

Approved by  
decision of OJSC «Moscow United Electric  
Grid Company » shareholders  
Extraordinary General meeting (Report №  
67 as of July 4, 2008),

**Open Joint-Stock Company**  
**“Moscow United Electric Grid Company”**  
Personnel and Remuneration Committee under the Board of Directors

## **1. GENERAL PROVISIONS**

1.1. The Personnel and Remuneration Committee under the Board of Directors of OJSC «Moscow United Electric Grid Company» (hereinafter referred to as the Regulation) was developed according to the Russian Federation legislation, including the Federal Law «On Joint-Stock Companies», Regulation about activities on trading on the securities market, approved by Order of Federal Financial Markets Service the (FFMS) as of 09.10.2007 No.07-102/pz-n, Corporate Conduct Code recommended by Order of the RF Federal Commission for the Securities Market (FCSM) as of 04.04.2002 No. 421/r, and also by Charter of OJSC «Moscow United Electric Grid Company» and Regulation on the procedure of convocation and carrying out of the Board of Directors meetings of OJSC «Moscow United Electric Grid Company» (hereinafter referred to as the Company).

1.2. The personnel and remuneration committee of the Company Board of Directors (hereinafter referred to as the Committee) was established under the decision of the Company Board of Directors and is an advisory body, which provide effective realization of its obligations by the Company Board of Directors on the Company activities' general management.

1.3. The committee is not the Company body and has not the right to operate on behalf of the Company.

1.4. Committee decisions are of recommendatory nature for the Company Board of Directors. The committee is completely accountable to the Company Board of Directors.

1.5. The Committee activities are guided by the Russian Federation current legislation, the Company Charter, Regulation for the procedure of convocation and carrying out of the Company Board of Directors meetings, the Company Board of Directors decisions, the present Regulation and other internal documents of the Company.

## **2. THE COMMITTEE GOALS AND TASKS**

2.1. The committee is established for the purpose of the Company development management efficiency improvement by means of working out of comprehensively proved recommendations to the Company Board of Directors concerning human resources management and motivation, and control over such execution of such decisions taken by the Company Board of Directors.

2.2. The Committee task is development and representation of recommendations (opinions) of the Company Board of Directors concerning the competence.

## **3. THE COMMITTEE COMPETENCE**

3.1. The Committee competence includes:

3.1.1. Preliminary consideration, analysis and development of recommendations (opinions) on the following issues of the Company Board of Directors competence:

3.1.1.1. Election of the Company General Director and early termination of his powers, including decision-making on the prescheduled termination of the labour contract with him/her;

3.1.1.2. Submission the issue on a delegation of the Company sole executive body powers to the managing company (managing director) and early termination of management company powers (director) to the Company General Shareholders Meeting;

3.1.1.3. Determination of the terms of contracts (including with regard to the appointment term) concluded with the Company General Director, managing company (managing director);

- 3.1.1.4. Recommendations to the Company General Shareholders Meeting on the amount of remuneration and compensation paid to the Company Board of Directors members;
- 3.1.1.5. Recommendations to the Company General Shareholders Meeting on the amount of remuneration and compensation paid to the Company Checkup Committee members;
- 3.1.1.6. Decision-making on powers suspending of the managing company (managing director)
- 3.1.1.7. Decision-making on the Company Acting General Director appointment in the cases provided by items 20.8, 20.9 article 20 of the Charter;
- 3.1.1.8. Bringing General Director accountable and his/her motivation according to the Russian Federation labor legislation;
- 3.1.1.9. Decision-making on the Company General Director recommendation for the State awards.
- 3.1.2. Qualified experts attraction to the Company management and creation of necessary stimulus for their successful work, including:
  - 3.1.2.1. Development of the Company position regarding compensation which defines principles and criteria of reward amount definition of the Board of Directors members, Management Board members, General Director, managing company (managing director), including life insurance, health insurance, non-state pension coverage, and also criteria of their activities;
  - 3.1.2.2. Definition of criteria of election of Board of Directors members, Management Board members, General Director, management company (managing director);
  - 3.1.2.3. Working out of contracts conditions with Board of Directors members, Management Board members, General Director, managing company (managing director);
  - 3.1.2.4. Estimation of nominees of Board of Directors members, Management Board members, General Director, managing company (managing director);
  - 3.1.2.5. A regular estimation of performance of General Director, Management Board members, managing company (managing director) and preparation of proposals for Board of Directors on their possible reappointment.
- 3.1.3. Other issues connected with the above-stated issues (except the issues which fall within the competence of other Company Committees), and other issues on the Company Board of Directors instructions.

