

ESTABLISHED:

by the decision of the annual General Meeting of  
Shareholders of PJSC Rosseti South  
on June 02, 2021  
(Minutes dated 02.06.2021 No. 23)

Chairman of the Annual  
General Meeting of Shareholders  
of PJSC Rosseti South

/signature/\_\_\_\_\_ P.V. Grebtsov

/ seal: Rosseti South \* Public Joint Stock Company  
Rosseti South \* Rostov-on-Don \* PJSC Rosseti South  
\* TIN 6164266561 OGRN 1076164009096 /

**ARTICLES OF ASSOCIATION**  
**of Public Joint-Stock Company Rosseti South**  
  
(new edition)

Rostov-on-Don  
2021

## **Article 1. General Provisions**

1.1. Public Joint Stock Company Rosseti South (hereinafter referred to as the Company) was established by decision of the founder (Order of the Chairman of the Management Board of RAO UES of Russia dated June 22, 2007 No. 192r) in accordance with the Civil Code of the Russian Federation, Federal Law "On Joint Stock Companies", and other regulatory legal acts of the Russian Federation. On June 28, 2007, an entry on the state registration of the Company was made in the Unified State Register of Legal Entities by the Inspectorate of the Federal Tax Service for the Leninsky District of Rostov-on-Don under the main state registration number 1076164009096.

1.2. The Company in its activities is guided by the Civil Code of the Russian Federation, the Federal Law "On Joint-Stock Companies", the Federal Law "On the Electric Power Industry", the Federal Law "On the Peculiarities of the Functioning of the Electric Power Industry in the Transitional Period, and on Amending Certain Legislative Acts of the Russian Federation and Recognizing Certain legislative acts of the Russian Federation in connection with the adoption of the Federal Law "On Electric Power", other regulatory legal acts of the Russian Federation and the present Articles of Association.

1.3. The full company name in Russian is Публичное акционерное общество «Россети Юг» (Public Joint-Stock Company «ROSSETI South»).

Former full company names in the Russian language are Публичное акционерное общество «Межрегиональная распределительная сетевая компания Юга» («Interregional Distribution Grid Company of South», Public Joint Stock Company), Открытое акционерное общество «Межрегиональная распределительная сетевая компания Юга» («Interregional Distribution Grid Company of the South», Open Joint-Stock Company).

The full company name in English is Public Joint stock company «ROSSETI South».

Former full company names in the English are «Interregional Distribution Grid Company of South», Public Joint Stock Company; «Interregional Distribution Grid Company of South», Joint Stock Company.

1.4. The abbreviated corporate name of the Company in Russian is ПАО «Россети Юг» («ROSSETI South», PJSC). Former abbreviated corporate names of the Company in Russian are ПАО «МРСК Юга», ОАО «МРСК Юга».

The abbreviated corporate name of the Company in English is ROSSETI South, PJSC. Former abbreviated corporate names of the Company in English are IDGC of South, PJSC; IDGC of South, JSC.

1.5. Location of the Company: Russian Federation, Rostov-on-Don.  
The Company address is indicated in the Unified State Register of Legal Entities.

1.6. The Company is established without limitation of its duration

1.7. Based on the decision of the Extraordinary General Meeting of Shareholders of the Company dated December 25, 2007, the Company was reorganized in the form of a merger with "Astrakhanenergo" OJSC, "Volgogradenergo" OJSC, "Rostovenergo" OJSC, "Kalmenergo" OJSC.

In accordance with:

a Deed of Transfer approved by the Extraordinary General Meeting of Shareholders of "Astrakhanenergo" OJSC dated January 18, 2008 (Minutes No. w / n dated January 21, 2008),

a Deed of Transfer approved by the Extraordinary General Meeting of Shareholders of "Volgogradenergo" OJSC dated January 18, 2008 (Minutes No. 1/08 of January 28, 2008),

a Deed of Transfer approved by the Extraordinary General Meeting of Shareholders of "Rostovenergo" OJSC dated January 18, 2008 (Minutes No. w / n dated January 21, 2008),

a Deed of Transfer approved by the Extraordinary General Meeting of Shareholders of "Kalmenergo" OJSC dated January 18, 2008 (Minutes No. 3 dated January 21, 2008),

from the moment a record is made in the Unified State Register of Legal Entities on the termination of activities of "Astrakhanenergo" OJSC, "Volgogradenergo" OJSC, "Rostovenergo" OJSC, "Kalmenergo" OJSC, the Company is the assignee of each of these companies for all their rights and obligations.

## **Article 2. The Legal Status of the Company**

2.1. The legal status of the Company is determined by the Civil Code of the Russian Federation, the Federal Law "On Joint-Stock Companies", other regulatory legal acts of the Russian Federation, as well as these Articles of Association.

2.2. The Company is a legal entity and a public joint-stock company under the laws of the Russian Federation.

2.3. The company owns separate property and is liable for it under its obligations. The Company may acquire and exercise property and personal non-property rights on its own behalf, fulfill duties, be a plaintiff and defendant in court.

2.4. The Company in the prescribed manner has the right to open bank accounts in the territory of the Russian Federation and abroad.

2.5. The Company is liable for its obligations with all property belonging to it.

The Company shall bear no liabilities over the obligations of the state and or authorized bodies, and its shareholders.

Shareholders shall not be liable for the Company liabilities, with the exception of cases provided for by the legislation of the Russian Federation.

Shareholders are entitled to alienate their shares without the consent of other shareholders and the Company.

Shareholders of the Company shall bear risk of losses in connection with the Company business only to the extent of their shares value.

2.6. The Company shall have a round seal specifying its full business name in Russian and indicating its location.

The Company has the right to have stamps and letterheads with its own trade name, its own emblem, as well as a registered trademark and other means of visual identification.

2.7. The Company shall have civil rights and obligations necessary for the implementation of any activities not prohibited by federal laws.

2.8. The Company shall have the right 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" and other federal laws.

Branches and representative offices of the Company are not legal entities.

Branches and representative offices of the Company are endowed with the property that created them by the Company and act on the basis of the regulations approved by the Company.

The head of the branch or representative office of the Company is appointed by the Managing Director of the Company and acts on the basis of a letter of authority power issued by the Company.

The Company is responsible for the activities of its branch and representative office.

Information on the branches and representative offices of the Company (if any) shall be indicated in the Unified State Register of Legal Entities.

2.9. The Company may have subsidiaries with the rights of a legal entity on the territory of the Russian Federation created in accordance with the Federal Law "On Joint-Stock Companies", other federal laws and these Articles of Association, and outside the territory of the Russian Federation - in accordance with the legislation of a foreign state at the subsidiary business company location, unless otherwise provided by an International Treaty of the Russian Federation.

2.10. A business entity in which the Company's participation share is more than 20 (Twenty) percent of voting shares is recognized as dependent for the purposes of these Articles of Association.

### **Article 3. The Objectives and Activities of the Company**

3.1. The main objectives of the Company are:

- Profit gaining by the Company;
- effective and reliable operation of distribution integrated power grid facilities;
- ensuring sustainable development of the distribution power grid complex;
- ensuring reliable and high-quality energy supply to consumers (in terms of supply and transmission of electricity).

3.2. To make a profit and achieve the goals of its activities, the Company has the right to carry out any types of activities not prohibited by law, including:

- the provision of power transmission services;
- operational and technological management;
- the provision of services for the technological connection of power receiving devices (power plants) to electric networks of legal entities and individuals;
- collecting, transmitting and processing technological information, including measurement and accounting data;
- exercising control over the safe maintenance of Power plants at consumers connected to the Company's electrical networks;
- operation of power lines;
- the provision of services for the exercise of the powers of the business entities' sole executive body;
- the provision of asset trust services;
- operations with securities in the manner determined by the current legislation of the Russian Federation;
- agent activities;
- design and estimate works, survey, research and design work; provision of transport and forwarding services;
- consulting and information services;
- works determining the conditions for parallel operation in accordance with the Unified Energy System of Russia regimes within the framework of contractual relations;
- operation of energy facilities under contracts with owners that are not on the balance sheet of the Company;
- ensuring the electric networks equipment operability and serviceability in accordance with applicable regulatory requirements, the maintenance, diagnostics, repair of electric networks and other objects of the electric grid economy;
- tests and measurements of power plants (including consumers');
- ensuring operability and serviceability, carrying out maintenance, diagnostics and repair of technological communication networks, measuring and accounting equipment, relay protection and emergency control equipment and other technological equipment related to the functioning of the electric grid facilities;
- development of long-term forecasts, long-term and current plans for the electric grid complex, targeted comprehensive scientific, technical, economic and social programs development;
- development of electric networks and other electric grid facilities including design, engineering surveys, construction, reconstruction, technical re-equipment, installation and commissioning;
- development of technological communication networks and telemechanics, measuring and accounting tools, relay protection and emergency control equipment and other technological equipment related to the functioning of the electric grid economy, including design, engineering surveys, construction, reconstruction, technical re-equipment, installation and commissioning;
- operation of hazardous facilities;
- research, development and technological works, including development, creation, new equipment introduction and improvement of existing equipment, technologies, methods aimed at

increasing the reliability, quality, economy and environmental friendliness of energy supply, creating conditions for the development of the electric power system of Russia, implementation of R&D and innovative programs, participation in the R&D industry funds formation;

- organization and implementation of industrial control over compliance with hazardous facilities industrial safety requirements;

- organization of work to ensure labor protection;

- elimination of technological violations at the electric networks facilities;

- activities related to environmental works and services;

- activities associated with the impact on the environment, generation, collection, use, disposal, storage, final storage, transfer, transportation and dumping of industrial waste;

- activities on the water bodies use;

- activities on the natural resources use, including subsoil and forest resources; activities in the field of metrology;

- manufacturing and repairing of measuring instruments;

- services for installation, repair and maintenance of instruments and tools for measuring, monitoring, testing, navigation, location and other purposes;

- hazardous waste management activities;

- fire prevention activities;

- installation, repair and maintenance of buildings and structures fire safety facilities;

- organization and performance of work with personnel, including training and retraining, personnel technical operation rules knowledge testing, fire safety and labor protection rules testing, as well as other rules and instructions in accordance with current regulatory documents at electric power facilities;

- transportation of passengers and goods by road, rail, air and inland water transport (including hazardous goods);

- maintenance and repair of rolling stock in railway transport;

- maintenance and repair of technical equipment used in railway transport;

- loading and unloading activities in railway transport (including dangerous goods);

- loading and unloading activities in inland water transport (including dangerous goods);

- operation, maintenance and repair of automobile, railway, aviation, inland water transport and lifting mechanisms used for technological purposes;

- foreign economic activity;

- oil, gas and products of their processing storage;

- construction manager activities;

- preparation of design documentation for capital construction projects;

- construction, reconstruction and overhaul activities;

- activities in the field of energy conservation and energy efficiency; development of schedules for emergency consumption limitation;

- control measurements of flow distribution, loads and voltage levels in electric networks of power systems;

- certification for working conditions services;

- local, intra area and long-distance telephone services; lease of communication channels;

- telematic services (including e-mail service, access to information resources, information and reference service, Telefax service, Comfax service, Byurofax service, message processing service, voice messaging service, voice information service);

- data transmission services;

- the use of orbital-frequency resources and radio frequencies for television and radio broadcasting (including broadcasting additional information); rent of buildings, structures, equipment, machines and mechanisms;

- organizational, practical and preventive measures to ensure integrated security (anti-terrorism and anti-crime protection, economic security, anti-corruption and information security);
- technical protection of confidential information;
- mobilization training, civil defense, emergency prevention and response activities;
- state secrets protection, works related to the use of information constituting a state secret, in accordance with the legislation and other regulatory acts of the Russian Federation;
- organization and implementation of measures to ensure security and protection of information constituting a trade secret;
- purchase (receipt) of electric energy (power) from the wholesale market of electric energy and from electric energy producers in the retail market for resale to consumers in the retail market if the status of a guaranteeing supplier of electric energy is assigned, in the manner established by the Russian Federation legislation;
- sale (supply) of electric energy (power) to consumers in the retail market in case of assignment of the status of a guaranteeing electric energy supplier, in the manner established by the Russian Federation legislation;
- medical activities, including sanatorium and resort services; educational activities;
- operation and maintenance of facilities controlled by Rostekhnadzor (Federal Environmental, Industrial and Nuclear Supervision Service of Russia) of the Russian Federation;
- energy audit and the energy provision service activities;
- other activities not prohibited by federal law.

3.3. In cases provided by 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 right of the Company to carry out activities for which it is necessary to obtain a special permit (license), membership in a self-regulatory organization or obtain a certificate of a self-regulatory organization for admission to a certain type of work, arises from the moment of obtaining such a permit (license) or within the period specified in it or from the moment the Company joins a self-regulatory organization or a self-regulatory organization issues a certificate of admission to a certain type of work and is terminated upon termination of the 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.

#### **Article 4. Authorized share capital of the Company**

4.1. The authorized share capital of the Company is composed of the nominal value of the Company shares acquired by the shareholders (placed shares).

The authorized capital of the Company is 15 164 142 635 (Fifteen billion one hundred sixty four million one hundred forty two thousand six hundred thirty five) rubles 43 kopecks.

4.2. The Company has placed ordinary shares with the same par value of 10 (Ten) kopecks each in the amount of 151 641 426 354.30 (One hundred fifty one billion six hundred forty one million four hundred twenty six thousand three hundred fifty four point thirty hundredths) for the total amount at par value 15 164 142 635 (Fifteen billion one hundred sixty four million one hundred forty two thousand six hundred thirty five) rubles 43 kopecks.

4.3. Articles of the Association may be:

- - increased by increasing the nominal value of shares or by placing additional shares;
- - reduced by reducing the nominal value of shares or reducing their total number, including through the acquisition and redemption of part of the Company's outstanding shares in accordance with these Articles of Association.

4.4. An increase in the authorized share capital of the Company is allowed only after its full payment.

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

4.5. The company has the right, and in cases stipulated by the Federal Law "On Joint Stock Companies", is obliged to reduce its authorized capital.

