

APPROVED  
BY GENERAL SHAREHOLDERS MEETING OF  
SISTEMA JSFC OF JUNE 30, 2007  
(MINUTES № 1-07 DATED 10.07.2007)

AMENDMENTS TO THE CHARTER  
APPROVED  
BY EXTRAORDINARY SHAREHOLDERS MEETING OF  
"SISTEMA" JSFC  
(PROTOCOL № 1-09 DATED 26.02.2009)

**OPEN JOINT-STOCK COMPANY  
"Joint-Stock Financial Company "Sistema"**

**CHARTER**

**(REVISION № 6)**

**MOSCOW  
2007**

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## PART I. COMPANY

### 1. GENERAL PROVISIONS

- 1.1. Open Joint-Stock Company "Joint-stock financial company "Sistema", hereinafter referred to as "the Company", registered by Moscow Registration Chamber on July 16, 1993 (State Registration Certificate № 025.866).
- 1.2. The Company has been entered into the Uniform State Register of Legal Entities under the Primary State Registration Number (PSRN) 1027700003891.
- 1.3. Full company name in Russian: **Открытое акционерное общество «Акционерная финансовая корпорация «Система».**
- 1.4. Short company name in Russian: **ОАО АФК «Система».**
- 1.5. Full company name in English: **Sistema Joint Stock Financial Corporation.**
- 1.6. Short company name in English: **Sistema JSFC.**
- 1.7. The Company shall be located at: Russian Federation, 125009, Moscow, ulitsa Mokhovaya, dom 13, stroyeniye 1.
- 1.8. The Company acts in pursuance to the Civil Code of the Russian Federation, the Federal Law "On Joint-Stock Companies", other regulatory legal acts of the Russian Federation and this Charter.
- 1.9. The term of the Company's activities is not limited.
- 1.10. The Company is a universal legal successor to the Closed Joint-Stock Company "Sistema-Invest" and Open Joint-Stock Company "MKNT and Company" reorganized in the form of consolidation with the Company (Moscow Registration Chamber certificates on dissolution of legal entity resulted from reorganization via consolidation of June 3, 2002 № 851210 and of June 7, 2002 № 35642).

### 2. MISSION, SUBJECT AND TYPES OF COMPANY ACTIVITIES

- 2.1. The aim for the setting up and operation of the Company is gaining profit through entrepreneurial activities.
- 2.2. For this purpose the Company has engaged itself in the following types of activities:
  - (1) all kinds of investment activities both in the Russian Federation and abroad, including financing and management of commercial, innovative and investment projects in different spheres of business and capital investments in securities;
  - (2) organization, financing and carrying out of research, development, construction, maintenance and commissioning works;
  - (3) advisory services on the issues of commercial activities and management;
  - (4) organization of the manufacture of industrial and consumer goods;
  - (5) commercial, selling-purchasing and intermediary activities;
  - (6) all kinds of transactions with real estate, including the purchase and sale of land plots;
  - (7) provision to the legal entities and physical persons of various manufacturing, research, engineering, patent and licensing, financial, advisory and management, informational and analytic, auditing, legal, intermediary, advertising, servicing, exhibition and trade fair, auctioning, marketing and other services, including those in the sphere of foreign economic activities.
- 2.3. The Company is entitled to conduct any other types of activities which are in line with its aims and do not contradict to the legislation of the Russian Federation.
- 2.4. Types of activities, subject to licensing, are performed on the basis of corresponding licenses.

### 3. LEGAL STATUS OF THE COMPANY

- 3.1. The Company is a legal entity under the Russian legislation, with its own separate property reflected in its separate balance sheet, and is entitled to acquire and exercise proprietary and personal non-property rights in its own name; it may have obligations and act as a claimant or respondent in court.
- 3.2. The Company has a round seal, stamps and blank forms with its full business name in Russian and/or English indicating the legal address of the Company, it also has properly registered trade marks. The Company may have its own emblem and other means of visual identification.
- 3.3. The Company is entitled to participate, in conformity with relevant regulations, in the establishment of other organizations in the Russian Federation and abroad, to have subsidiaries and affiliates in Russia and abroad, to acquire shares (equities) in authorized capitals thereof, buildings, structures, land and other estate, securities, as well as any other property which may be an object of the ownership right according to the current legislation.
- 3.4. To attract additional funds the Company has the right to issue securities of various types, circulation of those is permitted according to the current legislation of the Russian Federation, including registered shares, bonds and other securities, and independently defining the conditions

of their issue and placement according to the legislation of the Russian Federation and this Charter.

- 3.5. The Company has the right to participate in holding companies, financial industrial groups, associations and other amalgamations of commercial organizations on the terms, not contradicting the current legislation of the Russian Federation and this Charter.
- 3.6. The Company has the right to take part in unions, associations and other unions of organizations on the terms not contradicting to the valid legislation of the Russian Federation and this Charter. The Company has the right to cooperate with international financial organizations in any form which is not prohibited by the law.
- 3.7. The Company obtains civil rights and assumes liabilities via its bodies acting in conformity with the law and this Charter.
- 3.8. The Company is not liable for the obligations of its shareholders and the shareholders are not liable for the obligations of the Company and bear the risk of damages associated with its activities within the cost of the shares owned by them. The Company is not liable for obligations of the state and its bodies and the state and its bodies are not liable for the obligations of the Company.
- 3.9. The Company with the aim of realizing the state, social, economic and tax policies shall be responsible for safekeeping of company's documents (managerial, financial and logistical, concerning the personnel etc.); it ensures the transfer for safekeeping by the state in the Moscow central archives of the documents of scientific and historical importance in compliance with the list of documents agreed with "Mosgorarkhiv" association; documents on personnel shall be kept and used in the established manner.
- 3.10. The Company performs state activities on mobilization preparation according to the legislation of the Russian Federation and Moscow Government regulatory documents.

#### **4. PROPERTY OF THE COMPANY**

- 4.1. The Company is the owner of its property, including the property transferred to the Company by its shareholders. The Shareholders of the Company have no right of ownership for the property contributed to the authorized capital of the Company.
- 4.2. The Company exercises its right to free possession, use and disposal of property in its ownership in compliance with the Russian Federation laws.
- 4.3. Major deals and deals with consideration are carried out by the Company exclusively after approval by the General Meeting of the shareholders or the Board of Directors according to the procedure stipulated in subclauses 27.1.23 – 27.1.30, 32.2.19 – 32.2.20 of this Charter and with the duly observance of the requirements of the legislation of the Russian Federation.
- 4.4. The property of the Company consists of the capital assets and operational means as well as of other property the cost of which is accounted for in a separate balance. The sources of property, income, balance and net profit of the Company are formed according to the procedure envisaged by the legislation of the Russian Federation.
- 4.5. The net value of the Company's assets is evaluated on the basis of the accounting data according to the current legislation.

#### **5. BRANCHES AND REPRESENTATIVE OFFICES OF THE COMPANY**

- 5.1. The Company has the right to properly establish its branches and representative offices in the Russian Federation and overseas acting on the basis of provisions approved by the Company's Board of Directors. The branches and representative offices shall not be legal entities, their managers to be appointed by the President and they shall act within the competence granted to them by the power of attorney. The Charter of the Company shall contain information on the branches and representative offices of the Company.
- 5.2. The Company has a representative office in the city of New Delhi, India.

#### **6. DIVIDENDS OF THE COMPANY**

- 6.1. Based on the results of the first quarter, half-year, nine months of financial year and (or) based on the results of financial year, the Company has the right to make a decision on (declare) the payment of dividends on the placed shares.
- 6.2. The decision on the payment (declaration) of dividends on the results for the first quarter, half-year, nine months of financial year can be made by an extraordinary General meeting of shareholders within three months after the end of the corresponding period. The decision on the payment of dividends based on the results of financial year is made by Annual General meeting of the shareholders of the Company.
- 6.3. The decision to pay dividends, the dividend rate and the form of payment is made upon the proposition of the Board of Directors. The dividend rate cannot exceed the value recommended by the Board of Directors.
- 6.4. The term of payment of dividends is defined by the resolution of the Annual General Meeting of shareholders on the payment of dividends and cannot exceed 60 (sixty) days from the date of making the decision on the payment of dividends.
- 6.5. The Company is obliged to pay the declared dividends on the shares of each category (type).

- 6.6. The rate of dividend is declared as a percentage of the nominal cost of a share, or in rubles per one share.
- 6.7. The dividend can be paid in money and on the basis of the resolution of the General Meeting of shareholders, in kind – in shares, bonds, commodities or other property.
- 6.8. The list of individuals having the right to receive dividends is made as of the date of formation of the list of the individuals having the right to participate in the General Meeting of shareholders, the issue of payment of dividends is included in the agenda thereof.
- 6.9. The limitations regarding the declaration and payment of dividends shall be envisaged by the legislation of the Russian Federation.

## **7. FUNDS OF THE COMPANY**

- 7.1. A reserve fund is established in the Company by annual allocations in the amount not less than 5% (five percent) of the net profit until the reserve fund achieves 5% (five percent) of the Company's authorized capital. The reserve fund of the Company is designated to cover its losses as well as for the redemption of Company bonds and buying out of Company stock in case of absence of other funds. The reserve fund may not be used for other purpose. The assets of the reserve fund may be used on the basis of the resolution of the Board of Directors according to the procedure established by it.
- 7.2. The Company has the right to establish other funds.

## **8. ACCOUNTING AND REPORTING IN THE COMPANY**

- 8.1. The Company organizes the conduct of accounting and takes measures to ensure that the book-keeping in the Company is performed via reliable and complete reflection of information concerning all transactions and other deeds of economic activity.
- 8.2. The Company shall keep the documents envisaged by the legislation of the Russian Federation.
- 8.3. The Company shall disclose the financial reporting according to the procedure established by the legislation of the Russian Federation and internal documents of the Company.
- 8.4. The President of the Company is liable according to the current legislation for organization, condition and reliability of the Company's accounting records, for a timely submission of the annual report and other financial data to the controlling bodies and for the reliability of the information concerning the activities of the Company submitted to the shareholders of the Company, to its creditors and other persons.
- 8.5. The annual balance sheet of the Company is submitted by the President of the Company to the Board of Directors and the Annual General Meeting of shareholders with the resolution of the Auditor and the Audit Commission.
- 8.6. The annual balance sheet of the Company is subject to a preliminary approval by the Board of Directors of the Company not later than in 30 (thirty) days before the date of holding of an Annual General Meeting of the shareholders.
- 8.7. The reliability of the information contained in the annual balance sheet of the Company submitted to the Annual General Meeting of shareholders as well as in the accounting balance, the profit and loss account should be confirmed by the Inspection Commission of the Company.

## **9. INFORMATION ON THE COMPANY**

- 9.1. Information about the Company shall be submitted to shareholders in accordance with the legislation of the Russian Federation.
- 9.2. The Company shall provide the shareholders with the access to the documents which shall be kept and submitted according to this Charter and legislation of the Russian Federation. The submission of the information of the Company and the copies of the corresponding documents of the Company is performed according to the procedure established by the legislation of the Russian Federation.
- 9.3. The Shareholders and the Company shall make all reasonable efforts to prevent an unauthorized disclosure and a leak of the information concerning the Company. The members of the Board of Directors having access to the confidential information about the Company shall not disclose such information to any persons who have no access to such information as well as shall not use it in their own interests or interests of other persons.
- 9.4. If necessary, the Company concludes with employees, members of the Board of Directors and the shareholders confidentiality agreements as well as the above persons conclude such agreements among themselves.
- 9.5. Compulsory disclosure of information is performed by the Company to the extent and in the manner stipulated by the internal documents of the Company and the legislation of the Russian Federation.

## **10. REORGANIZATION AND LIQUIDATION OF THE COMPANY**

- 10.1. The Company may be voluntarily reorganized according to the procedure established by the legislation of the Russian Federation. According to such procedure, reorganization of the Company entails the transfer of rights and liabilities owned by the Company to its legal successors.

