General Meeting of Shareholders of the Company;

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<sup>1</sup> This issue must be considered by the Company's Board of Directors prior to publication of information on the draft investment program of the power engineering subject and on the materials that justify it.

8) submission for the decision of the Company's General Meeting of Shareholders of the issues envisaged by sub-clauses 2, 5, 7, 8, 12-21, 24 of clause 10.2 of article 10 of these Articles of Association, on reduction of the Company's authorized capital by way of reduction of the par value of shares as well as establishment of the date as whereof the persons having the right to receive dividend are established;

9) placement by the Company of additional shares into which preferred shares of a certain type placed by the Company convertible into common shares or preferred shares of other types are converted, the placement of bonds by the Company, and other equity securities, except for shares; as well as issue of Eurobonds and determination of the Company's policy in terms of the issue of equity securities (with the exception of shares) and Eurobonds;

10) approval of decision on issue of the Company's shares, the Company's equity securities convertible into its shares, a document containing the terms for placement of the Company's shares and equity securities of the Company convertible into its shares, securities prospectus, reports on results of repurchase of shares from shareholders of the Company, reports on redemption of shares and reports on results of requests having been launched by shareholders of the Company for buyout of shares as may be held by them; making decisions on accepting offers (acceptance) to purchase additional shares placed through a public offering upon expiration of the pre-emptive right period in the instances determined by the Company's Board of Directors;

11) determination of price (monetary value) of assets, price of placement or the procedure for its determination and the price of buyout of equity securities in cases provided for by Federal Law "On Joint Stock Companies";

12) acquisition of shares, bonds and other securities placed by the Company in cases stipulated by the Federal Law "On Joint Stock Companies" or other Federal Laws;

13) alienation (selling) of the Company's shares which are placed at the disposal of the Company as a result of their acquisition or buyout from the Company's shareholders as well as in other cases envisaged by the Federal Law "On Joint Stock Companies";

14) election of the Company's General Director, early termination of his/her powers, including taking the decision on early termination of the labor contract with him/her;

15) determination of the quantitative composition of the Company's Management Board and election of the members of the Company's Management Board and early termination of their powers including making a decision on the early termination of the employment agreements with them;

16) approval of the terms of the agreement signed with the General Director of the Company, members of the Company's Management Board, establishment of the remuneration amounts and compensations payable to the General Director of the Company and members of the Company's Management Board;

17) approval of the General Director of the Company and members of the Management Board of the Company simultaneously holding offices with management bodies of other organizations and also other paid positions in other organizations;

18) recommendations to the Company's General Meeting of Shareholders on the amount of remunerations and compensations paid to the members of the Auditing Commission;

19) determining the amount of remuneration of the Company's auditing entity;

20) recommendations to the General Meeting of Shareholders of the Company on the amount of dividend on shares and the procedure for its payment;

21) approval of the Company's internal documents determining the procedure for the formation and use of the Company's funds, making decision on using the Company's funds;

22) approval of the Company's internal documents, except for the internal documents, the approval of which is referred to the competence of the General Meeting of Shareholders of the Company and other internal documents, the approval of which is referred to the competence of the Company's executive bodies;

23) approval of the Company's business plan (revised business plan of the Company) and review of the quarterly report on the implementation of the business plan of the Company (for the first quarter, first half, nine months, reporting year);

24) foundation of the Company's branches and opening of the Company's representative offices, their liquidation;

25) making decisions on participation of the Company in other organizations (including approval of the constituent documents and candidates to the management bodies of the newly established organizations), changing the participation interest (number of shares, amounts of units, stocks), encumbrance of shares, and termination of the Company's participation in other organizations, except for the cases provided for sub-clause 19 of clause 10.2 of article 10 hereof;

26) determining of the Company's credit policy as to provision by the Company of loans, signing facility agreements and loan agreements, issuing of warranties, issuing of independent guarantees, incurring obligations ensuing from a bill (issuing of an ordinary and transfer bill), pledging of property and making the decision on the above mentioned deals of the Company in cases when the procedure for the decision-making of them is not determined by the Company's credit policy as well as decision making in accordance with the order envisaged by the Company's credit policy on bringing the debt position of the Company in compliance with the limits determined by the Company's credit policy;

27) making decisions on consent to the conclusion or subsequent approval of major transactions, as well as approval of the opinions on such transactions in the cases provided for by Chapter X of the Federal Law "On Joint Stock Companies";

28) making decisions on consent to the conclusion or subsequent approval of the interested party transactions in the cases provided for by Chapter XI of the Federal Law "On Joint Stock Companies";

29) approval of the report on interested-party transactions made by the Company in the reporting year;

30) approval of the Company's registrar, terms of the agreement signed with it and its termination;

31) election of the Chairman and Deputy Chairman of the Company's Board of Directors, termination of their powers;

32) election of the Company's Corporate Secretary, early termination of their powers, and approval of the Regulations on the Company's Corporate Secretary;

33) decision-making on temporary termination of the powers of the managing entity (managing director);

34) decision-making on the appointment of the Acting General Director of the Company in the cases determined by separate decisions of the Company's Board of Directors, and also on making him/her disciplinary liable;

35) calling to an account of the Company's General Director and his/her remuneration in accordance with the labor laws of the Russian Federation, making a decision on proposing the General Director of the Company to be recommended for a state decoration;

36) consideration of the Company's General Director's reports on the Company's activities (including the report on exercising his/her functions, on the implementation of the decisions of the Company's General Meeting of Shareholders and its Board of Directors);

37) determination of the Company's attitude (attitude of representatives of the Company), including the instruction to take or not take part in voting on agenda items, vote on draft decisions "for", "against" or "abstained", on the following items on the agenda of general meetings of shareholders (participants) of subsidiaries and affiliates (hereinafter referred to as "Subsidiaries and Affiliates"), and meetings of the boards of directors of Subsidiaries and Affiliates:

a) reorganization, liquidation of Subsidiaries and Affiliates;

b) recommendation, election of the members to the Subsidiaries and Affiliates management and control bodies and early termination of their powers, recommendation, election of a sole executive body of the Subsidiaries and Affiliates and early termination of its powers;