The reduction of the authorized share capital of the Company is carried out in the manner prescribed by the legislation of the Russian Federation and these Articles of Association.

A decrease in the authorized capital of the Company is not allowed if, as a result of this decrease, the amount of the authorized capital of the Company becomes less than the minimum amount of the authorized capital determined in accordance with the Federal Law "On Joint Stock Companies" as of the date of submission of documents for state registration of the relevant changes in this Charter, and in cases if, in accordance with the Federal Law "On Joint Stock Companies", the Company is obliged to reduce its authorized capital, - as of the date of state registration of the Company.

The Company announces in addition to the outstanding shares 28,918,182,335 (Twenty eight billion nine hundred eighteen million one hundred eighty two thousand three hundred thirty five) ordinary registered shares with a par value of 10 (Ten) kopecks each for a total amount at a par value of 2,891,818,233 (Two billion eight hundred ninety-one million eight hundred eighteen thousand two hundred thirty three) rubles 50 kopecks.

Ordinary registered shares declared by the Company for placement represent their owners the rights provided for in clause 6.2. of these Articles of Association.

## **Article 5. Shares, loan securities and other securities of the Company**

5.1. The Company places ordinary shares and is entitled to place one or several types of preferred shares, loan securities and other equity securities in the manner established by the legislation of the Russian Federation.

5.2. Conversion of ordinary shares into preferred shares, loan securities and other securities is not allowed.

5.3. Placement of shares and other Company securities convertible into shares shall be carried out in accordance with legal acts of the Russian Federation.

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

5.5. In the event of conversion into shares at the request of the owners of the Company's equity securities convertible into shares, the period during which the owners are entitled to present or withdraw their conversion requirements cannot be less than 20 days.

5.6. Requirements for conversion of equity securities into shares or revocation of such requirements shall be made in accordance with the rules of the legislation of the Russian Federation on securities.

5.7. Conversion into shares of a company of equity securities is not allowed if the aggregate price of placement of equity securities convertible into shares is less than the aggregate par value of additional shares of the company into which these securities are converted.

5.8. The Company has the right to place additional shares and other equity securities through subscription and conversion. In case of increase of the authorized share capital of the Company due to its property, the Company shall place additional shares by distributing them among shareholders.

5.9. In cases stipulated by the Russian Federation legislation, the shareholders of the Company shall have the preemptive right to purchase additional shares and equity securities convertible into shares placed by subscription in an amount proportional to the number of shares of this category (type) owned by them.

5.10. If during the exercise of the preemptive right to purchase additional shares, as well as during the consolidation of shares, the acquisition of a whole number of shares by the shareholder is not possible, parts of the shares (fractional shares) shall be formed.

A fractional share provides the shareholder (its owner) with the rights granted by the share of the corresponding category (type) in an amount corresponding to the part of the whole share that it makes up.

Fractional shares are traded on a par with full shares. If one person acquires two or more fractional shares of the same category (type), these shares form one full and (or) fractional share equal to the sum of these fractional shares.

5.11. The form of payment for additional shares placed by subscription is determined by the decision on their placement and shall comply with the requirements of the Russian Federation legislation.

Payment of other equity securities shall be made only in cash.

## **Article 6. Rights and obligations of the Company shareholders**

6.1. A shareholder of the Company is a person who owns shares of the Company on the grounds provided for by the legislation of the Russian Federation and these Articles of Association.

6.2. Each registered stock of the Company provides the shareholder - its owner with the same amount of rights.

Shareholders owning ordinary shares of the Company have the right to:

- 1) participate in person or through representatives in the General Meeting of the Company Shareholders with the right to vote on all issues within its competence.
- 2) make proposals on the general meeting agenda in the manner prescribed by the legislation of the Russian Federation and these Articles of Association;
- 3) receive information on the Company activities and review the Company documents in accordance with Article 91 of the Federal Law "On Joint-Stock Companies", other regulatory legal acts and these Articles of Association;
- 4) receive dividends declared by the Company;
- 5) preferential acquisition in the cases and in the manner prescribed by the legislation of the Russian Federation, placed by subscription:
  - additional shares and equity securities convertible into shares, in an amount proportional to the number of ordinary shares they hold;
  - newly placed additional shares of a new category (type) and equity securities convertible into them or additional preferred shares with priority in the order of receipt of dividends and equity securities convertible into them in an amount proportional to the number of the Company's shares held by them in accordance with the requirements of the legislation of the Russian Federation;
- 6) in case of liquidation of the Company, receive part of its property remaining after settlements with creditors, or its value, in the manner prescribed by the legislation of the Russian Federation;
- 7) appeal the Company management decisions entailing civil law consequences, in cases and in the manner prescribed by the legislation of the Russian Federation;
- 8) claim, acting on behalf of the Company, compensation for losses caused to the Company;
- 9) to dispute the transactions made by the Company on the grounds provided for by the Russian Federation legislation, and demand the application of their invalidity consequences, as well as the application of the invalidity consequences of the Company's void transactions of the Company.
- 10) conclude an agreement between shareholders, as well as with the creditors of the Company and other third parties on the exercise of corporate rights (corporate agreement);
- 11) 11) exercise other rights provided for by the Russian Federation legislation and these Articles of Association.

6.3. On the basis of an agreement with the Company, shareholders shall have the right to finance and maintain the activities of the Company at any time to make gratuitous contributions in cash or in other form to the property of the Company, which do not increase the authorized share capital of the Company and do not change the nominal value of shares (contributions to the property of the Company).

An agreement on the basis of which a shareholder makes a contribution to the property of the Company shall be previously approved by a decision of the Company's Board of Directors.

Property contributed by shareholders as a contribution must be of the types specified in clause 1 of Article 66.1 of the Civil Code of the Russian Federation.

6.4. Shareholders - owners of ordinary stock of the Company are obliged:

- 1) to participate in the formation of the Company property in the required amount, in the manner and within the time limits provided for by the Russian Federation legislation or the Company's Articles of Association;
- 2) not to disclose confidential information about the activities of the Company;
- 3) to participate in decision-making, without which the Company cannot continue its activities in accordance with the law, if its participation is necessary for making such decisions;
- 4) not to commit actions deliberately aimed at causing harm to the Company;
- 5) not to perform actions (inaction) that substantially impede or make it impossible to achieve the goals for which the Company was created;
- 6) notify the Company of the fact of the conclusion of a corporate agreement in the manner and terms established by the legislation of the Russian Federation;
- 7) to notify other Company shareholders in advance of their intention to file a lawsuit appealing the decision of the General Meeting of Company Shareholders, as well as to compensate for losses incurred by the Company or invalidating the transaction of the Company or applying the consequences of the transaction invalidity by sending a written notification to the Company, which shall be received by the Company at least five days before the day of going to court.

The shareholders of the Company may bear other obligations stipulated by the Russian Federation legislation or these Articles of Association.

## **Article 7. Dividends**

7.1. Based on the results of the first quarter, six months, nine months of the reporting year and (or) based on the results of the reporting year, the Company is entitled to make decisions (declare) on the payment of dividends on placed shares. The decision to pay (declare) dividends based on the results of the first quarter, six months and nine months of the reporting year may be made within three months after the end of the relevant period.

The company shall pay dividends declared on shares of each category (type), unless otherwise provided by the Federal Law "On Joint-Stock Companies".

7.2. The decision on the payment (declaration) of dividends is taken by the General Meeting of Company's Shareholders. The specified decision shall determine the amount of dividends on shares of each category (type), the form of their payment, the procedure for the payment of dividends in non-monetary form, the date on which persons entitled to receive dividends are determined. At the same time, the decision regarding the establishment of the date on which persons entitled to receive dividends are determined is made only at the Board of Directors of the Company's request.

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

The General Meeting of the Company Shareholders has the right to decide on non-payment of dividends on ordinary shares.

7.3. The Company does not have the right to make a decision (declare) on the payment of dividends on shares, and also does not have the right to pay declared dividends on shares, in cases provided for by the current Russian Federation legislation.

7.4. The source of dividend payment is the Company's profit after tax (net profit of the Company). The net profit of the Company is determined according to the accounting (financial) statements of the Company.

7.5. The deadline for the dividends payment to a nominee shareholder and to a trustee who is a professional participant in the securities market, which are registered in the register of shareholders, shall not exceed 10 business days, and to other persons registered in the register of shareholders - 25 business days from the date on which persons entitled to receipt of dividends.

In accordance with the decision on the dividends payment (declaration), the date on which persons entitled to receive dividends are determined, cannot be established earlier than 10 days from

the date of the decision to pay (declare) dividends and later than 20 days from the date of such a decision.

Dividends are paid the owners of the corresponding category (type) shares, or persons exercising the rights to these shares in accordance with federal laws, at the end of the business day of the date on which persons entitled to receive them are determined in accordance with the decision on dividends payment. Payment of dividends in cash is carried out by bank transfer by the Company or on its behalf by the book runner maintaining the register of shareholders of the Company, or by a credit institution.

Payment of dividends in cash to individuals whose rights to shares are recorded in the register of shareholders of the Company is carried out by transferring funds to their bank accounts or special accounts of financial platform operators opened in accordance with the Federal Law "On financial transactions using a financial platform", the details of which are available from the registrar of the Company, or in the absence of information about bank accounts, special accounts of operators of financial platforms by mail transfer of funds, and to other persons whose rights to shares are recorded in the register of shareholders of the Company, by transferring funds to their bank accounts. The Company's obligation to pay dividends to such individuals shall be deemed fulfilled from the date of receipt of the transferred funds by the federal postal service organization or from the date of money receipt by the credit institution in which the bank account of the individual entitled to receive dividends is opened, and if such person is credit organization - to its account.

Persons entitled to receive dividends and whose rights to shares are accounted for by the nominee shareholder receive dividends in cash in the manner prescribed by the securities legislation of the Russian Federation. A nominee shareholder to whom dividends were transferred and who did not fulfill the obligation to transfer them, established by the Russian Federation legislation on securities, for reasons beyond his control, is obliged to return them to the Company within 10 days after one month from the date the dividends are due.

7.6. A person who has not received declared dividends due to the fact that the Company or the registrar does not have accurate and necessary address information or bank details, or due to another delay of the creditor, has the right to apply for the payment of such dividends (unclaimed dividends) within three years from the date of the decision to pay them.

The deadline for applying for the payment of unclaimed dividends upon skipping it shall not be subject to restoration, unless the person entitled to receive dividends did not submit this demand under the influence of violence or threat.

After this period, declared and unclaimed dividends are restored in the retained earnings of the Company, and the obligation to pay them ends.

## **Article 8. Company Funds**

8.1. The Company creates the Reserve Fund in the amount of 5 (Five) percent of the authorized share capital of the Company.

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

8.2. The Reserve Fund of the Company is intended to cover losses of the Company, as well as to redeem Company bonds and repurchase Company shares in the absence of other funds. The Reserve Fund of the Company cannot be used for other purposes.

8.3. The Company has the right to form other funds in accordance with the requirements of the legislation of the Russian Federation.

## **Article 9. Management and supervision bodies**

9.1. Management and supervision bodies of the Company are:

- General meeting of shareholders;
- Board of Directors;
- Managing Board;

General Director

9.2. The body controlling the financial and economic activities of the Company is the Board of Internal Auditors.

### **Article 10. General meeting of the Company shareholders**

10.1. The General Meeting of Shareholders is the supreme management body of the Company.

10.2. The competence of the General Meeting of Shareholders includes the following issues:

- 1) 1) introduction of amendments and additions to the Articles of Association or its approval in a new edition;
- 2) - Company reorganization;
- 3) - liquidation of the Company, appointment of a liquidation committee and approval of interim and final liquidation balance sheets;
- 4) - determination of the quantity, nominal value, category (type) of authorized shares and the rights granted by these shares;
- 5) increase in the authorized share capital of the Company by increasing the nominal value of shares or by placing additional shares;
- 6) 6) reduction of the Company's authorized share capital by reducing the nominal value of shares, by acquiring a part of the shares by the Company in order to reduce their total number, and also by redeeming shares acquired or bought out by the Company;
- 7) splitting and consolidation of the Company's shares;
- 8) decision on the placement by the Company of bonds and other equity securities convertible into shares;
- 9) determination of the Company's Board of Directors quantitative composition, election of its members and early termination of their powers;
- 10) The Company's Audit Commission members election and early termination of their powers;
- 11) approval of the Company's Auditor;
- 12) decision on the Company sole executive body's powers transfer to a managing organization (manager) and on the early termination of its powers;
- 13) approval of the annual report, and annual accounting (financial) statements of the Company;
- 13.1) profit distribution (including the payment (declaration) of dividends, with the exception of profit distributed as dividends according to the results of the first quarter, six months, nine months of the reporting year) and losses of the Company according to the results of the reporting year;
- 14) dividends payout (declaration) based on the results of the first quarter, six months, nine months of the reporting year;
- 15) General Meeting of the Company Shareholders procedure development;
- 16) making decisions on consent to make or subsequently approve transactions in cases provided for by Article 83 of the Federal Law "On Joint-Stock Companies";
- 17) making decisions on consent to make or subsequently approve major transactions in cases provided for by Article 79 of the Federal Law "On Joint-Stock Companies";
- 18) making decisions on participation in financial and industrial groups, associations and other commercial organizations;
- 19) enactment of bylaws regulating the activities of the Company bodies;
- 20) 20) making a decision on remuneration and (or) compensation payment to the Company Board of Internal Auditors members;
- 21) making a decision on remuneration and (or) compensation payment to the Company Board of Directors members;
- 22) - making a decision on the application for delisting of Company shares and (or) equity securities convertible into shares;
- 23) - the Company's acquisition of placed shares in cases provided for by the Federal Law "On Joint-Stock Companies";
- 24) decisions on other matters stipulated by the Federal Law "On Joint-Stock Companies".

10.3. Issues related to the General Meeting of Shareholders competence cannot be referred to the Board of Directors, the Managing Board and the Chief Executive Officer, unless otherwise provided by the Federal Law "On Joint-Stock Companies".