- 10.2. The reorganization of the Company may be performed in the form of a merger, joinder, de-merger, separation and restructuring.
- 10.3. The Company is considered as reorganized except for the cases of reorganization in the form of a takeover from the moment of state registration of the newly emerged legal entities.
- 10.4. In case of reorganization of the Company in a form of a joinder the Company is considered as reorganized from the moment of entering the record in the Uniform State Register of Legal Entities on the termination of activity of a company which had been taken over.
- 10.5. The Company may be liquidated voluntarily through the procedure established by law or by the court decision on the grounds envisaged by the legislation of the Russian Federation.
- 10.6. The liquidation of the Company entails its termination without transfer of rights and liabilities to the other individuals in the manner of legal succession.
- 10.7. All powers for the administration of the Company shall be transferred to the liquidation committee after the appointment thereof. The liquidation committee shall appear in Court on behalf of the Company under liquidation.
- 10.8. Liquidation committee shall place in printed media, publishing data on the registration of legal entities a notice on the liquidation of the Company, on the procedure and terms for making claims by its creditors. The term for the creditors to make such claims cannot be less than two months from the date of the publication on the liquidation of the Company.
- 10.9. Upon the expiration of the term for creditors to make their claims, the liquidation committee draws up an interim liquidation balance sheet containing the data on the property of the Company being liquidated, claims of its creditors and the results of the consideration thereof. The interim liquidation balance sheet shall be approved by the General Meeting of the shareholders.
- 10.10. After the completion of the settlements with the creditors the liquidation committee makes up a liquidation balance sheet subject to approval by the General Meeting of the shareholders.
- 10.11. The Company's property remaining after the finalizing of the settlements with the creditors shall be distributed by the liquidation committee among the shareholders in the following sequence:
  - in the first turn, shall be made the payments on the shares which the Company is obliged by law to buy from the shareholders;
  - in the second turn, shall be made the payments of accrued but not paid out dividends on the preferred shares at the liquidation value defined by the Charter of the Company for the liquidation value of the preferred shares;
  - in the third turn, shall be distributed the property of the Company under liquidation among the shareholders – owners of common shares and all the types of preferred shares.
- 10.12. Distribution of the property at each stage is performed after completing the distribution of property in the previous stage.
- 10.13. Liquidation of the Company shall be deemed completed and the Company no longer existing from the moment of a corresponding record in the Uniform State Register of Legal Entities.
- 10.14. In the process of reorganization and liquidation of the Company as well as after the cessation of work involving the use of data containing state secrets of the Russian Federation the Company shall be under obligation to ensure the safeguarding of such data and its carriers.

## **11. CHARTER OF THE COMPANY**

- 11.1. This Charter is a constituent document of the Company. The requirements of the Charter of the Company are mandatory for execution by all managing and controlling bodies of the Company and by the shareholders of the Company. This Charter enters into force from the moment of its registration in compliance with the procedure established by the legislation of the Russian Federation.
- 11.2. Decisions on inclusion of amendments and additions into this Charter shall be made by the General Meeting of the shareholders of the Company or by the Company's Board of Directors, according to the procedure envisaged by the law and this Charter; any amendments or addenda to this Charter shall come into effect for the third parties after their state registration.
- 11.3. Provisions of the Charter shall be applied in part which shall not be contradicting to the legislation. Should the alterations in the legislation result in discrepancies between separate articles and provisions of this Charter and the legislative acts, such articles and clauses shall be considered null and void and shall not be applied till the relevant amendments in this Charter are made.

## **PART II. AUTHORIZED CAPITAL OF THE COMPANY**

### **12. AUTHORIZED CAPITAL OF THE COMPANY. GENERAL PROVISIONS**

- 12.1. The authorized capital of the Company defines the minimal size of the Company property, ensuring the interests of its creditors.
- 12.2. The authorized capital of the Company constitutes to 868.500.000,00 (Eight hundred and sixty-eight million five hundred thousand roubles) and consists of 9.650.000 (Nine million six hundred

and fifty thousand) placed ordinary registered shares of the Company with a nominal value of 90 (ninety) roubles each.

### **13. INCREASE OF COMPANY AUTHORIZED CAPITAL**

- 13.1. The authorized capital of the Company may be increased by the raise of the nominal value of the shares or by the placement of additional shares based on the resolution of the General meeting of shareholders of the Board of Directors of the Company according to the subclauses 27.1.6 - 27.1.10 and 32.2.7 – 32.2.8 of this Charter.
- 13.2. The increase of the Company authorized capital by the raise of the nominal value of the shares can be performed only at the cost of the property of the Company. The increase of the Company authorized capital by the placement of additional shares may be performed at the cost of the property of the Company.
- 13.3. In case of increase of the Company authorized capital by the placement of additional shares, such additional shares can be placed by the Company only within the limits of the amount of authorized shares envisaged by this Charter. Thus, in case if the amount of authorized shares of the Company is not sufficient for the placement of an assumed amount of additional shares of the Company, then, according to the procedure and the conditions established by this Charter and the law, the decision to increase the authorized capital of the Company may be accepted simultaneously with the decision to make amendments to this Charter in terms of the amount of authorized shares of the Company which are necessary to make such decision.
- 13.4. The additional shares of the Company can be placed by subscription or conversion as well as by distribution among all shareholders of the Company in case of increase of the Company authorized capital at the cost of its property.
- 13.5. The Company has a right to place the additional shares by both public and private subscription.
- 13.6. The placing price of the additional shares for the individuals having the right of preemption can be lower than the placing price for other persons but not lower than by 10% (ten percent). The placement price of such additional shares cannot be lower their nominal value at that.
- 13.7. The payment for the additional shares of the Company placed by subscription can be effected in money, securities, other commodities or property rights or other rights having a pecuniary valuation according to the resolution concerning the increase of the Company authorized capital.
- 13.8. The additional shares of the Company placed by subscription are placed provided that they are completely paid up.
- 13.9. In case of increase of the Company authorized capital at the cost of its property via placement of additional shares, these shares shall be distributed among all shareholders. Herein, each shareholder shall be distributed the shares of the same category (type) he owns proportionally to the quantity of the shares he owns.
- 13.10. The amount which the authorized capital of the Company is increased on at the cost of the property of the Company shall not exceed the difference between the net asset value of the Company and the reserve fund of the Company.

### **14. DECREASE OF COMPANY AUTHORIZED CAPITAL**

- 14.1. In cases stipulated by the current legislation of the Russian Federation, the Company has a right to decrease its authorized capital by declining the nominal value of the shares or by reducing their total quantity including the acquisition of a part of the shares in cases stipulated by the current legislation of the Russian Federation and this Charter.
- 14.2. The decision to decrease the authorized capital of the Company by declining the nominal value of the shares or by acquisition of a part of the shares on purpose to reduce their total quantity shall be made by the General meeting of shareholders according to the subclauses 27.1.11 – 27.1.12 of this Charter.
- 14.3. The payment of cash assets to all shareholders of the Company and (or) transfer to them of equity securities owned by the Company and placed by other legal entity can be envisaged by the decision to decrease the authorized capital of the Company.
- 14.4. The authorized capital of the Company can be decreased by reducing the total quantity of the placed shares including the acquisition and retirement of a part of the shares at the disposal of the Company in the following cases:
  - in case of retirement of a part of the shares acquired by the Company on the basis of the decision to decrease the authorized capital of the Company by acquisition and retirement of a part of the shares with the purpose to reduce their total quantity;
  - if the shares repurchased by the Company on shareholders' demand were not sold within one year from the date of their redemption (except the case of redemption of shares upon the decision to reorganize the Company);
  - redemption of shares upon reorganization of the Company;
  - reorganization of the Company in a form of separation at the cost of redemption of converted shares;

- if shares acquired by the Company according to the resolution of a competent body of the Company established by the Company Charter are not sold within one year from the date of their acquisition;
  - in other cases specified in the current legislation of the Russian Federation.
- 14.5. The decision to decrease the authorized capital of the Company by acquisition of a part of the shares with the purpose to reduce their total quantity is made by the General meeting of shareholders.
- 14.6. Within 30 days from the date of decision to decrease its authorized capital the Company shall inform in writing its creditors about decrease of its authorized capital and its new amount and publish the message of a decision made in mass media designed for publications of the data about the state registration of legal entities. Herein the creditors of the Company have the right to demand in written for the pre-term termination or execution of the corresponding obligations of the Company and compensation of damages within 30 days from the date of sending a notification to them or within 30 days from the date of publication of the message about the decision made.

### **PART III. SHARES AND OTHER EQUITY SECURITIES OF THE COMPANY**

#### **15. SHARES OF THE COMPANY**

- 15.1. An ordinary share of the Company is a non-documentary registered equity security conferring to its owner (shareholder) a specific scope of proprietary rights including the right for participation in the management of the Company, the right to receive a part of Company's profit in the form of a dividend as well as the right to receive a part of property remaining after liquidation of the Company.
- 15.2. All issued and outstanding shares of the Company are ordinary registered non-documentary shares of the same nominal value. The Nominal Value of the shares is expressed in roubles, regardless of the form and the manner of their payment.
- 15.3. The Company has a right to place one or more types of preferred shares of the Company.
- 15.4. The nominal value of all the shares of the same type (category) should be the same.
- 15.5. The nominal value of outstanding preferred shares of the Company should not exceed 25% of the authorized capital of the Company.
- 15.6. The procedure of formation and floatation of fractional shares of the Company is envisaged by this Charter and the current legislation of the Russian Federation.
- 15.7. The scope of rights conferred by a share of the Company is envisaged by this Charter and the current legislation of the Russian Federation.
- 15.8. The rights conferred by a share of the Company are transferred to their acquirer at the moment of transfer of rights for such security.

#### **16. BONDS AND OTHER EQUITY SECURITIES OF THE COMPANY**

- 16.1. Except for additional shares, the Company has a right to place bonds, options and other equity securities according to the requirement of the current legislation of the Russian Federation.
- 16.2. The Company has no right to place bonds and other equity securities convertible into the shares of the Company, if the quantity of authorized shares of specific categories and types is less than the quantity of shares of such categories and types, the right to acquire those is presented by such securities. In such case, according to the procedure and conditions stipulated by the law and this Charter, the decision to place equity securities convertible into the shares of the Company can be made simultaneously with the decision to make the amendments to this Charter concerning the quantity of authorized shares necessary to make such decision.
- 16.3. The placement price of equity securities of the Company convertible into the shares of the Company for the individuals having the right of preemption can be lower than the placing price for other persons but not lower than by 10% (ten percent). The placement price of equity securities of the Company convertible into the shares of the Company cannot be lower than the nominal value of shares such equity securities are converted into.
- 16.4. The payment for equity securities placed by the Company (except for the additional shares of the Company placed via subscriptions) can be effected only in money.
- 16.5. The equity securities of the Company placed by subscription shall be placed provided they are completely paid up.
- 16.6. The retirement of Company bonds can be performed in a cash form or in other property according to the resolution on their issue.
- 16.7. A bond shall attest the right of its owner to demand the retirement of the bond (payment of the nominal value or the nominal value and interest) within the stated terms.
- 16.8. The placement of the bonds and other equity securities by the Company shall be performed on the basis of resolution of the General meeting of shareholders and (or) the Board of Directors of the Company.



