

APPROVED  
by the General Meeting of Shareholders  
of RAO Energy System of East  
Open Joint-Stock Company  
Minutes No. 6 of November 30, 2011  
Chairman of the General Meeting of Shareholders

\_\_\_\_\_ /I. V. Blagodyr

REGULATIONS  
On the Management Board  
of RAO Energy System of East  
Open Joint-Stock Company

**2011**

## **1. GENERAL PROVISIONS**

1.1. These Regulations for the Management Board of RAO Energy System of East Open Joint-Stock Company (hereinafter, the "Company") shall set forth the procedure for forming the Management Board, convening and holding meetings of the Management Board and the relevant decision-making procedure.

1.2. These Regulations were developed in accordance with the Civil Code of the Russian Federation, the Federal Law "On Joint-Stock Companies", other regulations of the Russian Federation and the Articles of Association of the Company.

1.3. The Management Board shall be a collective executive body of the Company.

1.4. The Management Board of the Company shall manage daily activities of the Company within the competence specified in the Company's Articles of Association.

## **2. PROCEDURE FOR FORMING THE MANAGEMENT BOARD**

2.1. The number of members of the Management Board shall be determined by the Company's Board of Directors upon a suggestion of the Company's Director General.

2.2. The Company's Director General shall be a member of the Management Board by virtue of his position.

2.3. Members of the Company's Management Board (excluding the Director General) shall be appointed for a term of 5 (five) years upon the recommendation of the Company's Director General and may be dismissed early by the Company's Board of Directors.

2.4. The powers of a member of the Management Board can be terminated upon his/her initiative pursuant to the procedure specified in the applicable labor laws.

## **3. RIGHTS AND OBLIGATIONS OF PERSONS INVOLVED IN ACTIVITIES OF THE MANAGEMENT BOARD**

### **3.1. CHAIRPERSON OF THE MANAGEMENT BOARD**

3.1.1. The Company's Director General shall manage activities of the Management Board because he/she discharges the duties of the Chairperson of the Management Board by virtue of his/her position.

3.1.2. The Company's Director General shall:

1) present to the Company's Board of Directors for consideration suggestions on appointment of members of the Management Board;

2) convene meetings of the Management Board including:

- determine the date, place and time of a meeting,

- approve the agenda;

- prepare a list of persons to be invited to participate in discussions on certain agenda items (hereinafter, the "guests") at a meeting;

- prepare a list of information (materials) to be provided to members of the Management Board and the guests as part of preparation for a meeting;

3) chair meetings of the Management Board;

4) sign the minutes of meetings of the Management Board;

5) perform other actions specified herein.

### **3.2. DEPUTY CHAIRPERSON OF THE MANAGEMENT BOARD**

3.2.1. If the Chairperson of the Management Board is absent, his/her duties shall be discharged by the Deputy Chairperson of the Management Board to be elected among members of the Management Board by a majority vote of members of the Management Board in view of the total number thereof.

### **3.3. MEMBERS OF THE MANAGEMENT BOARD**

3.3.1 The rights and obligations of the members of the Management Board shall be specified in the Russian laws, the Company's Articles of Association, these Regulations and other documents of the Company.

3.3.2. The members of the Management Board shall be entitled to:

- 1) vote on agenda items of a meeting of the Management Board;
- 2) obtain complete data on the Company's activities, review constituent, regulatory, accounting, reporting, contractual and other documents of the Company;
- 3) submit suggestions related to development of the Action Plan of the Management Board or agenda of meetings of the Management Board;
- 4) request convocation of meetings of the Management Board;
- 5) exercise other rights specified in the Russian laws.

3.3.3. The members of the Management Board shall:

- 1) participate in meetings of the Management Board;
- 2) fulfill decisions and instructions of the General Meeting of Shareholders, the Board of Directors and the Company's Management Board, comply with the Articles of Association and by-laws of the Company;

3) act for the benefit of the Company, exercise their rights and perform their obligations with respect to the Company reasonably and in good faith;

4) inform the Company's Board of Directors, the Internal Audit Committee and the Auditor of the following information in writing:

a) data on legal entities where such member of the Management Board holds independently or together with his/her affiliate(s) at least 20 percent of voting shares (interest, participatory interest);

b) data on legal entities in whose management bodies such member of the Management Board holds positions;

c) data available to such member of the Management Board related to actual or potential transactions where such member may be considered a related party;

5) avoid disclosing confidential information of the Company.