The General Meeting of Shareholders shall not have the right to consider and make decisions on issues that are not within its competence according to the Federal Law "On Joint-Stock Companies".

10.4. The decision of the General Meeting of Shareholders on the issue put to the vote is adopted by a majority of votes of the shareholders - owners of the Company's voting shares participating in the meeting, unless otherwise provided by the Federal Law "On Joint-Stock Companies". Only a separate (independent) decision shall be made for each issue put to a vote.

10.5. Decisions of the General Meeting of the Company Shareholders shall be adopted by a three-fourths majority of shareholders votes holding voting shares of the Company participating in the General Meeting of Shareholders on the following issues:

- introduction of amendments and additions to the Articles of Association or its approval in a new edition; reorganization of the Company;
- liquidation of the Company, appointment of a liquidation committee and approval of interim and final liquidation balance sheets;
- determination of the quantity, nominal value, category (type) of authorized shares and the rights granted by these shares;
- reduction of the Company authorized share capital by reducing the nominal value of shares;
- the placement of shares (the Company's equity securities convertible into shares) through private subscription by decision of the General Meeting of Shareholders on increasing the authorized share capital of the Company through the additional shares placement (on the placement of the Company's equity securities convertible into shares);
- placement by open subscription of ordinary shares exceeding 25 (twenty five) percent of previously placed ordinary shares;
- placement of equity securities convertible into ordinary shares by open subscription, which can be converted into ordinary shares comprising more than 25 (Twenty five) percent of previously placed ordinary shares;
- making decisions on consent to make or subsequently approve major transactions in cases provided for by Article 79 of the Federal Law "On Joint-Stock Companies";
- making a decision on the application for delisting of Company shares and (or) equity securities convertible into shares;
- the Company's acquisition of placed shares in cases provided for by the Federal Law "On Joint-Stock Companies";
- in other cases stipulated by the Federal Law "On Joint-Stock Companies".

The decision to consent to the conclusion or subsequent approval of an interested party transaction in accordance with Article 83 of the Federal Law "On Joint Stock Companies" is adopted by the General Meeting of Shareholders of the Company by a majority of votes of shareholders - owners of voting shares participating in the meeting and who are not interested in the completion of a transaction or controlled persons interested in its completion. When deciding whether to consent to the transaction or subsequently approve an interested-party transaction, the General Meeting of Shareholders is considered competent regardless of the number of shareholders who are not interested in the relevant transaction and who hold voting shares of the company participating in it.

10.6. Decisions on the issues specified in subparagraphs 2, 5, 7, 8, 12-20, 23 of paragraph 10.2. Article 10 of this Articles of Association as well as on issues of reducing the authorized capital of the Company by decreasing the par value of shares, as well as setting the date on which persons entitled to receive dividends are determined, are adopted by the General Meeting of Shareholders only at the suggestion of the Board of Directors of the Company.

10.7. The General Meeting of Shareholders of the Company shall not have the right to make decisions on items not included in the agenda of the General Meeting of Shareholders of the Company, as well as to change the agenda.

Decisions of the General Meeting of Shareholders adopted on items not included on the agenda of the General Meeting of Shareholders (unless the case was attended by all Company's shareholders), or in violation of the General Meeting of Shareholders competence, in the absence of a quorum for holding the General Meeting of Shareholders or without the majority vote of the shareholders required for the decision to be taken, is not valid regardless of the appeal in court.

10.8. Voting at the General Meeting of Shareholders is carried out on the principle of "one voting share - one vote", with the exception of cumulative voting on the election of the Company's Board of Directors members.

In a cumulative vote, the number of votes belonging to each shareholder is multiplied by the number of persons to be elected to the Company's Board of Directors, and the shareholder shall have the right to cast thus obtained votes for one candidate or to distribute them between two or more candidates.

The candidates with the highest number of votes are considered elected to the Board of Directors of the Company.

10.9. The General Meeting of Shareholders of the Company may be held at the location of the Company or in Moscow.

The specific address of the General Meeting of Shareholders shall be established by the Board of Directors when resolving issues related to the holding of the General Meeting of Shareholders.

10.10. The General Meeting of Shareholders Chairman's functions are performed by the Chairman of the Board of Directors.

In the absence of the Board of Directors Chairman at the General Meeting of Shareholders, the functions of the Chairperson at the General Meeting of Shareholders are performed by the Deputy Chairman of the Board of Directors.

In the absence of the Chairman of the Board of Directors and his deputy, the functions of the General Meeting of Shareholders Chairman can be performed by any member of the Board of Directors by decision of the Company's Board of Directors or by decision of the Board of Directors members present at the General Meeting of Shareholders.

If at extraordinary general meeting held by decision of persons entitled to demand an extraordinary general meeting, there are no persons who chair the General Meeting of Shareholders of the Company in accordance with this clause, the chairman of the Company's General Meeting of Shareholders is the person who made the decision to hold an extraordinary General Meeting of Shareholders (its representative), or, if the decision to hold an extraordinary General Meeting of Shareholders is made by several persons, - one of them defined by their decision.

10.11. If all voting shares of the Company belong to one shareholder, decisions on issues falling within the competence of the Company's General Meeting of Shareholders shall be made by this shareholder (authorized shareholder management body), drawn up in writing and communicated to the Company. With that, the provisions of Articles 10-15 of the Articles of Association, which determine the procedure and terms for the preparation, convening and holding of the General Meeting of Shareholders, do not apply, with the exception of the provisions regarding the timing of the annual General Meeting of Shareholders.

10.12. The functions of the Counting Commission at the General Meeting of Shareholders are performed by a professional participant in the securities market who is the holder of the register of shareholders of the Company (registrar of the Company).

### **Article 11. Holding the General Meeting of Shareholders in the form of joint presence**

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

At the Annual General Meeting of Shareholders, the following issues shall be resolved: electing the Board of Directors, the Audit Commission, approval of the Auditor of the Company, approval of the annual report of the Company, annual accounting (financial) statements, distribution of profits (including the payment (declaration) of dividends, excluding 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 according to the results of the reporting year. Other issues within the competence of the General Meeting of Shareholders of the Company may be resolved.

11.2. The General Meeting of Shareholders is held in the form of a joint presence of shareholders (shareholders representatives) to discuss agenda items and make decisions on items put to a vote.

Resolutions of the General Meeting of Shareholders may be adopted by absentee voting (by poll), including voting using electronic or other technical means in accordance with Article 12 of this Articles of Association.

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

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

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

Information on the date on which persons entitled to participate in the General Meeting of Shareholders of the Company are determined (fixed) is disclosed no less than 7 (seven) days before this date.

The list of persons entitled to participate in the General Meeting of Shareholders (with the exception of their declaration of will) is presented by the Company for review at the request of a person included in the list and having at least 1 (one) percent of votes on any issue of the General Meeting of Shareholders agenda, from the date following the date of receipt of a request for the provision of a specified list by the Company (from the date of list preparation, if such a request was received by the Company before the date of its preparation). The list of persons entitled to participate in the General Meeting of Shareholders (with the exception of their declaration of will) is provided by the Company for review at the premises of the Company's executive body, and shall also be available for review during the General Meeting of Shareholders at the venue. With that, information allowing identification of individuals included in the specified list, is provided only with their consent, with the exception of the last name, first name, middle name (if any).

At the request of a person included in the list of persons entitled to participate in the General Meeting of Shareholders with at least one percent of votes on any item on the agenda of the General Meeting of Shareholders, the Company shall provide him with a copy of the list of persons entitled to participate in the General Meeting of Shareholders (with the exception of their will declaration), within seven working days from the date of receipt of the relevant request by the Company (from the date of compilation of this list, if such a request was received by the Company before the date of its compilation).

11.4. The notice of the General Meeting of Shareholders is posted on the website Of the Company in the information and telecommunication network Internet at [www.rossetiyug.ru](http://www.rossetiyug.ru) no later than 30 (Thirty) days before the date of its holding, and in cases stipulated by paragraphs 2 and 8 of 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.

The text of the General Meeting of Shareholders notification by decision of the Board of Directors may be additionally sent in electronic form to those Company's shareholders who have provided the Company or the registrar with their email addresses.

By decision of the Board of Directors, a notice on the holding of the General Meeting of Shareholders may be additionally sent to persons entitled to participate in the General Meeting of

Shareholders and registered in the register of shareholders of the Company in one or more of the following ways:

- 1) sending an electronic message on the holding of the General Meeting of Shareholders to the email 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 notification of the General Meeting of Shareholders to the contact phone number or email address specified in the register of shareholders of the Company.

The notification of the General Meeting of Shareholders shall include:

- full company name and location of the Company;
- the form of the General Meeting of Shareholders (meeting or absentee voting);
- date, place (including the venue), time of the General Meeting of Shareholders and the mailing address for sending completed voting papers;
- the date on which the persons entitled to participate in the General Meeting of Shareholders are determined (fixed);
- the General Meeting of Shareholders agenda;
- the procedure for examination of the information (materials) to be provided in preparation for the General Meeting of Shareholders, and the address (addresses) where it can be found;
- categories (types) of shares whose owners are entitled to vote on all or some of the issues on the General Meeting of Shareholders agenda.
- the email address where completed voting papers can be sent, and (or) the website address, where the electronic voting papers can be filled in, if such methods of sending, and (or) filling out the voting papers are provided for by the Company's Board of Directors in preparation for the General Meeting of Shareholders;
- information on the documents that shall be submitted for admission to the General Meeting of Shareholders venue, if admission to the venue is not free;
- start time of the General Meeting of Shareholders participants registration.

If the person registered in the register of shareholders of the Company is a nominal holder of shares, a notification on the General Meeting of Shareholders and information (materials) to be provided to persons entitled to participate in the General Meeting of Shareholders, in preparation for the General Meeting of Shareholders of the Company are provided in accordance with the rules of the Russian Federation legislation on securities to provide information and materials to persons exercising the rights to securities.

The company shall keep information on the notifications sent provided for by this Article for five years from the date of the General Meeting of Shareholders.

11.5. Voting at the General Meeting of Shareholders on all items on the agenda is carried out only by voting papers. The form and text of the voting paper are approved by the Board of Directors. The voting by voting papers is equivalent to the receipt by the Company's registrar of will declarations of persons who are entitled to participate in the General Meeting of Shareholders, are not registered in the register of the Company's shareholders and, in accordance with the requirements of the Russian Federation legislation on securities, instructed persons registering their rights to shares on voting.

A voting paper 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 no later than 20 (twenty) days before the General Meeting of Shareholders.

Voting papers may be sent via registered or simple letter to the address indicated in the list of persons entitled to participate in the General Meeting of Shareholders and/or an email to the address of the person indicated in the register of the Company's shareholders. The voting paper's form may additionally be posted on the Company's Internet website.

Each person included in the list or his representative is provided with one copy of the voting paper for voting on all issues or one copy of two or more voting papers for voting on different issues.

11.6. Information (materials) on the items on the agenda of the General Meeting of Shareholders shall be available to persons entitled to participate in the General Meeting of Shareholders for examination in the premises of the Company's executive body and other places

indicated in the notification on the General Meeting of Shareholders, as well as on the Internet website [www.mrsk-yuga.ru](http://www.mrsk-yuga.ru) within 20 (twenty) days, and in if the agenda of the General Meeting of Shareholders contains the issue of the Company's reorganization, within 30 (thirty) days prior to the General Meeting of Shareholders. The specified information (materials) shall be available to persons participating in the General Meeting of Shareholders during its holding. Moreover, the Company seeks to ensure the availability of materials to the General Meeting of Shareholders at least 30 days before the date of its holding.

11.7. The procedure for information (materials) examining on the items on the agenda of the General Meeting of Shareholders and the list of such information (materials) by persons entitled to participate in the General Meeting of Shareholders are determined by a decision of the Board of Directors of the Company.

11.8. The right to participate in the General Meeting of Shareholders is exercised by the shareholder both personally and through his representative.

If a share is transferred after the established date of determination (fixation) of persons entitled to participate in the General Meeting of Shareholders and before the date of the General Meeting, the person included in the list of persons entitled to participate in the General Meeting is obliged to issue the acquirer a power of attorney to vote or vote at the General Meeting in accordance with the instructions of the acquirer of the shares, if this is stipulated by the agreement on the transfer of shares. This rule also applies to each subsequent transfer of shares.

If the Company's share is jointly owned by several persons, they shall be provided with one copy of the voting paper for all issues or one copy of two or more voting papers for various issues, and the voting powers at the General Meeting of Shareholders shall be exercised by one of the participants in the Common Share Property or their common representative.

The legal power of each of these persons shall be properly documented.

11.9. When holding the General Meeting of Shareholders in the form of joint attendance, persons entitled to participate in the General Meeting of Shareholders or their representatives shall have the right to register for participation in such a meeting, either send the completed voting papers to the Company or fill out the electronic form for the voting paper on the Internet website indicated in the notification on the General Meeting of Shareholders, if such a method of filling out the voting papers is provided for by a decision of the Board of Directors of the Company in preparation for the General Meeting of Shareholders.

11.10. The General Meeting of Shareholders has legal power (a quorum) if it was attended by shareholders holding in aggregate more than half of the votes of the Company's outstanding voting shares.

Participants in the General Meeting of Shareholders are considered to be the shareholders registered to participate in it, including the Internet website indicated in the notification about the General Meeting of Shareholders (if such an opportunity was provided for by a decision of the Company's Board of Directors), as well as shareholders whose voting papers were received or whose electronic voting papers was completed on the Internet website (if such an opportunity is provided by the Board of Directors), no later than two days prior to the date of the General Meeting of Shareholders.

Participants in the General Meeting of Shareholders are also considered to be shareholders who, in accordance with the rules of the Russian Federation legislation on securities, gave the persons registering their rights to shares instructions on voting if messages of their will declaration were received no later than two days before the date of the General Meeting of Shareholders.

If the agenda of the General Meeting of Shareholders includes items that are voted on by a different composition of voters, the quorum for deciding on these items is determined separately.

With this, the absence of a quorum for deciding on issues voted on by one composition of voters does not preclude the adoption of decisions on issues voted on by another composition of voters, for which there is a quorum.