#### **4. THE COMMITTEE RIGHTS AND DUTIES**

- 4.1. For realization of the assigned duties the Committee has the right:
  - 4.1.1. To carry out researches with a view of the duties carrying out, specified in section 3 of the present Regulation;
  - 4.1.2. To request and receive from the Company necessary information and documents for the duties exercising, according to section 12 of the present Regulation;
  - 4.1.3. To request the information and documents concerning the activities from the outside agencies with the help of the Board of Directors Chairman and the Company General Director according to the present Regulation;
  - 4.1.4. To receive professional services from the outside agencies, to involve the third parties possessing special knowledge as experts (advisers) for the issues referred to the competence of the Committee within the limits of the Committee budget;
  - 4.1.5. To consider issues of remuneration, motivation, compensation, personnel election in case of consideration by their the Company Board of Directors, including to initiate consideration and preparation of the specified issues;
  - 4.1.6. The Committee members have the right to meet with the Company administrating authorities, other persons for discussion of issues which are within the Committee competence;
  - 4.1.7. To make proposals on amending the present Regulation;
  - 4.1.8. If necessary, to develop and submit draft documents regulating the Committee activities for the Company Board of Directors approval;

- 4.2. The committee has other rights specified in the present Regulation.
- 4.3. The committee is obliged:
  - 4.3.1. To carry out the activities in favor of the Company and its shareholders;
  - 4.3.2. To inform the Company shareholders about its activities;
  - 4.3.3. At least once a year to report on the results of the Board of Directors work.

## **5. THE COMMITTEE STRUCTURE AND PROCEDURE OF ITS DEVELOPMENT**

- 5.1. The Committee quantitative structure is defined by the decision of the Company Board of Directors in the number of at least 3 (three) people.
- 5.2. The Committee personal structure is elected by the Company Board of Directors by the majority of the Board of Directors members' votes who take part in the Board of Directors meetings among candidates represented by the Company Board of Directors members. Each member of the Company Board of Directors has the right to propose no more than 3 (Three) candidates for the Committee members.
- 5.3. Proposals of the Company Board of Directors members on nominees for election to the Committee should be represented to the Company Board of Directors Chairman in writing no later than 10 (Ten) days before the date of Board of Directors meeting carrying out (expiry date of questionnaires reception for the correspondence voting), the agenda of which includes the issue on the Committee members election.
- 5.4. The Committee structure can include only the Company Board of Directors members who are independent and comply with the following requirements:
  - 5.4.1. They are not the Company officials or employees at the moment of election and within one year previous to the election;
  - 5.4.2. They are not officials of another economic Company where any of the Company officials is a member of the personnel and remuneration committee under the Board of Directors;
  - 5.4.3. They are not husbands (wives), parents, children, brothers and sisters of the Company officials;
  - 5.4.4. They are not affiliated persons of the Company, except for the Company Board of Directors member;
  - 5.4.5. They are not the parties under obligations with the Company according to conditions of which they can get property (receive money assets) which value is 10 and more percent of the cumulative revenue of the specified persons, except reception of compensation for participation in the Company Board of Directors activities;
  - 5.4.6. They are not the State representatives.
- 5.5. If by virtue of the objective reasons the Committee cannot consist only of the Board of Directors members complying with requirements of point 5.4 of the present Regulation, the Board of Directors members can be included in the Committee structure, if they are not a sole executive office and (or) members of the Company collegial executive body.
- 5.6. If the Committee member ceases to comply with requirements of independence, he/she is obliged to inform immediately about this the Company Board of Directors Chairman and the Committee Chairman.
- 5.7. The proposal on recommendation of the candidate to the Committee members should contain the following data on the candidate:
  - 5.7.1. The candidate last name, first name and patronymic;
  - 5.7.2. The candidate place of work and the position at the moment of the proposal submission;
  - 5.7.3. Data about the candidate professional experience for the past 5 (Five) years;
  - 5.7.4. Data about the candidate participation in administrating authorities of other juridical persons.
- 5.8. The proposal on the candidate recommendation to the Committee members should be signed by the Company Board of Directors member, who represented the specified proposal.

