

APPROVED
by General Meeting of Shareholders
of open joint-stock company "KALINA"
Minutes No. 3
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Chairman of General Meeting of Shareholders
Mr. Alexander Y. Petrov

BY-LAW ON GENERAL DIRECTOR

of open joint-stock company
Concern "KALINA "

Ekaterinburg
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Article 1. General Provisions

- 1.1. The present By-Law on the General Director of the open joint-stock company Concern "KALINA" (hereinafter referred to as the By-Law) has been designed in compliance with the law of the Russian Federation, Charter of the Open Joint-Stock company Concern "KALINA" (hereinafter referred to as the Company) and Company Corporate Governance Code.
- 1.2. This By-Law defines a status and authorities of the General Director, the procedure of his appointment and termination of his powers before the appointed time as well as the order of his interaction with other bodies of the Company management.

Article 2. Status and Competence of General Director

- 2.1. The General Director is the sole executive body of the Company.
- 2.2. The General Director cannot at the same time perform functions of the Chairman of the Company Board of Directors.
- 2.3. A person who performs functions of the General Director is allowed to hold offices in managerial bodies of other organizations only with the consent of the Company Board of Directors.
- 2.4. The General Director acts on the basis of an agreement signed between the General Director and the Company. This agreement should be signed by the Chairman of the Board of Directors on behalf of the Company. The agreement with the General Director fixes his rights and obligations, terms of performing his functions concerning issues which fall within his competence in compliance with the Company Charter and this By-Law as well as responsibility of the General Director.
- 2.5. In his activity the General Director should adhere to legal documents of the Russian Federation, Company Charter, this By-Law and Company internal document.
- 2.6. The General Director manages the every-day activity of the Company, including:
 - 2.6.1. manages the day-to-day activity of the Company;
 - 2.6.2. acts without the power of attorney on behalf of the Company, represents the Company in all institutions, enterprises and organizations in the Russian Federation and abroad;
 - 2.6.3. signs deals on behalf of the Company and performs other legal actions;
 - 2.6.4. issues powers of attorney, opens the Company settlement and other accounts with banks;
 - 2.6.5. approves a list of members of staff, gives employment to and terminates employees of the Company;
 - 2.6.6. issues orders and instructions compulsory for execution by all Company employees;

- 2.6.7. prepares information, materials and proposals on issues put to the Board of Directors and General Meeting of Shareholders for discussion, secures the fulfillment of resolutions passed.

Article 3. Obligations of General Director

- 3.1. The General Director shall act reasonably and in good faith in the interests of the Company and all its shareholders.
- 3.2. The General Director undertakes to refrain from doing actions which may or might result in raising a conflict between his interests and interests of the Company. If such a conflict arises, the General Director undertakes to disclose the information concerning the conflict to the Board of Directors.
- 3.3. The General Director must adhere to the following rules and requirements concerning the conflict of interests:
 - 3.3.1. to inform in writing without delay the Chairman of the Board of Directors about any personal commercial or other interest (direct or indirect) in deals, agreements, projects related to the Company, including deals with securities of a company or its subsidiaries (dependent companies), disclose the information about deals made with such securities in the order specified by the Company internal documents.;
 - 3.3.2. while carrying out the official undertakings not to accept from individuals or legal entities gifts, services or some other benefits which are considered or might be considered as compensation for decisions or actions approved or made by the General Director due to his official capacity except for the generally accepted symbolic signs of regard or souvenirs.
 - 3.3.3. not to disclose the confidential, insider and other information which became known to him due to fulfillment of duties of the General Director to persons which do not have an access to such information as well as not to use such information in his interests or in the interests of the third parties both within the period of fulfillment of duties of the General Director and within 10 years after termination of work in the Company.
 - 3.3.4. to observe all rules and procedures stipulated by the Company internal documents related to the security and safety of the Company confidential information.
- 3.4. At least once a year the General Director should submit a report on his operation to the General Meeting of Shareholders.

Article 4. Terms of Office of General Director

- 4.1. The General Director shall be appointed by the Board of Directors for 5 (five) years.
- 4.2. A person is considered elected as the General Director if he received all the votes of the members of the board without taking in account the leaving members.
- 4.3. The elected General Director shall assume his powers and the existing General Director shall abdicate his responsibilities from the date of signing the Minutes of the meeting of the Board of Directors.
- 4.4. One and the same person may be elected as the General Director many a time.

- 4.5. In case of temporary absence of the General Director of the Company (disability, vacation, business trip) his duties are fulfilled by Director of the Company by order of the General Director.

Article 5. Responsibility of General Director

- 5.1. The General Director shall be personally liable for the damage done to the Company in the order, size and on the terms stipulated by the acting law and labor contract signed with him.
- 5.2. While fixing grounds and size of liability of the General Director the normal conditions of the business turnover and other circumstances relevant for the business shall be taken into consideration.
- 5.3. The Company insures responsibility of the General Director.