- c) determining the number, par value, category (type) of the declared shares of Subsidiaries and Affiliates and the rights granted by these shares;
- d) increase of the authorized capital of Subsidiaries and Affiliates through the increase of the par value of shares or through the placement of additional shares;
- e) placement of the securities of Subsidiaries and Affiliates convertible into common shares;
- f) fractioning and consolidation of the Subsidiaries and Affiliates' shares;
- g) making decisions on consent to perform and on subsequent approval of major transactions made by the Subsidiaries and Affiliates;
- h) making a decision on the Subsidiaries' and Affiliates' participation of in other organizations (including approval of candidates to the management bodies of the newly established organizations) as well as on purchase of, carve-out of and encumbrance on shares or interest in authorized capitals of organizations wherein the Subsidiaries and Affiliates participate, change in the amount of participatory interest in the authorized capital of such organization and termination of the Subsidiaries and Affiliates' participation in other organizations;
- i) making decisions on the transactions made by SDE (including several associated deals) related to purchase, alienation or a possibility of alienation of property representing fixed assets, intangible assets, objects of unfinished construction, the purpose of the use of which is production, transmission, dispatching, distribution of electric and heating energy in the events (amount) defined by the procedure of interrelation of the Company with the entities, in which the Company participates, approved by the Company's Board of Directors;
- j) amending the constituent documents of Subsidiaries and Affiliates;
- k) determining of the procedure of remuneration payment to the members of the Board of Directors and Auditing Commission of the Subsidiaries and Affiliates;
- l) approval of the key performance indicators and functional key performance indicators of the Subsidiaries and Affiliates management, the procedure of their calculation, target values and reports on their achievement;
- m) approval of the business plans (adjusted business plans) of Subsidiaries and Affiliates engaged in the transmission, production or sale of electricity or the revenue of which accounts for more than five (5) percent of the Company's revenue for the last reporting period;
- n) consideration of the reports on reporting year performance of the business plans of Subsidiaries and Affiliates engaged in the transmission, production or sale of electricity or the revenue of which accounts for more than five (5) percent of the Company's revenue for the last reporting period;
- o) approval of the distribution of profit and loss following the results of the reporting year;
- p) recommendations on the amount of the dividend per shares and the procedure for its payment;
- q) payment (declaring) of dividend following the results of the first quarter, half of a year, nine months of the reporting year and following the results of the reporting year;
- r) reduction of the authorized capital of Subsidiaries and Affiliates by way of reduction of the nominal value of shares, by way of purchasing by Subsidiaries and Affiliates of part of shares with a view of decreasing their total number as well as by way of redemption of shares purchased or bought out by Subsidiaries and Affiliates;
- s) determining of the Subsidiaries' and Affiliates' credit policy as to provision by the Subsidiaries and Affiliates of loans, signing facility agreements and loan agreements, issuing of warranties, issuing of independent guarantees, incurring obligations ensuing from a bill (issuing of an ordinary and transfer bill), pledging of property and making the decision on the above mentioned deals of the Subsidiaries and Affiliates in cases when the procedure for the decision-making of them is not determined by the Subsidiaries' and Affiliates' credit policy as well as decision making in accordance with the order envisaged by the Subsidiaries' and Affiliates' credit policy on bringing the debt position of the Subsidiaries' and Affiliates' in compliance with the limits determined by the

Company's credit policy, on approval of the report on the Subsidiaries' and Affiliates' credit policy, on approval of the Subsidiaries and Affiliates' credit plan;

38) on determination of the Company's attitude (attitude of representatives of the Company) on the following issues on the agenda of meetings of the boards of directors of Subsidiaries and Affiliates (including the instruction to take or not take part in voting on issues on the agenda, vote "for", "against" or "abstained" on draft resolutions):

a) on determination of attitude of representatives of Subsidiaries and Affiliates concerning issues on agendas of general meetings of shareholders and sessions of Boards of Directors of companies which are subsidiaries and affiliates of the Subsidiaries and Affiliates concerning entering (approval) into the transactions (including several associated transactions) related to acquisition, disposal of or possible disposal of property being fixed assets, intangible assets, construction in progress, which are intended for generating, transmission, dispatch, distribution of power and heat energy in cases (amounts) determined by the procedure of interaction of the Company with organizations, in which the Company participates, approved by the Board of Directors of the Company;

b) on determination of attitude of representatives of Subsidiaries and Affiliates concerning issues on agenda of general meetings of shareholders and sessions of boards of directors of companies which are Subsidiaries and Affiliates of Subsidiaries and Affiliates engaged in production, transmission, dispatching, distribution of electric and heating power, reorganization and liquidation, increase of the authorized capital of these entities through the increase of the par value of shares or through the placement of additional shares, securities convertible into common shares;

39) making decisions on the consent for the Company to make the following:

a) transactions, the subject matter of which shall be the Company's non-current assets in the amount exceeding ten (10) percent of the balance sheet of these (non-current) assets as of the last reporting date pursuant to the data of the accounting (financial) reports;

b) transactions (including several associated transactions) related to acquisition, disposal of or possible disposal of property being fixed assets, intangible assets, construction in progress, which are intended for generating, transmission, dispatch, distribution of power and heat energy in cases (amounts) determined by individual decisions of the Board of Directors of the Company or if the specified cases (amounts) have not been determined by the Board of Directors of the Company;

c) transactions (including several associated transactions) related to purchase, disposal of or possible disposal of property being fixed assets, intangible assets, construction in progress, which are intended for generating, transmission, dispatch, distribution of power and heat energy in the cases (amount) determined by individual decisions of the Company's Board of Directors or if the specified cases (amounts) have not been determined by the Board of Directors of the Company;

d) transactions for the term over five (5) years for delivery, for temporary ownership and usage, or for temporary usage of immovable property, electricity grid facilities, or for acceptance for temporary possession and usage, or for temporary usage of pieces of immovable property in the cases (amount) determined by individual decisions of the Company's Board of Directors, or if the specified cases (amounts) are not determined by the Board of Directors of the Company;

e) transactions, which could lead to occurrence of liabilities expressed in the foreign currency (or liabilities, the volume of which is attached to the foreign currency), transactions with derivative financial instruments in cases and amounts determined by separate decisions of the Company's Board of Directors and if the said cases (amounts) are not determined by the Company's Board of Directors, determining the Company's policy concerning effecting transactions with derivative financial instruments;

f) one or more interrelated transactions related to acquisition or ability of the Company's acquisition of the investment units in the unit investment fund and/or bonds, if the price of such transaction or some interrelated transactions is one (1) and more percent of the book value of the Company's assets determined according to the data of its accounting (financial) statements as of the last reporting date;

g) transactions related to gratuitous transfer of the Company's properties or property rights (claims) to the Company itself or a third party; transactions related to release from property obligations to the Company itself or a third party; transactions related to the Company gratuitously providing services (performing works) for third parties in the cases (to the extent) as determined by specific decisions of the Board of Directors of the Company as well as decision on the Company effecting such transactions when the above cases (extent) are not determined;

h) transactions related to the Company providing the sponsor support in cases (amounts) determined by individual decisions of the Board of Directors of the Company and making the decisions on the Company's closing such transactions in the cases when the above cases (amounts) were not determined;

i) one or several interrelated transaction(s) related to the Company's transfer or eventually possible transfer of properties in an amount of more than RUB 1,000,000,000 (one billion);