5.9. At election of the Committee members, their education, professional qualification, working experience in the sphere of the Committee activities and other special knowledge should be considered, which are necessary for exercising by the Committee members of their powers.

5.10. The Committee members are elected according to conditions of the present Regulation for the term before the first Board of Directors meeting carrying out elected in a new structure.

5.11. Powers of any member of Committee can be early stopped by the Company Board of Directors decision.

5.12. The Committee Chairman and the Committee members can abdicate by sending of an application about this to the Company Board of Directors Chairman (and the Committee members send it to the Committee Chairman).

5.13. In a case if the quantitative structure of Committee becomes less than the quorum stipulated by Regulation for the Committee carrying out, the Board of Directors Chairman is obliged to include an issue on the Committee members election in the agenda of the nearest Company Board of Directors meeting.

## **6. THE COMMITTEE MEMBERS RIGHTS, DUTIES AND RESPONSIBILITIES**

6.1. The Committee members within the limits of the Committee competence have the right:

6.1.1. To request documents and information necessary for decision-making on the issues of the competence of the Committee, the Company General Director, the Company officials and the Company Board of Directors Secretary according to the list approved by the Committee decision. The inquiry is carried out in writing and signed by the Committee Chairman;

6.1.2. To make written proposals on the Committee working plan formation;

6.1.3. To submit issues in the Committee meetings agenda in accordance with the procedure established by the Regulation;

6.1.4. To demand the Committee meeting convocation;

6.1.5. To carry out other rights provided by Regulation.

6.2. The Committee member is obliged:

6.2.1. To operate in interests of the Company and its shareholders, carry out the rights and exercise duties concerning the Company honestly and reasonably;

6.2.2. To examine the materials for Committee meeting and develop his/her own point of view on each issue of the meeting agenda;

6.2.3. Not to admit acceptance of unreasonable decisions and recommendations, abstain from voting on issues, concerning which the Committee member doesn't have a proved opinion;

6.2.4. To secure confidentiality of the information he has learned during the work in the Committee;

6.2.5. To inform the Committee Chairman about presence of an interest in the issue placed for the Committee consideration, to abstain from participation in voting on such issues;

6.2.6. To execute the Chairman of Committee orders.

6.3. The Committee members carry out responsibilities according to the Federal Law «On Joint-Stock Companies» regulating the Board of Directors members' responsibility.

## **7. THE COMMITTEE CHAIRMAN AND PROCEDURE OF HIS/HER ELECTION**

7.1. The management of Committee and organisation of its activity is carried out by the Committee Chairman.

7.2. The Committee Chairman is elected by the Company Board of Directors among elected Committee members by the majority of votes of the Company Board of Directors members, taking part in Board of Directors meeting.

7.3. A person who is carrying out functions of the Company sole executive body or persons who have positions in administrating authorities of the management Company cannot be elected as the Committee Chairman.

7.4. The Company Board of Directors has the right to re-elect the Committee Chairman any time.

7.5. During the absence of the Committee Chairman, the Deputy Chairman executes his duties. The Committee Deputy Chairman is elected by the Committee members from their number by the majority of votes from the general number of the elected Committee members. Deputy Chairman shall comply with the restrictions provided in item 7.3 of this Regulation.