11.11. In the absence of a quorum for the annual General Meeting of Shareholders of the Company, a repeated General Meeting of Shareholders with the same agenda shall be held. In the

absence of a quorum for the annual General Meeting of Shareholders of the Company, a repeated General Meeting of Shareholders with the same agenda may be held.

The decision to convene a repeated General Meeting of Shareholders is made by the Board of Directors of the Company.

A repeated General Meeting of Shareholders, convened instead of the failed one, is legally authorized if shareholders holding in aggregate at least 30 percent of the votes of the placed voting Company shares took part in it.

When holding a repeated General Meeting of Shareholders less than 40 (forty) days after the failed General Meeting of Shareholders, persons entitled to participate in the General Meeting of Shareholders are determined (fixed) at the date on which the persons entitled to participate in failed General Meeting of Shareholders were determined.

In the absence of a quorum for holding, on the basis of a court decision, an annual General Meeting of Shareholders, a repeated General Meeting of Shareholders with the same agenda shall be held no later than 60 days later. No additional appeal to the court is required. The Repeated General Meeting of Shareholders is convened and held by the person or body of the Company specified in the court decision, and if the indicated person or body of the Company did not convene the annual General Meeting of Shareholders within the time period specified by the court decision, the repeated meeting of shareholders is convened and held by other persons or the body of the Company who have applied with a lawsuit, provided that these persons or the body of the Company are indicated in the court decision.

In the absence of a quorum for holding an extraordinary General Meeting of Shareholders on the basis of a court decision, a repeated General Meeting of Shareholders is not held. The minutes of the General Meeting of Shareholders shall be drawn up in duplicate no later than 3 (three) business days after the closing of the General Meeting of Shareholders. Both copies are signed by the Chairman of the General Meeting of Shareholders and the Secretary of the General Meeting of Shareholders (Corporate Secretary).

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

The minutes of the General Meeting of Shareholders shall be posted on the official website of the Company: [www.rosseti-yug.ru](http://www.rosseti-yug.ru) no later than 3 (three) days from the date of its preparation.

11.12. Decisions made by the General Meeting of Shareholders of the Company and the voting results may be announced at the General Meeting of Shareholders, during which voting was carried out, and must also be communicated to the persons included in the list of persons entitled to participate in the General Meeting of Shareholders of the Company in the form of a Report on the results of voting in the manner prescribed for the notification of the General Meeting of Shareholders, no later than four business days after the closing date of the General Meeting of Shareholders of the Company.

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

11.13. When holding the General Meeting of Shareholders in the form of a meeting, information and communication technologies can be used to enable remote participation in the General Meeting of Shareholders, discussing agenda items and making decisions on items put to a vote without being present at the venue of the General Meeting of Shareholders.

## **Article 12. Holding the General Meeting of Shareholders in the form of absentee voting.**

12.1. The decision of the General Meeting of Shareholders can be made without a meeting (joint presence of shareholders to discuss agenda items and decision-making on items put to a vote) by absentee voting (by poll).

Voting on items on the agenda of the General Meeting of Shareholders, held in the form of absentee voting, is carried out only by voting papers. The form and text of the voting paper are approved by the Board of Directors.

The voting by voting papers is equivalent to the receipt by the Company's registrar of will declarations of persons who are entitled to participate in the General Meeting of Shareholders, are not registered in the register of the Company's shareholders and, in accordance with the requirements of the Russian Federation legislation on securities, instructed persons registering their rights to shares on voting.

12.2. The General Meeting of Shareholders agenda includes questions on the election of the Company's Board of Directors, the Audit Commission of the Company, approval of the Auditor of the Company, as well as issues provided for by subparagraph 13 of paragraph 10.2 of Article 10 of these Articles of Association, cannot be held in the form of absentee voting.

A new General Meeting of Shareholders in exchange for the failed one, which was to be held by joint presence, cannot be held by absentee voting (by poll).

12.3. The list of persons entitled to participate in absentee voting on the agenda items of the General Meeting of Shareholders is compiled in accordance with the rules of the Russian Federation legislation on securities to compile a list of persons exercising the 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 cannot be established earlier than 10 (ten) days from the date of the decision to hold the General Meeting of Shareholders of the Company and more than 25 (twenty five) days before the deadline for the acceptance of voting papers by the Company, and in the case provided for in paragraph 8 of Article 53 of the Federal Law "On Joint Stock Companies" - more than 55 (fifty five) days before the date of the General Meeting of Shareholders.

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

Information on the date on which persons entitled to participate in the General Meeting of Shareholders are determined (fixed) is disclosed no less than 7 (seven) days before this date.

12.4. A notification of the General Meeting of Shareholders by absentee voting is posted on the Company's Internet website [www.mrsk-yuga.ru](http://www.mrsk-yuga.ru) no later than 30 (thirty) days before the deadline for the receipt of voting papers by the Company, and in case provided for by paragraph 8 of Article 53 of the Federal Law "On Joint-Stock Companies" - not later than 50 (fifty) days before the date of the General Meeting of Shareholders.

The text of the General Meeting of Shareholders notification by decision of the Board of Directors may be additionally sent in electronic form to those Company's shareholders who have provided the Company or the registrar with their email addresses.

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

- 1) sending an electronic message on the holding of the General Meeting of Shareholders to the email 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 notification of the general meeting of shareholders to the contact phone number or email address specified in the register of shareholders of the company.

The notification of the General Meeting of Shareholders shall include:

- full company name and location of the Company;
- the form of the General Meeting of Shareholders (meeting or absentee voting);

- - the deadline for the receipt of voting papers and the mailing address to which the completed voting papers shall be sent;
- - the date on which the persons entitled to participate in the General Meeting of Shareholders are determined (fixed);
- - the General Meeting of Shareholders agenda;
- - the procedure for examination of the information (materials) to be provided in preparation for the General Meeting of Shareholders, and the address (addresses) where it can be found;
- - the email address where the voting papers can be sent, and (or) the Internet website address, on which the electronic form of voting papers can be filled, if such methods of sending and (or) filling out voting papers are provided for by a decision of the Company's Board of Directors in preparation for the General Meeting of Shareholders;
- - categories (types) of shares whose owners are entitled to vote on all or some of the issues on the General Meeting of Shareholders agenda.

If the person registered in the register of shareholders of the Company is a nominal holder of shares, a notification on the General Meeting of Shareholders and information (materials) to be provided to persons entitled to participate in the General Meeting of Shareholders, in preparation for the General Meeting of Shareholders of the Company are provided in accordance with the rules of the Russian Federation legislation on securities to provide information and materials to persons exercising the rights to securities.

The company shall keep information on the notifications sent provided for by this article for five years from the date of the general meeting of shareholders.

12.5. A voting paper 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 no later than 20 (twenty) days before the deadline for receiving voting papers.

Voting papers may be sent via registered or simple letter to the address indicated in the list of persons entitled to participate in the General Meeting of Shareholders and/or an email to the address of the person indicated in the register of the Company's shareholders. The voting paper's form may additionally be posted on the Company's Internet website.

Each person included in the list of persons entitled to participate in the General Meeting of Shareholders is provided with one copy of the voting paper for voting on all issues or one copy of two or more voting papers for voting on different issues.

The procedure for information (materials) examining on the items on the agenda of the General Meeting of Shareholders and the list of such information (materials) by persons entitled to participate in the General Meeting of Shareholders are determined by a decision of the Board of Directors of the Company.

Information (materials) on the items on the agenda of the General Meeting of Shareholders shall be available to persons entitled to participate in the General Meeting of Shareholders for examination in the premises of the Company's executive body and other places indicated in the notification on the General Meeting of Shareholders, as well as on the Internet website [www.mrsk-yuga.ru](http://www.mrsk-yuga.ru) within 20 (twenty) days, and in if the agenda of the General Meeting of Shareholders contains the issue of the Company's reorganization, within 30 (thirty) days prior to the General Meeting of Shareholders. Moreover, the Company seeks to ensure the availability of materials to the General Meeting of Shareholders at least 30 days before the date of its holding.

12.6. The General Meeting of Shareholders in the form of absentee voting has legal power (a quorum) if it was attended by shareholders holding in aggregate more than half of the votes of the Company's outstanding voting shares.

Participants in the General Meeting of Shareholders held in the form of absentee voting are considered to be the shareholders whose voting papers were received and (or) the electronic form of the voting papers filled out on the Internet website indicated in the notification of the General Meeting of Shareholders (if this possibility was provided for by the decision of the Company's Board of Directors before the indicated end date for the Company to receive the voting papers, as well as the shareholders who, in accordance with the rules of the legislation of the Russian Federation on

securities, gave the persons registering their rights to shares instructions (instructions) on voting if their declarations of will were received before the deadline for the voting papers receipt.

12.7. The protocol on the voting results is drawn up and signed in duplicate by the registrar of the Company no later than 3 (three) business days after the deadline for the receipt of voting papers.

The minutes of the General Meeting of Shareholders shall be drawn up in duplicate no later than 3 (three) business days after the closing of the General Meeting of Shareholders. Both copies are signed by the Chairman of the General Meeting of Shareholders and the Secretary of the General Meeting of Shareholders (Corporate Secretary).

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

The minutes of the General Meeting of Shareholders shall be posted on the official website of the Company: [www.rosseti-yug.ru](http://www.rosseti-yug.ru) no later than 3 (three) days from the date of its preparation.

12.8. Decisions made by the General Meeting of Shareholders and the voting results shall be brought to the attention of persons entitled to participate in the General Meeting of Shareholders in the form of a voting results Report in the manner prescribed for notification of the General Meeting of Shareholders, no later than four business days after the deadline for the voting papers receipt during the General Meeting of Shareholders in the form of absentee voting.

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

### **Article 13. Proposal of agenda items of the Annual General Meeting of Shareholders of the Company**

13.1. Within 60 (sixty) days after the end of the reporting year, the Shareholders (Shareholder) of the Company who in aggregate hold at least 2 (two) percent of the Company's voting shares, have the right to propose agenda items for the Annual General Meeting of Shareholders and nominate candidates to the Board of Directors and the Audit Commission of the Company, the number of which cannot exceed the number of members of the relevant body.

13.2. A proposal to include items on the General Meeting of Shareholders agenda and a proposal to nominate candidates shall be made indicating the name (name) of the shareholders (shareholder) that represented them, the number and category (type) of shares owned by them and shall be signed by the shareholders (shareholder) or their representatives. Shareholders (a shareholder) of the Company not registered in the register of shareholders of the Company are entitled to submit proposals to the General Meeting of Shareholders agenda and proposals to nominate candidates also by giving appropriate orders (instructions) to a person who takes into account their rights to shares. Such orders (instructions) are given in accordance with the rules of the Russian Federation legislation on securities.

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

13.4. The Board of Directors of the Company is obliged to consider the proposals received and make decisions on including or refusing to include them on the General Meeting of Shareholders agenda no later than 5 (five) days after the deadline specified in clause 13.1. of these Articles of Association.

13.5. The Board of Directors of the Company has the right to refuse to include items submitted by a shareholder (shareholders) on the agenda of the General Meeting of Shareholders, as well as to include nominated candidates in the list of candidates for voting in elections to the relevant body of the Company on the grounds provided for by the Federal Law "On Joint Stock Companies" and other legal acts of the Russian Federation.

13.6. A motivated decision of the Company's Board of Directors to refuse to include an item on the agenda of the General Meeting of Shareholders or a candidate in the list of candidates for voting in the relevant body of the Company shall be sent to the shareholder (shareholders) who submitted the item or nominated a candidate no later than 3 (three) days from dates of such a decision. If these proposals came to the Company from persons not registered in the register of the Company shareholders and gave orders (instructions) to the person exercising their rights to shares, the decision of the Company's Board of Directors shall be sent to such persons no later than three days from the date of its adoption in accordance with the rules of the Russian Federation legislation on securities to provide information and materials to persons exercising the rights to securities.

13.7. The Board of Directors of the Company shall not have the right to amend the wording of items proposed for the General Meeting of Shareholders agenda, and (if any) in the wording of decisions on such items.

Along with items proposed for the General Meeting of Shareholders agenda by shareholders, as well as candidates proposed by shareholders for the formation of the relevant body, the Board of Directors of the Company has the right to include items and (or) candidates on the agenda of the General Meeting of Shareholders in the list of candidates for election voting to the appropriate body of the Company at its discretion. The number of candidates proposed by the Board of Directors of the Company may not exceed the quantitative composition of the relevant body.

#### **Article 14. Calling of the Extraordinary General Meeting of Shareholders**

14.1. General Meetings of Shareholders held in addition to the annual meetings are extraordinary.

14.2. An extraordinary General Meeting of Shareholders of the Company is held by the Company Board of Directors' decision at its own discretion, the requirements of the Audit Commission of the Company, the Auditor of the Company, as well as the shareholder (shareholders) who own at least 10 (ten) percent of the Company's voting shares on the date of the request.

14.3. The calling of an Extraordinary General Meeting of Shareholders at the request of the Audit Commission of the Company, the Auditor of the Company, or the shareholders (shareholder) holding at least 10 (ten) percent of the Company's voting shares is carried out by the Company's Board of Directors.

The Extraordinary General Meeting of Shareholders shall be held within 40 (forty) days from the date of the Extraordinary General Meeting of Shareholders request submission, except as provided for in clause 14.9. of these Articles of Association.

14.4. The request for an Extraordinary General Meeting of Shareholders of the Company shall formulate the items to be included in the agenda of the meeting.

Persons (a person) requiring the calling of an Extraordinary General Meeting of Shareholders of the Company shall have the right to submit a draft decision of the Extraordinary General Meeting of Shareholders of the Company, a proposal on the form for holding the General Meeting of Shareholders. If the request to convene an Extraordinary General Meeting of Shareholders contains a proposal to nominate candidates, the relevant provisions of Article 13 of these Articles of Association apply to such a proposal.

