

APPROVED  
by IDGC of Urals' BoD resolution  
Protocol #149 dd. July 28, 2014

**REGULATIONS ON  
THE PERSONNEL AND REMUNERATION COMMITTEE  
OF THE BOARD OF DIRECTORS  
Open Joint-Stock Company  
“Interregional Distributive Grid Company of Urals”**

(new version)

## **1. GENERAL PROVISIONS**

1.1. Regulations on the Personnel and Remuneration Committee of the Board of Directors of Open Joint-Stock Company “Interregional Distributive Grid Company of Urals” (further referred to as the Regulations) are prepared pursuant to the Russian legislation, the Charter of OAO “IDGC of Urals” (further referred to as the Company), Regulations on the Procedure for Convention and Arrangement of the Company’s BoD sessions.

1.2. The Company’s BoD Personnel and Remuneration Committee (further referred to as the Committee) shall be formed by a Company’s BoD resolution. It shall be a consultative body enabling the Board of Directors and executive bodies of the Company to perform its managing functions effectively.

1.3. The Committee shall not be a Company’s body and shall not be able to act on behalf of the Company.

1.4. The Committee resolutions shall be of advisory and recommendatory character to the Company’s BoD and executive bodies.

1.5. The Committee shall perform in accordance with the present Regulations stipulating a legal status, aim and goals, rights, liabilities, structure and membership of the Committee. In its activities the Committee shall strictly adhere to the federal legislation, other Russian normative legal acts, the Company’s Charter, Regulations on the Procedure for Convention and Arrangement of the Company’s BoD sessions as well as BoD resolutions.

## **2. AIMS AND GOALS OF THE COMMITTEE**

2.1. The Committee shall be aimed at ensuring effective performance of the Company’s BoD in solving issues under its competence as well as elaboration of required recommendations for the BoD and executive bodies of the Company.

2.2. The Committee’s goal shall be to elaborate and submit recommendations (conclusions) on the following directions:

1) Elaboration of recommendations on the amount of remuneration paid to the BoD members:

2) Elaboration of principles and criteria of remuneration for BoD members, members of collegiate executive body and person acting as a sole executive body, including managing company or managing director;

3) Elaboration of proposals on the definition of significant conditions in contracts concluded with BoD members, members of collegiate executive body and person acting as a sole executive body of the Company;

4) Definition of the criteria on the selection of nominees for the membership in the Board of Directors, collegiate executive body and sole executive body as well as preliminary evaluation of the nominees;

5) Regular evaluation of a person functioning as a sole executive body (managing company, managing director) and the members of collegiate executive body of the Company as well as preparation of proposals on reappointment possibility for the BoD.

## **3. THE COMMITTEE COMPETENCE**

3.1. The Committee’s competence shall include consideration of the following issues:

1) Elaboration of principles, criteria and recommendations on remuneration and monetary incentives:

- for the Company’s BoD members, BoD Chairperson;

- for Management Board members, General Director, managing company or managing director;

- for Audit Commission members, AC Chairperson;

2) Preparation of recommendations on the approval (adjustment) of internal documents

regulating remuneration and monetary incentive issues;

3) Definition of criteria on the selection of nominees for BoD and MB membership, CEO position as well as preliminary evaluation of the candidates and preparation of corresponding recommendations for the Company's BoD;

4) Elaboration of proposals on the determination of significant conditions of contracts (in terms of terms of office and amount of remunerations and compensations) concluded with BoD, MB members, CEO, managing company or managing director, alteration of the contracts:

5) Regular evaluation of the CEO, managing company (managing director), MB members and preparations of corresponding recommendations for the BoD;

6) Preparation of correspondent recommendations for the BoD on submission for GSM's review of an issue on transfer of authority of a sole executive body to a managing company (managing director) and pre-term termination of powers of a managing company (managing director);

7) Preparation of recommendations on suspense of authorities of a managing company (managing director);

8) Preparation for the BoD of correspondent recommendations on the MB size, election and termination of authorities of the MB members;

9) Preparation of recommendations for the BoD resolution on nomination of Acting CEO as well as bringing to disciplinary penalty;

10) Preparation of recommendations for the BoD on bringing the CEO and MB members to disciplinary penalty and their award according to the Russian labor legislation;

11) Preliminary review of the organizational structure of the Company's executive office;

12) Preliminary review of the organizational structure of the branch executive office;

13) Preliminary approval of nominees for certain positions in the Company's executive office determined by the BoD;

14) Review of the professional results of employees occupying positions which approval is referred to the BoD competence and preparation of corresponding recommendations to the CEO;

15) Preparation for the BoD of corresponding recommendations on nomination of the CEO for state awards;

16) Evaluation of the Company's personnel reserve;

17) Preliminary review of proposals on the restructuring of Company's management system (changes in the amount of management levels, creation/liquidation/restructuring of production department and units)

18) Other issues related to the above mentioned ones as well as issues reviewed upon the BoD commission.