7.6. Committee Chairmanshall organize the work of the Committee, in particular:

7.6.1. convokes the Committee meeting and presides there;

7.6.2. defines the form of carrying out and confirms the Committee meeting agenda;

7.6.3. defines the list of the persons invited for participation in internal Committee meeting. The invitation to internal Committee meeting (consideration of separate issues of the meeting agenda) officials and/or employees of the Company is carried out by sending corresponding invitation to the Company General Director. The Company General Director is obliged to provide participation of officials and-or employees of the Company or other persons invited to the Committee meeting (consideration of separate questions of the meeting agenda) possessing powers, information and qualification necessary for effective participation in the Committee meeting (consideration of the meeting agenda questions, information granting, participation in discussion, decision-making etc.);

7.6.4. organizes the Committee meeting report conducting and signs Committee meeting reports;

7.6.5. represents Committee at interaction with the Company Board of directors, other Committees of Board of directors, the Company executive powers, Auditor, the Company Auditing Committee and other bodies and persons;

7.6.6. carries out official correspondence of Committee, signs inquiries, letters and documents on behalf of the Committee;

7.6.7. distributes duties between the Committee members;

7.6.8. develops the Committee working plan and submits the specified plan for approval to Committee, supervises decisions execution and Committee working plans;

7.6.9. provides observance of the Russian Federation legislation requirements, the Company Charter, other Company internal documents and the present Regulation in the course of the Committee activity;

7.6.10. carries out other functions provided by the current legislation, the Company Charter, the present Regulation and other Company internal documents.

## **8. THE COMMITTEE SECRETARY**

8.1. Technical (information, documentary, legal, secretarial) support of the Committee current activities is carried out by the Committee Secretary acting on the basis of the present Regulation, other Company internal documents and according to the Committee Chairman commissions.

8.2. The Committee Secretary is elected by the majority of the Committee members votes who take part in the meeting. The Committee Secretary is accountable to the Committee Chairman and is not the Committee member. In a case if a secretary candidate is the Company employee, his/her nominee is coordinated with the Company General Director.

8.3. The Committee Secretary carries out technical support of the Committee current activities, including:

8.3.1. Provides preparation and carrying out of the Committee meetings;

8.3.2. Carries out gathering and ordering of the meetings materials;

- 8.3.3. Provides notice on the Committee meeting, meetings agenda, materials concerning the agenda and questionnaires timely sending to the Committee members and the persons invited for participation in the Committee meeting;
- 8.3.4. Provides the Committee draft decisions preparation, the Committee meetings recording;
- 8.3.5. Carries out registration of correspondence addressed to the Committee (the Committee members), provides getting necessary information by the Committee members;
- 8.3.6. Provides storing of the Committee meetings minutes and other documents and materials concerning the Committee activities, according to document storing procedures accepted in the Company;
- 8.3.7. Carries out the Committee Chairman obligations within the limits of the Committee Chairman powers;
- 8.3.8. Carries out other functions according to the present Regulation.
- 8.4. The Committee Secretary is paid reward and compensated for expenses connected with his (her) duties execution, in the order defined by the Board of Directors decision.