40) the Company's recommendation of the candidates for election to the office of the sole executive body, to other management bodies, control bodies and also candidates in the auditing entity (individual auditor) of the organizations, where the Company participates;

41) approval of the procedure of the Company's interaction with the entities in which the Company participates;

42) determination of the Company's policy in the field of insurance carrying out control over provision for the Company's insurance protection including the approval of the Company's insurers;

43) approval of the organizational structure of the Company's executive body and its amending;

44) approval of the policy of remuneration and incentives to the officials of the Company's management, approval of the list of officials of the Company's management;

45) agreement on candidacies for specific positions with the executive staff of the Company as determined by the Board of Directors of the Company;

46) tentative approval of the collective agreement, the agreements concluded by the Company within the framework of the regulation of social and labor relations as well as approval of documents on non-state pension schemes for the Company's employees;

47) formation of committees of the Board of Directors of the Company, the approval of internal documents that determine their competence and operating procedure, the determination of their quantitative composition, the election of the chairman and members of the committee of the Company's Board of Directors and early termination of their powers;

48) approval of candidates for the securities issuers and consultants on transactions directly related to raising funds in the form of public borrowings;

49) determination of the procurement policy of the Company including the approval of the Regulation on Procurement, approval of the Head of the Central Procurement Body of the Company, consideration of the Company's procurement report following the results of the half of the year, and also making other decisions in compliance with the Company's documents governing the procurement activities of the Company;

50) approval of the key performance indicators and functional key performance indicators of the Company's management, the procedure of their calculation, target values and reports on their achievement;

51) determining of the Company's policy in part of improving the stability of the power grids distribution complex and other electricity grid facilities, including approval of the Company's strategic programs for improvement of the stability of the electricity grid industry, development of the electricity grid industry and its safety;

52) determination of the Company's policy in part of improving the availability of the power grid infrastructure, including the approval of the Company's strategic programs to improve the availability of the services of technological connection and development of the power grid complex;

53) determining of the Company's housing policy as regards providing corporate aid to the employees of the Company for improving their living conditions in the form of subsidies, compensation of their costs, interest-free loans and decision-making on provision by the Company of the specified aid in cases, when the procedure of its provision is not determined by the Company's housing policy;

54) filing applications for listing of the Company's shares and (or) the Company's issue-grade securities convertible to the Company's shares;

55) determination of principles and approaches to the organization of risk management and internal control systems in the Company, including the approval of internal documents of the Company, determining the Company's policy in the field of risk management and internal control;

56) determination of principles and approaches to the organization of internal audit, including the approval of internal documents of the Company, determining the Company's policy in the field of organization of the Company's internal audit;

57) assessment of key risks (both financial and non-financial risks), and also establishment of the acceptable value of risks for the Company;

58) organization of analysis and assessment of the risk management and internal control system functioning at least one (1) time a year, including based on the data from the reports regularly received from the executive bodies of the Company, internal audit and external auditors of the Company;

59) reviewing the issues of the risk management and internal control system organization, functioning and effectiveness on an annual basis;

60) control and organization of the internal audit activity, including approval of the Regulation on the Internal Audit Subdivision, approval of the internal audit plan, report on the implementation of the internal audit plan and the internal audit budget, preliminary approval of the decision of the sole executive body of the Company on the appointment, dismissal (not at the initiative of the employee) of the Head of the Internal Audit, the application of disciplinary measures to it and approval of conditions of the employment contract of the Head of the Internal Audit, consideration of the results of the quality assessment of the internal audit function;

61) recommendations to the Company's executive bodies on any issues of Company's activity;

62) determination of the Company's information policy and review of the reporting on compliance therewith by the sole executive body;

63) approval of the Program for alienation of the non-core assets of the Company, approval of the register of the non-core assets of the Company and making other decisions in accordance with the documents approved in the Company which govern the procedure for disposal of the non-core assets of the Company;

64) approval of the annual report in the field of corporate social responsibility and sustainability;

65) approval of the anti-corruption policy of the Company and reports on its implementation;

66) settlement of internal corporate conflicts;

67) determination of the status of the Company's Management Board members, and review of the results of self-assessment and independent assessment of the Company's Board of Directors and committees of the Company's Board of Directors activities;

68) making a decision on approval:

a) of the contract on making uncompensated contributions by a shareholder (shareholders) into the Company's property which do not increase the Company's authorized capital or change the par value of shares of the Company to finance and support the activities of the Company;

b) of the contract on making uncompensated contributions by the Company into the property of the companies, in the authorized capital of which the Company participates, in monetary or other form which do not increase the authorized capital of the specified companies and (or) do not change the par value of the shares;



69) other issues falling within the competence of the Board of Directors of the Company in accordance with the Federal Law "On Joint Stock Companies" and these Articles of Association.

15.2. The issues referred to the competence of the Company's Board of Directors shall not be transferred for decision-making to the Company's General Director and the Management Board of the Company.

15.3. The members of the Company's Board of Directors while exercising their rights and their functions shall act in the interests of the Company, exercise their rights and functions in respect of the Company faithfully and reasonably.

15.4. Members of the Company's Board of Directors are held liable to the Company for losses caused to the Company by their culpable actions (omission of action) unless other grounds and liability amount are established by Federal Laws.

Alongside with this, the members of the Company's Board of Directors who voted against the decision, which led to the Company's losses or those ones who did not participate in the vote, shall bear no responsibility.

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

16.1. The number of members of the Company's Board of Directors shall be determined equal to 11 (eleven) members.

16.2. The members of the Company's Board of Directors shall be elected at the General Meeting of Shareholders of the Company in accordance with the procedure stipulated by clause 10.8 of Article 10 of these Articles of Association for a period till the next annual General Meeting of Shareholders of the Company.

Should the Board of Directors be elected at the Company's extraordinary General Meeting of Shareholders of the Company, the members of the Board of Directors shall be considered elected for the period till the date of holding of the next Company's annual General Meeting of Shareholders.

If an annual General Meeting of Shareholders of the Company has not been held within the period prescribed by clause 11.1 of Article 11 of these Articles of Association, the powers of the Company's Board of Directors shall be terminated, with the exception of those powers involved in preparing, convening, and holding an annual General Meeting of Shareholders.