- 16.9. The placement of the bonds convertible into the shares and other equity securities convertible into the shares shall be performed on the basis of resolution of the General meeting of shareholders and (or) the Board of Directors of the Company.
- 16.10. The resolution on the issue of the bonds should specify the form, terms and other conditions of retirement of bonds.
- 16.11. A bond should have a nominal value. The nominal value of all the bonds issued by the Company should not exceed the amount of authorized capital of the Company or the value of security provided to the Company by the third party for the purpose of issue of bonds. The placement of bonds by the Company is allowed after complete payment of its authorized capital.
- 16.12. The Company can place the bonds with flat maturity term or bonds redeemable by installments.
- 16.13. The Company has a right to envisage a possibility of preterm retirement of bonds upon the requirement of its owners. Herein, the resolution on issue of bonds should contain the cost of retirement and the term, not earlier which they cannot be claimed for preterm retirement.
- 16.14. The Company has a right to place the bonds secured by pledge of specific property or the bonds under security provided to the Company in order to issue the bonds by third party and debenture bonds.
- 16.15. The placement of debenture bonds not secured by third parties is allowed not earlier the third year of Company's activity and provided there is a proper consolidation of annual balance sheets of the Company for the past two financial years, except for the cases as provided for by the applicable Federal Laws.
- 16.16. The bonds can be name bonds and bearer bonds. When issuing the name bonds the Company shall keep the register of their owners. Lost name bond can be renewed by the Company for a reasonable charge. The owner's rights for a lost bearer bond shall be restored by the court according to the procedure established by procedural legislation of the Russian Federation.
- 16.17. The peculiarities of securities issue, depending on the type of securities and the manner of their placement, are specified by the legislation of the Russian Federation.

#### **17. CONSOLIDATION AND SPLITTING OF SHARES**

- 17.1. The Company has a right to perform a consolidation of placed ordinary shares of the Company which results in conversion of two or more ordinary shares of the Company into one new ordinary share of the Company based on the resolution of the General meeting of shareholders. In this case, the corresponding alterations shall be implemented to this Charter concerning the nominal value and the quantity of outstanding and authorized ordinary shares of the Company.
- 17.2. If the acquisition of the whole number of shares by a shareholder is not possible during the consolidation, the parts of shares (fractional shares) are formed.
- 17.3. According to the resolution of the general meeting of shareholders the Company has a right to perform a splitting of placed shares of the Company, which results in conversion of one share of the Company into two or more shares of the same category (type). In this case, the corresponding alterations shall be implemented to this Charter concerning the nominal value and the quantity of placed and authorized ordinary shares of the Company of corresponding category (type).

#### **18. PAYMENT OF SHARES AND OTHER EQUITY SECURITIES UPON THEIR PLACEMENT**

- 18.1. The shares of the Company distributed upon its establishment have been completely paid by the Company founders in accordance with resolution on the establishment of the Company and the term of agreement on the establishment of the Company.
- 18.2. The additional shares and equity securities of the Company placed by subscription shall be placed provided they are completely paid up.
- 18.3. The payment for the additional shares of the Company placed by subscription can be performed in money, securities, other commodities or property rights or other rights having a pecuniary valuation.
- 18.4. The form of payment of additional shares of the Company is defined by the resolution of their placement. The payment of other equity securities can be performed only in money.
- 18.5. In case of payment of the additional shares in non-monetary funds pecuniary valuation of the property put into the payment for shares shall be performed according to article 77 of the Federal law "On joint-stock companies".
- 18.6. In case of payment of shares in non-monetary funds, an independent appraiser should be engaged for the valuation of the market value of such property, if otherwise is not specified by the requirement of the legislation of the Russian Federation. The value of pecuniary valuation performed by the Board of Directors of the Company cannot be higher the valuation performed by an independent appraiser.

#### **19. ACQUISITION OF PLACED SHARES BY THE COMPANY**

- 19.1. The Company has a right to acquire the shares placed by it on the basis of resolution of the General meeting of shareholders concerning decrease of authorized capital of the Company by acquisition of a part of placed shares with the purpose to reduce their total quantity. The decision to decrease the authorized capital cannot be made, if the nominal value of shares remaining in

circulation would be less than the minimal amount of authorized capital stipulated by the legislation of the Russian Federation. Shares acquired on the basis of resolution of the General meeting of shareholders to decrease the authorized capital shall be paid off upon their acquisition.

- 19.2. The Company has a right to acquire the placed shares upon resolution of the Board of Directors. Such resolution can be made, if the nominal value of the shares remaining in circulation would constitute at least 90 percent of the authorized capital of the Company. The acquired shares do not provide the voting entitlement; they are not counted during tabulation of votes, there are no dividends set to such shares. Such shares should be sold at their market price no later than one year after the date of their acquisition. Otherwise, the General meeting of shareholders should make a decision to decrease the authorized capital of the Company by redemption of mentioned shares.

## **20. REDEMPTION OF COMPANY SHARES AS REQUIRED BY SHAREHOLDERS**

- 20.1. Shareholders – owners of the voting shares have a right to require the Company's redemption of all or a part of the shares owned by them in the following cases:
- (1) reorganization of the Company or settlement of a major transaction the resolution of approval of which shall be made by the General meeting of shareholders according to the Federal law "On Joint-stock companies";
  - (2) implementation of amendments, additions to the Charter of the Company or approval of the Charter in a new revision limiting their rights.
- 20.2. The mentioned requirement can be claimed by shareholders who voted against making corresponding decisions or who did not take part in the voting of such issues.
- 20.3. The redeemed shares shall come at the Company's disposal and should be sold at their market price no later than one year after the date of their acquisition. The shares redeemed by the Company in case of its reorganization shall be redeemed at the moment of their redemption.

## **PART IV. SHAREHOLDERS OF THE COMPANY**

### **21. SHAREHOLDERS OF THE COMPANY**

- 21.1. Shareholder of the Company is any individual having exercised the ownership of the shares of the Company according to the procedure established by the legislation of the Russian Federation and this Charter. The number of Company's shareholders is not limited.
- 21.2. If otherwise is not stipulated by the law, in case of legal occurrence of the common proprietary right for one or more shares of the Company of two or more individuals, all such individuals are recognized as one shareholder in relation to the Company and exercise the owned rights of the Company's shareholder including the voting right on the General meeting of shareholders at their discretion by one of them or by common representative. The powers of either of mentioned individuals shall be duly formalized. Co-owners of the share are jointly responsible for all obligations, undertaken on the shareholders.
- 21.3. An individual having exercised the ownership of a fractional share of the Company according to the procedure established by the current legislation of the Russian Federation and this Charter is recognized as Company's shareholder. A fractional share of the Company confers to the shareholder – its owner – rights conferred by a whole share of the Company in the scope corresponding to that part of the whole share it amounts to.
- 21.4. The shareholder's legal status is defined by the scope of rights owned by him and obligations undertaken by him. The rights of shareholder(s) of the Company in relation to the Company and other shareholders are conditional on the category and type as well as the quantity of shares owned by them.

### **22. SHAREHOLDERS' REGISTER OF THE COMPANY**

- 22.1. The rights of shareholders for the shares owned by them are attested in the system of registration – the registrar's records in the personal accounts – or, in case of registration of rights in a depositary, – records in the custody accounts in depositaries.
- 22.2. The right for the Company share shall be transferred to the acquirer from the moment the registrar makes a record on the personal account of the acquirer in the registration system or, in case of registration of rights in a depositary, from the moment the entity performing the depositary activity makes a record on the custody account of the acquirer.
- 22.3. The data of each registered individual, the quantity and categories (types) of shares recorded to the name of such individual as well as other data stipulated by the legislation are specified in the register of shareholders of the Company.
- 22.4. The Company is obliged to ensure keeping and storing the register of shareholders according to the requirements of the current legislation.

## 23. SHAREHOLDERS' RIGHTS

- 23.1. Shareholders (shareholder) having 1 (one) whole ordinary share of the Company in the aggregate have 1 (one) vote at the voting during the General meeting of shareholders. A fractional common share of the Company provides to shareholder – its owner – a proportional part of the vote.
- 23.2. Every ordinary registered share of the Company provides shareholder – its owner – with the same scope of rights including:
- the right to take part in the management of the Company and participate personally or via representative in the General meeting of shareholders with the voting right on all the issues of its competence with the number of votes corresponding to the quantity of ordinary shares of the Company owned by him;
  - the right to receive dividend from the net profit of the Company;
  - the right to receive a part of Company property in case of its liquidation;
  - the right to freely alienate all or a part of shares owned by him without prior agreement of other shareholders or the Company;
  - the right to demand the redemption of all or a part of shares owned by him in the cases and according to the procedure established by the law;
  - the preemption right to acquire the shares placed by the Company by a public subscription as well as in cases, according to the terms and the procedure, stipulated by the legislation of the Russian Federation, – via private subscription of additional ordinary shares and equity securities, convertible into the ordinary shares, in the quantity proportional to the quantity of the shares of a given category owned by him;
  - when exercising the pre-emption right to acquire additional shares placed by the Company and other equity securities convertible into the shares of the Company, the right to pay such placed equity shares in money at his own discretion, if the decision being a basis for the placement of such equity securities stipulates their payment in non-monetary funds;
  - the right according to a legal procedure to demand from the Company registrar to confirm his rights for the shares of the Company owned by him by an issue of an extract from the register of Company shareholders which is not a security itself;
  - the right to demand a provision by the Company of an extract from the list of individuals eligible for participation in the General meeting of shareholders containing the data about this shareholder or a certificate confirming that he is not in the list of the individuals eligible for participation in the General meeting of shareholders;
  - the right to demand the provision by the Company of extract from the list of individuals eligible to demand the Company's redemption of shares owned by them containing the data about this shareholder or a certificate confirming that he is not included in the list of individuals eligible to demand the Company's redemption of shares owned by them;
  - the right to demand the provision by the Company of extract from the list of individuals having a preemption right to acquire additional shares and other equity securities placed by the Company containing the data about this shareholder or a certificate confirming that he is not in the list of such individuals;
  - the right to access the documents of the Company defined by the Federal law "On Joint-stock companies";
  - the right of free access to information (materials) subject to a mandatory submission to a shareholder in relation with his exercise of right to participate in the General meeting of shareholders and during the preparation of its conduct;
  - the right to apply to court with a claim to assume invalid a major transaction as well as transaction with interest performed by the Company with a violation of an established procedure;
  - the right in a legal order to appeal in court against resolution made by the General meeting of shareholders with violation of the requirements of the law and this Charter, in case he didn't take part in the General meeting of shareholders or voted against the making of such resolution and the mentioned resolution violates his rights and legitimate interests;
  - other rights envisaged by the legislation of the Russian Federation.
- 23.3. The shareholders (shareholder) registered in the register system and having at least 1% (one percent) of the voting shares of the Company in the aggregate besides have a right to:
- demand from the Company provision of a list of individuals eligible to participate in the General meeting of shareholders provided that they are included in such a list;
  - according to the procedure established by the law to apply to court with a claim against the Board of Directors a member of the Board and the President of the Company to compensate the damages caused to the Company.
- 23.4. The shareholders (shareholder) registered in the system of register keeping and having more than 1% (one percent) of the voting shares of the Company in the aggregate, in addition, have a right to demand from the Company Registrar a provision of the data from the register of the Company shareholders containing the names of registered in the register of the Company shareholders owners and their number, category and the nominal value of the securities owned by them.

- 23.5. The shareholders (shareholder) registered in the register system and having at least 2% (two percent) of the voting shares of the Company in the aggregate besides have a right to:
- introduce issues into agenda of the Annual meeting of shareholders and to run candidates (including nomination of themselves) in the Board of Directors of the Company, in the Inspection commission and Returning board of the Company to propose a candidature for Auditor of the Company;
  - to run candidates (including nomination of themselves) in the Board of Directors of the Company – in case if a proposed agenda for an extraordinary General meeting of shareholders contains the issue of election of the Board of Directors of the Company;
  - in a legal order to appeal in court against the resolution of the Board of Directors of the Company concerning the refusal to include a corresponding issue into agenda of the General meeting of shareholders or a candidate into the list of candidates for voting on the elections into a corresponding body of the Company as well as evasion of the Board of Directors from an acceptance of a corresponding resolution.
- 23.6. The shareholders (shareholder) having at least 10% (ten percent) of the voting shares of the Company in the aggregate, in addition, have a right to:
- demand a conduct of an extraordinary General meeting of shareholders on any issues of its competence;
  - convene an extraordinary General meeting of shareholders in case, if according to an established by the law and this Charter procedure a decision to convene an extraordinary General meeting of shareholders has not been made or a decision to refuse to convene it has been made;
  - in a legal order to appeal in court against the resolution of the Board of Directors of the Company concerning the refusal to convene an extraordinary General meeting of shareholders;
  - demand a performance of an interim inspection (revision) of financial and economic activities of the Company by the Inspection commission of the Company; such an additional inspection shall be held on account of the shareholder making the respective demand;
  - demand an independent audit inspection of activities of the Company; such an additional inspection shall be held on account of the shareholder making the respective demand.
- 23.7. The Shareholders (shareholder) having at least 25% (twenty-five percent) of the voting shares of the Company in the aggregate, in addition, have a right for a free access to the accounting documents and the minutes of Company management meetings.

