

DRAFT

APPROVED BY

Decision of the Annual General
Meeting of Shareholders of OJSC LSR Group

Minutes No. 1/2015

dated 7 April 2015

CHARTER
Public Joint Stock Company
LSR Group
(Revised version)

Saint Petersburg
2015

1. GENERAL PROVISIONS

1.1. Public Joint Stock Company LSR Group (hereinafter the “Company”), is a legal entity, acting in accordance with this Charter (hereinafter the “Charter”), legislation of the Russian Federation, established by way of reorganisation in a form of transformation from Limited Liability Company LSR Group, main state registration number (OGRN)1047844006946 and registered with the Inter-District Inspectorate No. 15 of the Federal Tax Service for Saint Petersburg on August 14, 2006, under main state registration number (OGRN) 5067847227300.

1.2. The Company is established for an indefinite term.

2. NAME AND REGISTERED OFFICE OF THE COMPANY

2.1. Name of the Company:

2.1.1. Full company name in the Russian language: Публичное акционерное общество «Группа ЛСР».

2.1.2. Abbreviated company name in the Russian language: ПАО «Группа ЛСР».

2.1.3. Full company name in the English language: Public Joint Stock Company LSR Group.

2.1.4. Abbreviated company name in the English language: PJSC LSR Group.

2.2. Registered office of the Company: Saint-Petersburg, the Russian Federation.

Address of sole executive body: Room 15N, 36 B Kazanskaya Street, St. Petersburg, 190031, the Russian Federation.

3. PURPOSE AND OBJECTIVES OF THE COMPANY’S ACTIVITIES

3.1. The purpose of the Company is to generate profit.

3.2. The Company has civil rights and owes civil obligations necessary to engage in any activity not prohibited by federal laws.

3.3. Certain activities, as set forth in the existing legislation, may be carried out by the Company only upon receipt of a special permission (license), joining self-regulated organization or receipt of competency certificate issued by self-regulated organization. The Company’s right to carry out any activity subject to special licensing, membership in self-regulated organization or receiving competency certificate from self-regulated organization shall arise from obtaining such permission (license) or as specified in the license, or from joining self-regulated organization or issuance of competency certificate to the Company, and cease upon expiry of the permission (licensing period), membership in self-regulated organization or issued competency certificate.

3.4. The Company shall carry out the following core business:

- Investments in securities
- Preparation of equity real estate for sale
- Purchase and sale of equity real estate
- Business and management consulting
- Scientific research and development
- Legal, accounting, and audit activities, business and corporate management consulting
- Provision granting under obligations of subsidiaries and affiliated companies
- Activity on financial intermediary.

3.5. The Company carries out transnational operations independently, according to current laws and regulations, international norms and treaties.

3.6. The Company may perform any other activity subject to the current legislation.

4. LEGAL STATUS OF THE COMPANY

4.1. The Company is a legal entity formed in accordance with the legislation of the Russian Federation. The Company owns an independent property accounted for in its balance sheet.

The Company may exercise and acquire property and individual rights, undertake liability, act as plaintiff or defendant in courts.

4.2. The Company according to prescribed procedures may open bank accounts in the Russian Federation and abroad according to current legislation.

4.3. The Company shall have a round stamp with its full name in Russian language and place of location. The stamp may also carry the Company's name in English.

4.4. The Company may have other stamps and letter heads, an emblem as well as a trade mark or other signs of visual identification registered pursuant to the current legislation.

4.5. The Company may establish affiliates on the territory of the Russian Federation as per legislation of the Russian Federation and out of the borders of the Russian Federation in accordance with a foreign state legislation unless otherwise provided by international contract of the Russian Federation.

4.6. The Company may on voluntary basis participate in unions, associations, be a member of other non-commercial organizations in the Russian Federation and abroad.

4.7. Independent organization with the corresponding license obtained as per legislation shall keep register of the Company's shareholders and perform functions of the Counting Commission at General Meetings of Shareholders.

5. LIABILITY OF THE COMPANY

5.1. The Company is liable for all its undertakings over all and every of its property.

5.2. The Company is not liable for undertakings of its shareholders, excluding cases provided in the Russian Federation Civil Code (hereinafter – the RF CC) and other laws.

5.3. The state and its administrative authorities are not liable for the Company's obligations, and the Company is not liable for obligations of the government and the administrative authorities.

6. BRANCHES AND REPRESENTATIVE OFFICES

6.1. The Company may establish branches and representative offices in the Russian Federation observing requirements of legislation of the Russian Federation and abroad observing requirements of legislation of a foreign state where branch or representative office is located unless otherwise provided by international contract of the Russian Federation.

6.2. Branches and representative offices shall perform their activity on behalf of the Company; the Company is liable for undertakings of its branches and representative offices.

6.3. Branches and representative offices are not legal entities; they operate based on assets provided by the Company and must act in compliance with any internal regulations issued by the Company.

The assets of branches and representative offices shall be accounted for on their separate balance and simultaneously on the balance of the Company.

6.4. Branch managers and heads of representative offices shall be appointed by the Executive Committee of the Company and shall act pursuant to a power of attorney issued by the Company.

6.5. The Company is obliged to introduce information regarding its branches and representative offices with indication of addresses to the Uniform State Register of Legal Entities.

6.6. The Company has the following branches and representative offices:

6.6.1. Representative office at the following address: 16 Tverskoy Boulevard, Moscow, 125009, Russia.

7. CHARTER CAPITAL

7.1. The charter capital of the Company is 25,757,553 (Twenty five million seven hundred and fifty-seven thousand five hundred and fifty-three) roubles. It consists of nominal value of the Company's shares acquired by the shareholders, including:

- 103,030,215 (One hundred and three million thirty thousand two hundred and fifteen) ordinary registered shares with a nominal value of 0.25 roubles (Twenty-five kopecks) each.

7.2. The quantity of authorized shares, which the Company may additionally place in the market is 32,118,721 (Thirty-two million one hundred and eighteen thousand seven hundred and twenty-one) ordinary registered shares with a nominal value of 0.25 roubles (Twenty-five kopecks) each.

7.3. Upon their placement, authorized shares shall entitle their holders:

- to take part in the management of the Company, including participation in the General Meetings of Shareholders in person or by proxy with the right to vote on any issues within its competence;
- to share the profit;
- to receive dividends or, in case of liquidation of the Company, to obtain a part of the Company's property or its value;
- to obtain information about Company's activity subject to regulatory procedures;
- to perform transactions with respect to the Company's securities at shareholder's convenience and in compliance with the laws of the Russian Federation;
- to have the other rights provided for in the Charter and applicable legislation.

7.4. The charter capital may be increased by increase of the nominal value of its shares or by additional placement of shares.

7.5. Decision on increase of the Company's Charter capital by increase of the nominal value of the shares shall be adopted by the General Meeting of Shareholders.

7.6. Decision on increase of the charter capital by way of additional placement shall be adopted by the Board of Directors of the Company (hereinafter the "Board of Directors"), save for circumstances when, according to the federal laws, such decision should be adopted by the General Meeting of Shareholders only.

Decision of the Board of Directors to increase the charter capital by way of additional placement shall be unanimous of all the members of the Board of Directors.

If the Board of Directors is unable to approve unanimously the increase of the charter capital by way of placement of additional shares, the matter shall be referred to the General Meeting of Shareholders as the Board of Directors may decide.

7.7. The charter capital shall be increased taking subject to observation of the federal law restrictions.

7.8. The charter capital may be decreased by decrease of the nominal value of shares or the total quantity thereof, which includes a possibility of partial purchase of the shares.

7.9. The charter capital may be decreased via partial purchase of the shares for the purposes of redemption based on the approval of the General Meeting of Shareholders.

7.10. The charter capital may be also decreased given the approval of the General Meeting of Shareholders to decrease the charter capital through redemption of shares obtained by the Company in the following circumstances:

- in case shares purchased by the Company pursuant to the shareholder's request were not sold

within a year from the date of the purchase (with the exception of share purchases resulting from the Company's reorganization);

- in case shares purchased by the Company, as provided for in Article 72(2) of the Federal Law On Joint-Stock Companies, were not sold within one year following the date of purchase.