3.3.4. Members of the Management Board shall be entitled to concurrently hold positions in management bodies of other organizations only with the consent of the Company's Board of Directors.

3.3.5. The rights and obligations of an employer on behalf of the Company with respect to members of the Management Board shall be exercised and performed by the Company's Board of Directors or a person authorized by the Company's Board of Directors.

3.3.6. Members of the Management Board shall be liable to the Company for losses incurred by the Company as a result of their faulty actions (omission) in accordance with the applicable laws.

In this case members of the Management Board who voted against a decision that resulted in such losses being caused to the Company or who did not vote shall not bear any liability.

#### **4. SECRETARY OF THE MANAGEMENT BOARD**

4.1. The Secretary of the Management Board shall be in charge of providing organizational and informational support for activities of the Management Board.

4.2. The Secretary of the Management Board shall be appointed by the Director General.

4.3. The Secretary of the Management Board shall:

1) collect and process documents and information received by the Management Board;

2) prepare and deliver to the Director General for approval a draft action plan of the Management Board on a quarterly and monthly basis not later than 5 (five) business days before the start of a corresponding period;

3) when necessary, submit suggestions related to clarification and amendment of the Action Plan of the Management Board;

4) prepare draft organizational documents of the Management Board (notices, bulletins, etc.);

5) notify members of the Management Board and guests of meetings of the Management Board by sending notices and relevant materials;

6) ensure organizational and technical support for meetings of the Management Board;

7) keep a register of decisions of the Management Board;

8) supervise implementation of decisions of the Management Board and inform the Management Board on implementation of decisions adopted by providing a register of decisions of

the Management Board and a report on implementation thereof to members of the Management Board at least once a month;

9) maintain and execute minutes of meetings of the Management Board;

10) inform members of the Management Board of the voting results and decisions adopted;

11) inform responsible employees of decisions adopted by the Management Board by sending extracts from minutes of meetings of the Management Board.

The Secretary of the Management Board shall perform other actions specified herein.

4.4. The Secretary of the Management Board shall also be responsible for ensuring accuracy of extracts from minutes of meetings of the Management Board and performing other obligations specified herein.

## **5. ORGANIZATION OF ACTIVITIES OF THE MANAGEMENT BOARD**

5.1. Meetings of the Management Board shall be held on a weekly basis in accordance with the Action Plan. The date and time of a meeting shall be determined in the decision of the Director General.

5.2. Meetings of the Management Board shall consider matters reserved for the Management Board or other matters pursuant to the procedure specified herein. Decisions adopted by the Management Board on matters beyond its competence shall be non-regulatory.

5.3. The matters reserved for the Management Board shall be listed in the Company's Articles of Association.

5.4. In order to ensure effective operation of the Company's Board of Directors and improve the quality of decisions adopted, the Management Board shall preliminary consider and present to the Board of Directors recommendations on matters reserved for the Board of Directors.

5.5. The Management Board shall ensure preliminary consideration and produce recommendations on matters reserved for the sole executive body of the Company.

5.6. Meetings of the Management Board shall be held as in-person meetings or through absentee voting.

5.7. The Management Board shall be quorate if more than half of elected members of the Management Board participate in a meeting (absentee voting).

5.8. The Management Board shall adopt decisions by a simple majority vote based on the total number of members of the Management Board participating in the voting. In the event of equality of votes, the Director General shall have the decisive vote.

5.9. As part of resolving issues each member of the Management Board shall have one vote. Transfer of the vote by a member of the Management Board to another member of the Management Board or a third party shall not be allowed.

5.10. If a member of the Management Board who participated in a meeting does not agree on a decision adopted with respect to an agenda item (agenda items), he/she shall be entitled to express his/her opinion on the issue in writing. Such minority opinion shall be enclosed to the minutes of a respective meeting of the Management Board.

5.11. The procedure for preparing of materials on agenda items of meetings of the Management Board shall be outlined in the Standard of Preparation of Materials for Meetings of the Management Board of the Company approved by the Director General.

## **PROCEDURE FOR CONVENING AND HOLDING MEETINGS OF THE MANAGEMENT BOARD HELD AS IN-PERSON MEETINGS**

6.1. A notice of members of the Management Board of the place, date, time and agenda of a meeting of the Management Board signed by the Director General or the Deputy Chairperson of the Management Board (in events specified herein) shall be delivered to members of the Management Board (including by e-mail) at least 4 (four) business days before the date of a meeting unless the relevant decision of the Director General (Deputy Chairperson of the Management Board) specifies a shorter period of time.