#### **24. SHAREHOLDERS' OBLIGATIONS**

- 24.1. The obligations of shareholders are determined by the legislation of the Russian Federation and this Charter. The shareholders of the Company are particularly obliged to:
- observe the requirements of this Charter, respect resolutions of the General meeting of shareholders and other internal documents of the Company;
  - timely, and observing other terms and procedures, envisaged by the law, this Charter and internal documents of the Company, perform payment for shares and other equity securities placed by the Company;
  - timely inform the Board of Directors of the Company, Inspection commission and Auditor of the Company about known and performed by the Company and (or) assumed transactions where they can be recognized as concerned parties as well as if they are persons interested in the Company performing the transactions: inform about the legal entities where they own independently or jointly with an affiliated individual(s) 20% (twenty percent) of the voting equities (shares) or more; and about the legal entities where they hold positions in the management bodies thereof.
- 24.2. The shareholders of the Company have no right to act on behalf of the Company without special authorities formalized according to an established procedure.

### **PART V. REGULATORY BODIES OF THE COMPANY**

#### **25. THE STRUCTURE OF REGULATORY BODIES OF THE COMPANY**

- 25.1. The management in the Company is executed by the regulatory bodies of the Company.
- 25.2. The regulatory bodies of the Company are the General meeting of shareholders, the Board of Directors, Management (collegial executive body of the Company) and the President (sole executive body of the Company).
- 25.3. Additional internal structural subdivisions (including counsels, committees, commissions) under the respective body of the Company can be formed.

#### **26. GENERAL MEETING OF COMPANY SHAREHOLDERS**

- 26.1. The General meeting of shareholders is the superior regulatory body of the Company.

- 26.2. The General meeting of shareholders performs its activity according to the provisions of this Charter, internal documents of the Company approved by resolutions of the General meeting of shareholders and the requirements of the legislation of the Russian Federation.
- 26.3. The Company is obliged to conduct Annual (regular) General meeting of shareholders.
- 26.4. The Annual General meeting of shareholders should solve the issues concerning the election of the Board of Directors of the Company, Inspection commission of the Company, approval of Auditor of the Company, issues stipulated by subclause 27.1.19 of this Charter and other issues reserved for the competence of the General meeting of shareholders.
- 26.5. The General meetings of shareholders held besides the annual are extraordinary. An extraordinary General meeting of shareholders may solve the issues concerning a pre-term termination of authority of the Board of Directors members and concerning the election of the Board of Directors of the Company, concerning a pre-term termination of authority of the Inspection commission members and concerning the election of the Auditor commission of the Company, approval of Auditor of the Company and other issues stipulated by the legislation of the Russian Federation.

## **27. COMPETENCE OF GENERAL MEETING OF SHAREHOLDERS**

- 27.1. The following matters are reserved for the competence of the General meeting of shareholders:
- (1) **alterations and amendments to this Charter (except cases when making a respective decision is reserved to the competence of the Board of Directors of the Company) as well as approval of the Charter of the Company in a new revision;**
    - (decision shall be made by qualified majority of  $\frac{3}{4}$  (three fourth) of shareholders votes – owners of voting shares of the Company participating in the General meeting of shareholders)
  - (2) **reorganization of the Company;**
    - (the decision to reconstruct the Company into a non-commercial partnership shall be made only upon proposal of the Board of Directors of the Company by unanimous resolution of all the shareholders of the Company;
    - the decisions to reorganize the Company in other forms shall be made only upon proposal of the Board of Directors of the Company by qualified majority of  $\frac{3}{4}$  (three fourth) of shareholders votes – owners of voting shares of the Company participating in the General meeting of shareholders)
  - (3) **liquidation of the Company, appointment of liquidation committee and approval of interim and ultimate liquidation balance sheet;**
    - (decision shall be made by qualified majority of  $\frac{3}{4}$  (three fourth) of shareholders votes – owners of voting shares of the Company, participating in the General meeting of shareholders)
  - (4) **determination of quantitative composition of the Board of Directors of the Company, election of its members and making decision concerning the preterm termination of authority of all members of the Board of Directors as well as making decision to pay reward and (or) the procedure of compensation of expenses to the members of the Board of Directors of the Company during the period of execution of their obligations;**
    - (decision of election of members of the Board of Directors shall be made by cumulative voting. During the cumulative voting the number of votes belonging to each shareholder is multiplied by the number of individuals to be elected in the Board of Directors of the Company and a shareholder has a right to give the votes received in such a manner completely for one candidate or distribute them among two or more candidates. The candidates having received the largest number of votes are considered as elected to the Board of Directors of the Company;
    - the decision on all other issues shall be made by simple majority (more than  $\frac{1}{2}$  (half)) of shareholders' votes – owners of voting shares of the Company participating in the General meeting of shareholders)
  - (5) **determination of quantity, nominal value and category (type) of authorized shares of the Company and the rights conferred by such shares;**
    - (decision shall be made by qualified majority of  $\frac{3}{4}$  (three fourth) of shareholders votes – owners of voting shares of the Company, participating in the General meeting of shareholders)
  - (6) **increase of authorized capital of the Company by raise of nominal value of Company shares;**
    - (the decision shall be made only upon proposal of the Board of Directors of the Company by simple majority (more than  $\frac{1}{2}$  (half)) of shareholders' votes – owners of voting shares of the Company, participating in the General meeting of shareholders)
  - (7) **increase of authorized capital of the Company by placement of additional shares only among the shareholders of the Company, in case of increase of authorized capital of the Company at the cost of its property;**
    - (the decision shall be made only upon proposal of the Board of Directors of the Company by simple majority (more than  $\frac{1}{2}$  (half)) of shareholders' votes – owners of voting shares of the Company, participating in the General meeting of shareholders)
  - (8) **increase of authorized capital of the Company by placement of additional shares by private subscription;**
    - (decision shall be made only upon proposal of the Board of Directors of the Company by qualified majority of  $\frac{3}{4}$  (three fourth) of shareholders votes – owners of voting shares of the Company, participating in the General meeting of shareholders)
  - (9) **increase of authorized capital of the Company by placement of common shares by public subscription constituting to more than 25% (twenty-five percent) of previously placed ordinary shares of the Company;**

- (decision shall be made only upon proposal of the Board of Directors of the Company by qualified majority of  $\frac{3}{4}$  (three fourth) of shareholders votes – owners of voting shares of the Company, participating in the General meeting of shareholders)
- (10) **in case if the Company receives a voluntary or mandatory offer of acquisition of shares, as well as other equity securities, convertible into the shares of the Company – increase of authorized capital of the Company via placement of additional shares within the quantity and categories (types) of authorized shares, according to the procedure, stipulated by the law;**
- (the decision shall be made only upon proposal of the Board of Directors of the Company by simple majority (more than  $\frac{1}{2}$  (half)) of shareholders' votes – owners of voting shares of the Company, participating in the General meeting of shareholders, except for the issues of increase of the authorized capital of the Company via placement of additional shares of the Company using private offering and public offering of general stock of the Company comprising over 25% (twenty-five per cent) of the previously placed general stock of the Company, concerning which a decision shall only be made by a proposition of the Board of Directors of the Company by a majority of  $\frac{3}{4}$  (three quarters) of the votes of the shareholders owing voting shares of the Company participating in a General Meeting of shareholders)
- (11) **decrease of authorized capital of the Company via decline of nominal value of Company shares;**
- (decision shall be made by qualified majority of  $\frac{3}{4}$  (three fourth) of shareholders votes – owners of voting shares of the Company, participating in the General meeting of shareholders)
- (12) **decrease of authorized capital of the Company by acquisition by the Company of a part of the shares on purpose to reduce their total quantity, as well as via redemption of acquired or bought out shares of the Company;**
- (the decision shall be made by simple majority (more than  $\frac{1}{2}$  (half)) of shareholders' votes – owners of voting shares of the Company, participating in the General meeting of shareholders)
- (13) **placement of equity securities, convertible into the common shares of the Company by private subscription;**
- (decision shall be made only upon proposal of the Board of Directors of the Company by qualified majority of  $\frac{3}{4}$  (three fourth) of shareholders votes – owners of voting shares of the Company, participating in the General meeting of shareholders)
- (14) **placement of equity securities, convertible into the common shares of the Company by public subscription, in case of placement of equity securities, convertible into the common shares of the Company, constituting more than 25% (twenty-five percent) of previously placed common shares of the Company;**
- (decision shall be made only upon proposal of the Board of Directors of the Company by qualified majority of  $\frac{3}{4}$  (three fourth) of shareholders votes – owners of voting shares of the Company, participating in the General meeting of shareholders)
- (15) **placement of securities convertible into shares including options of the Company, in case if the Company receives a voluntary or mandatory offer of acquisition of shares as well as other equity securities convertible into the shares of the Company according to the procedure stipulated by the law;**
- (the decision shall be made by simple majority (more than  $\frac{1}{2}$  (half)) of shareholders' votes – owners of voting shares of the Company, participating in the General meeting of shareholders, except for the issues of placement of issue securities convertible into general stock of the Company by way of private offering and the issues of placement of issue securities convertible into general stock of the Company by way of public offering, in case of placement of issue securities convertible into general stock of the Company comprising over 25% (twenty-five per cent) of the previously placed general stock of the Company concerning which a decision shall only be made by a proposition of the Board of Directors of the Company by a special majority of  $\frac{3}{4}$  (three quarters) of the votes of the shareholders owing voting shares of the Company participating in a General Meeting of shareholders)
- (16) **determination of quantitative composition of the Inspection commission of the Company, election of its members and making decision concerning the preterm termination of authority of all members of Inspection commission as well as making decision to pay reward and (or) the procedure of compensation of expenses to the members of the Inspection commission of the Company during the period of execution of their obligations;**
- (decision of election of members of Inspection commission shall be made by simple majority (more than  $\frac{1}{2}$  (half)) of the shareholders' votes – owners of voting shares of the Company, those are not members of the Board of Directors or individuals holding positions in regulatory bodies of the Company, participating in the General meeting of shareholders)
  - decisions on the rest of the matters shall be made by simple majority (more than  $\frac{1}{2}$  (half)) of shareholders' votes – owners of voting shares of the Company, participating in the General meeting of shareholders)
- (17) **appointment of the Auditor for Company;**
- (the decision is made by a simple majority (more than  $\frac{1}{2}$  (a half)) of shareholders' votes – those who possess voting shares of the Company, - participating in a General meeting of shareholders)
- (18) **dividend payment (declaration) according to the results of the first quarter, half-year, nine months of a financial year;**