16.3. Only an individual shall be a member of the Company's Board of Directors.

16.4. Persons elected to the Company's Board of Directors shall have no limitations regards the number of reelection.

16.5. According to the decision of the General Meeting of Shareholders of the Company, the powers of all members of the Company's Board of Directors may be terminated early.

The decision of the General Meeting of Shareholders of the Company on early termination of powers may be taken only concerning all members of the Company's Board of Directors.

### **Article 17. Chairman of the Company's Board of Directors**

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

The Company's Board of Directors shall be entitled to reelect their Chairman any time by the majority of votes from the total number of the members of the Company's Board Directors.

17.2. The Chairman of the Board of Directors shall organize the work of the Board of Directors of the Company, convene its meetings and preside at them, organize keeping of the minutes of the meetings, and preside over the Company's General Meeting of Shareholders.

17.3. In the absence of the Chairman of the Company's Board of Directors, his/her functions shall be carried out by the Deputy Chairman of the Company's Board of Directors elected from among the

members of the Company's Board of Directors by the majority of votes from the total number of the members of the Company's Board of Directors.

### **Article 18. Meetings of the Company's Board of Directors**

18.1. The procedure for convening and holding the meetings of the Company's Board of Directors shall be determined by the internal document approved by the General Meeting of Shareholders of the Company.

18.2. The meetings of the Company's Board of Directors shall be held as often as necessary but not less often than every six weeks.

The meeting of the Board of Directors of the Company shall be convened by the Chairman of the Board of Directors of the Company (or the Deputy Chairman of the Board of Directors of the Company in cases stipulated by clause 17.3. of Article 17 of these Articles of Association) on its own initiative, at the request of a member of the Board of Directors of the Company, the Auditing Commission of the Company, the Head of the Internal Audit of the Company (Head of Structural Division of the Company responsible for the organization and implementation of the internal audit, and in the case of engagement of external auditors for the internal audit from the dependent organizations - the head of the said organization), General Director of the Company, member of the Management Board of the Company, the Company's auditing entity.

18.3. The first meeting of a newly elected Board of Directors of the Company shall obligatorily address the issue of election of the Chairman of the Company's Board of Directors, and may review the issue of electing the Deputy Chairman of the Board of Directors of the Company.

The specified meeting of the Board of Directors of the Company shall be convened by one of the members of the Company's Board of Directors in accordance with the internal document regulating the procedure for convening and holding a meeting of the Board of Directors.

18.4. The decision of the Company's Board of Directors may be made by absentee voting (by poll). In the event of holding the absentee voting, materials concerning the meeting agenda items and questionnaire for voting shall be forwarded to all members of the Board of Directors of the Company, which shall contain the information on the date of submission to the Company's Board of Directors of the questionnaire filled-in and signed by the member of the Board of Directors of the Company.

18.5. The member of the Company's Board of Directors who is absent at the joint presence meeting of the Company's Board of Directors shall be entitled to state his/her opinion in writing on the items of the agenda in accordance with the procedure determined in the internal document regulating the procedure of convocation and carrying out of the Board of Directors meeting.

18.6. Transfer of the right to vote by a member of the Company's Board of Directors to another person including another member of the Company's Board of Directors shall not be allowed.

18.7. The decisions at the meeting of the Company's Board of Directors shall be made by the majority of the votes of the members of the Company's Board of Directors participating in the meeting except for the cases envisaged by the Russian Federation laws and these Articles of Association.

Decisions by the Company's Board of Directors on matters provided for by sub-clauses 25-26, 37-38, 41 of clause 15.1 of Article 15 of these Articles of Association shall be made a two-thirds' majority of votes of the members of the Company's Board of Directors participated in the meeting.

In cases, when the consent to the transaction shall be obtained simultaneously on several grounds (stipulated by these Articles of Association and stipulated by Chapter X or Chapter XI of the Federal Law "On Joint Stock Companies"), the procedure of obtaining consent to its shall be governed by the provisions of the Federal Law "On Joint Stock Companies".

In cases, where consent to the Company to conclude a transaction shall be obtained simultaneously on several grounds (stipulated by these Articles of Association), and these Articles of Association provide for a different procedure for making a decision by the Company's Board of Directors in relation to the relevant issues, consent to the transaction shall be obtained on the ground providing that the decision is to be made by the Company's Board of Directors by a qualified majority.

18.8. The decision of the Company's Board of Directors on the consent to perform or subsequent approval of a major transaction shall be made unanimously by all members of the Company's Board of Directors. The votes of the retired members of the Board of Directors of the Company are not taken into account.

The decisions of the Company's Board of Directors shall be made by the majority in three-fourths of the votes of the members of the Company's Board of Directors from their total number on the following items:

- making a decision on suspension of the powers of the managing entity (managing director) and on appointment of the acting General Director of the Company;
- convening of the extraordinary General Meeting of Shareholders of the Company in cases envisaged by clauses 21.11. and 21.12. of Article 21 of these Articles of Association.

When the decisions defined in this clause are made by the Company's Board of Directors, the votes of the retired members of the Board of Directors of the Company shall not be taken into account. Besides, the retired member of the Board of Directors of the Company shall be a deceased member of the Board of Directors of the Company or a member incapacitated or disqualified by the decision of the court as well as a member of the Board of Directors of the Company who notified the Company about rejection of their powers. Such rejection shall be made in writing before the meeting of the Board of Directors of the Company.

18.9. The decision on the consent to perform or subsequent approval of an interested-party transaction shall be made by the Company's Board of Directors in accordance with article 83 of the Federal Law "On Joint Stock Companies".

18.10. While decision-making at the meeting of the Company's Board of Directors, each member of the Company's Board of Directors shall have one vote. Should there arise a balance of votes during the voting, the Chairperson of the Company's Board of Directors shall be entitled to the casting vote.

18.11. The quorum for holding the meeting of the Company's Board of Directors shall comprise at least a half of the number of the elected members of the Company's Board of Directors, and where consent to, or subsequent approval of, major transactions as specified in Chapter XI of the Federal Law "On Joint Stock Companies" is sought, a quorum is required of at least two (2) members of the Company's Board of Directors who are not interested in the transaction and who meet the requirements of clause 3, article 83 of the Federal Law "On Joint Stock Companies".