6.2. A notice of a meeting of the Management Board to be held as an in-person meeting shall indicate:

- the full corporate name and address of the Company;
- the agenda of the meeting;
- the date, place and time of the meeting;
- a list of information (materials) to be provided to members of the Management Board as part of preparation for the meeting.

All necessary materials (information) and draft decisions on agenda items shall be delivered to members of the Management Board together with a notice of the meeting.

6.3. A meeting of the Management Board shall be opened and presided by the Director General or, if he/she is absent, by the Deputy Chairperson of the Management Board.

6.4. The Secretary of the Management Board shall determine if a meeting has a quorum. Votes of absent members of the Management Board whose written opinions were duly executed in accordance with these Regulations and delivered to the Secretary of the Management Board at least one hour before the start time of a meeting of the Management Board shall be taken into accounting when determining the quorum and results of voting on agenda items.

6.5. Written opinions of members of the Management Board absent from a meeting shall be executed by filling out a voting bulletin (hereinafter, the "voting bulletin") executed in accordance with Appendix 1 hereto.

To fill out a voting bulletin a member of the Management Board shall leave only one voting opinion uncrossed (For, Against or Abstained) on each draft decision on each agenda item. A voting bulletin shall be signed by a member of the Management Board with his/her full name indicated.

6.6. If in the course of discussions related to agenda items at a meeting of the Management Board the text of an agenda item of such meeting or a draft decision on an agenda item is amended or supplemented, written opinions of members of the Management Board absent from such meeting (voting bulletins) shall be taken into consideration as part of tallying the voting results on respective agenda items as specified in clause 6.7.

6.7. The Secretary of the Management Board shall prepare and sign a voting bulletin (Appendix 1) in view of the amendments to the text of an agenda item and/or draft decision and deliver it to members of the Management Board who were absent from a specific meeting and presented their written opinions (voting bulletins).

A member of the Management Board shall deliver a filled-out and signed voting bulletin to the Secretary of the Management Board (including by e-mail) not later than the next business day following the day of the meeting.

6.8. Based on the results of voting at a meeting of the Management Board and written opinions (voting bulletins) received from members of the Management Board absent from such meeting, the Secretary of the Management Board shall tally the voting results related to agenda items and execute minutes of such meeting pursuant to the procedure specified herein.

## **7. PROCEDURE FOR ADOPTING DECISIONS THROUGH ABSENTEE VOTING**

7.1. The Company's Management Board shall be entitled to adopt a decision on agenda items by absentee voting (by circulation).

7.2. To adopt a decision through absentee voting (by circulation), each member of the Management Board shall receive a notice of absentee voting on agenda items, materials (information) and draft decisions on agenda items at least 3 (three) business days before the deadline for submitting voting bulletins for absentee voting unless a decision of the Director General (Deputy Chairperson of the Management Board) specifies a shorter time period.

7.3. A notice of absentee voting shall indicate:

- the full corporate name and address of the Company;
- the agenda of the meeting of the Management Board;
- the form of the meeting (absentee voting by filling out voting bulletins);
- the deadline for submitting voting bulletins for absentee voting;
- a list of information (materials) to be provided to members of the Management Board as part of preparation for the meeting.

7.4. At least 2 (two) business days before the deadline for submitting voting bulletins

members of the Management Board shall be entitled to deliver to the Secretary of the Management Board their commentaries and suggestions related to the texts of draft decisions on agenda items.

7.5. The Secretary of the Management Board shall deliver voting executed in accordance with Appendix 2 in view of the commentaries and suggestions received in compliance with clause 7.4 to members of the Management Board at least 1 (one) business day before the deadline for submitting voting bulletins as specified in a relevant notice of absentee voting by e-mail.

7.6. Based on the voting bulletins (scans thereof) filled out in accordance with the second paragraph of clause 6.5. hereof and received from members of the Management Board, the Secretary of the Management Board shall tally the results of absentee voting on agenda items and prepare minutes of the meeting pursuant to the procedure described herein.

## **8. MINUTES OF MEETINGS OF THE MANAGEMENT BOARD**

8.1. Minutes of meetings of the Company's Management Board shall be prepared based on the results of a meeting of the Management Board (the results of absentee voting) within 2 (two) business days following the date of such meeting of the Management Board (the date of tallying the results of absentee voting). The minutes shall be signed by the Chairperson of the meeting and the Secretary of the Management Board.