#### **4. THE COMMITTEE'S RIGHTS**

4.1. To fulfill its functions the Committee shall be entitled:

1) To research issues under its competence;

2) To request and obtain information and documents required for its activities from the Company's General Director and MB members according to the list approved by the Committee as well as shall be entitled to request information from external companies through the Company's General Director and BoD Chairperson;

3) To obtain professional services from external agencies or engage (including conclusion of contracts) third parties as experts (advisers) with special knowledge and skills on the issues referred to the competence of the Committee within its budget. Contracts with persons, involved by the Committee for consulting services shall be concluded on the basis of a corresponding Committee resolution by an authorized person as advised by the Committee Chairperson, or the Committee Chairperson acting according to the proxy issued by the sole executive body of the Company;

4) To involve the Company's personnel, members of other BoD Committees as well as other persons to participate in in-praesentia meetings;

5) If required, to develop and present drafts containing alterations and supplements to the present Regulations for BoD's approval.

4.2. The Committee shall enjoy other rights disclosed in the present Regulations.

## **5. THE COMMITTEE'S DUTIES**

5.1. The Committee shall be obliged:

1) To honestly reach the goals entrusted onto the Committee and conduct its activities pursuant to the present Regulations, requirements of the Russian legislation, the Charter and internal documents;

2) To submit to the Board of Directors economically effective and legally grounded recommendations (conclusions) on the issues under the Committee's competence;

3) To timely inform the Board of Directors on potential risks;

4) To observe confidentiality requirements and not to disclose commercial and/or official secret information on the Company.

## **6. THE COMMITTEE MEMBERSHIP AND THE ORDER OF ITS ESTABLISHMENT, THE RIGHTS AND DUTIES OF THE COMMITTEE MEMBERS**

6.1. The Committee membership shall be determined by a BoD resolution and shall not exceed 3 (Three) persons.

6.2. Personal composition of the Committee shall be elected by the BoD from among the nominees presented by the BoD members.

6.3. Each BoD member shall be entitled to offer no more than 3 (Three) nominees for the Committee membership.

6.4. The Committee members shall be natural persons only. A Committee member shall not be a BoD member.

Proposals of the BoD members on the nominees for election to the Committee shall be submitted to the BoD Chairperson in a written form within 5 (Five) days prior to a BoD session date (the final date for questionnaire receipt for absentee voting), which agenda shall contain an issue on the election of Committee members.

6.5. While promoting the Committee nominees there shall be a written consent of the promoted nominee and information on him alongside with the promoting proposal.

The nominee (nominees) promoting proposal shall contain the following:

Nominee's name;

Information on nominee's education;

Place of work and nominee position at the moment of proposal submission.

The nominee (nominees) promoting proposal shall be signed by the BoD member who submitted it.

6.6. When Committee members are elected, their education, professional skills, and experience in this sphere of the Committee's activities and other special skills required for Committee members to perform their functions shall be taken into account.

6.7. The Committee members shall be elected in accordance with the present Regulations for the period up to the first BoD meeting in a new membership.

6.8. A BoD resolution shall be able to early terminate the powers of any Committee member.

6.9. The Committee Chairperson as well as Committee members shall be able to vacate their seats sending applications for it to the BoD and Committee Chairpersons.

6.10. In case when a quantitative membership of the Committee becomes less than quorum for Committee sessions, set forth by the Regulations, the BoD Chairperson shall be

obliged to convene an extraordinary BoD meeting for election of Committee members or put the election issue onto the agenda of the nearest planned BoD session.

6.11. The Committee members within the Committee competence shall be entitled:

- 1) To request documents and information required for decision-taking on the issues under the Committee's competence from the Company's General Director and Management Board. The request shall be forwarded in a written form signed by the Committee Chairperson;
- 2) To introduce written proposals when a Committee's working plan is being drafted;
- 3) To introduce issues onto a session agenda in the order stipulated by the Regulations;
- 4) To demand convention of a Committee session;
- 5) To execute other rights disclosed by the Regulations.

6.12. The Committee members shall be obliged to elaborate on materials submitted for the Committee session and to possess own position on each agenda issue.

6.13. Executing their rights and duties the Committee members shall act for the benefit of the Company; they shall honestly and reasonably perform their rights and duties regarding the Company.