Should the number of members of the Company's Board of Directors become less than that constituting such quorum, the Company's Board of Directors shall decide to convene an extraordinary General Meeting of Shareholders of the Company, in order to elect a new Board of Directors of the Company. The remained members of the Company's Board of Directors shall be entitled to make a decision only on convocation of such an extraordinary General Meeting of Shareholders of the Company. In this case, the quorum for holding the Company's Board of Directors meeting is at least a half of the number of the remained members of the Company's Board of Directors.

18.12. The meetings of the Company's Board of Directors shall be accompanied by the keeping of minutes. The minutes of the meeting of the Company's Board of Directors shall be drawn up and signed no later than three (3) days after its holding by the person presiding over the meeting and the Corporate Secretary of the Company who shall be responsible for the correctness of its drawing up. All the documents approved by the Company's Board of Directors shall be attached to the minutes.

Should the Company's Board of Directors take decisions by the absentee voting, the voting questionnaires signed by the members of the Company's Board of Directors shall be attached to the minutes.

18.13. The decisions of the Company's Board of Directors taken in violation of the Company's Board of Directors competence, provided that the quorum for holding the Company's Board of Directors meeting is absent or provided that the majority of votes of the members of the Company's Board of Directors required for decision-making is absent, shall be void irrespective of initiating the procedure of appeal in their respect in the court order.

## **Article 19. Committees of the Company's Board of Directors**

19.1. The committees of the Board of Directors of the Company are formed by decision of the Board of Directors of the Company.

19.2. The Committees shall be established for the preliminary review of issues referred to the competence of the Board of Directors of the Company or matters studied by the Board of Directors of the Company to supervise the activities of the Company's executive body and develop recommendations for the Company's Board of Directors and executive bodies.

19.3. The procedural rules, formation procedure, competence and the term of the Committees of the Company's Board of Directors powers shall be determined by internal documents of the Company, approved by the Board of Directors of the Company and specific decisions of the Board of Directors of the Company.

19.4. The Board of Directors of the Company shall form the Audit Committee of the Company's Board of Directors for preliminary consideration of issues related to control over the financial and economic activities of the Company, including assessment of the independence of the Company's auditing entity and the absence of a conflict of interest, as well as assessment of the quality of the audit of the accounting (financial) statements of the Company.

## **Article 20. The Company's Corporate Secretary**

20.1. To comply with the procedure of preparation and holding of the General Meeting of Shareholders of the Company, activities of the Company's Board of Directors, the Board of Directors may elect the Company's Corporate Secretary, which in its activities is subordinate directly to the Board of Directors of the Company. The Company's Corporate Secretary is the Company's official ensuring observance of the legislation of the Russian Federation, these Articles of Association and the Company's internal documents guaranteeing implementation of the Company's shareholders' rights and legal interests by the Company.

20.2. The status of the Corporate Secretary of the Company, requirements to applicants for this job, procedure for the Company's Corporate Secretary appointment and termination of powers, its subordination and procedure for cooperation with governing bodies and structural units of the Company as well as other aspects of the role of the Company's Corporate Secretary are governed by the Regulation on Corporate Secretary of the Company approved by the Board of Directors of the Company.

## **Article 21. The Company's Executive Bodies**

21.1. The management of the current activity of the Company shall be executed by the sole executive body - General Director of the Company, and by the collegial executive body – Company's Management Board.

21.2. The General Director of the Company and the Management Board if the Company shall be accountable to the Company's General Meeting of Shareholders and the Company's Board of Directors.

The Company's executive bodies regularly report to the Company's Board of Directors for establishment and functioning of the effective risk management and internal control system and bear responsibility for its effective functioning.

21.3. Under the decision of the Company's General Meeting of Shareholders, the powers of the Company's sole executive body may be transferred to the managing entity or the managing director under the agreement.

The rights and duties of the managing entity (managing director) for realization of management by the Company's current activities shall be defined by the Russian Federation laws and the agreement concluded by the managing entity (managing director) with the Company.

The agreement with the managing entity (managing director) on behalf of the Company shall be signed by the Chairperson of the Company's Board of Directors or the person authorized by the Company's Board of Directors.

The agreement provisions with the managing entity (managing director), including as regards the term of appointment, shall be defined by the Company's Board of Directors or the person authorized by the Company's Board of Directors.

21.4. Establishment of executive authorities of the Company and early termination of their powers shall be carried out under the decision of the Company's Board of Directors except for the cases stipulated by the Federal Laws and these Articles of Association.

21.5. The rights and obligations of the General Director and members of the Management Board of the Company related to the management by the Company's current activities shall be determined by the Russian Federation laws, these Articles of Association and employment contract signed by each of them with the Company.

21.6. The employment contract on behalf of the Company shall be signed by the Chairperson of the Company's Board of Directors or by the person authorized by the Company's Board of Directors.

21.7. The terms of the employment contract, including the term of office, are determined by the Board of Directors of the Company or a person authorized by the Board of Directors of the Company to sign the employment contract in accordance with clause 21.6 of Article 21 of these Articles of Association.

21.8. Combining of positions by the General Director of the Company and by the Company's Management Board members in the management bodies of other entities, as well as other paid positions in other entities, shall be allowed only with the consent of the Company's Board of Directors.

21.9. The rights and duties of the employer on behalf of the Company in respect of the Company's General Director and the Company's Management Board members shall be carried out by the Board of Directors or the person authorized by the Company's Board of Directors.

21.10. The Board of Directors of the Company shall be entitled any time to make a decision on the termination of the powers of the Company's General Director and the Company's Management Board members and on formation of new executive bodies.

Termination of the powers of the General Director of the Company and the Company's Management Board members shall be carried out on the grounds envisaged by the Russian Federation laws and the employment contract signed by each of them with the Company.

21.11. The General Meeting of Shareholders of the Company shall be entitled any time to make a decision on the early termination of the powers of the managing entity (managing director).

The Company's Board of Directors shall be entitled to make a decision on temporary termination of the powers of the managing entity or the managing director. Simultaneously with this decision, the Company's Board of Directors shall be obliged to make a decision on appointment of the Company's acting General Director and on holding of the extraordinary General Meeting of Shareholders of the Company, in order to solve the issue of the early termination of the powers of the managing entity (managing director), and, unless otherwise decided by the Company's Board of Directors, on transfer of powers of the Company's sole executive body to the managing entity (managing director).

21.12. Should the managing entity (the managing director) be in no position to carry out its functions, the Company's Board of Directors shall be entitled to make a decision on appointment of the acting General Director of the Company and on holding of the extraordinary General Meeting of Shareholders, in order to solve the issue of early termination of the powers of the managing entity (the managing director), and, unless otherwise decided by the Company's Board of Directors, on transfer of powers of the Company's sole executive body to another managing entity or the managing director.