- (the decision is made by a simple majority (more than ½ (a half)) shareholders' votes – those who possess voting shares of the Company, participating in General meeting of shareholders)
- (19) **approval of annual reports, annual accounting statement, including Income and Loss statements (Income and Loss accounts) of the Company, as well as profit distribution (including dividend payment (declaration)), except for the profit, distributed as dividends according to the results of the first quarter, half-year, nine months of a financial year) and losses of the Company according to the results of a financial year;**
- (the decision is made by a simple majority (more than ½ (a half)) shareholders' votes – those who possess voting shares of the Company, participating in General meeting of shareholders)
- (20) **determination of the General meeting of shareholders procedures;**
- (the decision is made by a simple majority (more than ½ (a half)) shareholders' votes – those who possess voting shares of the Company, participating in General meeting of shareholders)
- (21) **determination quantitative structure of the Returning board, electing members of the Returning board and pre-scheduled ceasing their powers;**
- (the decision is made by a simple majority (more than ½ (a half)) shareholders' votes – those who possess voting shares of the Company, participating in General meeting of shareholders)
- (22) **consolidating and splitting shares;**
- (the decision is made only at the suggestion of the Board of the directors of the Company by a simple majority (more than ½ (a half)) shareholders' votes – those who possess voting shares of the Company, participating in General meeting of shareholders)
- (23) **approval of deals in order duly stated by law and in this Charter making which supposes some interests in case, when the subject of a deal or of several interrelated deals is a property, which costs according to the Company's accounting office (offer price of the purchased property) 2% (two percent) or more of the Company's assets book cost according to its accounting statement at the last reporting date, except for deals, stipulated in subparagraphs 27.1.24 and 27.1.25 of this Charter;**
- (24) **approval of deals in order duly stated by law and in this Charter making which supposes some interests in case, when the subject of a deal or of several interrelated deals is a floatation by means of subscription or selling shares, which are more than 2% (two percent) of equity placed shares offered by the Company before and equity shares in which convertible equity outstanding securities publicly offered before can be converted;**
- (25) **approval of deals in order duly stated by law and in this Charter making which supposes some interests in case when the subject of a deal or of several interrelated deals is a floatation by means of subscription of convertible equity securities, which can be converted in equity shares, which are more than 2% (two percent) of equity outstanding shares, publicly offered by the Company before, and equity shares, into which convertible equity outstanding securities, publicly offered before, can be converted;**
- (26) **approval of deals in order duly stated by law and in this Charter, making which supposes some interests, when, a number of disinterested directors, making a decision to approve the deal at the Board of directors of the Company, in which some are interested, in all other cases, not stipulated in subparagraphs 27.1.23–27.1.25 of this paragraph of the Charter, comes to the quorum less than stated in this Charter quorum for carrying out the Board of the directors of the Company, and the relevant issue will be negotiated at the Board of directors in order to make a decision about it at the General meeting of shareholders;**
- (27) **approval of deals in order, duly stated by law and in this Charter, making which supposes some interests, if all members of the Board of the directors of the Company, making a decision to approve the deal at the Board of directors of the Company, in which some are interested, in all other cases, not stipulated in subparagraphs 27.1.23–27.1.25. of this paragraph of the Charter, are considered as interested persons and (or) are not independent directors, and the relevant issue will be negotiated at the Board of directors in order to make a decision about it at the General meeting of shareholders;**
- (decisions about approvals of deals, making which supposes some interests, in all above stated cases (23)-(27) are made only at the suggestion of the Board of the directors of the Company by a simple majority (more than ½ (a half)) of votes if all shareholders, disinterested in the deal – those who possess voting shares of the Company)
- (28) **if the Company receives benevolent or compulsory offer to purchase shares, as well as any other equity securities, convertible into shares of the Company, the General meeting of shareholders approves deals, making which supposes some interests in order, provided by law;**
- (decisions are made by a simple majority (more than ½ (a half)) of votes if all shareholders, disinterested in the deal – those who possess voting shares of the Company)
- (29) **approval of major deals in order, duly stated by law and in this Charter in case, when the subjects of the deal is property, which costs more than 50% (fifty percent) Company's assets book cost, defined according to its accounting statement on the last reporting date;**
- (the decision is made only at the suggestion of the Board of the directors of the Company by a special majority of ¾ (three quarters) of shareholders' votes – those who possess voting shares of the Company, participating in General meeting of shareholders)

- (30) **approval of major deals in order duly stated by law and in this Charter in case, when unanimity of members of the Board of the directors of the Company concerning the approval of the major deal provided in subparagraph 32.2.19 of this Charter is not achieved, and the relevant issue is to be negotiated at the Board of directors and to be solved at the General meeting of shareholders in order stated by law;**
- (the decision is made only at the suggestion of the Board of the directors of the Company by a simple majority (more than ½ (a half)) shareholders' votes – those who possess voting shares of the Company, participating in General meeting of shareholders)
- (31) **making a decision about participating in financial and industrial groups, associations and other unions of commercial establishments;**
- (the decision is made only at the suggestion of the Board of the directors of the Company by a simple majority (more than ½ (a half)) shareholders' votes – those who possess voting shares of the Company, participating in General meeting of shareholders)
- (32) **approval of internal documents, which regulate Company's bodies activities;**
- (the decision is made only at the suggestion of the Board of the directors of the Company by a simple majority (more than ½ (a half)) shareholders' votes – those who possess voting shares of the Company, participating in General meeting of shareholders)
- (33) **transferring powers of the sole executive body of the Company under the agreement to a commercial establishment (governing establishment) or an individual entrepreneur (governor), as well as making a decision about the pre-term ceasing powers of such a governing establishment or a governor;**
- (the decision is made only at the suggestion of the Board of the directors of the Company by a simple majority (more than ½ (a half)) shareholders' votes – those who possess voting shares of the Company, participating in General meeting of shareholders)
- (34) **if the Company receives benevolent or compulsory offer to purchase shares, as well as any other equity securities, convertible into shares of the Company, approval of deal or several interrelated deals connected with purchasing, alienating or an opportunity of alienation by the Company in direct or indirect way any property which costs 10 or more percent Company's assets book cost defined according to its accounting statement on the last reporting date until such deals are made within the regular business activities of the Company or were made before the Company received benevolent or compulsory offering;**
- (the decision is made by a simple majority (more than ½ (a half)) shareholders' votes – those who possess voting shares of the Company, participating in General meeting of shareholders)
- (35) **if the Company receives benevolent or compulsory offer to purchase shares, as well as any other equity securities, convertible into shares of the Company, making a decision about increasing the bonus for persons, occupying positions in authorities of the Company, stating the conditions, at which they cease their powers, including stating or increasing bonuses, paid to these persons, in case when their powers cease;**
- (the decision is made by a simple majority (more than ½ (a half)) shareholders' votes – those who possess voting shares of the Company, participating in General meeting of shareholders)
- (36) **if the Company receives benevolent or compulsory offer to purchase shares, as well as any other equity securities, convertible into shares of the Company - purchase of these outstanding shares by the Company;**
- (the decision shall be made only by a special majority of ¾ (three quarters) of the shareholders' votes – those who possess voting shares of the Company, participating in General meeting of shareholders, at a proposition of the Board of Directors of the Company)
- (37) **Other issues provided by law and in this Charter.**
- 27.2. The Issues related to competence of the General meeting of shareholders shall not be delivered to the Board of directors of the Company to make decisions upon it as well as to the executive body of the Company.
- 27.3. The General meeting of shareholders is not entitled to consider issues not related to its competence and to make decisions upon these issues.
- 27.4. The General meeting of shareholders is not entitled to make decisions upon issues not included in the agenda of the meeting as well as to alter the agenda.

## **28. PREPARATION AND CONVENING GENERAL MEETING OF SHAREHOLDERS**

- 28.1. The Annual General meeting of shareholders is held not earlier than 2 (two) months and not later than 6 (six) months after the financial year finished.
- 28.2. Extraordinary General meeting of shareholders is held according to the decision of the Company's Board of the directors based on its own initiative, demand of the Inspection commission of the Company, Auditor of the Company as well as shareholders (shareholder) who have not less than 10% (ten percent) of voting shares of the Company in aggregate on the date of the demand. An extraordinary General meeting of shareholders is called by the Board of directors of the Company.
- 28.3. Decision of the Board of the directors of the Company on convening an extraordinary General meeting of shareholders or a reasoned decision to refuse to summon it shall be delivered to persons who require summoning not later than in 3 (three) days since the decision is made.



- 28.4. The list of persons who are entitled to take part in the General meeting of shareholders is made relying on the data of the Company's Shareholders register on a certain date set by the Board of directors of the Company in compliance with requirements of the applicable legislation and of this Charter.
- 28.5. While preparing to hold the General meeting of shareholders the Board of directors defines:
- the mode of the General meeting of shareholders (meeting or distant voting);
  - date, place, time of the General meeting of shareholders and (or) the deadline till which voting papers are accepted and post address where the filled voting papers are to be sent;
  - date and time of beginning of registration of the persons entitled to participate in a General meeting of shareholders held in the form of personal presence;
  - the date, when the list of persons who are entitled to take part in the General meeting of shareholders;
  - agenda of the General meeting of shareholders;
  - the order, according to which shareholders are notified of the General meeting of shareholders;
  - specification of data (matters), which shareholders are provided with while preparing to hold General meeting of shareholders and the order according to which they provided;
  - the form and the text of a voting paper, if they are required.
- 28.6. Annual General meeting of shareholders agenda shall include issues about electing the Board of the directors, Inspection commission and approval of the Auditor as well as issues about approval of annual reports, annual of accounting statement, Company's profits and losses distribution.
- 28.7. Board of directors of the Company is not entitled to amend wordings of issues which are suggested to be included in agenda of the General meeting of shareholders and wordings of decisions about such issues.
- 28.8. Voting at the General meeting of shareholders is held by means of voting papers. Company must send the voting papers or hand over such papers against signature to each person mentioned in the list of persons, who are entitled to take part in the General meeting of shareholders, in order, stated by the legislation of the Russian Federation.
- 28.9. Notification that the General meeting of shareholders is to be held shall be sent to shareholders along with the voting papers concerning issues of the agenda not later than 30 days before it is to be held, if the applicable legislation does not stipulate the longer term.
- 28.10. If the person, recorded in the Register of shareholder of the Company, is a nominal shareholder, then the notification about the General meeting of shareholders is sent to the address of the nominal shareholder, if there is no other post address, to which the notification about General meeting of shareholders is to be sent, indexed in the list of persons, who are entitled to take part in the General meeting of shareholders.
- 28.11. Additional requirements to procedures of preparation and calling of the General meeting of shareholders of the Company is set in the legislation of the Russian Federation and in internal documents of the Company.
- 28.12. The list and the order according to which shareholders are provided with the matters and information on agenda issues of the General meeting of shareholders are regulated by requirements of the applicable legislation of Russian Federation as well as by the Regulation on the information policy of the Company approved by the Board of directors of the Company.
- 28.13. Suggestions to include issues in the agenda of the annual General meeting of shareholders and suggestions of recommendation for authorities of the Company elected by the General meeting of shareholders are made by the shareholders of the Company who possess not less than 2 percent of voting shares of the Company not later than in **100 days** after the financial year finished.