6.14. While taking decisions on the inclusion of the shares in A Quotation List<sup>1</sup> the following requirements shall be observed:

Committee members shall not be officers or employees of the Company as of the election date and within 1 year prior to the election;

Committee members shall not be officers of other company in which any of the officers of the Company is a member of the personnel and remunerations committee;

Committee members shall not be spouses, parents, children, brothers and sisters of the Company's officers (or an officer of the Company's managing company);

Committee members shall not be affiliated entities of the Company, except for BoD membership;

Committee members shall not be parties to obligations with the Company under which they are able to acquire property (obtain monetary resources), with the value of 10% and more of consolidated annual profit of the persons, except for remunerations during BoD activities;

Committee members shall not be state representatives, i.e. persons representing the Russian Federation, constituent entities of the Russian Federation and municipal entities in the BoD of companies subject to a special right (golden share) and persons elected to the Board of Directors among the candidates nominated by the Russian Federation, constituent entities and municipal entities, if such BoD members vote on written instructions (directives, etc.) of constituent entities of the Russian Federation or municipal.

In case it is impossible to fulfill the requirements with regard to all Committee members due to objective causes, the Committee shall include only BoD members complying with the requirements and not being the sole executive body and/or members of collegiate executive bodies.

## **7. THE COMMITTEE CHAIRPERSON AND CHAIRPERSON ELECTION PROCESS**

7.1. The Committee shall be managed by the Committee Chairperson.

7.2. The Chairperson shall be elected by the majority of BoD members' votes participating in a BoD meeting from the elected Committee members.

7.3. The Company's BoD shall be entitled to re-elect the Committee Chairperson anytime.

7.4. In case the Committee Chairperson is absent, his Deputy shall be in charge of his duties. The Deputy shall be elected by the Committee members among themselves by the majority of elected members' votes.

7.5. The Committee Chairperson shall:

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<sup>1</sup> A2 Quotation List admits the assumption of responsibility for the observation of requirements stipulated in item 6.14 of Section 6 determining the membership of the committee, order of its establishment at the end of 12-month period since the inclusion of the Company's shares into A2 Quotation List

- 1) Convene Committee sessions and preside during them;
- 2) Define the form of a session and approve its agenda;
- 3) Define the list of persons invited for participation in an in-praesentia session. Invitation to an in-praesentia session (consideration of certain agenda issues) for executive persons and/or personnel shall be done by forwarding the corresponding invitation to the Company's General Director. The Company's General Director shall be obliged to ensure participation of the invited to the session (consideration of certain agenda issues) executive persons and/or personnel or other persons possessing powers, information and qualifications required for effective participation in the session (consideration of the agenda, information submission, participation in discussions, decision-taking, etc.);
- 4) Organize keeping records and sign session protocols;
- 5) Represent the Committee while interacting with the Company's BoD, other BoD Committees, Company's executive bodies, Auditor, Audit Commission and other bodies and persons;
- 6) Maintain official correspondence of the Committee, sign requests, letters and documents on behalf of the Committee;
- 7) Distribute duties among the Committee members;
- 8) Elaborate on a Committee working plan and introduce it for the Committee's approval, as well as control execution of Committee resolutions and working plans;
- 9) Ensure the Committee's activity to meet the requirements set forth by the Russian legislation, Company's Charter, other internal documents and present Regulations;
- 10) Execute other functions stipulated by the current legislation, Company's Charter, present Regulations and other internal documents.

## **8. THE COMMITTEE SECRETARY**

8.1. Functions of the Committee Secretary shall be executed by the Corporate Secretary unless otherwise stated by the Committee resolution. In case the Committee takes a decision to elect other person as a Committee Secretary, the Secretary shall be elected by the majority of elected members' votes. In case a nominee for the position is a Company employee, the nominee shall be approved by the Company's General Director.

8.2. The Secretary shall ensure technical (informational, documentary, legal, secretary) facilities for the Committee activities, including:

- 1) Providing session arrangement;
- 2) Collecting and arranging materials for sessions;
- 3) Ensuring timely submission to the Committee members and persons, invited for participation in the Committee session, of notifications on a session convention, agenda, materials and questionnaires;
- 4) Ensuring organizational and technical maintenance of voting during a session;
- 5) Ensuring interaction between the Committee and the Company's BoD, other BoD Committees, Company's executive bodies, Auditor, Audit Commission and other bodies and persons;
- 6) Maintaining keeping records of sessions, organizing arrangement of resolution drafts;
- 7) Maintaining keeping records of the correspondence sent to the Committee and/or its members (including requests, claims and petitions), ensuring receipt of all required information by the Committee members;
- 8) Maintaining distribution of documents approved by the Committee;
- 9) Ensuring storage of protocols, other documents and materials regarding the Committee's activities in compliance with the storage policy of the Company;
- 10) Executing the Committee Chairperson's errands within his powers;
- 11) Executing other functions pursuant to the present Regulations.

8.3. The Secretary shall have remuneration and compensation of expenses for executing his duties.

Remuneration and expenses for executing his duties shall be provided at the Company's budget.