21.13. The Company's acting General Director shall carry out management by the Company's current activities within the framework of the competence of the Company's executive bodies, unless otherwise is decided by the Company's Board of Directors.

21.14. The General Director of the Company, the Company's Management Board members, acting General Director of the Company, as well as the managing entity (the managing director), while exercising their rights and performing their obligations, shall be obliged to act in the interests of the Company, exercise their rights and perform their obligations in respect of the Company faithfully and reasonably.

21.15. The General Director of the Company, the Company's Management Board members, acting General Director of the Company, as well as the managing entity (the managing director), shall bear responsibilities before the Company for the losses incurred by the Company by their wrongful actions (omissions), unless other grounds and volume of responsibility are set forth by the Federal Laws.

The General Director of the Company shall be personally responsible for the arrangement of protection of the state secret information, and for non-observance of the restrictions concerning examination of the specified data determined by the laws.

The responsibility stipulated by the present clause shall not come into effect for those members of the Company's Management Board who voted against the decision which entailed the Company's losses or who did not take part in voting.

21.16. In the event of the Company's General Director temporal absence (including but not limited to, due to sickness, business trip or leave) his/her functions may be performed by any of his/her deputies based on the order of the General Director only in the absence of a decision of the Board of Directors of the Company on the appointment of the acting General Director of the Company.

Due to the circumstances specified in paragraph one of this clause of the Articles of Association, the Board of Directors of the Company shall have the right to decide on the appointment of the acting General Director of the Company for a certain period without termination of the powers of the General Director of the Company.

## **Article 22. The Company's Management Board**

22.1. The Company Management Board shall act on the basis of these Articles of Association and Regulations for the Management Board of the Company approved by the General Meeting of Shareholders of the Company which stipulates time and order of convocation and holding of its meetings, and order of decision-making.

22.2. The following issues shall fall within the competence of the Company's Management Board:

1) working-out of the Company's development strategy and its submission for consideration to the Company's Board of Directors;

2) preparation of the business plan (adjusted business plan) and quarterly report on the implementation of the business plan (for the first quarter, first half of the year, nine months, reporting year) as well as approval (updating) of cash flow (budget) of the Company;

3) preparation of the annual report of the Company, the report on performance by the Company's Management Board of the decisions of the General Meeting of Shareholders of the Company and the Company's Board of Directors;

4) consideration of reports (information) of the Deputy General Directors of the Company, heads of standalone structural divisions of the Company on the activities of the Company and its Subsidiaries and Affiliates submitted for consideration by the Management Board of the Company in accordance with instructions from the Company's Management Board or the Board of Directors of the Company;

5) making decisions on matters assigned to the responsibility of Supreme Management Bodies of organizations in which the Company owns one hundred (100) percent of authorized capital (subject to sub-clauses 37 and 38 of the clause 15.1 of article 15 of these Articles of Association);

6) decision on making transactions the subject matter of which is properties, works and services book value whereof is equal to two (2)-twenty-five (25) percent of the balance sheet assets of the

Company as defined according to the accounting (financial) statements as of the latest reporting date (except for cases specified in sub-clause 39 of clause 15.1 thereof);

7) effective risk management within the framework of the Company's current activity; approval of the budget for risk management measures in the Company within the limits agreed by the Board of Directors' resolution; solving cross-functional (accomplished by several structural subdivisions) issues for risk management;

8) solving other issues related to management of the current operations of the Company according to the decisions of the Company's General Meeting of Shareholders of the Company, the Company's Board of Directors, and the issues which were submitted by the Company's General Director for the Company's Management Board's consideration.

22.3. Members of the Management Board and General Director are elected by the Board of Directors of the Company in the number defined by the decision of Company's Board of Directors under the proposal of the Company's General Director.

Should the Company's Board of Directors vote down nominees for the Company's Management Board proposed by the General Director of the Company, the Company's Board of Directors shall be entitled to elect to the Company's Management Board the candidates proposed by a member (members) of the Company's Board of Directors.

The number of members of the Company's Management Board may not be less than three (3) persons.

22.4. The Company's Management Board shall be deemed to be legally qualified if at least a half of the elected members of the Company's Management Board take part in the meeting (in absentee voting).

22.5. All decisions shall be taken by the Company's Management Board by the simple majority of votes out of the number of the Company's Management Board members who are present at the meeting (take part in the absentee voting). Should the amount of votes be equal, the Company's Management Board Chairman's vote shall be casting.

22.6. Transfer of the vote by a member of the Company's Management Board to another person, including another member of the Company's Management Board, shall not be allowed.

### **Article 23. The Company's General Director**

23.1. The General Director of the Company shall perform the management by the Company's current activities in accordance with the decisions of the Company's General Meetings of Shareholders, Company's Board of Directors and Company's Management Board which were made in accordance with their competences.

23.2. The competence of the General Director of the Company shall include all of the issues of the Company's current activities management, except for the issues referred to the competence of the General Meeting of Shareholders of the Company or the Board of Directors and the Management Board of the Company.

23.3. The Company's General Director shall act without a power of attorney on behalf of the Company taking into account the limitations envisaged by the Russian Federation laws, these Articles of Association and the decisions of the Company's Board of Directors. The Company's General Director shall

- ensure fulfillment of the Company activity plans which are necessary for solution of his/her tasks;
- organize business and tax accounting in the Company, management and keeping of accounting records;
- make use of the Company's property and accomplish transactions on behalf of the Company, issue powers of attorney, open settlement and other accounts of the Company with the banks and other credit institutions as well as in the entities and professional agents of the securities market in cases envisaged by the law;

- issue orders, approve (accept) instructions, local normative enactments and other internal documents of the Company on the issues of his/her competence, give instructions obligatory for execution by all employees of the Company;
- approve Regulations on branches and representative offices of the Company;
- in accordance with the organizational structure of the Company's executive body, approve personnel arrangements and official salaries and wages of the Company's employees;
- exercise in respect of the Company's employees the rights and obligations of the employer, envisaged by the labor law;
- perform powers of the Chairman of the Company's Management Board;
- distribute duties among the Deputy General Directors of the Company;
- make a decision on admission (denial of admission) or termination of admission for the Company officials (employees) to working with information constituting a state secret as well as on the conditions for concluding the contracts for admission;
- no later than 45 (forty-five) days prior to holding of the Company's annual General Meeting of Shareholders, submit for the consideration of the Company's Board of Directors the annual report, annual accounting (financial) reports and the Company's profit and loss distribution proposals;
- solve other issues of the Company's current activities, except for the issues referred to the competence of the Company's General Meeting of Shareholders of the Company, the Company's Board of Directors and the Company's Management Board.