The Board of Directors of the Company shall not have the right to make changes to the wording of the agenda items, the wording of decisions on such items and to change the proposed form for holding an Extraordinary General Meeting of Shareholders convened at the request of the Internal Audit Commission of the Company, the Auditor of the Company or shareholders (shareholders) who own at least 10 (ten) percent of the Company's voting shares.

14.5. If the request to convene an extraordinary General Meeting of Shareholders of the Company comes from the shareholder (shareholders), it shall contain the name (title) of the shareholder (shareholders) requesting the calling of the meeting, indicating the number, category (type) of shares of the Company owned by them.

The request to convene an Extraordinary General Meeting of Shareholders of the Company is signed by the person (persons) requiring the calling of an Extraordinary General Meeting of Shareholders of the Company.

14.6. The Board of Directors of the Company shall agree or refuse to convene an Extraordinary General Meeting of Shareholders of the Company within 5 (five) days from the request date of the Audit Commission, the Auditor of the Company or the shareholder (shareholders) owning at least 10 (ten) percent of the Company's voting shares on the Extraordinary General Meeting of Shareholders calling.

14.7. The Company Board of Directors' decision to convene an Extraordinary General Meeting of Shareholders of the Company or a reasoned decision to refuse to convene it shall be sent to persons requiring its calling no later than 3 (three) days from the date of such a decision. If the proposal to convene an Extraordinary Meeting of Shareholders came from persons not registered in the register of the Company shareholders and gave orders (instructions) to the person exercising their rights to shares, the decision of the Company's Board of Directors shall be sent to such persons no later than three days from the date of its adoption in accordance with the rules of the Russian Federation legislation on securities to provide information and materials to persons exercising the rights to securities.

14.8. If during the period specified in clause 14.6. Article 14 of these Articles of Association, the Board of Directors of the Company did not make a decision to convene or refuse to convene an Extraordinary General Meeting of Shareholders of the Company, the body of the Company or persons requiring its calling has the right to appeal to the court with a request to compel the Company to hold an Extraordinary General Meeting of Shareholders .

The court decision on compelling the Company to hold an Extraordinary General Meeting of Shareholders shall indicate the dates and procedure for its holding.

The execution of the court decision rests with the plaintiff or, at his request, the body of the Company or another person, subject to their consent. Such body cannot be The Company's Board of Directors.

With this, the body of the Company or a person who, in accordance with a court decision, holds an Extraordinary General Meeting of Shareholders, has all the powers required by the Federal Law "On Joint-Stock Companies" necessary for calling and holding this meeting.

If, in accordance with a court decision, an Extraordinary General Meeting of Shareholders is held by the plaintiff, the costs of preparing and holding this meeting may be reimbursed by decision of the General Meeting of Shareholders at the expense of the Company.

14.9. If the proposed agenda of the Extraordinary General Meeting of Shareholders contains the issue of electing members of the Board of Directors of the Company:

14.9.1. The General Meeting of Shareholders shall be held within 75 (seventy five) days from the date of the request submission for an Extraordinary General Meeting of Shareholders of the Company. In this case, the Board of Directors of the Company is obliged to determine the date by which proposals from shareholders on the nomination of candidates for election to the Board of Directors of the Company will be accepted.

14.9.2. The shareholders (shareholder) of the Company, who in aggregate hold at least 2 percent of the Company's voting shares, are entitled to propose candidates for election to the Board of Directors of the Company, the number of which cannot exceed the number of members of the Board of Directors of the Company.

Such requests shall be received by the Company at least 30 (thirty) days prior to the date of the Extraordinary General Meeting of Shareholders.

The Board of Directors of the Company is obliged to consider the proposals received and make decisions on including or refusing to include them on the General Meeting of Shareholders agenda no later than 5 (five) days after the deadline specified in paragraph 2 of this subparagraph.

14.9.3. The date on which persons entitled to participate in the General Meeting of Shareholders of the Company are determined (fixed) cannot be set earlier than 10 (ten) days from the date of the decision to hold the General Meeting of Shareholders of the Company and more than 55 (fifty-five) days before the date of the General Meeting of Shareholders of the Company.

14.9.4. A notification of an Extraordinary General Meeting of Shareholders shall be made no later than 50 (fifty) days before the date of its holding.

14.10. In accordance with the Federal Law "On Joint Stock Companies", in cases where the Board of Directors of the Company is obliged to decide on an Extraordinary General Meeting of Shareholders to elect members of the Board of Directors of the Company, such General Meeting of Shareholders shall be held within 70 (seventy) days from the date of the decision on its calling by the Board of Directors of the Company.

14.11. If the proposed agenda of the General Meeting of Shareholders contains the issue of reorganization of the Company in the form of a merger, spin-off or division, and the election of the Board of Directors (supervisory board) of the Company created by reorganization in the form of a merger, spin-off or division, a shareholder or shareholders who are in aggregate, the owners of at least 2 percent of the voting shares of the reorganized company are entitled to nominate candidates to the Board of Directors (supervisory board) of the newly created company, its collegial executive body and, if, in accordance with the Articles of Association of the created company, the presence of the audit committee is mandatory, candidates for the audit committee, the number of which cannot exceed the quantitative composition of the relevant body, indicated in the message on the General Meeting of Shareholders of the Company in accordance with the draft Articles of Association of the created company, as well as nominate a candidate for the position of the sole executive body of the created company.

If the proposed agenda of the General Meeting of Shareholders contains the issue of reorganization of the Company in the form of a merger, the shareholder or shareholders holding in aggregate at least 2 percent of the reorganized company's voting shares are entitled to nominate candidates for election to the board of directors (supervisory board) created 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) of the relevant company, specified in the notification of the General Meeting of Shareholders in accordance with the merger agreement.

Proposals for the nomination of candidates shall be submitted to the reorganized Company no later than 45 days prior to the day 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 Company being reorganized in the list of members of the collegial executive body, the audit commission and the decision to approve the person acting as the sole executive body of each company created by reorganization in the form of a merger, division or spin-off is adopted by the majority in three quarters of the votes of the reorganized Company Board of Directors' members. In this case, the votes of retired members of the Board of Directors of the Company are not taken into account.

## **Article 15. The Board of Directors of the Company**

15.1. The Board of Directors of the Company is a collegial management body that controls the activities of the Sole Executive Body of the Company and performs other functions assigned to it by law or the Articles of Association of the Company. The Board of Directors of the Company carries out general management of the Company, with the exception of resolving issues referred by the Federal Law "On Joint-Stock Companies" and these Articles of Association to the competence of the General Meeting of Shareholders.

The competence of the Board of Directors of the Company includes the following issues:

1) determination of the priority areas of the Company's activities, including approval of the Company's development strategy, the Company's innovative development program and reports on their implementation;

- 2) convocation of the annual and extraordinary General Meetings of Shareholders of the Company, with the exception of cases provided for in clause 14.8. Article 14 of these Articles of Association, as well as the announcement of the new General Meeting of Shareholders date to replace the failed one due to lack of quorum;
- 3) the General Meeting of Shareholders of the Company agenda approval;
- 4) the General Meeting of Shareholders of the Company's secretary election;
- 5) determination of the list of persons entitled to participate in the General Meeting of Shareholders of the Company compilation date, determination of the list of persons entitled to receive dividends compilation date, approval of cost estimates for the General Meeting of Shareholders of the Company and other issues related to the preparation and conduct of the General Meetings of Shareholders of the Company;
- 6) submitting for resolution by the General Meeting of Shareholders of the Company the issues stipulated by subparagraphs 2, 5, 7, 8, 12-20, 23 of paragraph 10.2. Article 10 of this Articles of Association, on reducing the authorized capital of the Company by reducing the par value of shares, as well as on setting the date on which the persons entitled to receive dividends are determined;
- 7) placement by the Company of additional shares, into which preferred shares of a certain type placed by the Company are converted, convertible into ordinary shares or preferred shares of other types, if such placement is not associated with an increase in the authorized capital of the Company, as well as placement by the Company of bonds, including a decision to place bonds of several issues within the framework of the bond program (decision on the approval of the bond program), and other equity securities, with the exception of shares; issue of Eurobonds and determination of the Company's policy regarding the issue of equity securities (except for shares) and Eurobonds;
- 8) approval of a decision on the issue (additional issue) of shares and equity securities convertible into shares, a securities prospectus, a report on the results of the issue (additional issue) of securities and notification of the results of the issue (additional issue) of securities, approval of reports on the results of the acquisition of shares from shareholders of the Company, reports on the results of redemption of shares, reports on the results of presentation by shareholders of the Company of claims for the repurchase of shares owned by them, decision-making on the acceptance of offers (acceptance) on the acquisition of additional shares placed by open subscription after the expiration of the preemptive right, in cases determined by the Board of Directors of the Company;
- 9) determination of the price (monetary value) of property, the placement price or the procedure for its determination and the price of redemption of equity securities in the cases provided for by the Federal Law "On Joint Stock Companies", as well as when solving the issues specified in subparagraphs 11, 22, 24, 25, 39 clause 15.1. Article 15 of this Articles of Association;
- 10) the acquisition of shares, bonds and other securities placed by the Company in cases provided for by the Federal Law "On Joint-Stock Companies" or other federal laws;
- 11) alienation (sale) of the Company's shares received by the Company as a result of their acquisition or redemption from shareholders of the Company, as well as in other cases provided for by the Federal Law "On Joint-Stock Companies";
- 12) election of the Company's CEO and early termination of his powers, including the decision on early termination of the employment contract with him;
- 13) determination of the quantitative composition of the Company's Managing Board, election of the Management Board members, establishment of remuneration and compensation paid to them, early termination of their powers;
- 14) recommendations to the General Meeting of Shareholders of the Company on the amount of remuneration and compensation paid to members of the Audit Commission of the Company and determining the amount of payment for the Auditor's services;
- 15) recommendations on the size of the dividend on shares and the procedure for its payment;
- 16) approval of the Company's internal documents that determine the procedure for the formation and use of the funds of the Company;

17) making decisions on the Company funds use; approval of estimates of the funds use for special purpose funds and consideration of the results of the use of funds estimates implementation for special purpose funds;

18) approval of the Company's internal documents, with the exception of internal documents, the approval of which is within the competence of the General Meeting of Shareholders, as well as other internal documents, the approval of which is referred to the competence of the executive bodies of the Company;

19) approval of the business plan (adjusted business plan) and consideration of the quarterly report on the implementation of the business plan (for the first quarter, first half, nine months, reporting year);

20) the investment program's approval, including changes to it, and a quarterly report on the results of its implementation (for the first quarter, first half, nine months, reporting year);

21) establishment of branches and opening of the Company's representative offices, their liquidation;

22) 22) making decisions on the participation of the Company in other organizations (on joining an existing organization or creating a new one, including the approval of constituent documents), as well as on the acquisition, alienation and encumbrance of shares and shares in charter capital of organizations in which the Company participates, a change in the participation interest in the charter capital of the relevant organization, and termination of the Company's participation in other organizations, with the exception of the decisions on participation provided for in subparagraphs 18 clause 10.2 of Article 10 of these Articles of Association;

23) 23) determination of the Company's credit policy in terms of the issuance of loans, the conclusion of credit and loan agreements, the issuance of sureties, the adoption of obligation ensuing from bills (the issuance of a simple and transferable bill), the transfer of property as a pledge and the adoption of decisions on the completion of these transactions by the Company in cases where the procedure for making decisions on them is not determined by the credit policy of the Company, as well as the adoption of decisions on bringing the debt position of the Company in line with the limits determined by the Company's credit policy, in the manner prescribed by the credit policy of the Company.

24) making decisions on consent to conclude transactions or on subsequent approval of major transactions in cases provided for by Chapter X of the Federal Law "On Joint-Stock Companies";

25) making decisions on consent to make or subsequently approve transactions in cases provided for by Chapter XI of the Federal Law "On Joint-Stock Companies";

26) approval of the Company's registrar, the terms of the contract, as well as termination of the contract with him;

27) election of the Company Board of Directors' Chairman and early termination of his powers;

28) election of the Company Board of Directors' Deputy Chairman and early termination of his powers;

29) election of the Corporate Secretary of the Company and early termination of his powers;

30) 30) preliminary approval of decisions on transactions by the Company related to the gratuitous transfer of the Company's property or property rights (claims) to itself or to a third party; transactions related to exemption from property obligations to itself or to a third party; transactions related to the provision of services free of charge (performance of work) to third parties by the Company, in cases (amounts) determined by individual decisions of the Company's Board of Directors, and the adoption of decisions on the completion of these transactions by the Company in cases where the above cases (amounts) are not defined;

31) decision-making on the suspension of the managing organization's (manager) power;

32) adoption of a decision on the appointment of an Acting General Director of the Company in cases determined by individual decisions of the Board of Directors, as well as bringing him to disciplinary liability;

33) bringing the Company's CEO and members of the Management Board of the Company to disciplinary responsibility and their promotion in accordance with the Russian Federation labor legislation;

34) consideration of reports of the CEO on the activities of the Company (including his duties performance), on the implementation of the General Meeting of Shareholders and the Board of Directors of the Company's decisions;

35) approval of the procedure for the interaction of the Company with organizations in which the Company participates;