## **9. COMMITTEE MEETING**

- 9.1. Each first Committee meeting elected in a new structure is held no later than 30 (Thirty) business days from the date of the Company Board of Directors meeting carrying out, where the Committee structure was elected.
- 9.2. Committee meetings are convoked by the the Committee Chairman according to the working plan adopted at the Committee meeting (planned meeting), and also in other cases provided in the Regulation (extraordinary meetings).
- 9.3. The Committee working plan is made by the the Committee Chairman taking into account the adopted plan of the Company Board of Directors work and the Company Board of Directors Chairman proposals, Committee members proposals and the Company Board of Directors decisions, and are approved at the first meeting of the Committee elected in a new structure.
- 9.4 Decisions on the Committee next meeting convocation, date, time, place, the form of meeting carrying out and agenda issues, and also the decision on the list of the persons invited to participate in meeting, are accepted by the Committee Chairman according to the plan of the Committee follow-up meetings carrying out.
- 9.5 The Committee members have the right to make proposals on the Committee scheduled meeting agenda formation. The Committee Chairman has the right to include the received proposals in scheduled meeting agenda or call the Committee extraordinary meeting.
- 9.6 The Committee extraordinary meetings are held under the decision of the Committee Chairman, the demand of the Chairman or the Company Board of Directors members, the Committee members, the Company General Director, the Company Checkup Committee, and the Company Auditor.
- 9.7 The demand about the Committee extraordinary meeting carrying out is forwarded to the Committee Chairman in writing no later than 20 (Twenty) business days before the prospective date of a meeting carrying out and should contain the issue formulation, substantiation of necessity of the issue consideration at the meeting, the Committee draft decision on the specified issue, and accompanying materials and information. The demand about the Committee meeting convocation should be signed by the person who sends the specified requirement (the checkup committee demand about the Committee meeting convocation is signed by the checkup committee Chairman, the Company Auditor - the Auditor authorized person). Simultaneously the demand copy about the Committee meeting convocation with all appendices is sent to the Committee Secretary.
- 9.8. Within 5 (Five) business days from the date of the demand presentation about the Committee extraordinary meeting convocation, the Committee Chairman makes the decision on the Committee extraordinary meeting carrying out, defines date, time and place of the Committee meeting carrying out (date and time of the expiry date of questionnaires reception at

correspondence voting), or takes the decision on refusal in the Committee extraordinary meeting convocation. Reasoned decision on refusal in the Committee extraordinary meeting convocation is forwarded to the person or the authority demanding such meeting convocation, within 2 (Two) business days from the moment of the specified decision-making.

9.9. The Committee Chairman decision on refusal in the Committee extraordinary meeting convocation can be accepted in the following cases:

9.9.1. The issue offered for inclusion in the Committee meeting agenda is not referred to its competence by the present Regulation;

9.9.2. The agenda issue containing in the demand about the Committee extraordinary meeting convocation, has already been included in the agenda of the nearest follow-up meeting, convoked according to the Committee Chairman decision, which was taken before the above-stated requirement getting;

9.9.3. The order and terms of the demand presentation about the Committee extraordinary meeting convocation established by the present Regulation are not observed.

9.10. The Committee Chairman has the right to include the issues containing in the requirement about the Committee extraordinary meeting convocation in the agenda of the Committee nearest follow-up meeting.

9.11. In case of Chairman or the Company Board of Directors members demand about the Committee extraordinary meeting convocation, the Committee Chairman is obliged to call an extraordinary meeting in the terms established by the specified demand.

9.12. In case when the issues which are subject to discuss on the Committee extraordinary meeting, are of urgent nature, extraordinary meeting convocation terms and materials delivering concerning such meeting agenda can be reduced under the Committee Chairman decision.

9.13. The notice on the Committee meeting carrying out should contain the meeting agenda, the carrying out form, date, place, time of the meeting carrying out (date and time of expiry date of questionnaires reception at correspondence voting).

9.14. The notice on the Committee meeting carrying out is made by the Committee Secretary and signed by the Committee Chairman.

9.15. The notice on the Committee meeting carrying out, and also materials, information and draft decisions on the issues of the meeting agenda should be sent to the Committee members and the persons invited for participation in the Committee meeting, no later than 5 (Five) business days prior to the date of the Committee meeting carrying out (expiry date of questionnaires reception at correspondence voting). Persons invited for participation in the Committee internal meeting, get materials on those issues of the Committee meeting agenda in which discussion they are supposed to take part.

9.16. At the Committee meeting held in the form of the simultaneous attendance, the issues, which have not been included in the meeting agenda can be considered with consent of all present Committee members.

9.17. At the notice getting from the Company Board of Directors Secretary about the Company Board of Directors meeting, which agenda contains the issues referred by the present Regulation to the competence of the Committee, the Committee Chairman should take all measures providing timely Committee meetings carrying out for recommendations (decisions) development about specified issues of the Company Board of Directors meeting agenda and their delivering to the Board of Directors according to approved Regulation about the procedure of the Company Board of Directors meetings convocation and carrying out.