## **29. HOLDING GENERAL MEETING OF SHAREHOLDERS**

- 29.1. The General meeting of shareholders is held as a joint face-to-face attendance of shareholders of the Company in order to discuss the issues of the agenda and to make decisions upon issues which are voted. It is the Chairman of the Board of the directors of the Company who presides at the General meeting of shareholders. Minutes are written by the Corporate Secretary of the Company who is a secretary of the General meeting of shareholders.
- 29.2. The decision of the General meeting of shareholders can be made also without holding the meeting but by means of the distant voting.
- 29.3. The General meeting of shareholders, agenda of which includes issues on electing the Board of the directors of the Company, Audit commission of the Company, approval of the Auditor of the Company, as well as issues, provided in subclause 27.1.19 of this Charter, is not allowed to be held as a distant voting.
- 29.4. In the General meeting of shareholders the following persons can participate: those, who are in the list of persons, who are entitled to take part in the General meeting of shareholders, persons, to whom the property rights in shares of the persons, stated above, were transferred as a legacy or while reorganization, or their representatives, acting based on the proxy to vote or on the law. When holding the General meeting of shareholders as a joint attendance of the persons, who are in the list of persons, who are entitled to take part in the General meeting of shareholders (their

- representatives), are justified to take part in such a meeting or to address the fulfilled voting papers to the Company.
- 29.5. Registration of persons who take part in the General meeting of shareholders held as a meeting is made by the Returning board of the Company. If the Returning board is not arranged in the Company, its functions are performed by a Corporate Secretary or any other person authorized by the Board of directors of the Company. Functions of the Returning board may be performed by a registering clerk of the Company. The Returning board checks powers of persons who are registered to take part in the General meeting of shareholders as well as examines proxies of shareholders' representatives whether they correspond to the legislation of Russian Federation.
  - 29.6. General meeting of shareholders held as a meeting is opened if by the time of its commencement there is a quorum at least on one issue included in agenda Of the General meeting. The registration of the persons who are entitled to take part in the General meeting of shareholders not having registered for participation in the General meeting of shareholders until its opening shall cease no earlier than completion of discussing the last issue of the agenda of General meeting of shareholders having the quorum.
  - 29.7. If agenda of the General meeting of shareholders includes issues which shall be voted by different membership of voters, then the quorum required to make decisions on these issues is defined individually. If there is no quorum to make decisions on the issues which shall be voted the similar membership, then it doesn't prevent making decisions on the issues which are voted by else membership of voters and the quorum is satisfied.
  - 29.8. Quorum of the General meeting of shareholders is defined dependent on the membership of those who vote on corresponding issues included in agenda of the General meeting of shareholders.
  - 29.9. All shareholders – owners of equity shares of the Company – are included in those who vote on any issues, included in agenda of the General meeting of shareholders, except for the following issues:
    - Approving deals making which supposed some interests (subparagraphs 27.1.23. – 27.1.28 of this Charter) not included in the number of voters are the shareholders of the Company who are duly considered to be interested in making such a deal by the Company;
    - electing members of the Inspection commission of the Company not included in the number of voters are the shareholders of the Company who are members of the Board of the directors and persons who occupies positions in authorities of the Company.
  - 29.10. Quorum of the General meeting of shareholders for voting the issue of reorganizing the Company in non-commercial partnership is defined as 100% (one hundred percent) of the membership voting this issue. Quorum of the General meeting of shareholders on any other issues included in agenda of the General meeting of shareholders is defined as a simple majority (more than ½ (a half)) of shareholders' votes – those who own shares of the Company voting the relevant issue.
  - 29.11. If quorum is satisfied, then the number of votes required to make a corresponding decision at the General meeting of shareholders stated in paragraph 27.1 of this Charter is defined according to the total number of shareholders' votes – those who possess voting shares of the Company and take part in the General meeting of shareholders, except for voting the issue of reorganizing the Company in non-commercial partnership and the approval of deal, making which supposed some interests (subparagraphs 27.1.23 – 27.1.28 of this Charter). In the above stated cases the number of votes required to make a corresponding decision at the General meeting of shareholders, is defined according to the total number of shareholders' votes those who possess voting shares of the Company included in the number of the relevant issue voters.
  - 29.12. If at the assigned beginning of the General meeting of shareholders quorum is not satisfied for all issues included in agenda Of the General meeting opening General meeting of shareholders may be postponed to the later time but not later than 2 (two) hours.
  - 29.13. If there is no quorum to hold the annual General meeting of shareholders, then the second General meeting of shareholders with the same agenda shall be held. If there is no quorum to hold the extraordinary General meeting of shareholders the second General meeting of shareholders with the same agenda shall be held. The second General meeting of shareholders is law competent (has quorum), if it is attended by shareholders who possess not less than 30 percent of votes of company's outstanding voting shares in aggregate.
  - 29.14. The notification about the second General meeting of shareholders is made in compliance with paragraphs 28.9 and 28.10 of this Charter. Voting papers for the second General meeting of shareholders is delivered in order stipulated in the legislation of the Russian Federation.
  - 29.15. If the second General meeting of shareholders is held less then in 40 days after the postponed General meeting of shareholders, persons who are entitled to take part in the General meeting of shareholders are defined in compliance with the list of persons who were entitled to take part in the postponed General meeting of shareholders.
  - 29.16. Voting at the General meeting of shareholders is held according to the concept «one voting share of the Company – one vote», except for holding cumulative voting in case stipulated by law and this Charter.

29.17. Additional requirements to procedures of the General meeting of shareholders of the Company are set in the legislation of the Russian Federation and in internal documents of the Company.

### **30. DOCUMENTS OF THE GENERAL MEETING OF THE COMPANY'S SHAREHOLDERS**

- 30.1. According to results of voting the Returning board executes the Minutes of results of the voting, which is signed by members of the Returning board or by a person, who performs its functions. The Minutes of results of the voting is executed not later than in 15 (fifteen) days after the General meeting of shareholders is closed or after the day when the voting papers cease to be accepted any more, if the General meeting of shareholders is held as distant voting.
- 30.2. Decisions made at the General meeting of shareholders as well as results of voting are disclosed at the General meeting of shareholders during which the voting was held or delivered not later than in 10 (ten) days after the Minutes of results of the voting is executed if the form of the Report on results of the voting to persons included in the list of persons who are entitled to take part in the General meeting of shareholders in order stipulated for notification about the General meeting of shareholders. The Report on results of the voting at the General meeting of shareholders is signed by a person presiding at the General meeting of shareholders and By the Corporate Secretary. Results of voting on election of members of the Board of the directors and the Inspection commission of the Company are to be disclosed at the General meeting of shareholders and take effect since they are disclosed.
- 30.3. The Minutes of results of the voting shall be attached to the Minutes of the General meeting of shareholders.
- 30.4. The Minutes of the General meeting of shareholders is executed not later than in 15 (fifteen) days after the General meeting of shareholders is closed in two copies. Both copies are signed by a person, presiding at the General meeting of shareholders and by the Corporate Secretary, who is a secretary of the General meeting of shareholders.
- 30.5. After the Minutes of results of the voting is executed and the Minutes of the General meeting of shareholders is signed, the voting papers are sealed up by the Returning board and handed over to records of the Company to be stored.
- 30.6. Additional requirements to the form and order of executing documents of the General meeting of shareholders of the Company are set in the legislation of the Russian Federation and in internal documents of the Company.

### **31. BOARD OF DIRECTORS OF THE COMPANY**

- 31.1. Board of directors of the company manages activities of the Company more generally, except for solving questions related by law and in this Charter to the competence of the General meeting of shareholders.
- 31.2. Only individual person is allowed to be a member of the Board of the directors of the Company. Persons elected in the Board of the directors of the Company may be reelected unlimited number of times. A member of the Board of directors of the Company may be not a shareholder of the Company. The requirements to persons elected to the Board of Directors of the Company may be stipulated in a Ruling of the Board of Directors.
- 31.3. A person who performs functions of the President of the Company is not allowed to be the Chairman of the Board of the directors of the Company simultaneously.
- 31.4. Members of the Board of the directors of the Company are elected by the General meeting of shareholders in order stipulated by law and in this Charter for the term up to the next annual General meeting of shareholders. If annual General meeting of shareholders was not held in at a stated time, powers of the Board of the directors of the Company cease to be effective, except for powers to prepare, convene and hold the annual General meeting of shareholders.
- 31.5. Number of members of the Board of the directors of the Company is defined with the decision of the General meeting of shareholders.
- 31.6. Organization and managing work of the Board of the directors are performed by the Chairman of the Board of the directors of the Company. The Chairman of the Board of the directors presides at the meetings of the Board of the directors of the Company, organizes writing minutes at the meetings and presides at the General meeting of shareholders.
- 31.7. The Chairman of the Board of the directors, as well as his deputies is elected by members of the Board of the directors out of their membership by a simple majority of votes, present at the Board of the directors of the Company. The Board of directors of the company is entitled to reelect the Chairman of the Board of the directors and his deputies by a simple majority of votes, present at the Board of the directors of the Company at any time.
- 31.8. Members of the Board of the directors shall act for the sake of the Company, exercise their rights and perform their duties in relation to the Company bona fide and reasonably.
- 31.9. The Board of directors of the company reports about its activity to the General meeting of shareholders annually.
- 31.10. Obligations of members of the Company's Board of the directors are stated in the legislation of the Russian Federation, in this Charter and in internal documents of the Company. Members of the Board of the directors are obliged to, in particular:

- (1) comply with requirements of this Charter and decisions General meeting of shareholders of the Company;
  - (2) provide the Company with data about themselves and their affiliated persons in proper time and notify about all alterations of these data in order stated by law;
  - (3) inform in proper time the Board of the directors of the Company, the Inspection commission of the Company and the Auditor of the Company about deals made the Company and (or) supposed deals in which they may be considered as interested persons as well as about legal entities in which they possess on their own or jointly with their affiliated person (persons) 20% (twenty percent) or more of voting shares (equities) and about legal entities in authorities of which they occupy any positions.
- 31.11. On the General meeting of shareholders decision, members of the Board of the directors of the Company while performing their obligations are remunerated and reimbursed concerning expenses on performing their functions as members of the Board of the directors of the Company. Amounts of such remunerations and reimbursements are settled by the General meeting of shareholders decision. On the Company's authorities decision liabilities of members of the Board of the directors may be insured if they perform their duties.

## **32. COMPETENCE OF BOARD OF DIRECTORS OF THE COMPANY**

- 32.1. In order to retain stable financial status and competitiveness of the Company, the Board of directors provides arranging effective organizational structure and a management system for the Company, develops basic strategic and tactical schemes and provides their implementation in the Company.
- 32.2. Competence of the Board of the directors of the Company includes the following issues:
- (1) **identifying the primary activities of the Company, defining development strategy of the Company, approval of annual budgets (finance plans) of the Company, examination of the major activities and directions of the development strategy of subsidiaries;**
    - (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)
  - (2) **approval of the organizational structure of the Company (in the form of a list of top executives and departments of the Company directly subordinated to the President of the Company);**
    - (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)
  - (3) **examination results of financial and economic activity of the Company and its subsidiaries; preliminary examination of annual reports and annual accounting statements of the Company;**
    - (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)
  - (4) **summoning annual and extraordinary General meetings of shareholders, except for cases, stipulated in subparagraph 23.6.2 of this Charter;**
    - (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)
  - (5) **approval of the agenda of the General meeting of shareholders;**
    - (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)
  - (6) **defining the day when the list of persons who are entitled to take part in the General meeting of shareholders is executed and other issues connected with preparation and holding of the General meeting of shareholders and meetings of the Board of the directors and related to competence of the Board of the directors of the Company by the legislation of the Russian Federation and this Charter;**
    - (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)
  - (7) **Increasing authorized capital of the Company by means of floatation of additional Company's shares by open subscription, except for cases, stipulated in subparagraphs 27.1.9 and 27.1.10 of this Charter;**
    - (the decision is to be made unanimously by all members of the Board of the directors, save for those who have ceased to be members of the Board of the directors)
  - (8) **increasing authorized capital of the Company by means of floatation of additional Company's shares by converting equity securities issued before which are convertible into such shares;**
    - (the decision is to be made unanimously by all members of the Board of the directors, save for those who have ceased to be members of the Board of the directors)
  - (9) **floatation of bonds and other equity securities (including equity securities convertible into shares of the Company) by the Company, except for cases when making a relevant decision is a matter of competence of the General meeting of shareholders of the Company;**
    - (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)