36) determination of the Company's position (representatives of the Company), including an instruction to vote or not to vote on agenda items, vote on draft decisions "for", "against" or "abstained", on the following items on the agendas of the General Meetings of Shareholders (participants) subsidiaries and affiliates (hereinafter referred to as subsidiaries and affiliates), and meetings of the boards of directors of subsidiaries and affiliates:

on determining the agenda of the general meeting of shareholders (participants) of subsidiaries and affiliates (with the exception of those subsidiaries and affiliates, 100 (one hundred) percent of the authorized share capital of which belongs to the Company);

b) on the reorganization, liquidation of subsidiaries and affiliates;

c) on determining the quantitative composition of the governing and controlling bodies of subsidiaries and affiliates, nominating, electing their members and early termination of their powers, nominating, electing the sole executive body of subsidiaries and affiliates and early termination their powers;

d) on determining the number, par value, category (type) of declared shares  
Subsidiaries and affiliates and the rights provided by these shares;

e) on increasing the authorized capital of subsidiaries and affiliates by increasing the par value of shares  
or by placing additional shares;

f) on the placement of securities of subsidiaries and affiliates convertible into ordinary shares;

g) on splitting, consolidation of shares of subsidiaries and affiliates;

on consent to the conclusion or subsequent approval of major transactions made by subsidiaries and affiliates;

i) on the participation of subsidiaries and affiliates in other organizations (on joining an existing organization or the creation of a new organization), as well as on the acquisition, alienation and encumbrance of shares and shares in the authorized share capital of organizations in which the subsidiaries and affiliates participate, and changes in the participation interest in the authorized share capital of the corresponding organization;

j) on the conclusion of transactions by subsidiaries and affiliates (including several interrelated transactions) related to the acquisition, alienation or possibility of property alienation constituting fixed assets, intangible assets, construction in progress, the purpose of which is the production, transmission, dispatching, distribution of electric and thermal energy, in cases (amounts) determined by the procedure for interaction between the Company and organizations in which the Company participates, approved by the Board of Directors of the Company;

k) on making amendments and additions to the constituent documents of subsidiaries and affiliates;

l) on determining the procedure for the payment of remuneration to members of the Board of Directors and the Audit Commission of subsidiaries and affiliates;

m) on approval of target values of key performance indicators (adjusted target values of key performance indicators) of subsidiaries and affiliates engaged in the transmission, production or sale of electricity, or whose revenue is more than 5% of the Company's revenue for the last completed reporting period;

n) on approval of the report on the implementation of the planned (target) values of the annual key performance indicators of subsidiaries and dependent companies engaged in the transmission, production or sale of electricity, or whose revenue is more than 5% of the Company's revenue for the last completed reporting period;

o) on approval of the business plan (adjusted business plan) of subsidiaries and affiliates engaged in the transmission, production or sale of electricity, or whose revenue is more than 5% of the Company's revenue for the last completed reporting period;

p) on consideration of the report on the implementation of the business plan for the reporting year of subsidiaries and affiliates engaged in the transmission, production or sale of electricity, or whose revenue is more than 5% of the Company's revenue for the last completed reporting period;

q) on approval of profits and losses distribution according to the results of the reporting year;

r) on recommendations on the size of the dividend on shares and the procedure for its payment;

y) on the payment (declaration) of dividends based on the results of the first quarter, six months, nine

months of the reporting year, as well as based on the results of the reporting year;

t) on consideration of the investment program, including changes to it;

u) on approval (consideration) of the report on the implementation of the investment program of subsidiaries and affiliates for the reporting year;

v) reduction of the subsidiaries and affiliates' authorized share capital by reducing the par value of shares, by acquiring a part of the shares by subsidiaries and affiliates in order to reduce their total number, and also by redeeming shares acquired or bought out by subsidiaries and affiliates;

w) on determining the credit policy of subsidiaries and affiliates in terms of issuing loans, concluding credit and loan agreements, issuing sureties, accepting obligations on a bill (issuing a promissory note and a bill of exchange), transferring property subject to a pledge, and making decisions on the execution by subsidiaries and affiliates of these transactions in cases where the procedure for making decisions on them is not determined by the credit policy of subsidiaries and dependent companies, as well as adoption, in the manner prescribed by the credit policy of subsidiaries and affiliates, of decisions on bringing the debt position of subsidiaries and affiliates in accordance with the limits established by the credit policies of subsidiaries and affiliates, on consideration of a report on the credit policies of subsidiaries and affiliates, on approval of a credit plan for subsidiaries and affiliates, on approval of the Plan for the prospective development of subsidiaries and affiliates, and the adjusted Plan prospective development of subsidiaries and affiliates, on consideration of the report on the implementation of the Plan for the prospective development of subsidiaries and affiliates.

37) 37) determination of the Company's position (representatives of the Company) on the following agenda items of the Boards of Directors of subsidiaries and affiliates agenda (including an instruction to vote or not to vote on agenda items, vote on draft decisions "for", "against" or "abstained" ):

a) on determining the position of subsidiaries and affiliates representatives on the agendas of general meetings of shareholders (participants) and meetings of the boards of directors of subsidiaries and affiliates related to the execution (approval) of transactions (including several related transactions) related to the acquisition, alienation or possible alienation of property constituting fixed assets, intangible assets, construction in progress with the purpose of the production, transmission, dispatching, distribution of electric and thermal energy, in cases (amounts) determined by the procedure for interaction between the Company and organizations in which the Company participates, approved by the Board of Directors of the Company;

b) on determining the position of subsidiaries and affiliates representatives on the agendas of general meetings of shareholders (participants) and meetings of the boards of directors of subsidiaries and affiliates producing, transferring, dispatching, distributing and marketing electric and heat energy, on reorganization, liquidation, increasing the authorized share capital of such companies

by increasing the par value of shares or by placing additional shares, placing securities convertible into ordinary shares;

38) nomination by the Company of candidates for election to the position of the sole executive body, to other governing bodies, control bodies, as well as candidates for the auditor of organizations in which the Company is involved, conducting production, transmission, dispatching, distribution and sale of electric and thermal energy, as well as repair and service activities;

39) preliminary approval of decisions on commitments by the Company:

a) transactions, the subject of which are non-current assets of the Company in the amount of more than 10 percent of the book value of these Company's assets according to the accounting (financial) statements as of the last reporting date;

b) transactions (including several interconnected transactions) related to the acquisition, alienation or the possibility of alienation of property constituting fixed assets, intangible assets, construction in progress, the purpose of which is the production, transmission, dispatching, distribution of electrical and heat energy in cases (amounts) determined by separate decisions of the Board of Directors of the Company, or if the specified cases (sizes) have not been determined by the Board of Directors of the Company; c) transactions (including several interconnected transactions) related to the acquisition, alienation or the possibility of alienation of property constituting fixed assets, intangible assets, construction in progress, the purpose of which is not production, transmission, dispatching, distribution of electrical and heat energy in cases (amounts) determined by separate decisions of the Board of Directors of the Company, or if the specified cases (amounts) are not determined by the Board of Directors of the Company;

d) preliminary approval of transactions in which the real estate of the Company is subject, including land plots, as well as construction in progress in cases determined by individual decisions of the Board of Directors of the Company (for example, by determining the size and/or list), as well as any of the above transactions with real estate, including land plots, as well as objects of incomplete construction, if such cases (sizes, list) are not defined;

e) transactions for a period of more than 5 years for the transfer to temporary possession and use or temporary use of real estate, electric grid facilities or for the acceptance for temporary possession and use or temporary use of real estate, in cases (amount) determined by individual decisions of the Company's Board of Directors or, if the indicated cases (amounts) are not determined by the Board of Directors of the Company;

40) determination of the Company's policy in the field of insurance, monitoring the provision of insurance coverage of the Company, including approval of candidates of the Company's Insurers;

41) approval of the Company's executive apparatus organizational structure and introduction of changes to it;

42) approval of candidates for certain positions in the executive office of the Company, determined by the Board of Directors of the Company;

43) approval of the regulations on material incentives for the CEO, the regulations on material incentives for top managers of the Company; approval of the list of top managers;

44) preliminary approval of the collective agreement, agreements concluded by the Company within the regulation of social and labor relations, as well as approval of documents on non-state pension provision for the employees of the Company;

45) formation of the Company's Board of Directors committees, approval of internal documents that determine their competence and order of activities, determination of their quantitative composition, appointment of the chairman and members of the committee and termination of their powers;

46) approval of the candidacy of the determiner (determiners) to determine the value of the shares, property and other assets of the Company in cases provided for by the Federal Law "On Joint Stock Companies", these Articles of Association, as well as individual decisions of the Board of Directors of the Company;

47) approval of the candidacy of a financial consultant attracted in accordance with the Federal Law "On the Securities Market", as well as the candidatures of the securities issue organizers and consultants in transactions directly related to raising funds in the form of public borrowing;

48) preliminary approval of transactions that may result in obligations in foreign currency (or obligations whose amount is tied to foreign currency), transactions with derivative financial instruments, in cases and amounts determined by individual decisions of the Board of Directors of the Company, as well as if the specified cases (amounts) were not determined by the Board of Directors of the Company; determination of the Company's policy regarding transactions with derivative financial instruments;

49) determination of the procurement policy in the Company, including approval of the Regulation on the procurement of goods, works, services, as well as approval of the procurement plan and other decisions in accordance with the documents approved by the Company that regulate the procurement activities of the Company;

50) decision-making on the nomination of the Company's CEO for submission to state awards;

51) approval of target values (adjusted values) of key performance indicators (KPIs) of the Company and reports on their implementation;

52) determination of the Company's policy aimed at improving the reliability of the distribution complex of electric networks and other electric grid facilities, including approval of strategic programs of the Company to increase the reliability of the electric grid complex, the development of the electric grid complex and its safety;

53) determination of the housing policy of the Company in terms of providing corporate support to employees of the Company in improving housing conditions in the form of subsidies, cost compensation, interest-free loans and deciding on the provision of the specified support by the Company in cases where the procedure for its provision is not determined by the housing policy of the Company;

54) filing an application for listing the shares of the Company and (or) equity securities of the Company convertible into shares of the Company;

55) making decisions on the accession of the Company to industry and intersectoral standards, regulations and other documents in the electric power industry in various areas of the Company's activities, including technical regulation;

56) determination of principles and approaches to the organization of the Internal Audit, risk management and internal control systems in the Company, including the approval of internal documents of the Company that determine the Company's policy in the field of risk management, internal control and Internal Audit of the Company;

57) risk assessment, as well as establishing an acceptable amount of risk for the Company;

58) organization of analysis and evaluation of the risk management and internal control systems functioning at least once a year, including on the basis of data from reports regularly received from the executive bodies of the Company, internal audit and external auditors of the Company;

59) annual consideration of organization issues, functioning and effectiveness of risk management and internal control systems in the Company;

60) 60) control and organization of the internal audit activity, including approval of the regulation on the Internal Audit unit, and if an external independent organization is involved in the Internal Audit, approval of such an organization and the terms of the agreement with it, including the amount of remuneration; approval of the internal audit activity plan, report on the implementation of the internal audit activity plan and the internal audit budget, preliminary approval of the Company sole executive body's decision on the appointment, dismissal (not at the initiative of the employee) of the head of the Internal Audit, the application of disciplinary sanctions against him, as well as the approval of the terms of the employment contract and the remuneration of the head of the Internal Audit, consideration of the results of the Internal Audit function quality evaluation;

61) monitoring compliance of the Company executive bodies' activities with the strategy approved by the Company; hearing the CEO and members of the Managing Board of the Company reports on the implementation of the strategy approved by the Company;

62) recommendations to the executive bodies of the Company on any issues related to the activities of the Company;

63) preliminary approval of one or more interrelated transactions related to the acquisition or the possibility of the acquisition by the Company of options, bills, investment units of a mutual investment fund and/or bonds worth more than 1,000,000,000 (one billion) rubles;

64) preliminary approval of one or more interrelated transactions of the Company related to the transfer or possibility of transfer by the Company to trust management of property worth more than 1,000,000,000 (one billion) rubles;

65) preliminary approval of one or more interconnected transactions of the Company related to the receipt or the possibility of receipt by the Company bank guarantees, under which the Company acts as a principal, in the amount of more than 1,000,000,000 (one billion) rubles, with the exception of bank guarantees provided by the Company to the courts as counter injunction for claims of the Company;

66) approval of the list of credit organizations in which the Company can place funds;

67) approval of the information policy of the Company and consideration of reports on its implementation;

68) on preliminary approval of the agreement on the making of the gratuitous contributions to the property of the Company in cash or in other form by the shareholder (shareholders), which do not increase the authorized share capital of the Company and do not change the par value of shares (contributions to the property of the Company);

69) on preliminary approval of the agreement on making gratuitous contributions by the Company to the property of companies in the authorized share capital which the Company participates in, in cash or otherwise, which do not increase the authorized share capital of these companies and (or) do not change the par value of shares;

70) other issues referred to the competence of the Board of Directors by the Federal Law "On Joint-Stock Companies" and these Articles of Association.

15.2. Matters related to the competence of the Company's Board of Directors cannot be referred for decision to the CEO and the Managing Board of the Company.

15.3. When exercising their rights and fulfilling their duties, members of the Board of Directors shall act in the interests of the Company, exercise their rights and fulfill their obligations in respect of the Company reasonably and in good faith.

15.4. Members of the Board of Directors are liable to the Company for losses incurred by the Company through their guilty actions (inaction), unless other grounds and amount of liability are established by federal laws.

At the same time, members of the Board of Directors who voted against a decision that caused losses to the Company or did not participate in the vote are not liable.

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

16.1. The number of members of the Company's Board of Directors is 11 (eleven) people.

16.2. The Company's Board of Directors members are elected at the General Meeting of Shareholders of the Company in the manner provided by clause 10.8. Article 10 of these Articles of Association, for a period until the next annual General Meeting of Shareholders.

If the Board of Directors of the Company is elected at an Extraordinary General Meeting of Shareholders, members of the Board of Directors are considered elected for the period until the date of the Annual General Meeting of Shareholders of the Company.

If the Annual General Meeting of Shareholders was not held within the time period established by clause 11.1. Articles 11 of these Articles of Association, the powers of the Company's Board of Directors are terminated, with the exception of the powers to convene, prepare and hold the Annual General Meeting of Shareholders.

16.3. Only an individual can be a member of the Board of Directors of the Company.

16.4. Persons elected to the Board of Directors of the Company may be re-elected an unlimited number of times.

16.5. By decision of the Company's General Meeting of Shareholders, the powers of the Company's Board of Directors members may be terminated ahead of schedule.

The decision of the General Meeting of Shareholders on the early termination of powers may be taken only in relation to all members of the Board of Directors of the Company.

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

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

The Board of Directors of the Company is entitled at any time to re-elect its Chairman by a majority of votes of the total number of members of the Company's Board of Directors.

17.2. The Chairman of the Company's Board of Directors organizes the work of the Board of Directors, convenes its meetings and chairs them, organizes minutes at meetings, and chairs the General Meeting of Shareholders of the Company.