8.2. The minutes of a meeting of the Management Board shall indicate:

- the full corporate name of the Company;
- the form of the meeting (in-person meeting or absentee voting);
- the place and time of the meeting (tallying the voting results);
- a list of members of the Management Board who attended the meeting (participated in absentee voting) and a list of guests;
- if the meeting had a quorum;
- the agenda;
- issues put to a vote and results of voting on such issues;
- summary of reports and speeches by persons participated in the meeting (held as an in-person meeting);
- decisions adopted.

8.3. The Company shall keep minutes of meetings of the Management Board at the registered office of the Company's executive body. The Chairperson of the Management Board shall be responsible for safety of minutes of meetings of the Management Board.

Minutes of meetings of the Company's Management Board shall be available for reviewing for any member of the Board of Directors or the Internal Audit Committee (Internal Auditor), the Company's Auditor, Director General, shareholder(s) of the Company holding a total of at least 25 percent of the Company's voting shares.

## **9. MONITORING OF IMPLEMENTATION OF DECISIONS ADOPTED BY THE MANAGEMENT BOARD**

9.1. Members of the Management Board shall be informed of decisions adopted by the Management Board in writing by sending a scan of minutes of meetings of the Management Board within 3 (three) business days following the day of execution of the minutes in accordance with clause 8.1. hereof.

9.2. Responsible officers shall be informed of decisions adopted by the Management Board through extracts on certain items of minutes of meetings of the Company's Management Board signed by the Secretary of the Management Board.

9.3. Monitoring the implementation of decisions adopted by the Management Board shall be the responsibility of the Secretary of the Management Board.

**MANAGEMENT BOARD  
of RAO Energy System of East  
Open Joint-Stock Company**

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**VOTING BULLETIN**  
**on agenda items of the meeting of the Management Board**  
**of RAO Energy System of East OJSC**  
**to be held as an in-person meeting on \_\_\_\_\_, 20\_\_**

**Issue:**

1. \_\_\_\_\_

**Decision (adopted at the meeting):**

\_\_\_\_\_

\_\_\_\_\_

**FOR**

**AGAINST**

**ABSTAINED**

*(leave your option uncrossed)*

**Issue:**

2. \_\_\_\_\_

**Decision (adopted at the meeting):**

\_\_\_\_\_

\_\_\_\_\_

**FOR**

**AGAINST**

**ABSTAINED**

*(leave your option uncrossed)*

**After filling out and signing this voting bulletin, you shall send it to e-mail \_\_\_\_\_ not later than \_\_\_\_\_.**  
/date, time/

**A voting bulletin received by the Company after the above-mentioned deadline shall not be taken into consideration when counting the votes or tallying the voting results.**

**You are kindly requested to send the original voting bulletin to:**

\_\_\_\_\_

**Member of the Management Board** \_\_\_\_\_ / \_\_\_\_\_

**Secretary of the Management Board<sup>1</sup>** \_\_\_\_\_ / \_\_\_\_\_

**This VOTING BULLETIN shall be deemed invalid if not signed by the Secretary or member of the Management Board<sup>2</sup>.**

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<sup>1</sup> The signature of the Secretary of the Management Board shall be required only if this voting bulletin is prepared and sent in the event and pursuant to the procedure specified in clause 6.7 of the Regulations. This footnote shall not appear on the voting bulletin.

<sup>2</sup> This voting bulletin shall be invalid if not signed by the Secretary of the Management Board only in the event specified in clause 6.7 of the Regulations. This footnote shall not appear on the voting bulletin.

**MANAGEMENT BOARD  
of RAO Energy System of East  
Open Joint-Stock Company**

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**VOTING BULLETIN  
for absentee voting on agenda items of the meeting of the Management Board  
of RAO Energy System of East OJSC**

**Issue 1:**

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**Decision:**

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**FOR**

**AGAINST**

**ABSTAINED**

*(leave your option uncrossed)*

**Issue 2:**

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**Decision:**

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**FOR**

**AGAINST**

**ABSTAINED**

*(leave your option uncrossed)*

After filling out and signing this voting bulletin, you shall send it to e-mail \_\_\_\_\_ not later than \_\_\_\_\_  
/date, time/

A voting bulletin received by the Company after the above-mentioned deadline shall not be taken into consideration when counting the votes or tallying the voting results.

You are kindly requested to send the original voting bulletin to:

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Member of the Management Board \_\_\_\_\_ / \_\_\_\_\_

**THIS VOTING BULLETIN SHALL BE INVALID IF NOT SIGNED BY A MEMBER OF THE MANAGEMENT BOARD**