7.11. If upon expiry of the second and each subsequent fiscal year the net value of the Company's assets is less than the value of its charter capital, the Board of Directors for preparing for the annual General Meeting of Shareholders shall include a section on the status of the net assets of the Company in its annual report.

If the value of the net assets of the Company remains less than its charter capital upon expiry of the fiscal year following the second fiscal year, or each subsequent fiscal year upon expiry of which the value of net assets is less than its charter capital, the Company shall, within no more than six months after expiry of the corresponding fiscal year, take one of the decisions as follows:

1) on reduction in the charter capital of the Company down to the value that does not exceed the net value of its assets;

2) on liquidation of the Company.

In this case, reduction in the charter capital shall be carried out by decreasing the nominal value of shares.

7.12. Within 3 business days following the date of decision on reduction in the charter capital the Company shall notify of such decision the legal entities state registration body, and publish notice of reduction in the charter capital twice with an interval of one month in the mass media publishing data on state registration of legal entities.

7.13. The charter capital shall be reduced by partial redemption of shares based on the decision of the General Meeting of Shareholders with respect to the reorganization of the Company in following circumstances:

- as provided in paragraph 6 of Article 76 of the Federal Law On Joint-Stock Companies;

- if the Company undergoes a spin-off reorganisation through redemption of converted shares.

7.14. When reducing the charter capital the Company shall observe the restrictions established in federal legislation.

7.15. The value of the Company's net assets is estimated by accounting means in accordance with procedures prescribed in the laws of the Russian Federation.

7.16. If upon expiry of the second fiscal year, or each subsequent fiscal year the value of the net assets of the Company is less than the minimum amount of charter capital provided for in the RF Law On Joint-Stock Companies, the Company shall, within no more than six months after expiry of the fiscal year, declare its liquidation.

7.17. If within the time-frame set forth in Paras. 7.11 and 7.16 hereof the Company fails to fulfil the obligations provided for in the above paragraphs, the Company's creditors shall be entitled to demand that the Company should fulfil the corresponding obligations ahead of time, or is such early fulfilment is impossible – that the Company terminates its obligations and compensates for the losses incurred, and the authority responsible for state registration of legal entities, or any other government body or self-government authority authorized to file claims under the federal laws, may commence legal action in order to terminate the Company's activity.

8. SHARES

8.1. The Company may issue ordinary shares and one or several types of preferred shares. The Company shall have no right to place preferred shares with nominal cost lower than nominal cost of ordinary shares.

8.2. All Company shares shall be designated and issued in a non-documentary form.

8.3. Shareholders shall not be liable for the Company's undertakings and shall assume the loss risks pertinent to the Company's activity in the amount of owned share value.

8.4. Shareholders of the issued shares with incomplete payment are jointly and severally liable for the Company does undertakings in the amount equal to the non-paid part of the share value in their possession.

8.5. A shareholder shall:

- Follow the terms and conditions laid in the Charter;
- Cover the shares upon their issuing within the time limit, order and procedures stipulated in the legislation, the Charter and the share issue agreement;
- Fulfil other obligations prescribed by laws, the Charter and the decisions of the General meeting of shareholders adopted within its competence.

8.6. The rights of the shareholders – holders of ordinary shares shall be as follows:

- Participation in the Company's management, including personal or proxy participation in the General Meeting of Shareholders with a right to vote on any issue falling within the competence of the meeting;
- Distribution of profit;
- Obtaining dividends, or should the case be, the Company's property, its part or corresponding value in case of liquidation;
- Obtaining information about Company's activity as provided in current legislation;
- Carry out transactions with respect to the Company's securities at his/her own discretion and in compliance with the laws and regulations of the Russian Federation;
- Other rights provided for in the Charter and current legislation.

8.7. Each Company's ordinary share has equal nominal value; it grants its holder (shareholder) equal rights.

8.8. A voting share is a share which grants its holder a right to vote on any issue falling within the competence of the General Meeting of Shareholders or on certain issues stipulated in the federal laws.

With the exception of shares in the Company's possession, any ordinary share is a voting share and covers all issues of the General Meeting of Shareholders.

9. PLACEMENT OF SHARES AND OTHER SECURITIES

9.1. The Company may place additional shares and other securities through their subscription and converting. The increase of the charter capital based on the Company's assets shall be carried out through placement of additional shares and placement thereof among its shareholders.

9.2. In case of additional placement of shares or securities convertible to subscription shares the Company may perform public and private subscription.

10. ACQUISITION OF ISSUED SHARES

10.1. The Company may purchase its own shares if there is decision of the General Meeting of Shareholders to reduce the charter capital through purchase of part of the issued shares for the purposes of decreasing the total number of shares.

10.2. The shares purchased by the Company based on the decision of the General Meeting of Shareholders to reduce the charter capital by purchase of part of the issued shares with the aim to decrease their total number shall be redeemed at the moment of acquisition.

10.3. The Company may purchase its own shares based on the decision of the Board of Directors in cases provided for in Article 72(2) of the Federal Law On Joint-Stock Companies.

10.4. Shares purchased by the Company according to Article 72(2) of the Federal Law on Joint Stock Companies do not entitle to the voting right, they shall not be considered when counting votes, shall not accumulate dividends. These shares must be sold at their market price not later than within one year from the date of their purchase. Otherwise the General Meeting of Shareholders shall adopt a resolution to reduce the charter capital through redemption.

10.5. The shares issued and purchased by the Company shall be paid for in monetary form, securities or property, property or other material rights subject to possibility of their pecuniary valuation.

10.6. Decision on acquisition of the Company's issued shares by the Company shall comply with restrictions stipulated in federal legislation.

11. DIVIDENDS

11.1. Dividend is a part of the Company's net profit distributed among the shareholders in proportion to the number, category and type of the shares.

11.2. The Company has a right to decide (declare) to distribute dividends on issued shares basing on the results of first quarter, six months, nine months of the fiscal year and (or) the results of the fiscal year unless the Federal Law on Joint Stock Companies dictates otherwise. The decision on dividend distribution (declaring the dividends) according to the balance of the first quarter, six months, nine months of the fiscal year may be adopted within three months subsequent to the expiration of the relevant period. The decision on distribution, amount, or form of the dividend for each category (type) of shares shall be made by the General Meeting of Shareholders pertaining to the approval of the profit allocation. The dividend amount shall not exceed the limitation recommended by the Board of Directors.

11.3. Dividends shall be paid in cash.

12. GOVERNING BODIES

12.1. The governing bodies of the Company shall be:

- General Meeting of Shareholders;
- Board of Directors;
- Collective Executive Body – Executive Committee;
- Sole Executive Body – Chief Executive Officer.

Should the circumstances require it, all governing functions shall be transferred over to the commission in charge of the liquidation process.

12.2. The Audit Committee shall be authorized to control financial activity and management of the Company.

12.3. The Board of Directors and the Audit Committee shall be elected by the General Meeting of Shareholders.

12.4. The Executive Committee and the sole executive body shall be elected by the Board of Directors.

12.5. The Liquidation commission shall be elected by the General Meeting of Shareholders if liquidation is voluntary; in case of compulsory liquidation the Liquidation commission shall be appointed by State Commercial (Arbitrazh) court.

13. GENERAL MEETING OF SHAREHOLDERS

13.1. The Company's supreme governing body shall be the General Meeting of Shareholders.

The General Meeting of Shareholders can be held as follows:

- meeting;
- absentee voting.

The Company shall call for the annual General Meeting of Shareholders not earlier than 2 months before and not later than 6 months after the end of the fiscal year.