## **10. THE ORDER OF THE MEETING CARRYING OUT AND THE COMMITTEE DECISION-MAKING. THE COMMITTEE MEETING MINUTES.**



10.1. The Committee Chairman presides over the Committee meetings, and in case of his/her absence his/her duties are fulfilled by the Deputy Chairman elected by the Committee members at the first Committee meeting elected in a new structure, among the Committee members. In case of the Committee Chairman and Deputy Chairman absence, the Committee members elect the person presiding over the meeting from the present Committee members.

10.2. The Committee meeting is competent (has a quorum) if at least a half of the Committee members took part in it. In the quorum absence for the Committee meeting carrying out within 5 (Five) working days the Committee repeated meeting with the same agenda should be held.

10.3. The Committee meetings can be held in the form of the simultaneous attendance of the Committee members (meeting in presentia) or in the form of correspondence voting (correspondence meetings).

10.4. The issues on recommendations (conclusions) development to the Company Board of Directors can be considered only in the form of the simultaneous attendance on the following issues of the Board of Directors agenda:

10.4.1. About the Company General Director election and early termination of his/her powers, including decision-making on the prescheduled termination of the labour contract with him;

10.4.2. About decision-making on powers of authority suspension of the managing company (managing director);

10.4.3. About decision-making on the Company Acting General Director appointment in the cases provided by items 20.11., 20.12. item 20 of the Charter.

10.5. The Committee members, and also the invited persons take part in the Committee meeting in presentia.

10.6. The Committee Secretary defines the quorum presence for the Committee meeting in presentia carrying out.

10.7. Presiding over meeting in presentia informs attendees about the quorum presence for the Committee meeting carrying out and opens the meeting agenda.

10.8. In case of the quorum absence the meeting is announced to be incompetent. Thus the person presiding over the meeting takes one of the following decisions:

10.8.1. By consultations with the persons present at the meeting the time is defined for the beginning of the meeting postponing;

10.8.2. Defines the date of repeated meeting with the same agenda;

10.8.3. Includes issues which should be considered at the invalid Committee meeting, in the agenda of the following planned Committee meeting.

10.9. The Committee meeting in presentia is competent (has a quorum) in case of presence at the meeting of at least a half from the total number of the Committee members.

10.10. The decision on the Committee meeting in the form of correspondence voting is accepted by the Committee Chairman.

10.11. For the Committee correspondence meeting carrying out simultaneously with materials and information concerning the Committee correspondence meeting agenda, the questionnaires are sent to the Committee members for voting by the meeting agenda issues, which were made according to the Regulation requirements about an order of convocation and carrying out of the Company Board of Directors meetings.

10.12. Only one variant of voting (for, against, abstained) can be left uncrossed at filling in the questionnaire for correspondence voting concerning each issue put on voting by the Committee member. The questionnaire filled with specified requirements infringement is not considered at the voices calculation regarding the corresponding issue.

10.13. The filled questionnaire should be signed by the Committee member with his surname and the initials indication.

10.14. The filled and signed questionnaire should be sent by the Committee member to the Committee Secretary not later than the expiry date and time of questionnaires reception specified in the questionnaire, in the original or by telefax with the questionnaire original sending to the address specified in the questionnaire.

10.15. The unsigned questionnaire, and also the questionnaire with nonobservance of time are recognized invalid and do not participate in the quorum definition, necessary for decision-making by correspondence voting, are not considered at calculation of voices and definition of the voting results.

10.16. The Committee correspondence meeting is considered to be competent (has a quorum) if at least a half of the Committee members took part in it. Members are considered taken part in the Committee correspondence meeting, if their questionnaires were received by the Committee Secretary not later the expiry date and time of questionnaires reception.

10.17. At decision-making concerning the Committee meeting agenda the Committee each member has one voice.

10.18. Vote transfer by the Committee member to other persons, including other Committee members, is not allowed.

10.19. Committee decisions are accepted by the simple majority of members votes. In case of the Committee members votes equality, the Committee member vote presiding over the meeting is casting vote.

10.20. Not later than 3 (Three) business days after the Committee meeting carrying out the Committee Secretary prepares the meeting Minutes.