8.4. There shall be a possibility to conclude an agreement with the Secretary on his functions.

The Agreement, on behalf of the Company, shall be signed by the General Director or person authorized by the Board of Directors to determine the agreement terms.

Terms of the agreement, including the amount of remuneration, shall be determined by the Company's BoD or a person authorized by it.

## **9. THE COMMITTEE SESSIONS**

9.1. The Committee sessions shall be convoked by the Chairperson in accordance with a working plan (planned sessions) approved on a Committee session as well as in other cases set forth by the Regulations (extraordinary sessions).

9.2. A working plan shall be formed by the Chairperson taking into account a BoD working plan and proposals of the BoD Chairperson, Committee members and BoD resolutions.

9.3. A Committee working plan shall be approved on a Committee session following a BoD session which approved the BoD working plan.

9.4. While convoking a Committee session the Chairperson shall define date, time, place and form of a session, agenda as well as list of persons invited for participation in an in-praesentia session.

9.5. The agenda of a planned session shall be formed by the Committee Chairperson in accordance with the approved Committee working plan, BoD resolutions and proposals of BoD Chairperson.

9.6. The Committee members shall be entitled to submit proposals when a planned session agenda is being drafted.

9.7. The Committee Chairperson shall be entitled to include submitted proposals onto a planned session agenda or convoke an extraordinary session.

9.8. Extraordinary sessions shall be convened:

- According to a Corporate Secretary's notification on a BoD session which agenda shall contain an issue (issues) under the Committee competence as set forth by the Regulations;
- On a Committee Chairperson's initiative ;
- On BoD or Committee resolutions;
- On demands of the BoD Chairperson, Committee member, Audit Commission and Auditor.

9.9. A demand of the BoD Chairperson, Committee member, Audit Commission and Auditor to convene a Committee session shall be forwarded to the Committee Chairperson in a written form within 7 (Seven) working days prior to a session date and shall contain issue wording, reasons for considering the issue, a resolution draft as well as supporting documents and information.

A demand on a session convention shall be signed by the person who submitted the demand (Audit Commission demand on session convention shall be signed by its Chairperson; Auditor's demand shall be signed by the person authorized by the Auditor). A copy of the demand including all appendices shall be simultaneously forwarded to the Committee Secretary.

9.10. During 1 (One) working day since submission date of the demand on an extraordinary session convention the Committee Chairperson shall take a decision on holding an extraordinary session, shall define date, time and place of the session (the final date and time for questionnaire receipt at absentee vote), or shall take a decision to reject an extraordinary session convention. Such reasoned rejection decision shall be submitted to the person or body of the Company that demanded such session within the next day following the day when the Committee Chairperson took a decision to reject a session convention.

9.11. A Committee Chairperson's decision to reject an extraordinary session convention shall be taken when:

1) Issue (issues), offered for session agenda, is not referred to the Committee competence by the Regulations;

2) An agenda issue, contained in an extraordinary convention demand, has already been included onto the agenda of the nearest session, convoked according to the Committee Chairperson decision taken prior to receipt of the above-mentioned claim;

3) The form, order and terms of a submitted demand do not observe requirements of item 9.9 of the Regulations.

9.12. The Committee Chairperson shall be entitled to include issues, contained in an extraordinary convention demand onto the agenda of the nearest planned session.

9.13. The notification shall contain a session agenda as well as the form, date, place and time (the final date and time for questionnaire receipt for voting on session agenda). The notification shall be prepared by the Committee Secretary and shall be signed by the Committee Chairperson or his Deputy (in cases set forth by the present Regulations). The notification shall be forwarded to the Committee members and persons invited for participation in a Committee in-praesentia session within 5 (Five) working days prior to the session day (the final day for receiving questionnaires at absentia sessions). Materials and information on agenda shall be forwarded to the Committee members and persons invited for participation in a Committee in-praesentia session within 3 (Three) working days prior to a session day (the final day for questionnaire receipt at absentia sessions), including resolutions (recommendations) of the Company's Management Board in cases stipulated in item 9.17 of the present Regulations.

Materials on a session agenda shall obligingly include resolution drafts on the issues. Preparation of resolution drafts shall be managed by the Committee Chairperson, except for the cases when the Committee considers issues on the demand of persons stipulated in item 9.8. of the Regulations.

Persons, invited for participation in an in-praesentia session, shall receive materials on those agenda issues which they will supposedly discuss.

9.14. A session notification and agenda material (information) shall be submitted (forwarded) to the Committee members and persons invited for participation in an in-praesentia session personally, by fax or e-mail.

9.15. In case issues submitted for extraordinary session are of urgent character, terms for an extraordinary session convention and agenda material forwarding shall be reduced by a Committee Chairperson decision.