13.2. The competence of the General Meeting of Shareholders shall include:

- 1) Approval of amendments and supplements to the Company's Charter or approval of a revised version of the Charter of the Company (excluding circumstances stipulated in Article 12(2-6) of the Federal Law On Joint-Stock Companies).
- 2) Reorganization of the Company;
- 3) Liquidation of the Company, appointment of the liquidation commission and approval of the interim and final liquidation balance sheets;
- 4) Approval of the number of members on the Board of Directors, election of the members of the Board of Directors and early termination of their authority;
- 5) Resolution on transfer of authority of the Company's sole executive body to a commercial organization (a managing company) or an individual entrepreneur (a manager) under appropriate agreement;
- 6) Adoption of decision on early termination of authority of the managing company or manager;
- 7) Election of members of the Audit Committee and early termination of their authority;
- 8) Approval of the Company's auditor;
- 9) Approval of quantity, nominal value, category (type) of authorized shares and rights granted by those shares;
- 10) Increase of the charter capital through increase of nominal value of shares;
- 11) Increase of the charter capital through share issue via private subscription;
- 12) Issue of the Company's securities convertible into shares by private subscription;
- 13) Increase of the charter capital by public subscription through issue of shares in the amount exceeding 25 per cent of ordinary shares issued earlier;
- 14) Issue of bonds and other securities convertible into ordinary shares exceeding 25 per cent of ordinary shares issued earlier, by public subscription;
- 15) Increase of the charter capital by public subscription for ordinary shares in amount of 25 per cent and less than ordinary shares issued earlier, given that the Board of Directors fails to reach unanimous vote in this regard;
- 16) Increase of the charter capital by issuing of additional shares within the quantity and category (type) of authorized shares based on the Company's assets, when additional shares are to be distributed among shareholders, if the Board of Directors fails to reach unanimous vote for this issue;
- 17) Increase of the charter capital by issue of additional preferred shares within the range of the number of authorized shares of this category (type) by public subscription, when additional shares are to be distributed among shareholders, if the Board of Directors fails to reach unanimous vote for this issue;
- 18) Reduction of the charter capital by reduction of the nominal value of shares through partial share purchase by the Company done with an objective to reduce their total number and by redemption of the acquired and purchased shares (shares in possession of the Company);
- 19) Distribution (declaration) of dividend based on the interim balance for the first quarter, six months, nine months of the fiscal year;
- 20) Approval of annual reports, annual account (financial) reports of the Company, and allocation of profits (including distribution (declaration) of dividend), excluding profits distributed as dividend basing on the interim balance sheet for the first quarter, six months, nine months of the fiscal year and Company's losses during the fiscal year;
- 21) Approval of procedure for holding of General Meeting of Shareholders;
- 22) Split of shares and consolidation;
- 23) Approval of transactions stipulated in Article 83 of the Federal Law On Joint-Stock

Companies;

24) Approval of extraordinary transactions stipulated in Article 79(2) of the Federal Law On Joint-Stock Companies;

25) Approval of extraordinary transactions stipulated in Article 79(3) of the Federal Law On Joint-Stock Companies;

26) Approval of participation of the Company in financial and industrial groups, associations and other unions of commercial organizations;

27) Approval of internal by-laws governing Company's bodies;

28) Approval of expenses of members of the Audit Committee pertaining to performance of their duties for the period of duty performance, approval of the amount of said remuneration and/or compensation;

29) Approval of remuneration and/or compensation of expenses of members of the Board of Directors related to the execution of their duties as members of the Board of Directors for the period of duty performance, approval of amount of remuneration and compensation;

30) Approval of compensation out of the Company's budget of expenses incurred due to the preparation and holding of an extraordinary meeting of shareholders to persons and bodies initiators of a given meeting;

31) Approval of the additional list of documentation that is mandatory for storage in the Company;

32) Adoption of decision concerning announcement of delisting of shares of the Company and (or) securities of the Company convertible into its shares;

(33) Adoption of decision concerning announcement of releasing the Company from the obligation to perform disclosure or presentation of information provided by the legislation of the Russian Federation concerning securities;

34) Resolution of other issues as prescribed by the Federal law On Joint Stock Companies.

13.3. The General Meeting of Shareholders shall not discuss or solve issues beyond its competence stipulated by laws.

13.4. The General Meeting of Shareholders shall not make decisions on issues which were not included into respective agenda and shall not amend the agenda.

13.5. Individuals, approved by the Board of Directors may serve as Chairman and Secretary of the General Meeting of Shareholders.

Mandatory attendance of the General Meeting of Shareholders shall be required for the Chief Executive Officer, members of the Check-up Commission, and the Auditor of the Company.

13.6. The decision of the General Meeting of Shareholders on an issue proposed for voting shall be validated by majority of the shareholders (holders of the Company's voting shares) present at the meeting given the observance of the Federal Law On Joint-Stock Companies.

13.7. General Meeting of Shareholders shall make decisions on the following issues only in cases whereas such were proposed by the Board of Directors:

1) Reorganization of the Company;

2) Increase of the charter capital through increase of nominal value of shares;

3) Increase of the charter capital through share issue by private subscription;

4) Increase of the charter capital through public subscription by issue of shares in amount which exceeds 25 per cent of ordinary shares issued earlier;

5) Increase of the charter capital by public subscription by issue of ordinary shares in amount of 25 per cent and less than ordinary shares issued earlier, if the Board of Directors fails to reach unanimous vote on this issue;

6) Increase of the charter capital by issue of additional shares within the range of the number and category (type) of authorized shares at the expense of the Company's assets, when additional shares are to be distributed among shareholders, if the Board of Directors fails to reach unanimous vote on this issue;

7) Increase of the charter capital by issue of additional preferred shares within the range of

quantity of authorized shares of this category (type) by public subscription, when additional shares are to be distributed among shareholders, if the Board of Directors fails to reach unanimous vote on this issue;

- 8) Reduction of the charter capital by reduction of the nominal value of shares by purchase of a part of shares by the Company done with an objective to reduce their total number and by redemption of the acquired and purchased shares (shares in possession of the Company);
- 9) Split of shares and consolidation;
- 10) Approval of transactions stipulated in Article 83 of the Federal Law On Joint-Stock Companies;
- 11) Approval of extraordinary transactions stipulated in Article 79 of the Federal Law On Joint-Stock Companies;
- 12) Approval of participation in financial and industrial groups, associations and other unions of commercial organizations;
- 13) Resolution on transfer of authority of the Company's sole executive body to corporate (managing company) or individual contractor (manager) under appropriate agreement;
- 14) Approval of internal by-laws governing activity of Company's bodies;
- 15) Approval of reimbursement of the members of the Audit Committee and (or) compensation of expenses incurred during execution of their duties.

13.8. The General Meeting of Shareholders adopts decisions on the issues mentioned below by majority, three fourth of votes of the shareholders – holders of the voting shares – participating in the General Meeting of Shareholders:

- 1) Approval of amendments and supplements to the Company's Charter or a new revision of the Company's Charter (excluding circumstances stipulated in Article 12(2-6) of the Federal Law On Joint-Stock Companies);
- 2) Reorganization of the Company;
- 3) Liquidation of the Company, appointment of the Liquidation commission and approval of the interim and final liquidation statements;
- 4) Approval of number, nominal value, category (type) of authorized shares and rights granted by those shares;
- 5) Increase of the charter capital by share issue by private subscription;
- 6) Issuing of Company's securities convertible into shares by private subscription;
- 7) Increase of the charter capital by public subscription by issue of ordinary shares in the amount exceeding 25 per cent of ordinary shares issued earlier;
- 8) Issue of securities convertible into ordinary shares, in amount exceeding 25 per cent of ordinary shares issued earlier, by public subscription;
- 9) Approval of extraordinary transactions stipulated in Article 79(3) of the Federal Law On Joint-Stock Companies.
- 10) Adoption of decision concerning announcement of delisting of shares of the Company and (or) securities of the Company convertible into its shares;
- 11) Adoption of decision concerning announcement of releasing the Company from the obligation to perform disclosure or presentation of information provided by the legislation of the Russian Federation concerning securities;
- 12) Resolution of other issues as prescribed by the Federal law On Joint Stock Companies.

13.9. The counting of votes at the General Meeting of Shareholders on issues proposed for voting, whereas shareholders/holders of the Company's ordinary and preferred shares have a right to vote on this issue, is performed by consideration of all voting shares in total.

