

**FEDERAL LAW
NO. 74-FZ OF MAY 7, 1998
ON THE PECULIARITIES OF THE DISPOSAL OF THE SHARES OF THE RUSSIAN
JOINT-STOCK COMPANY OF POWER AND ELECTRIFICATION THE SINGLE ENERGY
SYSTEM OF RUSSIA AND THE SHARES OF OTHER JOINT-STOCK COMPANIES
OF ELECTRIC POWER THAT ARE IN THE FEDERAL OWNERSHIP**

Adopted
by the State Duma

on June 20, 1997

Approved
by the Federation Council

on July 3, 1997

Article 1. To establish that 51 per cent of the shares of the Russian Joint-Stock Company of Power and Electrification the Single Energy System of Russia shall be in the federal ownership.

The sale and any other ways of alienation, and also the pledge of the shares of the Russian Joint-Stock Company of Power and Electrification the Single Energy System of Russia and the shares of other joint-stock companies of electric power that are in the federal ownership within the ambits of the established volume may be carried out only on the basis of a federal law.

Article 2. To establish that the entities of the Russian Federation shall be delivered 33 per cent of the votes on the shares of the Russian Joint-Stock Company of Power and Electrification the Single Energy System of Russia that are in the federal ownership proportionally to the volumes of the consumption of electric power by the entities of the Russian Federation.

Article 3. To establish that foreign states, international organizations, foreign juridical persons, as well as their affiliated Russian juridical persons, and foreign natural persons may own up to 25 per cent of all types of shares of the Russian Joint-Stock Company of Power and Electrification the Single Energy System of Russia.

The Government of the Russian Federation, on the basis of Article 40 of the Federal Law on Joint-Stock Companies, shall ensure the maintenance of such limitation with regard to the actual number of the shares of the Russian Joint-Stock Company of Power and Electrification the Single Energy System of Russia that are in the ownership of foreign states, international organizations, foreign juridical persons, as well as their affiliated Russian juridical persons, and foreign national persons.

Article 4. This Federal Law shall enter into force as from the day of its official publication.

President of the Russian Federation

Boris Yeltsin

Moscow, Kremlin
No. 74-FZ
May 7, 1998