10.21. The Committee meeting Minutes is signed by the Chairman (Deputy Chairman) and the Committee Secretary who carry responsibility for Minutes drawing up correctness. The Minutes is made in duplicate, one of which within 3 (Three) working days after signing is sent by the Committee Secretary to the Company Board of Directors with the appendix of the materials and recommendations prepared for it, and another is left in the Committee archive. All the Committee members get copies of the Minutes, prepared materials and recommendations.

10.22. The Committee meeting Minutes includes:

10.22.1. The meeting carrying out form;

10.22.2. Date, place and time of a meeting carrying out (expiry date and time of questionnaires reception for correspondence voting);

10.22.3. The Committee members list which took part in agenda issues consideration, and also the list of other persons who were present at the Committee meeting;

10.22.4. The meeting agenda;

10.22.5. Proposals of the Committee members concerning the meeting agenda;

10.22.6. The issues put to a vote, voting results, with instructions of features voting of the Committee each member;

10.22.7. Made decisions.

10.23. At the Committee member will the summary of his opinion can be applied to the Committee meeting Minutes concerning the Committee meeting agenda. Such opinion is prepared by the Committee member and is transferred to the Committee Secretary.

## **11. THE COMMITTEE ACCOUNTABILITY TO THE COMPANY BOARD OF DIRECTORS**

11.1. The Committee Chairman represents to the Company Board of Directors the annual Report on results of the Committee activities not later than 60 (Sixty) calendar days prior the date of the Company Shareholders annual General meeting carrying out.

11.2. The Committee Report should contain the following information on the Committee activities within a year:

11.2.1. Recommendations concerning the Company General Director candidate, including the subject of the prescheduled termination of the General Director powers of authorities;

11.2.2. Recommendations concerning the managing company (managing director) candidate, including the issue concerning the prescheduled termination of the managing company (managing director) powers of authority;

- 11.2.3. Recommendations concerning the amount of paid compensations and indemnifications to the Board of Directors and the Audit committee members;
- 11.2.4. Recommendations and agenda on other issues referred to the competence of Committee represented to the Company Board of Directors;
- 11.2.5. Revealed infringements at realization of the Company human resources management;
- 11.2.6. Revealed infringements in the General Director activities concerning the Committee competence;
- 11.2.7. The Report on the Committee budget payout;
- 11.2.8. Other relevant information at the Committee discretion.
- 11.3. The Company Board of Directors considers the Committee report within 30 (Thirty) days from the moment of its representation.
- 11.4. The Company Board of Directors has the right to demand Report representation on its current activities from the Committee at any time. Terms of preparation and representation of the specified Report are defined by the Board of Directors decision.
- 11.5. The Committee Chairman has the right to present to the Company Board of Directors separate reports on the issues which are part of the Committee competence.
- 11.6. The information on the Committee separate decisions is published at the Company web site in Internet in case of necessity.
- 11.7. The information on the Committee work is a subject for inclusion in corresponding section of the Company annual Report.

## **12. INTERACTION OF THE COMMITTEE WITH THE COMPANY AUTHORITIES AND OTHER PERSONS**

- 12.1. At execution its duties the Committee supports effective labour relations with governance and control bodies, the Company structural divisions, the Company Auditor, other Committees of the Company Board of Directors, and also other companies and persons engaged in the Committee work.
- 12.2. For support of the Committee effective work the Committee members should have access to the necessary information. In these purposes the control, structural divisions of the Company are obliged to provide information and materials necessary for the Committee members for their decision-making within the Committee competence. The demand about information providing is made in a written form and signed by the Committee Chairman.
- 12.3. Requested information and materials should be presented to the Committee in time not later than 5 (Five) business days from the moment of inquiry receiving if the other term is not established in the inquiry.
- 12.4. In case of providing incomplete or unreliable information (materials) the Committee has the right to request the additional information (materials).
- 12.5. Recommendations (conclusion) developed by the Committee Chairman are presented to the Company Board of Directors with simultaneous providing of copies of the specified recommendations (conclusions) to the Company General Director.
- 12.6. If necessary, experts and specialists possessing corresponding professional knowledge and qualification for consideration of separate issues of a subject of the Committee activities can be involved in the Committee work on a contract basis.