Counting of votes on amendments and supplements to the Company's Charter which restrict rights of shareholders/holders of preferred shares of certain type, is performed separately for preferred shares of that certain type and other voting shares. Decision on those amendments and supplements shall be considered approved if not less than three quarters of votes shareholders/holders participating in the General Meeting of Shareholders, excluding votes of the shareholders/holders of preferred shares – subject to restriction of their rights, plus three quarters of all shareholders/holders of preferred shares of the type subjected to restriction of their rights, vote for given amendments and supplements.

13.10. Decisions approved by the General Meeting of Shareholders and vote results shall be reported to persons included in the list of persons having the right to participate in the General Meeting of Shareholders in the order prescribed by the Federal Law On Joint Stock Companies.

Minutes of General Meeting are placed on the Internet site www.lsrgroup.ru of the Company not later than three days from the minutes drawing up date.

13.11. The notice of General Meeting of Shareholders shall be served in advance, not later than in 30 days, including notification of General Meeting of Shareholders when agenda includes reorganization of the Company. In the cases stipulated in Article 53(2 and 8) of the Federal Law On Joint-Stock Companies, notice of extraordinary General Meeting of Shareholders shall be given not later than within 70 days before the meeting date.

Within the time period mentioned above, the notice of General Meeting of Shareholders shall be placed on the Company's website, www.lsrgroup.ru on the Internet.

The Company may inform shareholders regarding the General Meeting of Shareholders additionally via mass media (television, radio).

13.12. Information (materials) due for provision to the persons entitled to attend the General Meeting of Shareholders during preparation of the General Meeting of Shareholders shall include, more specifically, annual statements, annual accounting (financial) statements, including audit statement, assessment of Company's audit statement, prepared by the Audit Committee of the Board of Directors, statement of the Audit Committee on inspection of annual accounting (financial) statements, information on the nominees to the Board of Directors, the Audit Committee, the Company's auditor, drafts of amendments and supplements to the Company's Charter or drafted new revision of the Company's Charter, drafts of the Company's internal documentation subjected to approval by the General Meeting of Shareholders, drafts of decisions of the General Meeting of Shareholders and other documents approved by the Board of Directors.

13.13. Shareholders (shareholder) possessing in total not less than 2 per cent of voting shares reserve the right to add items to the agenda of the annual General Meeting of Shareholders and propose candidates to the Board of Directors and Audit Committee of the Company.

Those proposals shall be furnished to the Company not later than 60 days following the end of the fiscal year.

13.14. Proposals to the agenda of the General Meeting of Shareholders shall include statement of each proposed issue. Proposals to the agenda of the General Meeting of Shareholders may include decisive on each proposed issue.

13.15. Proposal on nomination of candidates shall include name, registration data of the identifying document (series and (or) number of the document, date and place of issue, issuing body) of each proposed candidate and the name of the body to which this candidate was nominated, as well as other information concerning him, provided by the Company's internal documents.

13.16. Proposal on addition of issues into agenda of the General Meeting of Shareholders and on nomination of candidates shall be presented in writing and include name of presenting shareholders (shareholder), number and category (type) of shares owned by them and signed by the shareholders (shareholder).

13.17. The Board of Directors shall discuss delivered proposals and make decision to include amendments to the agenda of the General Meeting of Shareholders and candidates to the Board of Directors and to the Audit Committee of the Company or to reject amendments to the mentioned agenda and Company's management bodies, not later than in 5 days after expiration of period allocated for proposals to agenda of the annual General Meeting of Shareholders by the Charter.

13.18. Issue proposed by shareholders (shareholder) is subjected for inclusion into agenda of the General Meeting of Shareholders and nominated candidates are subjected to inclusion into the voting paper to relevant Company's body, excluding the following circumstances:

- Shareholders (shareholder) failed to observe time period established in the Charter for introduction of amendments to the agenda and nomination of candidates for the voting paper at the annual General Meeting of Shareholders;
- Shareholders (shareholder) failed to observe time period established in the Charter for nomination of candidates to the Board of Directors at an extraordinary General Meeting of Shareholders;
- shareholders (shareholder) do not own the number of voting Company's shares stipulated in Article 53 (1 and 2) of the Federal Law On Joint-Stock Companies ;
- The proposal failed to meet requirements stipulated in Article 53(3-4) of the Federal Law «On Joint-Stock Companies» and requirements of the Company's Charter based on that law.
- Issue proposed to be included in the agenda of the General Meeting of Shareholders falls beyond its competence as established by legislation and the Charter and (or) does not comply with requirements of the Federal Law on Joint Stock Companies and other regulations of the Russian Federation.

13.19. Motivated decision of the Board of Directors to reject the proposed issue into agenda of the General Meeting of Shareholders or nominated candidate into the voting paper to the relevant Company's body shall be presented to the shareholders (shareholder) who proposed the issue or nominated the candidate not later than in 3 days from the date of making decision.

13.20. The Board of Directors shall not make any changes into issue phrasing proposed for including into agenda of the General Meeting of Shareholders or phrasing of draft decisions on those issues.

13.21. Above issues proposed by shareholders to agenda of the General Meeting of Shareholders and in case of absence of such proposals, absence or insufficient number of candidates nominated by the shareholders to the relevant Company's body, the Board of Directors may include in agenda of the General Meeting of Shareholders issues and candidates at its own discretion.

13.22. An extraordinary General Meeting of Shareholders shall be initiated by the Board of Directors, by demand of the Audit Committee, the Company's auditor and shareholders (shareholder) – holders of not less than 10 per cent of voting Company's shares on the date of bringing the request.

Call for an extraordinary General Meeting of Shareholders on the request of the Audit Committee, Company's auditor or shareholders (shareholder) owning not less than 10 per cent of voting shares shall be executed by the Board of Directors.

13.23. During 5 days from the date of bringing the request by the Audit Committee, Company's auditor or shareholders (shareholder) owning not less than 10 per cent of voting shares to call an extraordinary General Meeting of Shareholders, the Board of Directors shall make decision to call for an extraordinary General Meeting of Shareholders or to reject this request.

Decision of the Board of Directors to call for an extraordinary General Meeting of Shareholders or motivated reject shall be delivered to persons who brought the request not later than in 3 days after decision was adopted.

Reject to call for an extraordinary General Meeting of Shareholders brought by the Audit Committee, Company's auditor or shareholders (shareholder) owning not less than 10 per cent of voting shares may only be caused by reasons established in the Federal Law On Joint-Stock Companies.

13.24. An extraordinary General Meeting of Shareholders called on request brought by the Audit Committee, Company's auditor or shareholder(s) in possession of not less than 10 percent of voting shares should be conducted within 50 days from the date of bringing request to call such extraordinary General Meeting of Shareholders.

For the purposes of this clause the date of bringing request to call an extraordinary General Meeting of Shareholders is the date when such request was received by the Company.

13.25. In case when under Articles 68 – 70 of the Federal Law on Joint Stock Companies the Board of Directors must call an extraordinary General Meeting of Shareholders such General Meeting of Shareholders shall be held during 40 days from the date when the Board of Directors made relevant decision.

13.26. If the Board of Directors fails to call an extraordinary General Meeting of Shareholders or refuses to call an extraordinary General Meeting of Shareholders within the period established by the Federal Law On Joint-Stock Companies, the body of the Company or individuals requesting such convocation may appeal to the court in order to compel the Company to hold an extraordinary General Meeting of Shareholders.

Thereat, the body of the Company or the individuals that in compliance with the court judgment carry out an extraordinary General Meeting of Shareholders shall enjoy all the powers provided for in the Federal Law On Joint-Stock Companies and necessary to convene and conduct the General Meeting of Shareholders.

In the event that in accordance with the court judgment an extraordinary General Meeting of Shareholders is carried out by the plaintiff, the expenses incurred in the preparation for and carrying-out of such General Meeting may be reimbursed out of the funds of the Company by decision of the General Meeting of Shareholders.

13.27. The General Meeting of Shareholders shall qualify (reaches the quorum) if participating shareholders own in total more than half of the votes that qualify as placed voting shares of the Company.

Shareholders who have registered for participation in the meeting are considered participants of the General Meeting of Shareholders held as a meeting for discussion issues included in its agenda and taking relevant decisions submitted to voting.