- (10) **defining in cases stipulated by law a price (monetary value) of the property which is a subject of deals made by the Company as well as offering price and purchasing price of equity securities of the Company;**
- (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors. If a person concerned with making of one or more transactions in which the value (the monetary estimation) of the property is defined by the Board of Directors (the supervisory board) of the Company, is a member of the Board of Directors (the supervisory board) of the Company, the value (the monetary estimation) of the property is defined by a resolution of the members of the Board of Directors (the supervisory board) of the Company, who are not concerned with making the deal)
- (11) **purchasing outstanding shares of the Company as well as bonds and other securities in cases and in order stipulated in the legislation of the Russian Federation, except for cases when such a purchasing is connected with reduction of the authorized capital of the Company;**
- (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)
- (12) **appointing the President of the Company; defining quantitative formula of the Board of directors, electing its members; approving provisions of the agreement with the President and members of the Board of directors of the Company; pre-term termination of powers of the President of the Company and members of the Board of directors of the Company;**
- (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)
- (13) **recommendations of the General meeting of shareholders concerning the amount of rewards paid and (or) procedure of compensating expenses for members of the Inspection commission of the Company as well as concerning assessment of the Company Auditor's service payment rate;**
- (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)
- (14) **recommendations of the General meeting of shareholders concerning amount of dividend on shares and procedure of dividends payment;**
- (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)
- (15) **use of the reserve fund and other funds of the Company as well as approval of internal documents governing an order of formation and usage of the Company's funds;**
- (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)
- (16) **approval of internal documents of the Company, except for internal documents, approval of which is of competence of the General meeting of shareholders of the Company, regulating business principles of the Company in the following fields:**
- **policy, investments, new activities;**
  - **human resource management policy and personnel motivation and remuneration system;**
  - **participation in subsidiaries, groups and unions, development and activity of affiliated companies and representative offices;**
  - **corporate management;**
  - (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors).
- (17) **approval of Corporate Code of Conduct of the Company, as well as the Risk management Regulations of the Company;**
- (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)
- (18) **development of affiliated companies and opening representative offices of the Company as well as making a decision to liquidate them; approval of Regulations on affiliated companies and representative offices as well as making a decision about amending and supplementing this Charter concerning development of affiliated companies and opening representative offices of the Company and liquidating them;**
- (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)
- (19) **approving major deals subjects of which are property which costs from 25% (twenty five percent) to 50% (fifty percent) of the Company's assets book cost defined according to its accounting statement on the last reporting date as well as approving deals connected with alienation or an opportunity of alienation of real estate property which costs more than 10% (ten percent) of the Company's assets book cost;**
- (a decision to approve real estate deals is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors;
  - a decision to approve major deals, stated in this subparagraph, is made unanimously by all members of the Board of the directors, save for those who have ceased to be members of the Board of the directors)

- (20) **approval in order stated by law of deals making which supposes some interests, except for cases when making a relevant decision is a matter of competence of the General meeting of shareholders of the Company in compliance with subparagraphs 27.1.23 – 27.1.28 of this Charter;**
- (the decision is made by a simple majority (more than  $\frac{1}{2}$  (a half)) of votes of all those members of the Board of the directors, who have no interests in the deal)
- (21) **approval of registering clerk of the Company and conditions of the agreement with him, as well as terminating the agreement with him;**
- (the decision is made by a simple majority (more than  $\frac{1}{2}$  (a half)) of votes of those who take part in the meeting of the Board of the directors)
- (22) **approval of candidature of a governing establishment (a governor) and conditions of the agreement with it, to include in the agenda of the General meeting of shareholders of the Company an issue of transferring powers of the sole executive body of the Company to such a governing establishment (a governor);**
- (the decision is made by a simple majority (more than  $\frac{1}{2}$  (a half)) of votes of those who take part in the meeting of the Board of the directors)
- (23) **temporary suspension of powers of a governing establishment (a governor) simultaneously with making a decisions on arranging the local sole executive body of the Company and on holding an extraordinary General meeting of shareholders to solve a question about pre-term termination of powers of a governing establishment (a governor) and transferring the powers of the sole executive body of the Company to a governing establishment (a governor);**
- (the decision is made by a special majority  $\frac{3}{4}$  (three quarters) of votes of all members of the Board of the directors, save for those who have ceased to be members of the Board of the directors)
- (24) **making a decision about realization of redeemed and purchased under other foundations shares of the Company, which were placed under the Company's orders in compliance with requirements of law and of this Charter;**
- (the decision is made by a simple majority (more than  $\frac{1}{2}$  (a half)) of votes of those who take part in the meeting of the Board of the directors)
- (25) **approval a decision about issuing, prospectuses, reports on the results of the issue as well as reports on the results of purchasing Company' securities by the Company;**
- (the decision is made by a simple majority (more than  $\frac{1}{2}$  (a half)) of votes of those who take part in the meeting of the Board of the directors)
- (26) **inserting issues into agenda of the General meeting of shareholders in cases stipulated by law and this Charter;**
- (decisions about including all mentioned issues in agenda of the General meeting of shareholders are made by a simple majority (more than  $\frac{1}{2}$  (a half)) of votes of those who take part in the meeting of the Board of the directors)
- (27) **making a decision about participation, changing volume of participation and ceasing participation of the Company in other establishments (except for cases when making such a decision is a matter of competence of the General meeting of shareholders of the Company in compliance with subparagraph 27.1.31 of this Charter) including those about starting subsidiaries and associated companies of the Company;**
- (the decision is made by a simple majority (more than  $\frac{1}{2}$  (a half)) of votes of those who take part in the meeting of the Board of the directors)
- (28) **examination of candidatures and approval of candidates who are to be nominated in bodies of management and monitoring subsidiaries of the Company;**
- (the decision is made by a simple majority (more than  $\frac{1}{2}$  (a half)) of votes of those who take part in the meeting of the Board of the directors)
- (29) **approval of principles for job assessment and a remuneration system as well as monitoring activities of commanding officers of the Company directly subordinated to the President of the Company;**
- (the decision is made by a simple majority (more than  $\frac{1}{2}$  (a half)) of votes of those who take part in the meeting of the Board of the directors)
- (30) **coordinating holding of more than one office in authorities of other establishments by the President and members of the Board of directors of the Company;**
- (the decision is made by a simple majority (more than  $\frac{1}{2}$  (a half)) of votes of those who take part in the meeting of the Board of the directors)
- (31) **accepting recommendations in relation to benevolent or compulsory offering received by the Company, in compliance with Chapter XI.1 of the Federal law «On joint-stock companies» which include assessment of the offer price of purchased securities and probable alteration of their market price after purchasing, assessment of plans of the person who has sent such a benevolent or compulsory offering in relation to the Company including in relation to relation of his personnel;**
- (the decision is made by a simple majority (more than  $\frac{1}{2}$  (a half)) of votes of those who take part in the meeting of the Board of the directors)

**(32)arranging order of interaction with business entities and establishments, shares and stocks of which the Company possesses;**

- (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)

**(33)appointment of the Corporate Secretary of the Company and cessation of his powers as well as approval of principles of assessment of his work and of a remuneration system;**

- (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)

**(34)coordination of candidatures for replacement of top executives of the Company directly subordinated to the President of the Company;**

- (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)

**(35)approving specimens of trademark as well as symbols and other means of visual identification of the Company;**

- (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)

**(36) arranging committees, commissions and other internal organization departments under the Board of directors of the Company, defining their powers and approving their of membership;**

- (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)

**(37)developing Company's viewpoint concerning corporate conflicts;**

- (the decision is made by a simple majority (more than ½ (a half)) of votes of those who take part in the meeting of the Board of the directors)

**(38)making decisions about other issues related to the competence of the Board of the directors by law, in this Charter and in contracts of the Company as well by foreign legislation applicable to the Company as an issuer of its securities offered outside Russian Federation.**

- 32.3. Issues related to the competence of the Board of the directors of the Company by law and in this Charter are not allowed to be brought to the executive body of the Company to be decided by it.
- 32.4. Decisions made by the Board of directors within its competence are binding for the President, the Board of the directors of the Company and for personnel of the Company.

### **33. MEETINGS OF BOARD OF DIRECTORS OF THE COMPANY**

- 33.1. Board of directors of the company arranges its activity in the form of meetings held as joint attendance of members of the Board of the directors and based on collective free negotiation of issues from agenda in order to make decisions within its competence. If it is required so, the Board of the directors of the Company may make decisions by distant voting. A decision to hold a meeting of the Board of the directors of the Company by distant voting shall be made by the Chairman of the Board of the directors.
- 33.2. Board of directors of the Company is entitled to hold meetings by means of electronic (telephone) communication. At that the Secretary of the Board of the directors provides tape recording of a meeting of the Board of the directors. Participating in a meeting of the Board of the directors held by means of electronic (telephone) communication is equal to personal attendance.
- 33.3. Meetings of the Board of the directors of the Company are held as required but not rarer than 1 (one) time per month and are summoned by the Chairman of the Board of the directors of the Company on his own initiative, on demand of a member of the Board of the directors of the Company, the Inspection commission of the Company or the Auditor of the Company as well as on demand of the executive body of the Company.
- 33.4. Not later than in 30 (thirty) days before the annual General meeting of shareholders of the Company is to be held a meeting of the Board of the directors of the Company shall be held in order to approve preliminary those annual reports, annual accounting statement, including accounts of profits and losses of the Company, Auditor's conclusion, conclusion of the Inspection commission of the Company according to the results of examination of the annual accounting statement which shall be approved at the annual General meeting of shareholders. At the said meeting of the Board of the directors the Chairman of the Board of the directors of the Company provide the Board of directors with complete current financial information as well as complete report on the current state of affairs in the Company on basic business results and plans of the Company.
- 33.5. Meetings of the Board of the directors are held at the place where the Company is situated or at any other place, defined by the Chairman of the Board of directors.
- 33.6. Members of the Board of the directors shall be notified beforehand about the meetings of the Board of the directors, which is to be held. Notification shall include agenda of the forthcoming meetings.
- 33.7. A quorum to hold meetings of the Board of the directors of the Company is ½ (a half) of elected members of the Board of the directors. If a number of members of the Board of the directors of the Company become less than the mentioned quorum, the Board of directors of the company must

make a decision to hold an extraordinary General meeting of shareholders in order to elect a new membership of the Board of the directors of the Company. In this case powers of the Board of the directors of the Company cease, except for powers to prepare, convene and hold an extraordinary General meeting of shareholders.

- 33.8. When solving questions at the meeting of the Board of the directors of the Company, each member of the Board of the directors has 1 (one) vote.
- 33.9. Until otherwise is not stipulated by law or in this Charter, a decision of the Board of the directors is considered to be made, if more than a half of members of the Board of the directors participating in the meeting of the Board of the directors of the Company voted for it. If votes pro and contra of members of the Board of the directors are equal, then the vote of the Chairman of the Board of the directors shall be conclusive at the meeting.
- 33.10. When identifying whether the quorum is and identifying the results of voting on issues of agenda of a meeting of the Board of the directors, a written opinion of an absent member of the Board of the directors is considered. A written opinion of member of the Board of the directors shall be attached to the Minutes.
- 33.11. In cases stipulated in the Federal law «On joint-stock companies», when voting on relevant issues votes of members of the Board of the directors of the Company who quitted are not considered.
- 33.12. Assignment of the vote by one member of the Board of the directors of the Company to another member of the Board of the directors of the Company or any other person is not allowed.
- 33.13. The conclusive vote of the Chairman of the Board of the directors of the Company is not allowed to be exercised by the Chairman of the Board of the directors or any other member of the Board of the directors who performs his functions if the Chairman of the Board of the directors is absent.
- 33.14. Minutes of a meeting of the Board of the directors are written by the secretary of the Board of the directors. Minutes of a meeting of the Board of the directors of the Company are executed not later than in 3 (three) days after the meeting was held. Minutes of a meeting of the Board of the directors of the Company are signed by the person presiding at the meeting. The Minutes are attached with documents, approved by the Board of directors.
- 33.15. Additional requirements to procedures of meeting of the Board of the directors of the Company are stipulated in the legislation of the Russian Federation, Regulations on the Board of the directors and in other internal documents of the Company.