## **13. CONFIDENTIALITY AND INSIDER INFORMATION**

13.1. In period of the Committee members duties carrying out, and also within one year after the expiry term of the Committee authorities, the persons who are (were) the Committee members, the Committee Secretary and the third parties were involved in the Committee work, are obliged to observe requirements of confidentiality concerning the information, received by them in connection with their activities in the Committee which is not public (including the insider information). The concept of information which is not public concerning the Company activities and its structure is established by the decision of the Company authorized controls.

13.2. All documents connected with the Committee activities, should be stored on the Company location according to the order of documents storage established in the Company. The Committee Secretary is responsible for storage of the specified documents.

#### **14. THE COMMITTEE ACTIVITIES SUPPORT**

14.1. Under the Company Board of Directors decision, rewards and compensations may be paid to the Committee members which are connected with their duties execution. The amount of such compensations and rewards, the order and terms of their payment are established by a separate decision of the Company Board of Directors.

14.2. For the Committee work support, during the formation of the Company supply, separate cost items are provided. Committee expenses, in particular include, compensations and rewards of the Chairman, members and the Committee Secretary, expenses on attraction of outside consultant and other expenses.

14.3. The offer on the amount of the Committee budget (with disclosing of clause-by-clause information) is formed at the Committee meeting and forwarded for the Company Board of Directors approval.

The conclusion of the Company General Director is applied to the draft Committee budget about possibility of financing of the presented budget in the planned volumes within the limits of realization of the Company economic activities in the corresponding schedule date.

14.4. With a view of the Committee meetings carrying out, the Company General Director on application of the Committee Chairman is obliged to give premises to the Committee, provide an unimpeded access to it for the persons which list was defined in the specified petition, and also provide assistance to the Committee meetings carrying out.

#### **15. FINAL PROVISIONS**

15.1. The present Regulation, and also all changes and additions to it, are approved by the Company Board of Directors decision.

15.2. The annual Committee Report given to the Company Board of Directors according to the present Regulation conditions can contain recommendations to the Board of Directors about necessity of modification and additions for the present Regulation.

15.3. The issues which were not settled by the present Regulation are regulated by the Company Charter, Regulation on the procedure of convocation and carrying out of the Company Board of Directors meetings and other Company internal documents, and also by the current legislation.

15.4. If as a result of changes in the legislation or statutory acts of the Russian Federation, the Regulation separate articles come into conflict with them, these articles become invalid, and till the moment of modification of Regulation the Committee members are guided by laws and by-laws of the Russian Federation.

**THE BOARD OF DIRECTORS PERSONNEL AND REMUNERATION COMMITTEE  
of  
"Moscow United Electric Grid Company", Open Joint-Stock Company**

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**Questionnaire**

For absentee voting on the items of the internal meeting agenda, carried out " \_\_\_\_ "  
\_\_\_\_\_ 200\_\_

**Item:**

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

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

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

\_\_\_\_\_

\_\_\_\_\_

for

against

abstained

*(leave you variant uncrossed)*

**Item:**

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

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

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

\_\_\_\_\_

\_\_\_\_\_

for

against

abstained

*(leave you variant uncrossed)*

The filled in and signed questionnaire is sent by fax (095) 984-58-16 \_\_\_\_\_  
or in the original not later than \_\_\_\_\_.

*/date, time /*

**Questionnaire arrived in the Company after the expiration date and time of questionnaire reception is nullified; it is not considered at votes calculation of absentee voting summarizing.**

Please send the original of the questionnaire to the address: 115114, Moscow, 2<sup>nd</sup> Paveletsky passage, 3, bld.2.

**Committee member of**

**OJSC "Moscow United Electric Grid Company" \_\_\_\_\_ / \_\_\_\_\_  
(signature) (name)**

**Without signature of the chairman and the Board of Directors committee member the questionnaire is considered to be void.**