Shareholders whose voting papers were received before expiry of the time limit for accepting votes are considered participants of the General Meeting of Shareholders held in the form of voting in absentia.

13.28. If the annual General Meeting of Shareholders fails to constitute the quorum the Company shall arrange another General Meeting of Shareholders with the same agenda. If an extraordinary General Meeting of Shareholders fails to reach the quorum another General Meeting of Shareholders with the same agenda may be held.

General Meeting of Shareholders shall be considered qualified (constitution of the quorum) if participating shareholders own in total not less than 30 per cent of votes represented by placed voting shares of the Company.

13.29. If the number of shareholders – holders of voting Company's shares, exceeds 100 shareholders, voting paper for the issues included in agenda of the General Meeting of Shareholders is performed with voting papers.

13.30. If the General Meeting of Shareholders is held through voting in absentia, the voting papers shall be delivered against a receipt signed by each person on the list of people with a right to participate in the General Meeting of Shareholders not later than 20 days before the date of the General Meeting of Shareholders.

13.31. Voting papers shall be posted as a registered letter.

13.32. Voting paper shall include information stipulated in Article 60(4) of the Federal Law On Joint-Stock Companies. Voting papers may include additional information as determined by the Board of Directors at the moment of approval of its form and content.

13.33. In voting in absentia only those votes shall be counted for which the voter identified only one possible option for each issue at question. Voting papers completed in violation of this requirement shall be considered void.

If the issue submitted for ballot voting includes more than one option indicating a 'pro' decision and if such is selected more than once, the ballot shall be considered void.

In voting for approval of the Company's auditor if more than one candidate is selected, the voting paper shall be considered void.

In electing the Audit Committee if the number of 'pro' answers exceeds the number of vacancies, the voting paper shall be void.

If during election of the Board of Directors done through cumulative voting a shareholder distributes more votes than there are in his/her possession among the candidates, the voting paper shall be considered void.

If the voting paper contains several questions submitted for voting, the failure to observe requirements mentioned above in respect of one or several issues shall not render the entire voting paper void.

If the voting paper prevents identification of the person (shareholder or representative of the shareholder) who voted by ballot in question, concerned vote shall not be taken into consideration when counting voting results.

13.34. Whereas the meeting of shareholders was held through voting in absentia, voting papers received by the Company after expiration of the time limit designated for receipt of voting papers shall be considered void.

If a ballot is considered void, the votes contained in this ballot in question shall be disregarded when counting.

14. BOARD OF DIRECTORS

14.1. The Board of Directors executes general guidance of the Company's activities with the exclusion of decisions pertaining to issues which fall within the competence of the General Meeting of Shareholders as established by the federal legislation and the Charter.

14.2. The Board of Directors shall have competence over the following:

- 1) Setting priorities in the Company's activity, including approval of strategic plans, annual and quarterly budgets;
- 2) Calling for the annual and extraordinary General meetings of the shareholders safe for cases stipulated in Article 55(8) of the Federal Law On Joint-Stock Companies, and making decisions necessary for calling and conducting them;
- 3) Approval of agenda of the General Meeting of Shareholders;
- 4) Setting the date for compilation of the list of persons entitled to participate in the General Meeting of Shareholders and other issues within the competence of the Board of Directors according to the provisions of chapter VII of the Federal Law on Joint Stock Companies and issues related to the preparation and realization of the General Meeting of Shareholders;
- 5) Preliminary approval of the Company's annual statements;
- 6) Approval of the Company financial plans and reports in the cases provided for in the internal documents of the Company;
- 7) Formation of the Company's executive bodies and early termination of their authority including:
 - election and early termination of powers of the Chief Executive Officer, the right to determine the amount of gratifications and compensations payable to him, approve and revise the terms and conditions of the contract defining his rights and obligations, and termination of such contract;
 - determination of the number of members of the Executive Committee and its term of authority, election and early termination of powers of Executive Committee members upon motion by the Chief Executive Officer, the right to determine the amount of gratifications and compensations payable to them, approve and revise the terms and conditions of the contracts defining their rights and obligations, and termination of such contracts;
 - bringing for consideration of the General Meeting of Shareholders the issue of transferring the powers of the sole executive body of the Company to a management entity or manager and early termination of authority of the management entity/manager;
- 8) Increase in the charter capital through additional shares not exceeding the number and falling within the category (type) of authorized shares based on the Company's assets, when additional shares are to be distributed among shareholders;

- 9) Increase in the charter capital by public subscription through additional ordinary shares with observance of limits of authorized shares of that category (type) in the amount of 25 per cent or less than ordinary shares issued earlier;
- 10) Increase in the charter capital by additional placement of preferred shares within the number of authorized shares of this category (type) through public subscription;
- 11) Issuing of bonds and other securities convertible into ordinary shares and other securities convertible into ordinary shares, in the amount of 25 per cent and less than ordinary shares issued earlier, by public subscription;
- 12) Placing of bonds convertible into shares and other securities convertible into shares by public subscription;
- 13) Placing of non-convertible bonds and other securities not convertible into preferred shares;
- 14) Approval of securities placement, securities prospect, amendments and supplements thereto;
- 15) Setting the value (cash price) of property, placement and redemption of securities in cases stipulated by the Federal Law On Joint-Stock Companies;
- 16) Acquisition of shares issued by the Company according to Article 72(2) of the Federal Law On Joint-Stock Companies;
- 17) Acquisition of bonds and other securities issued by the Company according to provisions of the Federal Law On Joint-Stock Companies;
- 18) Approval of statement on acquisition of shares purchased according to Article 72(1) of the Federal Law On Joint-Stock Companies;
- 19) Proposals to the General Meeting of Shareholders with regards to the amount of reimbursement and compensation of the Audit Committee members;
- 20) Determination of remuneration for services of the Company's auditor;
- 21) Proposals to the General Meeting of Shareholders with regards to the amount of dividend on shares and procedure of its payment;
- 22) Proposals to the General Meeting of Shareholders on distribution of Company's annual profits and losses;
- 23) Transactions over Company's Reserve Fund and other funds of the Company;
- 24) Approval of the Company's internal documents excluding internal documents regulating the proceedings of the governing bodies of the Company subject to approval by the General Meeting of Shareholders and other internal documents within the competence of the Company's executive bodies as provided for in the Charter;
- 25) Approval of the Company's internal regulations governing use of information on the Company's activities, Company's securities and respective operations closed to public access and disclosure of which may significantly influence the market value of the Company's securities;
- 26) Adoption of a decision concerning the appointment of the director of the structural unit performing the internal audit of the company, releasing him from the position he currently occupies, and approval of the Regulations on the indicated structural subdivision;
- 27) Setting up and dissolving of branches, establishing and closing down of Company's representative offices, approval of branches' and representative offices' by-laws, amendments and supplements thereto;
- 28) Inserting changes into the Company's Charter related to the establishment of Company's branches and representative offices and their termination;
- 29) Approval of extraordinary transactions according to chapter X of the Federal Law on Joint Stock Companies;
- 30) Approval of transactions according to chapter XI of the Federal Law on Joint Stock Companies;
- 31) Approval of transactions worth 10 percent and more of the value of the Company's assets determined on the basis of the financial statements of the Company as of the latest reporting date, performed in the ordinary course of operations of the Company;
- 32) Approval of transactions performed by subsidiary and related companies as well as companies where the Company indirectly, via its subsidiaries, holds a stake in the charter capital in excess of 50%, and involving acquisition, disposal, or a possibility of disposal by the aforesaid companies, directly or indirectly, of property the value of which constitutes 25 percent and more of the book values of the assets of the above companies determined on the basis of their financial

statements as of the latest reporting date but not less than one hundred million (100,000,000) roubles other than the transactions performed by the companies concerned in the ordinary course of their operations, and also involving the granting by the companies concerned of a collateral to secure the obligations of the Company and/or its subsidiary and related companies to credit institutions, foreign banks or state corporations;