During session, held in the form of joint presence, with the consent of all present members there shall be consideration of the issues not being on the session agenda.

9.16. Following a Corporate Secretary's notification on a BoD session, which agenda shall contain issues referred to the Committee competence by the Regulations, the Committee Chairperson shall take all measures ensuring a timely arrangement of Committee sessions for elaboration of recommendations (resolutions) on BoD agenda issues and their submission to the Company's BoD according to the Regulations on the Procedure for Convention and Arrangement of the Company's BoD sessions.

9.17. Following a Corporate Secretary's notification on a BoD session, which agenda shall contain issues referred to the Committee competence and subject to preliminary consideration by the Company's Management Board pursuant to the Regulations on the Company's Management Board, a Committee session shall be held following preliminary consideration of the issues at a MB session. In this case, corresponding MB resolutions (recommendations) shall be forwarded to the Committee members before the session.

The above-mentioned cases shall not include cases when the terms of the mentioned MB session and resolution (recommendation) forwarding, that are set forth by the Regulations on the Company's Management Board, are not observed.

## **10. THE PROCEDURE OF HOLDING A COMMITTEE SESSION**



10.1. Sessions shall be held in the form of joint presence (in-praesentia session) or of absentee voting (absentia session).

10.2. An in-praesentia session shall open by a presiding person - the Chairperson, in case he is absent, it shall open by his Deputy.

10.2.1. The Committee members as well as invited persons shall take part in an in-praesentia session.

10.2.2. The Committee Secretary shall define quorum for holding an in-praesentia session.

A person presiding on an in-praesentia session shall inform the attending participants on quorum for holding the session and announce its agenda.

10.2.3. In case there is no quorum reached, the session shall be announced void. The presiding person shall take one of the following decisions:

1) After consulting the attending participants he shall define a transferred starting time;

2) He shall define a date for a repeated session with the same agenda;

3) He shall include the issues that should have been considered on the void session onto the agenda of the following planned session.

10.2.4. An in-praesentia session shall be valid (has quorum) when no less than half of the elected Committee members attend the session.

10.2.5. At defining voting results on the issues of an in-praesentia session agenda written opinions of the Committee members, absent from the session shall be considered. These opinions shall be made and received in the order pursuant to the present Regulations.

10.2.6. Written opinions of the Committee members absent from an in-praesentia session shall be made by filling in the questionnaire.

10.2.7. On an in-praesentia session day the Committee Secretary shall prepare a questionnaire following agenda discussion and voting of the attending members according to Appendix 1 to the Regulations, signed by the Committee Chairperson, and shall forward the original by e-mail or by fax to the members absent from the session.

10.2.8. When a Committee member fills in the questionnaire, each of the issues for voting shall have only one non-crossed possible voting variant ("For", "Against", "Abstain").

A filled-in questionnaire shall be signed by a Committee member, his surname and name indicated.

A filled-in and signed questionnaire shall be submitted by a member to the Secretary within the following day after a session in original by e-mail or fax, original questionnaire being subsequently sent to the address disclosed in the questionnaire.

10.2.9. A questionnaire filled in with the infringements of requirements, specified in the 1<sup>st</sup> paragraph, sub item 10.2.8. of the present Regulations, shall not be taken into consideration at vote calculation regarding the corresponding issue.

A non-signed questionnaire as well as a questionnaire submitted with the infringements of terms set forth by the sub item 10.2.8. of the Regulations shall be acknowledged invalid and shall not be taken into consideration in vote calculation and vote results definition.

10.2.10. Vote results on an in-praesentia session agenda issues shall be defined (calculated) on the basis of the voting results of the Committee members, attending the session, and filled-in and signed questionnaires received by the Committee Secretary in time. Vote results shall be calculated following the final date for questionnaire receipt.

10.3. A decision on holding a session in the form of absentee voting shall be taken by the Chairperson.

10.3.1. Holding a session in the form of absentee voting members shall be entitled to submit their proposals and (or) comments on proposed resolution drafts within 2 working days prior to the final date for questionnaire receipt stipulated in a notification on absentee voting.

10.3.2. The questionnaire for absentee voting, according to Appendix 2 to the Regulations, shall be forwarded to the Committee members within 1 (One) working day prior to the final date for questionnaire receipt contained in a notification on absentee voting.

10.3.3. While a Committee member fills in the questionnaire for absentee voting, each of the issues for voting shall have only one non-crossed possible voting variant (“For”, “Against”, “Abstain”).

A filled-in questionnaire shall be signed by a Committee member, his surname and name indicated.

A filled-in and signed questionnaire shall be submitted by a member to the Secretary within the date and time for questionnaire receipt, contained in the questionnaire, in original by e-mail or fax, original questionnaire being subsequently sent to the address in the questionnaire.