17.3. In the absence of the Chairman of the Company's Board of Directors, his functions are performed by the Deputy Chairman of the Board of Directors, elected from among the members of the Board of Directors by a majority of the total number of members of the Company's Board of Directors.

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

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

18.2. The Board of Directors meetings are held as necessary, but at least once every six weeks.

The Company's Board of Directors meeting shall be convened by the Board of Directors Chairman (or Deputy Chairman of the Board of Directors in cases provided for in clause 17.3 of Article 17 of these Articles of Association) of the Company at his own initiative, at the request of a member of the Board of Directors, the Audit Commission of the Company, the head of the Internal Audit of the Company (head of the structural unit of the Company responsible for the organization and implementation of the Internal Audit, and if an external auditor is involved in the implementation of the Internal Audit - the head of the organization), CEO of the Company, member of the Board, the Company's Auditor.

18.3. At the first meeting of the Company's Board of Directors, elected in a new composition, the issues of the Board of Director's Chairman and Deputy Chairman election are mandatory.

The specified meeting of the Board of Directors is convened by one of the members of the Company's Board of Directors in accordance with an internal document governing the convening and holding of the Board of Directors of the Company.

18.4. The decision of the Board of Directors of the Company may be adopted by absentee voting (by poll). In absentee voting, materials on agenda items and a voting questionnaire are sent to all members of the Board of Directors, indicating the time by which a completed and signed questionnaire by a member of the Board shall be submitted to the Board of Directors of the Company.

18.5. If a member of the Board of Directors is absent from an in-person meeting of the Board of Directors of the Company, he or she shall have the right to express in writing his opinion on agenda items in the manner established by an internal document governing the convening and holding of the Board of Directors of the Company.

18.6. Transfer of voting rights by a member of the Board of Directors of the Company to another person, including another member of the Board of Directors of the Company, is not allowed.

18.7. Decisions made at a meeting of the Board of Directors of the Company shall be taken by a majority of votes of the members of the Board of Directors of the Company participating in the

meeting, with the exception of cases provided for by the Russian Federation legislation and these Articles of Association.

In cases where the decision of the Board of Directors to consent to (approve) a transaction must be made simultaneously on several grounds (established by this Articles of Association and established by Chapter X or Chapter XI of the Federal Law "On Joint Stock Companies", the provisions of the Federal Law are applied to the procedure for its adoption "On the shareholders of the companies".

In cases where consent to conclude a transaction must be obtained simultaneously on several grounds (established by this Articles of Association), and this Articles of Association provides for a different procedure for making a decision by the Board of Directors in relation to the relevant issues, consent to the transaction must be obtained on the basis that the decision adopted by the Board of Directors by a qualified majority.

In cases where consent to conclude a transaction must be obtained simultaneously on several grounds (established by this Articles of Association), and this Articles of Association provides for the same procedure for making a decision by the Board of Directors in relation to the relevant issues, consent to conclude a transaction must be obtained on one of the grounds.

18.8. The decision of the Board of Directors of the Company on the issue of consent to the conclusion or subsequent approval of a major transaction is taken unanimously by all members of the Board of Directors, while the votes of the retired members of the Board of Directors of the Company are not taken into account.

Decisions of the Board of Directors of the Company are made by a three-fourths majority votes of the Company's Board of Directors members total number on the following issues:

- on the suspension of the managing organization (manager) powers and on the appointment of the Acting Director General of the Company;
- on the convocation of an Extraordinary General Meeting of Shareholders of the Company in the cases provided for in clauses 21.11., 21.12. Article 21 of these Articles of Association.

When the Board of Directors of the Company adopts decisions stipulated by this clause of the Articles of Association, the votes of retired members of the Board of Directors are not taken into account.

The retired members of the Board of Directors of the Company are persons who retired from the Board of Directors in connection with their death, recognition in court as legally incompetent or missing.

18.9. The decision on consent to conclude or on subsequently approve a related party transaction is taken by the Board of Directors of the Company in accordance with Article 83 Federal Law "On Joint-Stock Companies".

18.10. Decisions of the Board of Directors of the Company on issues stipulated by subparagraphs 22, 23, 35-37 of paragraph 15.1. Articles 15 of these Articles of Association shall be adopted by a two-thirds majority of the Board of Directors members participating in the meeting.

18.11. When resolving issues at the Board of Directors of the Company meeting, each member of the Board of Directors shall have one vote. In the event of a tie vote, the vote of the Chairman of the Board of Directors is decisive.

18.12. The quorum for holding a meeting of the Board of Directors is at least half of the number of elected members of the Board of Directors of the Company, and when making decisions on consent to make or subsequently approve transactions provided for by Chapter XI of the Federal Law "On Joint-Stock Companies", at least 2 (two) members of the Board of Directors of the Company who are not interested in the transaction and who meet the requirements established by paragraph 3 of Article 83 of the Federal Law "On Joint-Stock Companies".

If the number of the Board of Directors of the Company members becomes less than the number constituting the specified quorum, the Board of Directors of the Company shall decide to hold an Extraordinary General Meeting to elect a new composition of the Board of Directors of the Company. The remaining members of the Board of Directors are entitled to decide only on the convening of such an extraordinary General Meeting of Shareholders. In this case, the quorum for

holding a meeting of the Board of Directors is at least half of the remaining members of the Board of Directors.

18.13. The minutes are kept at a meeting of the Board of Directors of the Company. The minutes of the Board of Directors of the Company meeting shall be drawn up and signed no later than 3 (three) days after its holding by the Chairman of the meeting and the Corporate Secretary of the Company, who are responsible for the correctness of its preparation. Documents approved by the Board of Directors are attached to the protocol.

When decisions are made by the Board of Directors of the Company by absentee voting, the voting questionnaires signed by members of the Board of Directors are attached to the minutes.

18.14. Decisions of the Board of Directors of the Company, adopted in violation of the competence of the Board of Directors of the Company, in the absence of a quorum for holding a meeting of the Board of Directors or without the majority of votes required by members of the Board of Directors, shall not be valid regardless of their appeal in court.

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

19.1. Committees of the Board of Directors are created by decision of the Board of Directors.

19.2. The committees of the Board of Directors are created for preliminary consideration of issues related to the competence of the Board of Directors or studied by the Board of Directors in order to control the activities of the executive body of the Company, and develop the necessary recommendations to the Board of Directors and executive bodies of the Company.

19.3. The rules of activity, the formation procedure, competence and term of office of the Board of Directors committees are determined by internal documents of the Company approved by the Board of Directors of the Company and individual decisions of the Board of Directors.

19.4. The Board of Directors of the Company forms an Audit Committee for preliminary consideration of issues related to the control of the financial and economic activities of the Company, including the assessment of the Company Auditor independence and the absence of a conflict of interest, as well as the assessment of the audit of the accounting (financial) statements quality.

### **Article 20. Corporate Secretary**

20.1. In order to properly comply with the procedure for preparing and holding the General Meeting of Shareholders and the activities of the Board of Directors of the Company, the Board of Directors may elect the Corporate Secretary of the Company, who reports directly to the Board of Directors. The Corporate Secretary of the Company is an officer of the Company, ensuring the observance by the Company of current legislation, these Articles of Association and internal documents of the Company, guaranteeing the realization of the rights and legitimate interests of the Company's shareholders.

20.2. The status of the Corporate Secretary, the requirements for his candidacy, the procedure for the appointment and termination of the powers of the Corporate Secretary, his subordination and the procedure for interaction with the management bodies and structural divisions of the Company, as well as other issues of the activities of the Corporate Secretary, are determined by the Regulation on the Corporate Secretary approved by the Board of Directors of the Company.

### **Article 21. Executive bodies of the Company**

21.1. Management of the current activities of the Company is carried out by the sole executive body - the CEO and the collegial executive body - the Managing Board of the Company.

21.2. The CEO and the Managing Board of the Company are accountable to the General Meeting of Shareholders and the Board of Directors of the Company.

The executive bodies of the Company regularly report to the Board of Directors for the creation and operation of an effective risk management and internal control system, and are responsible for its effective functioning.

21.3. By decision of the General Meeting of Shareholders, the powers of the sole executive body of the Company may be transferred by agreement to the managing organization or a manager.

The rights and obligations of the managing organization (manager) for the Company's current activities management are determined by the Russian Federation legislation and the agreement concluded by the managing organization (manager) with the Company.

The contract with the managing organization (manager) is signed on behalf of the Company by the Chairman of the Board of Directors or by a person authorized by the Board of Directors of the Company.

The terms of the contract with the managing organization (manager), including the term of office, are determined by the Board of Directors of the Company or by a person authorized by the Board of Directors of the Company.

21.4. The formation of the executive bodies of the Company and the early termination of their powers are carried out by decision of the Board of Directors of the Company, with the exception of cases provided for by federal legislation and these Articles of Association.

21.5. The rights and obligations of the CEO and members of the Managing Board of the Company to manage the current activities of the Company are determined by the Russian Federation legislation, these Articles of Association and the labor contract concluded with the Company by each of them.

21.6. The contract is signed on behalf of the Company by the Chairman of the Board of Directors or by a person authorized by the Board of Directors of the Company.

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

21.8. The combination by the CEO and members of the Managing Board of positions in the management bodies of other organizations, as well as other paid positions in other organizations, is allowed only with the consent of the Board of Directors of the Company.

21.9. The rights and obligations of the employer on behalf of the Company in relation to the CEO and members of the Managing Board of the Company are exercised by the Board of Directors or by a person authorized by the Board of Directors of the Company.

21.10. The Board of Directors is entitled at any time to decide on the termination of the CEO powers, members of the Management Board of the Company and on the formation of new executive bodies.

The termination of the CEO and members of the Management Board powers is carried out on the grounds established by the Russian Federation legislation and the labor contract concluded by each of them with the Company.

21.11. The general meeting of shareholders is entitled at any time to decide on the early termination of powers of the managing organization (manager).

The Board of Directors of the Company has the right to decide on the suspension of the powers of the managing organization or a manager. Simultaneously with the decision, the Board of Directors of the Company is obliged to decide on the appointment of the acting Director General of the Company and on holding an extraordinary General Meeting of Shareholders to resolve the issue of early termination of the managing organization (manager) powers and, unless otherwise decided by the Board of Directors, on the transfer of powers of Sole executive body managing organization (manager).

21.12. If the managing organization (manager) cannot fulfill its duties, the Board of Directors of the Company has the right to decide on the appointment of an acting Director General of the Company and on holding an extraordinary General Meeting of Shareholders to resolve the issue of early termination of the managing organization (manager) powers and, if no other decision will be made by the Board of Directors on the transfer of the sole executive body's powers to another managing organization or manager.

21.13. The acting Director General of the Company manages the current activities of the Company within the competence of the executive bodies of the Company, unless the Board of Directors decides otherwise.

21.14. The CEO, members of the Management Board of the Company, the acting Director General of the Company, as well as the managing organization (manager), in the exercise of their rights and the performance of duties, shall act in the interests of the Company, exercise their rights and fulfill their obligations in respect of the Company reasonably and in good faith.

21.15. The CEO, members of the Management Board of the Company, the acting Director General of the Company, as well as the managing organization (manager) are liable to the Company for losses caused to the Company by their guilty actions (inaction), unless other grounds and amount of liability are established by federal laws.

The CEO has personal responsibility for organizing the protection of information constituting a state secret, as well as for non-compliance with the restrictions established by law on familiarization with the above information.

The liability stipulated by this paragraph does not occur for members of the Managing Board of the Company who voted against a decision that caused losses to the Company or who did not participate in the vote.

21.16. In the event of a temporary absence of the CEO (including but not limited to illness, business trip, vacation), the performance of his duties on the basis of the CEO order may be assigned to one of his deputies, only in the absence of the Board Directors of the Company decision on the appointment of the acting Director General of the Company.

In connection with the circumstances specified in the first paragraph of this clause the Board of Directors of the Company has the right to decide on the appointment of an acting Director General of the Company for a fixed term without terminating the CEO powers.

## **Article 22. Managing Board**

22.1. The Managing Board of the Company acts on the basis of these Articles of Association, as well as the Regulation on the Managing Board approved by the General Meeting of Shareholders, which sets the dates and procedure for convening and holding its meetings, as well as the decision-making procedure.

22.2. The competence of the Managing Board of the Company includes the following issues:

1) development and submission of the Company's development strategy to the Board of Directors;

2) preparation of a business plan (adjusted business plan) and a quarterly report on the implementation of the business plan (for the first quarter, first half of the year, nine months, the reporting year), as well as approval (adjustment) of the cash flow (budget) of the Company; 3) preparation of the annual report of the Company, a report on the implementation by the Management Board of decisions of the General Meeting of Shareholders and the Board of Directors of the Company;

4) consideration of reports (information) of the Deputy Directors General of the Company, heads of separate structural divisions on the activities of the Company and its subsidiaries and affiliates submitted to the Managing Board of the Company in accordance with the instructions of the Managing Board or Board of Directors of the Company;

5) making decisions on issues within the competence of the supreme management bodies of business entities, 100 (one hundred) percent of the authorized share capital of which belongs to the Company (subject to subparagraphs 36, 37 of paragraph 15.1. Of Article 15 of these Articles of Association);

6) making decisions on the conclusion of transactions, the subject of which is property, work and services, the cost of which ranges from 1% (one percent) to 25% (twenty five percent) of the book value of the assets of the Company, according to the accounting (financial) statements as of the last reporting date (except for the cases, for in subparagraphs 39, 63-65 of paragraph 15.1 of this Articles of Association);

7) effective risk management in the framework of the current activities of the Company; approval of the budget for risk management measures in the Company to the extent agreed upon by the decision of the Board of Directors of the Company; resolving cross-functional (performed by several structural divisions) risk management tasks;

8) solving other issues of managing the current activities of the Company in accordance with the decisions of the General Meeting of Shareholders, the Board of Directors of the Company, as well as issues submitted to the Managing Board by the Company's CEO.

22.3. Members of the Managing Board of the Company are elected by the Board of Directors in an amount determined by the decision of the Board of Directors of the Company at the proposal of the Company's CEO.