- 33) Approval of the Company's registrar and terms and conditions of the relevant contract and termination of that contract;
- 34) Adoption of decision at any time to check the financial and operational activities of the Company;
- 35) Adoption of decision to suspend the powers of the management entity;
- 36) Approval of the list of additional documents to be safeguarded by the Company;
- 37) Assessment of program and budget implementation by executive bodies of the Company;
- 38) Establishment of committees of the Board of Directors, regulations on the same, appointment of committee chairmen and members of the Board of Directors;
- 39) Adoption of a decision concerning the appointment of the Corporate Secretary of the Company, releasing him from the position he currently occupies, and approval of the regulation concerning the Corporate Secretary of the Company;
- 40) Adoption of a decision concerning the announcement of listing shares of the Company and (or) securities of the Company convertible into shares of the Company.
- 41) Approval of general policy with regard to risk control and the Company internal audit;
- 42) Approval of information policy of the Company;
- 43) Approval of the Company's policy with regard to rewarding of and (or) reimbursement of expenses (compensation) of members of the Board of Directors, executive bodies and other key managerial personnel of the Company;
- 44) Approval of the Company's policy with regard to the Board of Directors members' possession of the Company's shares or shares of legal entities under the control of the Company;
- 45) Approval of dividend policy of the Company;
- 46) Definition of development strategy, examination of significant issues regarding operations of legal entities under the control of the Company and evaluation of operation results of the entities;
- 47) Adoption of recommendations in relation to voluntary or obligatory proposal proceeded to the Company;
- 48) Approval of transactions on sale of stock (shares) of legal entities under the control of the Company that are significant for the Company with consequent loss of such control after completion of the transactions.
- 49) Other issues as provided for in the Federal Law on Joint Stock Companies, the Charter, and also the issues referred to the competence of the Management Committee and/or Chief Executive Officer of the Company, and accepted by the Board of Directors for consideration.

14.3. Issues which fall within the scope of competence of the Board of Directors shall not be referred to the Company's executive bodies.

14.4. Members of the Board of Directors shall be elected by the General Meeting of Shareholders; their number is subjected to approval by the General Meeting of Shareholders, but at least 7 (seven) members, with terms of office until the next annual General Meeting of Shareholders. Members of the Board of Directors shall be elected by a cumulative vote.

If the annual General Meeting of Shareholders was not held in time stipulated in Article 47(1) of the Federal Law On Joint-Stock Companies, the powers of the Board of Directors shall cease with the exception of authority to prepare, call and hold the annual General Meeting of Shareholders.

If the authority of the Board of Directors has expired whereas the annual General Meeting of Shareholders failed to elect members of the Board of Directors in a number to ensure the Board of Directors quorum, the authority of the Board of Directors shall be considered terminated, with the exception of authority to prepare, call and hold the annual General Meeting of Shareholders.

14.5. A member of the Board of Directors shall not be Company's shareholder. Only a physical person can be a member of the Board of Directors.

14.6. A member of the Board of Directors has a right to retire voluntary at any time through notification in writing delivered to the Board of Directors with identification of the date of retirement.

14.7. The General Meeting of Shareholders shall have power to decide on early termination of authority of the Board of Directors as a whole at any time.

14.8. The Chairman of the Board of Directors shall be elected by the members of the Board of Directors from among its members by majority of votes within the Board of Directors, excluding retired members of the Board of Directors.

14.9. The Board of Directors shall have the power to re-elect the Chairman at any time, the decision subject to approval by the majority of members of the Board of Directors, excluding retired members of the Board of Directors.

14.10. The Chairman of the Board of Directors shall organize its operation, call for the meetings of the Board of Directors and preside at the meetings, manage keeping of minutes at the meetings. The minutes of the meeting of the Board of Directors shall be signed by the Chairman of the Board of Directors or the one presiding at the meeting, and two members of the Board of Directors appointed by the Chairman of the Board of Directors.

14.11. If the Chairman of the Board of Directors is absent, one of the members of the Board of Directors shall fulfil his duties given the corresponding decision of the Board of Directors.

14.12. The Chairman of the Board of Directors shall call for the meeting:

- 14.12.1. At his/her own discretion;
- 14.12.2. upon request of a member of the Board of Directors;
- 14.12.3. upon request of the Audit Committee ;
- 14.12.4. upon request of the Company's auditor;
- 14.12.5. upon request of the Company's executive body;
- 14.12.6. upon request of the Company's shareholder(s)/holder(s) of 10 or more percent of voting shares;
- 14.12.7. upon request of committee of the Company's Board of Directors.

14.13. In determination of quorum and in counting votes for agenda a written opinion of an absent member of the Board of Directors shall be taken into consideration.

14.14. The quorum of the meeting of the Board of Directors shall be considered reached if the meeting is attended by more than half of elected members of the Board of Directors is present, and the attendance by at least one independent director if any shall be mandatory, with the exception of the quorum on issues which require unanimous vote or majority of three quarters of votes to endorse a decision as stipulated in the Federal Law on Joint Stock Companies and the Charter; and also a majority of members of the Board of Directors with no conflict of interests in the transaction in question.

14.15. Decisions shall be adopted by the meeting of the Board of Directors by majority votes of the members of the Board of Directors present at the meeting unless more number of votes for adopting corresponding decisions stipulated by the Federal Law on Joint Stock Companies or the Charter.

14.16. The following decisions shall be adopted unanimously by all members of the Board of Directors:

- 1) Increase of the charter capital by issuing of additional shares within the range of number and category (type) of authorized shares based on the Company's assets, when additional shares are to be distributed among shareholders;
- 2) Increase of the charter capital by public subscription by issuing of additional ordinary shares within the limits of authorized shares of that category (type) in amount 25 per cent and less of ordinary shares issued earlier;
- 3) Increase of the charter capital by additional placement of preferred shares within the range of the number of authorized shares of this category (type) by public subscription;

- 4) placement of bonds convertible into shares, and other securities convertible into shares, by the Company;
- 5) Approval of an extraordinary transaction over a property the cost of which varies from 25 to 50 per cent of the Company's assets book value.

If the Board of Directors fails to reach unanimity on the aforementioned issues, the Board of Directors may submit said issues to voting at the General Meeting of Shareholders.

14.17. Decisions with regard to issues from sub-paragraphs 1, 15, 21, 31-32, 40, 45-48 of paragraph 14.2 of the Charter, as well as decisions on putting issues from sub-paragraphs 1-3, 10-11, 13, 15-18, 32 of paragraph 13.2 of the Charter to General Meeting of Shareholders shall be made by the majority of votes of the elected members of the Board of Directors.

A transaction with declared conflict of interests shall be approved by the Board of Directors by majority of votes of board members lacking conflict of interests in transaction in question. If the number of board members without conflict of interest in the transaction is less than the quorum required for the meeting of the Board of Directors established by the Charter, the relevant decision shall be approved by the General Meeting of Shareholders.

If the number of shareholders – owners of voting shares in the Company exceeds 1000, approval of a transaction, in the implementation of which there is interest, is made by the Board of Directors of the Company by a majority of votes of independent directors, who do not have interest in its implementation. In the case where all members of the Board of Directors are considered to be interested persons and (or) are not independent directors, the transaction may be approved by the decision of the general meeting of shareholders.

14.18. For approval of the terms and conditions of contract with the Chief Executive Officer (management entity/manager) and members of the Executive Board, the votes cast by members of the Board of Directors who are Chief Executive Officer and members of the Executive Board shall not be taken into account.

14.19. Each member of the Board of Directors shall have one vote at the meeting of the Board of Directors.

A member of the Board of Directors shall not pass his/her vote to another person, including other members of the Board of Directors. In case of a tie at the meeting of the Board of Directors the Chairman shall have the casting vote.

14.20. The Board of Directors may establish dedicated committees.

15. EXECUTIVE BODIES OF THE COMPANY

15.1. The day-to-day operations of the Company shall be managed by the Company's sole executive body –the Chief Executive Officer, and its collective executive body – the Executive Committee. The Chief Executive Officer and the Executive Committee shall report to the General Meeting of Shareholders and the Board of Directors.

15.2. Formation of executive bodies of the Company and early termination of their authority shall be carried out by resolution of the Board of Directors.