10.3.4. A questionnaire filled in with the infringements of requirements, specified in the 1<sup>st</sup> paragraph, sub item 10.3.3. of the present Regulations, shall be not taken into consideration at vote calculation regarding corresponding issue.

A non-signed questionnaire as well as a questionnaire submitted with the infringements of terms set forth by the sub item 10.3.3. of the Regulations, shall be acknowledged void and shall not be taken into consideration in calculation of quorum required for taking decision by absentee voting and vote results definition.

10.3.5. An absentia session shall be acknowledged valid (has quorum) when no less than half of the elected members took part in it.

10.3.6. The Committee members shall be considered as those who took part in an absentia session if questionnaires were received by the Committee Secretary within the date and time for questionnaire receipt.

10.4. Resolutions on sessions shall be adopted by the simple majority of votes belonging to Committee members.

10.5. At the process of decision-taking over session issues each Committee member shall possess one vote. In case of vote equality the Chairperson vote shall be casting.

A vote transfer from one member to another one or other person shall not be permitted.

10.6. Within 2 (Two) working days since a Committee session, the Secretary shall prepare a session protocol.

10.7. A session protocol shall be signed by a presiding person and Secretary. The protocol shall be made in 2 original copies, one of which within 1 (One) working day following its signing shall be forwarded by the Secretary to the BoD, prepared materials and recommendations coming alongside; the other one shall remain at the Committee’s archives. Copies of protocols, prepared materials and recommendations shall be forwarded to all Committee members.

10.8. The presiding person and Secretary shall be responsible for protocol correctness. The Secretary shall be responsible for protocol, questionnaires, materials and recommendation keeping.

10.9. The Committee Protocol shall contain:

The form of a session;

The data, place and time of a session (the final date and time for questionnaire receipt);

The list of members who took part in agenda issue consideration, vote form indicated (in-  
praesentia or by sending questionnaire) as well as the list of other persons attending the session;

The agenda;

The proposals of the Committee members on agenda issues;

The issues for voting, voting results, with the voting form of each member indicated;

The taken resolutions.

10.10. If a Committee member wishes, a session protocol shall include a short summary of his opinion over agenda. Such opinion shall be prepared by a Committee member and shall be submitted to the Committee Secretary.

## **11. INTERACTION WITH THE COMPANY'S BODIES AND OTHER PERSONS**

11.1. While executing its duties the Committee shall maintain effective relations with the Company's management and control bodies, departments, other organizations and persons.

11.2. The Committee Chairperson and Secretary shall ensure informational, technical and coordinated interaction between the Committee and the Company's BoD, executive and control bodies and departments as well as other Committees.

11.3. The Company's General Director and Management Board shall be obliged to disclose information and material, required by the Committee members for decision-taking over the issues being the competence of the Committee, upon a request signed by the Committee Chairperson.

These information and materials shall be submitted within 3 (Three) working days since a request receipt unless the request states a larger term.

In case of submitting incomplete or unreliable information (materials) the Committee members shall be entitled to request additional information (materials).

11.4. The Chairperson shall submit recommendations (conclusions) prepared (elaborated) by the Committee to the Company's BoD, copies of the recommendations (conclusions) simultaneously submitted to the Company's General Director.

## **12. CONFIDENTIALITY**

12.1. During Committee members' terms of office as well as one year following termination of terms of office, persons which are (were) members, the Secretary and third parties involved into the Committee's activities, shall be obliged to meet requirements of confidentiality regarding non-public information gained during their activities in the Committee. The notion of information being non-public regarding the Company's operations and its content, shall be set forth by a resolution of the Company's authorized management body.

12.2. The Committee members, Secretary and other persons involved into the Committee activities shall be entitled to receive the information in case they concluded contracts on usage of such information.

12.3. All the documents related to the Committee activity shall be kept at the Company's residence according to the storage policy of the Company. The Secretary shall be responsible for storage of these documents.

## **13. THE COMMITTEE ACTIVITIES SUPPORT**

13.1. To ensure the Committee activities, a separate expense budget item shall be provided during drafting expenses in the Company's budget. The Committee's expenses, in particular, shall include remunerations and compensations of the Committee Chairperson, members and Secretary, expenses for external advisers, administrative personnel and other expenses.

13.2. According to a BoD resolution, the Committee members shall be able to have remunerations and compensations of expenses for their duties. The amount of such remunerations and compensations, order and terms of payments shall be stipulated by a separate BoD resolution.

13.3. The proposal on the Committee budget size (item-by-item expense disclosure included) shall be formed on a Committee session and submitted to the Company's BoD.

The Committee budget draft shall include a CEO's conclusion on the possibility to finance the budget within its planned limits during the Company's operations in the corresponding planned period.