23.4. The General Director of the Company shall be elected by the Company's Board of Directors by the majority of votes of the members of the Company's Board of Directors participating in the meeting.

Recommendation of candidates for the position of the Company's General Director for his/her election by the Company's Board of Directors shall be carried out according to the internal document regulating the procedure of convocation and holding the Company's Board of Directors.

#### **Article 24. Auditing Commission of the Company, Internal Audit and Auditing Entity of the Company**

24.1. In order to ensure control over the Company's financial and economic activities, the General Meeting of Shareholders of the Company shall elect the Auditing Commission of the Company for the period till the next annual General Meeting of Shareholders of the Company.

Should the Auditing Commission of the Company be elected at the extraordinary General Meeting of Shareholders of the Company, the members of the Auditing Commission of the Company shall be considered elected for the period till the date of holding of the Company's annual General Meeting of Shareholders.

The number of members of the Auditing Commission shall be five (5) persons.

24.2. Based on the decision of the Company's General Meeting of Shareholders, the powers of all or several members of the Company's Auditing Committee may be terminated early.

Members of the Company's Auditing Commission cannot be members of the Company's Board of Directors at the same time as well as hold other positions in the Company's management bodies.

24.3. The competence of the Company's Auditing Commission shall include the following:

- examination (audit) of the financial, accounting, settlement and other documentation of the Company related with carrying out by the Company of financial and economic activities in order to ensure its compliance with the Russian Federation laws, this Articles of Association and internal documents of the Company;
- checking and analysis of the Company's financial position, its solvency, the risk management and internal control system functioning, liquidity of assets, relation of own and borrowed funds, correctness and timeliness of accruing and payment of the interest under the obligations, income arising out of other securities;



- control over spending of the Company's funds in accordance with the approved business plan and budget of the Company;
- control over building up and use of the reserve and other funds of the Company;
- checking of timeliness and correctness of conducting settlement operations with the contractors and the budget, as well as the calculation operations for remuneration of labour, social insurance, accruing and payment of dividends and other settlement operations;
- control over observance of the established procedure of writing off of the insolvent obligors' indebtedness for the Company's losses;
- checking of the Company's business transactions made in compliance with the concluded contracts;
- checking of observance of ongoing contracts, the norms and standards, the approved estimates and other documents governing the Company's activity in the process of using material, labour and financial resources in the financial and operational activity;
- control over safekeeping and using of capital asset;
- checking the Company's cashier's department and property, the effectiveness of using the Company's assets and other resources, establishing the reasons for non-productive losses and expenses, finding the reserves for the Company's financial position improvement;
- checking of fulfilment of the orders for elimination of the violations and drawbacks previously found by the Company's Auditing Commission;
- developing recommendations for the Company's management bodies;
- carrying out of other actions (measures) related to examination of the Company's financial and economic activities.

24.4. All decisions on the issues referred to the competence of the Auditing Commission of the Company shall be made by the simple majority of the votes from the total number of its members.

24.5. The Auditing Commission shall be entitled and, in case of the revealed serious violations of the Company's financial and economic activities, obliged to demand convening of the Company's extraordinary General Meeting of Shareholders.

24.6. The procedure of activities of the Company's Auditing Commission shall be determined by the internal document of the Company approved by the Company's General Meeting of Shareholders.

The Auditing Commission of the Company shall be entitled to involve to its work specialists in the respective field of (law, economy, finance, accounting, management, economic security and others subject areas) which do not hold the positions in the Company, as well as the specialized organizations, petition to the Company about conclusion of civil law contracts with the specified specialists and organizations in accordance with the decision on carrying out an examination (audit).

24.7. An examination (audit) of the Company's financial and economic activities is carried out based on the results of the Company's operations for the year, and may be also carried out at any time at the initiative of the Auditing Commission of the Company, subject to a decision of the General Meeting of Shareholders of the Company, the Company's Board of Directors or at the request of a Company Shareholder(s) together holding at least ten (10) percent of the Company's voting shares.

24.8. At the request of the Auditing Commission of the Company, persons holding positions in the management bodies of the Company are required to submit documents on the financial and economic activities of the Company.

24.8.1. On the basis of the results of an examination of Company's financial and economic activities, the Company's Auditing Commission draws up a statement, which shall contain:

- confirmation of the accuracy of data in the Company's statements and other financial documents of the Company; and
- information on the facts of violation of the accounting procedures and procedures of submission of financial reports envisaged by legal regulations of the Russian Federation and normative enactments of the Russian Federation during carrying out of the financial and economic activities;

- confirmation of the reliability of the data contained in the report on the interested party transactions.

24.8.2. By the decision of the General Meeting of Shareholders of the Company, the members of the Company's Auditing Commission may be paid the remuneration and (or) they may get compensation for the expenses related to their fulfilment of their functions within the period of their fulfilment of their obligations. The amount of such remuneration and compensation shall be established by decision of the General Meeting of Shareholders of the Company.

24.9. The Company shall conduct an internal audit to assess the reliability and efficiency of risk management and internal control.

24.10. The procedure for the internal audit activities shall be determined by these Articles of Association, the Internal Audit Policy approved by a decision of the Board of Directors of the Company, and the local regulatory acts governing the activities of the internal audit.

24.11. The official responsible for organization and conduction of the internal audit (the head of the structural unit responsible for the organization and conduction of the internal audit) is appointed and released from office based on the decision of the Board of Directors of the Company. The terms of the employment contract with the specified persons are approved by the Board of Directors of the Company.

If the internal documents of the Company provide for the possibility of internal audit conduction by the third party legal entity, the determination of such an entity and the terms of the contract with it, including the amount of its remuneration, shall be the responsibility of the Board of Directors.

24.12. The General Meeting of Shareholders of the Company for audit of the annual accounting (financial) statements shall annually appoint the auditing entity of the Company, which should be independent in accordance with Federal Law dated December 30, 2008 No. 307-FZ "On Auditing Activities".

24.13. The amount of the remuneration for the services of the auditing entity of the Company shall be determined by the Company's Board of Directors.

24.14. The auditing entity of the Company shall audit the annual accounting (financial) statements of the Company in accordance with the legal acts of the Russian Federation and on the grounds of the agreement signed with it.

24.15. Following the audit results, the auditing entity of the Company shall make an opinion, which should contain the following:

- confirmation of reliability of data contained in the Company's accounting (financial) statements;
- information on the facts of violation by the Company of the accounting procedures and procedures of submission of financial reports envisaged by legal regulations of the Russian Federation and normative enactments of the Russian Federation during carrying out by the Company of its financial and economic activities.