15.3. The rights and duties of the Chief Executive Officer for managing the day-to-day operations of the Company are stipulated by the legislation of the Russian Federation, the Charter and the contract with the Company.

The contract shall be signed for the Company by the Chairman of the Board of Directors or a person authorised by the Board of Directors.

The terms and conditions of the contract including the term of office shall be determined by the Board of Directors.

15.4. The Chief Executive Officer and Executive Committee members may have positions with governing bodies of other entities, or other remunerated positions with other entities, only with the consent of the Board of Directors.

15.5. The term of office of the Chief Executive Officer and the Executive Committee shall be established by the Board of Directors.

15.6. In the event that the powers of sole executive body of the Company are transferred to a management entity/manager such persons may not carry out the same responsibilities with any competing company; such persons may not have any ownership relations with the Company that could potentially result in a

conflict between their interests and those of the Company. In case of such conflict, the above persons are obliged to inform the Board of Directors of the Company thereof.

16. MANAGEMENT BOARD OF THE COMPANY

16.1. In its activities the Executive Committee shall be guided by the Charter as well as the Regulations on the Executive Committee approved by the General Meeting of Shareholders and defining the timeframe and procedure for convening its meetings, and also the decision-making procedure.

16.2. The scope of competence of the Executive Committee shall include:

- 1) developing and submitting to the Board of Directors long-term plans for implementing the key objectives of the Company's business;
- 2) exercising follow-up control of the activities aimed at implementing the long-term and financial plans of the Company;
- 3) reviewing the quarterly, semi-annual and annual financial plans of the Company;
- 4) reviewing reports on the fulfilment of annual, semi-annual and quarterly financial plans of the Company;
- 5) pre-reviewing draft internal documents of the Company the approval of which is referred to the competence of the General Meeting of Shareholders and the Board of Directors by the Charter, and also draft amendments and supplements thereto;
- 6) passing decisions on the appointment of heads of subsidiaries and representative offices of the Company and early termination of their powers;
- 7) establishing social benefits and guarantees for Company employees;
- 8) taking decisions on the Company's participation and termination thereof in other entities (save for the entities specified in Subparagraph 26, Paragraph 13.2 hereof);
- 9) approving a transaction or multiple related transactions performed by the Company with Company shares, or equity stakes in subsidiary and related companies;
- 10) approving the acquisition by the Company of ownership of shares, or equity stakes in other companies through one or multiple transactions if such companies will become subsidiary or related companies in relation to the Company;
- 11) approving decisions on participation and termination of participation of subsidiary and related companies in other entities;
- 12) approving a transaction or multiple related transactions performed by subsidiary and related companies with shares, or equity stakes in subsidiary and related companies held by subsidiary and related companies;
- 13) approving the acquisition by subsidiary and related companies of ownership of shares, or equity stakes in other companies through one or multiple transactions if such companies will become subsidiary or related companies in relation to subsidiary and related companies of the Company;
- 14) approving the transactions specified in Subparagraphs 11-13, paragraphs 16.2 hereof, performed by companies in which the Company has an indirect stake in the charter capital in excess of 50%.

16.3. The members of the Executive Committee shall be elected by the Board of Directors. Nominations to the Executive Committee shall be brought by the Chief Executive Officer of the Company to the Board of Directors for consideration. If the nominations to the Executive Committee proposed by the Chief Executive Officer are disapproved by the Board of Directors, it may elect to the Executive Committee the candidates proposed by a member(s) of the Board of Directors. In the event that the Chief Executive Officer fails to propose nominations to the Executive Committee in the number required for its formation, the Board of Directors may elect the remaining members of the Executive Committee from among the candidates proposed by a member(s) of the Board of Directors. The Executive Committee may not be composed of less than three members.

16.4. The powers of Executive Committee members may be prematurely terminated at any time by the Board of Directors at its own initiative, at the proposal of the Chief Executive Officer or at the initiative of the Executive Committee member concerned. The powers of a Executive Committee member shall be deemed terminated from the date established by resolution of the Board of Directors and, if not so established, from the adoption of the resolution by the Board of Directors.

16.5. The meeting of the Executive Committee shall be quorate (have a quorum) if not less than half the elected members of the Executive Committee take part in the meeting (absentee voting).

All the decisions at the meeting of the Executive Committee shall be passed by a simple majority of votes cast by the Executive Committee members attending the meeting (taking part in absentee voting).

For decision-making each Executive Committee member shall have one vote. Vote transfer from one member of the Executive Committee to another member of the Executive Committee, or to any other person shall not be allowed.

In case of a tie vote of Executive Committee members, the vote of the chair of the Executive Committee meeting shall be decisive.

17. CHIEF EXECUTIVE OFFICER

17.1. The Chief Executive Officer shall manage the day-to-day operations of the Company in compliance with the decisions of the Company's General Meeting of Shareholders Board of Directors and Executive Committee adopted in accordance with their competence.

17.2. The competence of the Chief Executive Officer shall include all the issues dealing with the management of the day-to-day operations of the Company, save for the issues included in the competence of the General Meeting of Shareholders, Board of Directors and Executive Committee.

17.3. The Chief Executive Officer shall act on behalf of the Company without a power of attorney including:

- 1) representing the Company's interests both within the Russian Federation and abroad;
- 2) ensuring the fulfilment of the Company's operational plans necessary for achieving its objectives;
- 3) making arrangements for and ensuring accurate financial accounting of the Company and timely submission of annual reports and other financial statements to the relevant authorities;
- 4) managing the Company's property, entering into transactions on behalf of the Company within the limits established in the Federal Law On Joint-Stock Companies and the Charter, issuing powers of attorney, opening current and other accounts of the Company with banks and other credit institutions (as well as with professional participants of the securities market in the cases provided for by law);
- 5) issuing office orders and instructions compulsory for all the employees of the Company;
- 6) establishing procedures for making Company information available to the shareholders of the Company;
- 7) approving the payroll plan and official salaries of the Company's employees.
- 8) exercising in respect of Company's employees the employer's rights and duties stipulated by the labour legislation and being entitled, by means of issuing a power of attorney, to authorise particular persons to exercise the employer's rights and duties stipulated by the labour legislation of the Russian Federation in full or in part;
- 9) performing the responsibilities of Chairman of the Executive Committee;
- 10) approving securities issue reports;
- 11) signing extract minutes of the General Meeting of Shareholders, meetings of the Board of Directors, meetings of committees of the Board of Directors and meetings of the Executive Committee;
- 12) approving internal documents of the Company other than the internal documents regulating the activities of Company's bodies to be approved by decision of the General Meeting of Shareholders, and also such other documents of the Company, which in conformity with the Charter are to be approved by the Board of Directors, and introducing amendments and supplement thereto;
- 13) dealing with any other matters pertaining to the current operations of the Company, save for the issues included in the competence of the General Meetings of Shareholders, Board of Directors or the Executive Committee;

17.4. Chief Executive Officer of the Company shall be elected by the Board of Directors by a majority of votes of the directors attending the meeting.

18. LIABILITY OF MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE BODIES OF THE COMPANY

18.1. The members of the Board of Directors, members of the Executive Committee, the Company's sole executive body (President) as well as the management entity (manager) shall act to the best interests of the Company in implementing their rights and duties reasonably and in good faith.

18.2. The members of the Board of Directors, members of the Executive Committee, the Company's sole executive body (President) as well as the management entity (manager) shall be liable to the Company for any losses resulting from their guilty actions/omissions unless other liability is provided by law.

The members of the Board of Directors and the Chief Executive Officer are responsible for the Company's and shareholders' losses resulting from their guilty conduct (omission to act) which violates procedures regulating purchase of the Company's shares as provided in chapter XI.1 of the Federal Law On Joint-Stock Companies.

However, the members of the Board of Directors and the Executive Committee who voted against the decision which caused losses to the Company or to the shareholder, or members who did not take part in voting, are released from responsibility.

18.3. The Company or a shareholder(s) in possession of a total of not less than 1 percent of outstanding ordinary shares of the Company may file legal actions against a member of the Board of Directors, a member of the Executive Committee, the Chief Executive Officer or the management entity (manager) claiming damages incurred by the Company in the case stipulated in the first paragraph, Clause 18.2 hereof.