13.4. With a view to holding Committee sessions, the Company's General Director, upon the Committee Chairperson petition, shall be obliged to provide the Committee with a room, unhindered access to it for persons stated in the petition as well as take other measures for holding Committee sessions.

## 14. FINAL PROVISIONS

14.1. The Company's BoD shall be entitled to request a report on the current Committee activity anytime. Terms for report drafting and submission shall be defined by a BoD resolution.

14.2. The Committee Chairperson shall be entitled to provide the Company's BoD with separate reports on the issues referred to the Committee competence.

14.3. Information on certain Committee resolutions shall be published on the corporate Internet web-site. The necessity to publish the information shall be defined by the BoD Chairperson.

14.4. Information on the Committee activities shall be included into the Company's annual report.

14.5. The Regulations as well as all supplements and alterations to it shall be approved by the Company's BoD.

14.6. Issues non-stipulated by the Regulations shall be regulated by the Charter, the Regulations on the Procedure for Convention and Arrangement of the Company's BoD sessions and other internal documents, current legislation and BoD resolutions.

14.7. In case the legislation or normative act of the Russian Federation change and separate articles of the Regulations contradict them, these articles shall become void, Committee members shall adhere to RF laws and normative legal documents until alterations are made to the Regulations.

**THE BOARD OF DIRECTORS COMMITTEE**  
**Of Open Joint-Stock Company "Interregional Distributive Grid Company of**  
**Urals"**

**For voting on agenda issues of the in-praesentia session of Personnel and**  
**Remuneration BoD Committee**  
**Of IDGC of Urals, OAO**  
**held " \_\_\_\_ " \_\_\_\_\_ 20\_\_.**

**Issue:**

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

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

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

|            |                |                |
|------------|----------------|----------------|
| <b>FOR</b> | <b>AGAINST</b> | <b>ABSTAIN</b> |
|------------|----------------|----------------|

*(leave your variant non-crossed)*

**Issue:**

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

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

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

|            |                |                |
|------------|----------------|----------------|
| <b>FOR</b> | <b>AGAINST</b> | <b>ABSTAIN</b> |
|------------|----------------|----------------|

*(leave your variant non-crossed)*

The filled-in and signed questionnaire should be sent by fax \_\_\_\_\_ or in original within  
 \_\_\_\_\_  
 /date, time/

The questionnaire received by the Company after the final date and time for questionnaire receipt is void and not taken into consideration at quorum definition and vote counting.

Please, send the questionnaire original to: \_\_\_\_\_

**Committee member**

**Of the Board of Directors at IDGC of Urals, OAO**

\_\_\_\_\_/\_\_\_\_\_  
 (signature) (Name)

**Committee Chairperson**

**Of the Board of Directors at IDGC of Urals, OAO**

\_\_\_\_\_/\_\_\_\_\_  
 (signature) (Name)

**The questionnaire without BoD's Committee Chairperson and member signatures is void**

**THE BOARD OF DIRECTORS COMMITTEE  
Of Open Joint-Stock Company "Interregional Distributive Grid Company of  
Urals"**

**ОПРОСНЫЙ ЛИСТ  
QUESTIONNAIRE**

**For voting on agenda issues of the absentia session of Personnel and Remuneration  
BoD Committee  
Of IDGC of Urals, OAO,  
held "\_\_\_" \_\_\_\_\_ 20\_\_.**

Issue:

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

Decision (taken at the session):

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

\_\_\_\_\_

FOR

AGAINST

ABSTAIN

*(leave your variant non-crossed)*

Issue:

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

Decision (taken at the session):

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

\_\_\_\_\_

FOR

AGAINST

ABSTAIN

*(leave your variant non-crossed)*

The filled-in and signed questionnaire should be sent by fax \_\_\_\_\_ or in original within  
\_\_\_\_\_  
/date, time/

The questionnaire received by the Company after the final date and time for questionnaire receipt is void and not taken into consideration at quorum definition and vote counting.

Please, send the questionnaire original to: \_\_\_\_\_

\_\_\_\_\_

Committee member

Of the Board of Director at IDGC of Urals, OAO

\_\_\_\_\_/\_\_\_\_\_  
(signature) (Name)

**The questionnaire without a BoD's Committee member signature is void**

## CONFIDENTIALITY AGREEMENT

\_\_\_\_\_ (city) « » 20\_ (year).  
 IDGC of Urals, OAO, represented by the General Director \_\_\_\_\_, acting on the basis of the Charter, and \_\_\_\_\_, hereinafter referred to as the Contractor, together hereinafter referred to as the Parties, have concluded the following agreement:

### **Preamble**

To facilitate the work of the Company's Board of Directors the BoD forms the Personnel and Remuneration Committee as a consultative body acting under the Regulations on the Personnel and Remunerations Committee of the Company's BoD.