In case of rejection by the Board of Directors of the Company of the nominations to the Managing Board proposed by the CEO, the Board of Directors of the Company shall be entitled to elect the candidates proposed by the member (members) of the Board of Directors of the Company.

The quantitative composition of the Managing Board of the Company shall be at least 3 (three) people.

22.4. The Managing Board is competent if at least half of the elected members of the Board participate in the meeting (in the absentee voting).

22.5. All decisions are made by the Managing Board by a simple majority of the votes of the members of the Board present at the meeting (participating in absentee voting). In the event of a tie vote, the vote of the Managing Board Chairman is decisive.

22.6. Transfer of the voting right by a member of the Managing Board to another person, including another member of the Managing Board of the Company, is not allowed.

### **Article 23. The CEO of the Company**

23.1. The CEO manages the current activities of the Company in accordance with the decisions of the General Meeting of Shareholders of the Company, the Board of Directors and the Managing Board of the Company, adopted in accordance with their competence.

23.2. The competence of the Company's CEO includes all issues related to the management of the current activities of the Company, with the exception of issues falling within the competence of the General Meeting of Shareholders, the Board of Directors and the Managing Board of the Company.

23.3. The CEO of the Company without a power of attorney acts on behalf of the Company, including, subject to restrictions provided by applicable law, these Articles of Association and decisions of the Board of Directors of the Company:

- ensures the implementation of the Company's business plans necessary for solving its tasks;
- organizes the maintenance of financial and tax accounting and reporting in the Company, storage of accounting documents;
- manages the property of the Company, makes transactions on behalf of the Company, issues powers of attorney, opens settlement and other accounts of the Company at banks and other credit organizations (as well as in cases provided for by law - at organizations - professional participants in the securities market);
- issues orders, approves (accepts) instructions, local regulatory acts and other internal documents of the Company on matters within its competence, gives instructions binding on all employees of the Company;
- approves the Regulations on the branches and representative offices of the Company;
- in accordance with the organizational structure of the executive office of the Company, approves the staff list and official salaries of the Company's employees;
- exercises the rights and obligations of the employer in relation to the employees of the Company, as provided for by labor legislation;
- Performs the functions of the Chairman of the Managing Board of the Company;
- distributes responsibilities between the Deputy Directors General;

- not later than 45 (forty-five) days before the date of the Annual General Meeting of Shareholders of the Company, submit an annual report, annual accounting (financial) statements, distribution of profit and loss of the Company for consideration by the Board of Directors of the Company;

- solves other issues of the current activities of the Company, with the exception of issues falling within the competence of the General Meeting of Shareholders, the Board of Directors and the Managing Board of the Company.

23.4. The CEO is elected by the Board of Directors of the Company by a majority of votes of the members of the Board of Directors participating in the meeting.

Nominations for the position of the Company CEO for election by the Board of Directors are carried out in the manner determined by an internal document governing the convening and holding of the Board of Directors of the Company's meetings.

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

24.1. To exercise control over the financial and economic activities of the Company, the General Meeting of Shareholders elects the Internal Audit Commission of the Company for a period until the next annual General Meeting of Shareholders.

If the Audit Commission is elected at an Extraordinary General Meeting of Shareholders, members of the Audit Commission are considered elected for the period until the date of the Annual General Meeting of Shareholders of the Company.

The number of members of the Company's Audit Commission is 5 (five) people.

24.2. By decision of the Company's General Meeting of Shareholders, the powers of the Company's Audit Commission members may be terminated ahead of schedule.

Members of the Audit Commission of the Company cannot simultaneously be members of the Board of Directors, and also hold other positions in the management bodies of the Company.

24.3. The competence of the Audit Commission of the Company includes:

- verification (audit) of the financial, accounting, payment and settlement and other documentation of the Company related to the implementation of financial and economic activities by the Company, for its compliance with the legislation of the Russian Federation, these Articles of Association and internal documents of the Company;

- verification and analysis of the financial condition of the Company, its solvency, the functioning of the internal control system and risk management system, liquidity of assets, the ratio of own and borrowed funds, the correctness and timeliness of the calculation and payment of interest on bonds, income from other securities;

- control over the expenditure of the Company's cash in accordance with the approved business plan and budget of the Company;

- control over the formation and use of the reserve and other special funds of the Company;

- checking the timeliness and correctness of settlement transactions with counterparties and the budget, as well as settlement transactions for remuneration, social insurance, accrual and payment of dividends and other settlement transactions;

- monitoring compliance with the established procedure for writing off debts of insolvent debtors to the Company's losses;

- verification of the Company's business operations carried out in accordance with the concluded agreements;

- verification of compliance with the use of material, labor and financial resources in the financial and economic activities of existing agreements, norms and standards, approved estimates and other documents regulating the activities of the Company;

- control over the safety and use of fixed assets;

- checking the cash office and property of the Company, the efficient use of assets and other resources of the Company, identifying the causes of non-production losses and expenses, identifying reserves for improving the financial condition of the Company;

- verification of compliance with the requirements to eliminate violations and deficiencies previously identified by the Audit Commission of the Company;
- development of recommendations for the management bodies of the Company;
- other actions (measures) related to the audit of the financial and economic activities of the Company.

24.4. All decisions on issues within the competence of the Audit Commission are taken by a simple majority of the total number of its members.

24.5. The Audit Commission of the Company has the right, and in case of serious violations in the financial and economic activities of the Company, is obliged to demand the convening of an Extraordinary General Meeting of Shareholders of the Company.

24.6. The procedure for the Audit Commission activities is determined by an internal document of the Company approved by the General Meeting of Shareholders of the Company.

The Audit Commission, in accordance with the decision to conduct an audit, has the right to involve in its work specialists in the relevant fields (law, economics, finance, accounting, management, economic security and other branches of knowledge) who do not hold positions in the Company, as well as specialized organizations, to apply to the Company for the conclusion of civil contracts with the specified specialists and organizations.

24.7. The audit (revision) of the financial and economic activities of the Company is carried out based on the results of the Company's activities for the year, and can also be carried out at any time on the initiative of the Audit Commission of the Company, the decision of the General Meeting of Shareholders, the Board of Directors of the Company or at the request of the shareholder (shareholders) of the Company, which owns in aggregate not less than 10 percent of the voting shares of the Company.

24.8. At the request of the Audit 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. Based on the results of the Company's financial and economic activities audit, the Revision Commission of the Company draws up a report, which shall contain:

- confirmation of the data reliability contained in the annual report of the Company, annual accounting (financial) statements;
- information on violations of the accounting and presentation of financial statements, as well as the implementation of financial and economic activities;
- confirmation of the reliability of the data contained in the report on concluded related party transactions.

24.8.2. By the decision of the General Meeting of Shareholders, members of the Audit Commission of the Company may be paid remuneration and/or reimbursed for the expenses associated with the performance of their duties. The amount of such remuneration and compensation shall be established by decision of the General Meeting of Shareholders.

24.9. To assess the reliability and effectiveness of risk management and internal control, the Company carries out an Internal Audit.

24.10. The operating procedure of the Internal Audit is determined by these Articles of Association, the Internal Audit Policy, approved by the decision of the Board of Directors of the Company, and local regulations governing the activities of the Internal Audit.

24.11. The official responsible for the organization and implementation of the Internal audit (the head of the structural unit responsible for the organization and implementation of the internal audit) is appointed and dismissed on the basis of 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 by another legal entity, the determination of such a person and the terms of the contract with him, including the amount of his remuneration, is carried out by the Board of Directors of the Company.

24.12. To check and confirm the annual accounting (financial) statements of the Company, the General Meeting of Shareholders annually approves the Auditor of the Company, which is not related by property interests to the Company and its shareholders.

24.13. The amount of payment for the services of the Auditor is determined by the Board of Directors of the Company.

24.14. The Company Auditor verifies the financial and economic activities of the Company in accordance with the requirements of the Russian Federation legislation and on the basis of an agreement concluded with him.

24.15. Based on the results of the Company's financial and economic activities audit, the Company's Auditor draws up a report, which shall contain:

- confirmation of the reliability of the data contained in the accounting (financial) statements of the Company;

- information on facts of violation by the Company of the procedure for conducting accounting and submission of accounting (financial) statements established by legal acts of the Russian Federation.

The procedure and terms for drawing up a report on the basis of the audit of the financial and economic activities of the Company are determined by legal acts of the Russian Federation on the basis of an agreement concluded with the Auditor of the Company.

## **Article 25. Accounting and financial statements of the Company**

25.1. The Company is obliged to keep accounting records and submit accounting (financial) statements in the manner established by the legislation of the Russian Federation and these Articles of Association.

25.2. Responsibility for the organization, condition and reliability of accounting in the Company, timely submission of accounting (financial) statements to state bodies, as well as information on the activities of the Company provided to the shareholders of the Company, creditors and the media, is borne by the General Director of the Company in accordance with the legislation of the Russian Federation and this Articles of Association.

25.3. The reliability of the data contained in the annual report and annual accounting (financial) statements of the Company shall be confirmed by the Audit Commission of the Company.

The Company is obliged to attract an audit organization for the annual audit of accounting (financial) statements that is not related by property interests to the Company or its shareholders.

25.4. The annual report is subject to preliminary approval by the Board of Directors of the Company not later than 30 (thirty) days prior to the date of the annual General Meeting of Shareholders of the Company.

## **Article 26. Record maintenance of the Company Information provision by the Company**

26.1. The Company is obliged to keep documents stipulated by the Federal Law "On Joint-Stock Companies", the Articles of Association and internal documents of the Company, decisions of the management bodies of the Company, as well as documents stipulated by regulatory legal acts of the Russian Federation.

26.2. The company stores the documents specified in clause 26.1. of this article, at the location of the executive body of the Company in the manner and within the time limits established by the Bank of Russia.

26.3. During the reorganization of the Company, all documents are transferred to the assignee in accordance with the established procedure.

26.4. Upon liquidation of the Company, documents of permanent storage of scientific and historical significance shall be transferred for state storage to the Federal Archival Service of Russia, documents on personnel (orders, personal files and accounting cards, personal accounts, etc.) shall be transferred for storage to the appropriate archive subject of the Russian Federation.

Transfer and ordering of documents is carried out in accordance with the requirements of archival authorities.

Information about the Company is provided to them in accordance with the requirements of the Russian Federation legislation.

26.5. The Company is obliged to provide shareholders with access, upon their request, to documents in the manner and terms stipulated by the legislation of the Russian Federation.

26.6. Information about the Company shall be provided to them in accordance with the requirements of the Federal Law "On Joint-Stock Companies" and other 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:

- by sending by post or through a courier service to the address of the Company contained 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 website of the Company in the information and telecommunications network "Internet" for sending a request;

- by handing over against signature to the person holding the position (performing the functions) of the sole executive body, to the chairman of the Board of Directors of the Company or to another person authorized to accept written correspondence addressed to the Company, including the Corporate Secretary;

- by giving by an authorized person, whose rights to shares of the Company are accounted for by a nominee holder who records the rights of an authorized person to shares of the Company, instructions to this nominee holder, if provided by an agreement with him, and sending this nominal holder a message of the will of the authorized person in accordance with instructions received from him; - by sending by e-mail.

26.8. The date of filing a demand sent by e-mail is the date of registration of the received demand as an incoming document.

26.9. The Company has the right to deny access to documents and information in cases established by the Federal Law "On Joint Stock Companies". In this case, the Company is obliged, within seven working days from the date of submission of the request, to notify in writing the person who submitted the request about the decision taken. A notice of refusal to provide access to the Company's documents is sent to such a person by the communication method specified in the request.

26.10. The amount of the fee is set by the General Director of the Company and cannot exceed the cost of making copies of documents and, if the request indicates the need to send them to the address specified by the shareholder, the corresponding shipping costs.

Information on the cost of making copies of documents is posted on the Company's website.

In case of non-payment by a shareholder (authorized person) of the costs of the Company for the manufacture and (or) sending of copies of the Company's documents according to a previously received and fulfilled Request, the term for submitting copies of the Company's documents for subsequent requirements is calculated from the date of receipt of such payment.

26.11. The Company provides shareholders and employees of the Company with access to information in compliance with the requirements of the legislation on state and commercial secrets.

26.12. The term for fulfilling the obligation to provide documents containing confidential information is calculated no earlier than from the moment of signing between the Company and the shareholder requesting access to the documents of an agreement on non-proliferation of information (confidentiality agreement).

26.13. The Company is obliged to post the terms of the contract (agreement) on confidentiality on their Internet website. In the case of group appeal by shareholders, this agreement shall be signed by each of them, and when providing access to documents to the representative of the shareholder by proxy both by the shareholder and his representative.

26.14. Notifications of signs of a possible interest in transactions by a joint-stock company, as well as Notifications of changes in information containing signs of a potential interest in transactions by a joint-stock company shall be sent to the Company in one of the following ways:

- -sending by mail with a notification of delivery or through a courier service to the address of the company contained in the unified state register of legal entities, as well as to other addresses indicated in the Articles of Association of the Company or in the internal document of the Company approved by the General Meeting of Shareholders of the Company;
- - delivery against signature to a person holding a position (performing functions) of the sole executive body of the Company, or to another person authorized to accept written correspondence addressed to the Company;
- - sending an electronic document signed with an electronic signature in accordance with the requirements of the Federal Law of April 6, 2011 N 63-ФЗ "On electronic signature", through telecommunication channels, including the Internet;
- - via fax, telegraph or e-mail.

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

27.1. The Company may be voluntarily reorganized by merger, accession, division, spin-off and transformation, as well as on the grounds and in the manner determined by the Civil Code and federal laws of the Russian Federation.

27.2. The company may be liquidated by court order or voluntarily in the manner prescribed by the Civil Code of the Russian Federation, the Federal Law "On Joint-Stock Companies" and these Articles of Association.

27.3. In case of reorganization, liquidation of the Company or termination of work containing information constituting state and commercial secrets, the Company is obliged to ensure the safety of this information and its carriers by developing and implementing measures for secrecy, information protection, security and fire safety.