The Company or a shareholder may file legal actions against a member of the Board of Directors a member of the Executive Committee, the Chief Executive Officer or the management entity (manager) claiming damages incurred by him/her Company and the Chief Executive Officer and claim compensation of damages incurred in the case stipulated in the second paragraph, Clause 18.2 hereof.

19. CORPORATE SECRETARY OF THE COMPANY

19.1. The Corporate secretary of the Company shall ensure the compliance by the Company's officials and bodies with the procedural requirements that guarantee the exercise of their rights and lawful interests by the Company's shareholders.

19.2. The Corporate secretary of the Company is accountable to the Board of Directors of the Company, shall be appointed to the position and released from the position he occupies by the sole executive body of the Company by decision of the Board of Directors of the Company.

19.3. The Corporate secretary of the Company shall have higher legal or economic education, and also have no less than 2 years of experience in work in the area of corporate management or managing work in the field of jurisprudence and/or economics.

19.4. The Corporate Secretary performs his duties in accordance with the Charter and Regulations concerning the Corporate Secretary, approved by the Board of Directors of the Company.

20. AUDIT COMMITTEE

20.1. The Audit Committee is a body authorized to supervise the financial and business activities of the Company.

20.2. The Audit Committee shall be elected by the General Meeting of Shareholders, consists of three members, with terms of office of one year until next annual General Meeting of Shareholders. Procedures and activities of the Audit Committee shall be regulated in the Regulations on the Audit Committee approved by the General Meeting of Shareholders.

If by any reasons election of the members of the Audit Committee at the annual General Meeting of Shareholders fails to take place authority of the acting members of the Audit Committee shall be prolonged to the election of the members of the Audit Committee.

20.3. Authority of members of the Audit Committee may be terminated early by decision of the General Meeting of Shareholders.

20.4. The Company's shareholder or any other person may be elected to the Audit Commission. A member of the Company's Audit Committee may not be at the same time a member of the Board of Directors or have any other positions with the governing bodies of the Company.

20.5. The scope of competence of the Audit Committee shall include:

Verification of the Company's financial documentation, accounting books, inventory commission statements, comparison of the mentioned documents with the primary accounting records;

Analysis of integrity and completeness of accounting, tax, management and statistical records;

Analysis of financial status of the Company, financial solvency, assets liquidity, assessment of leverage, net assets and authorized capital, identification of sources for improvement of the Company's economical situation, advising to the management bodies of the Company;

Verification of the timeliness and correctness of payments to the providers of goods and services, payments to the state budget and non-budget funds, dividend charges and payments, bond interest charges and payments, redemptions and other liabilities;

Confirmation of information accuracy in annual statements of the Company, annual accounting (financial) statements, profit allocation, tax and statistical reports, reports to the government bodies;

Verification of the competence of the sole executive body to conclude contracts on behalf of the Company;

Verification of the validity of decisions taken by the executive bodies, the Board of Directors, the Liquidation Committee, compliance with the Charter, the Company's internal documentation, decisions of the General Meeting of Shareholders.

Analysis of the compliance of the decisions of the General Meeting of Shareholders with the legislation, Charter and internal documents of the Company.

The Audit Committee shall be authorized:

To demand personal explanations from the Company's employees, including any officers in charge, about issues that fall within the competence of the Audit Committee;

To bring up issues of the Company's employees' responsibility at the governing body level including that of the officers should there be a violation of provisions of the Charter, by-laws, rules and instructions adopted by the Company;

To outsource experts external to the Company to facilitate its work.

20.6. The Company's financial and economic activity shall be subject to inspection (check) on yearly basis or any time such inspection is requested by the Audit Commission, the General Meeting of Shareholders, the Board of Directors or the Company's shareholder(s)/holder(s) of total not less than 10 per cent of voting shares.

20.7. The Company's officers occupying positions in the Company's governing bodies must provide access to documents on financial and economic activities requested by the Audit Commission.

The documents mentioned above shall be provided within three days from the day of receipt of the request in writing.

20.8. The Audit Committee is authorized to require a call for an extraordinary General Meeting of Shareholders according to procedure established in Article 55 of the Federal Law On Joint-Stock Companies and the Charter.

20.9. The members of the Audit Committee during execution of their duties may receive reimbursement and/or compensation of expenses incurred in connection with the execution of their duties; the amount of such reimbursement and/or compensation shall be approved by the General Meeting of Shareholders.

21. AUDIT

21.1. The Company may employ a specialized contractor in order to perform financial and economic inspection of the Company based on a corresponding agreement and in accordance with the laws of the Russian Federation.

Annual statement and annual accounting (financial) records shall be subject to mandatory audit in cases stipulated by the current legislation of the Russian Federation.

22. FUNDS OF THE COMPANY

22.1. The Company shall set up a Reserve Fund in the amount of 5 per cent of the charter capital of the Company.

Annual deduction in favour of the Reserve Fund shall be equal to 5 per cent of the Company's net profit. Said deduction shall be effected to the point at which the value of the Reserve Fund reaches the amount stipulated in the Charter.

The objective of the Reserve Fund is to cover the Company's losses, enable redemption of the Company's bonds and shares in case of lack of other resources.

23. SHAREHOLDERS' ACCESS TO INFORMATION

23.1. The Company must provide shareholders with access to the documents mentioned in Article 89(1) of the Federal Law on Joint Stock Companies. Access to accounting records and minutes of the collegiate executive body shall be provided to shareholder(s) with total of not less than 25 per cent of the voting shares.

23.2. The documents mentioned in Article 89(1) of the Federal Law on Joint Stock Companies shall be furnished by the Company within seven days from the date of the request to study the documents within the premises of the Company's sole executive body. The Company must provide copies of mentioned documents on request to those with a right to access the documents listed in Article 89(1) of the Federal Law On Joint-Stock Companies. The Company's costs of provision of copies shall not exceed the manufacturing expenses thereof.

24. INFORMATION MANAGEMENT

24.1. The Company shall keep the following documents:

- Foundation Agreement of the Company;
- The Company's Charter, amendments and supplements to the Company's Charter registered according to the established procedures, decision on the Company's foundation, the Company's state registration certificate;
- Documents confirming the Company's rights to property accounted on its books;
- Internal documents of the Company;
- Regulation on branch or representative office of the Company;
- Annual statements;
- Accounting records;
- Accounting statements;
- Minutes of the General Meeting of Shareholders (decisions of the shareholder, the whole-holder of all voting shares);
- Voting papers and power of attorney (copies of powers of attorney) issued for the purposes of participation in the General Meeting of Shareholders;
- Reports of independent appraisers;
- Lists of the Company's affiliates;
- Lists of persons eligible to participation in the General Meeting of Shareholders, receipt of dividend profit and other lists compiled by the Company to ensure that shareholders exercise their rights in compliance with requirements of the Federal law On Joint Stock Companies;
- Statements of the Company's Audit Committee, the Company's Auditor, government and municipal bodies for financial inspection;
- Emission prospects, quarterly issuer's reports and other documents containing information due to publication or disclosure in any other way according to the federal laws;
- Other documents stipulated by the Federal Law on Joint-Stock Companies, the Charter, internal Company's documents, decisions of the General Meeting of Shareholders, of the governing bodies of the Company and documents stipulated by regulations of the Russian Federation.

24.2. The Company shall keep the documents stipulated in paragraph 1 of this Article on the premises of its sole executive body in accordance with prescribed procedures and for the periods of time stipulated by the federal authority of the executive branch with respect to securities market.

25. FINAL PROVISIONS

25.1. If any of the provisions of the Charter becomes void, other provisions shall remain in force. The void provision shall be replaced by a provision close in meaning and acceptable in legal sense.

25.2. Amendments and supplements to this Charter which do not contradict the existing Russian legislation can be made based on the decision of the General Meeting of Shareholders or, as provided for in the existing Russian legislation, or the Charter, based on the duly registered decision of the Board of Directors.

25.3. This version of the Charter shall take effect for third parties from its state registration.