Exercising rights and performing duties the Contractor obtains access to confidential information. Under the present agreement the Parties approve conditions regarding the limitation of confidential information usage and compromise.

### **Confidentiality and limited usage**

1. For the purpose hereof, the term "confidential information", on the whole and in particular, means all or any information of any kind, be it in a spoken, written or electronic form, related to IDGC of Urals (hereinafter referred to as the Informing Party) and its business and financial operations, technologies, clients and/or suppliers, of real or potential commercial value due to its obscurity to third parties, and communicated to the Contractor by the Informing Party under the present agreement, as well as all archived records or copies of the information or extracts of such information stored by any data carrier.

The Contractor shall protect confidential information with the same care used for protecting own confidential information being its property, and such confidential information shall not be used or reproduced as well as referenced by the Contractor for any purposes. Confidential information shall not be compromised to any third party, be it a natural person or legal entity.

2. The Contractor shall not be entitled to submit confidential information to other persons (counseling or other methods) that use or may use it for purposes that have already led or may lead to information compromise or other usage, illegal or prohibited by the current legislation and present agreement, including using information for personal gain or wealth accumulation of other persons, no matter whether persons are affiliated or not.

In case confidential information is used for the abovementioned purposes, the Contractor shall immediately cease such activities; IDGC of Urals shall be entitled to claim damages according to the present legislation.

The Contractor shall inform the Committee on all planned and/or completed transactions with the securities of the Company and its affiliates and associates.

3. The Contractor shall be liable under the present legislation for operations of its affiliated persons, including but not limited to, spouses, parents, children, siblings and half-brothers and half-sisters, adopters and adoptees, other persons acknowledged by the present legislation as affiliated, in regard to confidential information obtained from the Contractor, that have already led or may lead to information compromise or other illegal usage, including usage of such information for personal gain or wealth accumulation of other persons or damages incurred by the IDGC of Urals.

4. This confidentiality agreement shall not be viewed as a document providing the Contractor with license rights or any other rights regarding confidential information and its further usage.

Confidential information will be the property of the Informing Party unless otherwise stated in a separate written agreement between the Parties.

Liabilities imposed by the present agreement on the Parties shall not be an obstacle for the Informing Party in relation to the transfer of any confidential information to its financial, legal and other advisors and third parties who may, from time to time, work on behalf of the Informing Party and may need to know such confidential information, who, prior to the transfer of information, have concluded a correspondent confidentiality agreement in writing.

Confidential information obtained by the Contractor from the Informing Party may be submitted to third parties in case submission liability is determined by the Russian legislation or disclosure possibility is stipulated by the present or other written agreement between the Parties.

Confidential information may be submitted by the Contractor to state authorities, other state bodies, local authorities only on the basis of a reasonable request signed by an authorized officer and containing indication of purpose and legal reasons for such request. In case of the receipt of such or other request on confidential information submission the Contractor shall immediately inform the Informing Party on it in writing.

#### **Return of confidential information**

6. According to a claim from the Informing Party or to its exclusive discretion all and any confidential information in any form that was obtained by the Contractor from or for the Informing Party shall be returned or, if impossible, destroyed within 14 (Fourteen) days since the claim, and no copies of such information or data regarding such information or extracts from it (in any form) shall be stored by the Contractor, and the Contractor shall not use or reproduce such information on the whole or in parts whatever the purpose.

#### **Term of validity and cancellation of the agreement**

7. This agreement shall come into force since the signing and be in force within 360 days since the conclusion. Notwithstanding the above-mentioned, the present agreement may be cancelled by the Informing Party at any moment following a preliminary notification forwarded to the Contractor in 7 days prior to the termination of the agreement. Cancellation or expiration of the agreement shall not release the Parties from liabilities imposed by the present agreement in regard to confidential information submitted or obtained prior to the cancellation or expiration of the agreement, and such liabilities shall be in force within 1 year following the expiration or cancellation of the agreement.

#### **Governing law**

8. The present agreement shall be regulated by the Russian legislation.

Any claims or controversies originating from the agreement or due to the agreement or regarding the agreement or legal relations established by the agreement shall be brought to correspondent trial at the location of IDGC of Urals.

#### **Other conditions**

9. Since the signing the present agreement shall be a complete agreement between the Parties in relation to the subject herein and following the execution it will supersede and cancel any previous agreements, documents, protocols and contacts, both oral or written, between the Parties regarding to the present agreement.

Any alterations and/or supplements to the agreement shall be effective only if they are in writing and signed by the Parties.

The present agreement is prepared in 2 identical copies for every Party.

*Signing date, details and signatures of the Parties*