#### **34. EXECUTIVE BODIES OF THE COMPANY**

- 34.1. Executive bodies of the Company shall be collective executive body – the Management Board of and the sole executive body – the President.
- 34.2. Executive bodies manages current activities of the Company and reports to the Board of directors and to the General meeting of shareholders.
- 34.3. Executive bodies of the Company competence includes deciding on all issues of current activities of the Company, except for those issues, which are a matter of competence of the General meeting of shareholders and of the Board of the directors of the Company.
- 34.4. Executive bodies of the Company are constituted by the Board of directors of the Company.
- 34.5. Rights and obligations of Executive bodies are regulated in the legislation of the Russian Federation, in this Charter and in internal standard documents of the Company.
- 34.6. Executive bodies of the Company organize activities of the Company and are responsible for results of these activities, provide execution of decisions of the General meetings of shareholders and of the Board of the directors.
- 34.7. Executive bodies of the Company are responsible for effective economic, financial, scientific and technical and social policies of the Company.
- 34.8. Holding more than one office in authorities of other establishments by the President and members of the Board of directors is allowed only by approbation of the Board of the directors of the Company.
- 34.9. Board of directors of the Company is entitled to make a decision about pre-term cessation of the President's powers, as well as cessation of the single member of the Management Board or of all members of the Management Board and about arranging new executive bodies of the Company.
- 34.10. If functions of the sole executive body are performed by a governing establishment (a governor), then such a governing establishment (a governor) is not entitled to perform similar functions in establishment competitive to the Company.

#### **35. MANAGEMENT OF THE COMPANY**

- 35.1. The Management Board within the framework of its competence stipulated in this Charter, in decisions of the General meetings of shareholders, of the Board of the directors and in internal documents of the Company approved by the General meetings of shareholders decides the following issues:
  - (1) coordinating activities of the Company concerning issues of interaction with Company's subsidiaries;
  - (2) examination of results of activities of subsidiaries as well as organizational departments of the Company, activities results;



- (3) preliminary examination of major innovation and investment projects and programs, implemented by the Company as well as its subsidiaries which are introduced to the Management Board according to the mentioned companies;
  - (4) making a decision in the Company's viewpoint concerning issues of reorganization, making major deals and deals with interest, increasing the authorized capital which are introduced to general meetings of shareholders according to subsidiaries (the list of companies and issues are defined by the Management Board);
  - (5) preparing suggestions to the Board of directors of the Company to approve the budget and financial and economic plans of the company, as well as to amend the company's budget, approved before;
  - (6) examination of deals amount of which exceeds 5% of Company's assets book cost, defined according to accounting statement of the Company on the last reporting date;
  - (7) approving and organizing implementation of investments attraction programs;
  - (8) approving internal documents introduced to the Management Board on the Company President's decision;
  - (9) taking part in labour conflicts resolution and appointing a representative on behalf of administration of the Company to settle the emerged disputes extrajudicially;
  - (10) examination of other issues of the current activities of the Company. The President of the Company has the right to submit for consideration of the Management Board any issues of the Company's current activities which are not related to the competence of the General Meeting of Shareholders of the Company or the Board of Directors of the Company.
- 35.2. The personal membership of the Management is approved by the Management Board at the suggestion of the President of the Company for 3 years. Members of the Management Board may be reelected for unlimited number of times.
  - 35.3. A contract with a member of the Management Board on behalf of the Company is signed by the Chairman of the Board of the directors of the Company or by a person authorized by the Board of directors. Terms and conditions of such a contract shall be approved by the Board of directors of the Company. Members of the Management Board of the Company who entered work contracts with the Company are bound with peculiarities of labour regulation stated in chapter 43 of the Labour Code of the Russian Federation.
  - 35.4. Board of directors is entitled to terminate powers of any member of the Management Board at any time.
  - 35.5. When powers a member of the Management Board are ceased, the member of the Management Board is obliged to present a report on his work to the Board of directors of the Company in time stated in the work contract.
  - 35.6. The Management Board does its activities by means of holding meetings and making decisions. Meetings of the Management Board are held as planned.
  - 35.7. Agenda of the regularly scheduled meeting of the Management Board is defined on the basis of Working Plan of the Management Board, suggestions of the Chairman and members of the Management Board. Meetings of the Management Board are held in the form of personal attendance only. At that when defining a quorum of meetings and sizing up voting, a written opinion of an absent member of the Management Board on the issues of agenda is considered.
  - 35.8. The Management Board is entitled to make decisions (has quorum, if a meeting of the Management Board is attended by at least a half of its members. If a number of members of the Board of directors get less than the number of stated quorum, the Management Board is obliged to make a decision to arrange a new membership of the Management Board.
  - 35.9. Decisions on issues of agenda of meetings of the Management Board are made by a simple majority of the meeting participant's votes. If votes pro and contra are equal the vote of the Chairman of the Management Board is conclusive.
  - 35.10. If a member of the Management Board disagrees with a decision made he may demand to attach his special opinion to the Minutes of a meeting of the Management Board, and he is to present this special opinion to the Secretary of the Management Board within 2 days after a meeting of the Management Board was held.
  - 35.11. Members of the Management Board act within the competence defined in this Charter, in internal documents of the Company, by decisions of the General meetings of shareholders, of the Board of the directors and/or based on proxies of the President of the Company.

## **36. PRESIDENT OF THE COMPANY**

- 36.1. President of the Company is given with all necessary powers to execute his efficient management upon the current activity of the Company and solving relevant questions not related to the competence of the General meeting of shareholders, of the Board of the directors and of the Management Board of the Company.
- 36.2. The President represents Executive bodies' viewpoint at meetings of the Board of the directors and at the General meetings of shareholders.
- 36.3. The President heads the Management Board of the Company and organizes its work.

- 36.4. The President without any proxy acts on behalf of the Company and represents its interests in relationships with any persons concerning any questions, including representing and asserting interests of the Company in state authorities and in court.
- 36.5. Within his competence the President does the following:
- (1) for the sake of and on behalf of the Company orders property and funds of the Company;
  - (2) make any deals on behalf of the Company, in Russian Federation as well as abroad, except for cases stipulated in legislation of Russian Federation and in this Charter;
  - (3) approves personnel arrangements of the Company, employs and discharges personnel of the Company in compliance with legislation of Russian Federation, approve regulations of internal labour order of the Company and set remuneration of labour systems, give incentives to employees who excelled and apply disciplinary sanctions;
  - (4) arranges accounting and tax accounting and statements, provides safety and integrity of accounting documents, accounting registers and accounting statements;
  - (5) take measures to keep commercial and confidential information related to Company, safe;
  - (6) represents interests of the Company in court, in arbitration and in intermediate court;
  - (7) grants proxies to do any actions on behalf of the Company, including those with power of substitution;
  - (8) issue orders, approve internal documents of the Company which regulate financial and economic activity of the Company, activity of internal organizational departments of the Company and other internal documents except for documents, approval of which is a matter of competence of the General meeting of shareholders of the Company or of the Board of the directors;
  - (9) at his own discretion he introduces documents, stated in paragraph 35.1.8 of this Charter, to the Management Board of the Company.
  - (10) exercises his other powers, required for the current efficient management of the Company's activity.
- 36.6. Within powers vested to him the President issues orders and gives oral instructions subject to compulsory implementation by every member of the Company's personnel.
- 36.7. The President is appointed by the Board of directors of the Company for 3 (three) years and may be reelected for unlimited number of times.
- 36.8. Work contract with the President on behalf of the Company is signed by the Chairman of the Board of the directors of the Company or by a person authorized by the Board of directors. Terms and conditions of such a contract shall be approved by the Board of directors of the Company
- 36.9. The President of the Company performing functions he is given is governed with the legislation of Russian Federation, provisions of this Charter and internal documents of the Company.

## **PART VI. CONTROL OF FINANCIAL AND ECONOMIC ACTIVITIES OF THE COMPANY**

### **37. AUDITOR OF THE COMPANY**

- 37.1. To examine and approve the annual financial statements of the Company the General meeting of shareholders appoints and approves the Auditor of the Company annually.
- 37.2. Procedures of arrangement and holding of these examinations of financial and economic activity of the Company by the Auditor is defined with conditions of the contract concluded with him.

### **38. 37. INSPECTION COMMISSION OF THE COMPANY**

- 38.1. Monitoring financial and economic activities of the Company (internal audit) is carried out by the Inspection Commission of the Company (hereinafter also referred to as "the Commission") constituted of 3 (three) persons.
- 38.2. Activity of the Inspection commission is regulated by the legislation of Russian Federation, by this Charter and by Regulations on the Inspection commission of the Company approved in compliance with it.
- 38.3. The Inspection commission is elected by the General meeting of shareholders from shareholders or candidates nominated by shareholders who are not members of the Board of the directors and do not occupy any positions executive bodies of the Company as well as do not perform functions of the Accountant general of the Company for the term up to the next annual General meeting of shareholders. Members of the Inspection commission may be reelected for the next term. If there are some foundations, powers of all and any of members of the Commission may be terminated beforehand according to the decision of the General meeting of shareholders by a simple majority of votes.
- 38.4. The Commission activities are managed by the Chairman who is elected at the first meeting of the Commission.
- 38.5. The Inspection Commission does examinations on its own initiative, by order of the General meeting of shareholders, of the Board of the directors or on demand of shareholders who possess not less than 10% (ten percents) of voting shares of the Company in aggregate. Planned auditing is

- carried out not rarer than one time per year. During the auditing members of the Inspection commission are entitled to demand officials of the Company to provide them with all required documents and personal explanation. The Inspection commission represents auditing results to the General meeting of shareholders and to the Board of directors of the Company.
- 38.6. Annual report of the Company and annual accounting statement are represented to the General meeting of shareholders with conclusion of the Inspection commission only.
- 38.7. Results of documental auditing and examinations carried out by the Inspection Commission are executed as certificates signed by the Chairman and by members of the Inspection commission who carried out the auditing and are discussed during meetings of the Commission. Certificates of audit and examinations as well as conclusions of the Inspection commission on annual reports and annual accounting statement of the Company are presented to the Board of directors.
- 38.8. If it is required so, the Inspection commission is entitled to involve experts and independent auditor companies on a contractual basis. Additional costs in this case are to be approved by the Board of directors. Commission's estimate of expenditure shall be coordinated with the Board of directors. The Inspection commission is entitled to involve personnel of the Company, however, not interrupting conventional industrial process of the Company.
- 38.9. Members of the Inspection commission may be remunerated for performing their functions. The amount of such remuneration is stipulated by the decision of the General meeting of shareholders upon the recommendation of the Board of directors. Technical provision of the Inspection commission activities is entrusted to the President of the Company.
- 38.10. Inspection commission's competence includes the following:
- (1) carrying out documental auditing of financial and economic activity of the Company (total or selective), its trade, settling, foreign currency and other transactions;
  - (2) auditing the estimated expenditures, standards and limits performance;
  - (3) auditing timeliness and correctness of payments to suppliers of goods and services, payments in budgets, accruing and paying dividends, repayment of other obligations;
  - (4) auditing observance of regulatory legal acts as well as decisions of the General meeting of shareholders and of the Board of the directors, by the Company and by its authorities;
  - (5) auditing authenticity of records management, accounting and statistical recording and other accounts in the Company;
  - (6) auditing cash position and property of the Company;
  - (7) auditing observance of rules of office work and keeping financial documentation;
  - (8) auditing performance of recommendations according to the results of previous auditing and examinations.
- 38.11. Members of the Inspection commission are entitled to take part in meetings of the Board of the directors with a right of consultative vote.
- 38.12. Members of the Inspection commission are responsible for careless performance of obligations they were entrusted with in order, stipulated in the legislation of Russian Federation and in this Charter.
- 38.13. Members of the Inspection commission are charged with financial liability before the Company for any damage resulted from their disclosure of data being a trade secret of the Company.
- 38.14. Additional requirements, concerning procedures of work, as well as rights and obligations of the Inspection commission are stipulated in the Regulations on the Inspection commission of the Company.