Requirements to the form, content and procedure of submitting the auditor's opinion following the audit results shall be specified by the Audit Standards, Bank of Russia, legal acts of the Russian Federation based on the agreement signed with the Company's auditing entity.

## **Article 25. Bookkeeping and Accounting (Financial) Statements of the Company**

25.1. The Company shall be obliged to keep accounting and submit accounting (financial) statements in accordance with the Russian Federation laws and these Articles of Association.

25.2. The responsibility for the arrangement, status and correctness of the accounting in the Company, timely submission of the other accounting (financial) statements to the respective state bodies, as well as the information on the Company's activities submitted to the shareholders of the Company, its creditors and mass media shall be borne by the General Director of the Company in accordance with the Russian Federation laws and these Articles of Association.

25.3. The accuracy of data contained in the Company's annual report and annual accounting (financial) statement shall be verified by the Auditing Commission of the Company.

25.4. The annual report shall be subject to preliminary approval by the Board of Directors of the Company at least thirty (30) days prior to the date of the annual General Meeting of Shareholders of the Company.

## **Article 26. Safekeeping of the Documents by the Company. Delivery of Information by the Company**

26.1. The Company shall keep documents as required by the Federal Law "On Joint Stock Companies", the Company's Articles of Association and internal documents, resolutions of the Company's governance bodies, as well as documents required to be kept under laws and regulations of the Russian Federation.

26.2. The Company shall keep those documents listed in clause 26.1 of article 26 hereof at the location of its executive body in accordance with that procedure and for those periods which may be established by the Bank of Russia.

26.3. In the event of reorganization of the Company, all documents shall be transferred in the prescribed order to the cessionary.

26.4. In the event of liquidation of the Company, the documents of permanent keeping, which have scientific and historical value, shall be transferred for state safekeeping to the Federal Archive Service of Russia; documents on personnel (orders, personal files and registration cards, personal accounts and so on) shall be transferred for safekeeping to the respective archive of the Russian Federation constituent entity.

The transfer and formalization of documents shall be executed in accordance with the requirements of archive bodies.

26.5. The Company shall, upon request, make its documents available to the shareholders in the manner and within the time limits envisaged by the law of the Russian Federation.

26.6. The Company shall disclose its information as required by Federal Law "On Joint Stock Companies" and other regulatory legal acts of the Russian Federation.

26.7. The requirement to provide access to the documents of the Company may be presented to the Company in one of the following ways:

- sending by post or via courier service to the address of the Company specified in the Unified State Register of Legal Entities as well as to other addresses specified in the Articles of Association of the Company or disclosed on the Company's website in the data and telecommunications network Internet for sending a request;

- delivery against a signed acknowledgment of receipt to the person holding the office of (acting in the capacity of) the Company's sole executive body, Chairman of the Board of Directors of the Company or to other person authorized to receive correspondence on behalf of the Company; including Corporate Secretary of the Company;

- giving order (instructions) by the authorized person, whose rights to the shares of the Company are accounted for by the nominee holder who records the rights of the authorized person to the shares of the Company, to this nominee holder, if provided by the agreement with the nominee holder, and sending by this nominee holder a message about the will of the authorized person in accordance with the order (instructions) received from it;

- sending by e-mail.

26.8. The date of submission of the request sent by e-mail shall be the date of registration of the received request as an incoming document.

26.9. The Company shall have the right not to provide access to documents and information in cases established by the Federal Law "On Joint Stock Companies". In this case, the Company shall, within seven (7) business days from the date of submission of the request, notify in writing the person who submitted the request about the decision taken. The notice of refusal to provide access to the Company's documents shall be sent to such a person by the communication method specified in the request.

26.10. The amount of fee is established by the General Director of the Company and may not exceed the costs of making copies of documents, and, if the request indicates the need to send them to the address specified by the shareholder, the corresponding mailing costs.

Information on the fee for making copies of documents is posted on the Company's website in the data and telecommunications network Internet.

If the shareholder (authorized person) fails to pay for the Company's costs of making copies of the Company's documents pursuant to the request received and fulfilled earlier, the period for providing the copies of the Company's documents based on the subsequent requests shall be calculated from the date of receipt of such payment.

26.11. The Company shall ensure the shareholders and employees of the Company an access to the information in accordance with the requirements of the laws on the state and commercial secret.

26.12. The deadline for fulfilling the obligation to provide documents containing confidential information shall be calculated no earlier than from the time of signing between the Company and the shareholder, who applied for the provision of access to documents, of a non-dissemination agreement (confidentiality agreement).

26.13. The Company shall make terms and conditions of a confidentiality agreement available on the its website accessible over the data and telecommunications network Internet. When a request is made by shareholders collectively, the agreement referred to above shall be signed by each of the shareholders, and when documents are made available to a shareholder's proxy representative, the shareholder and its representative shall both sign the agreement.

26.14. Notices of factors indicative of potential interest in transactions involving the Joint Stock Company, and notices of information change that include factors indicative of potential interest in transactions involving the Joint Stock Company, shall be filed with the Company as follows:

- sending by registered mail, return receipt requested, or by courier to the address of the Company that appears in the Unified State Register of Legal Entities and to other addresses that appear in the Company's Articles of Association, or an internal document approved by the General Meeting of Shareholders of the Company;
- delivery against a signed acknowledgment of receipt to the person holding the office of (acting in the capacity of) the Company's sole executive body or to other person authorized to receive correspondence on behalf of the Company;
- submission of a digitally signed electronic document in accordance with the provisions of Federal Law No. 2011-FZ dated April 06, 2011 "On Digital Signature" by means of telecommunication, particularly but not exclusively via Internet telecommunications network;
- sending by telecommunication means, including fax, telegraph and e-mail.

## **Article 27. Reorganization and Liquidation of the Company**

27.1. The Company may be voluntarily reorganized through merger, accession, division, spin-off and restructuring, and on the grounds of, and in accordance with the Civil Code of the Russian Federation and Federal Laws.

27.2. The Company may be liquidated by the court judgment or voluntarily in accordance with the Civil Code of the Russian Federation, Federal Law "On Joint Stock Companies" and these Articles of Association.

27.3. In the event of the Company's reorganization, liquidation or discontinuation of works involving usage of details constituting state and commercial secret the Company shall ensure integrity of such information and the media concerned through development and implementation of actions for security mode maintenance, information protection, counteraction to foreign technical intelligence, security guard and fire safety.