APPROVED
by Resolution of sole shareholder
of JSC SUEK
(unnumbered Resolution dated September 29, 2016)

C H A R T E R

JOINT STOCK COMPANY
SIBERIAN COAL ENERGY COMPANY

(revised version)

Moscow 2016

CONTENTS:

1. GENERAL PROVISIONS

1.1. Siberian Coal Energy Company, a Joint Stock Company (hereinafter referred to as the "Company"), was established in compliance with decision of the Company's founders on 1 December 1999 (Minutes No.1), and was registered in Moscow Registration Chamber on 14 March 2000 under No. 097.096 with firm name Open Joint Stock Company "Republican Sectoral Union for the Sale and Production of Coal Products".

By resolution of Extraordinary General Meeting of Shareholders (Minutes No. 7/02 dated 19 December 2002) the Company was renamed as Open Joint Stock Company Siberian Coal Energy Company.

In compliance with Federal Law No. 129-FZ "Regarding state registration of legal entities and self-employed entrepreneurs" dated August 8, 2001, the record of Company has been entered in Unified State Register of Legal Entities on 23 August 2002 by the Department of Russian Federation Ministry for Taxes and Levies for the City of Moscow under the main state registration No. 1027700151380. By decision of the sole shareholder dated April 14, 2015 the Company was renamed as Joint Stock Company Siberian Coal Energy Company.

1.2. The Company is legal entity, corporate and commercial enterprise established in accordance with the Civil Code of the Russian Federation, Federal Law No.208-FZ dated 26 December 1995 "On Joint Stock Companies" and the other legal acts of the Russian Federation. In compliance with article 66.3 of Civil Code of the Russian Federation the Company is recognized a nonpublic Joint Stock Company.

1.3. The Company is acting on the basis of this Charter (hereinafter referred to as the "Charter") and laws of the Russian Federation.

2. FIRM NAME AND LOCATION

2.1. The full firm name of the Company in Russian is Акционерное общество «Сибирская Угольная Энергетическая Компания».

The abbreviated name of the Company in Russian is АО «СУЭК».

The full firm name of the Company in English is Joint Stock Company Siberian Coal Energy Company.

The abbreviated firm name of the Company in English is JSC SUEK.

2.2. Company's location: Russian Federation, Moscow.

2.3. Location of the Company is determined by place of its state registration at the territory of the Russian Federation by means of indication of name of the relevant inhabited locality (municipal entity). In the Unified State Register of Legal Entities is indicated Company's address within the limits of its location.

2.4. The Company is bearing the risk of consequent effect of failure to receive the legally valid messages delivered at address indicated in the Unified State Register of Legal Entities, as well as the risk of lacking its respective body or representative at the address indicated. Messages duly delivered at the address indicated in Unified State Register of Legal Entities shall be deemed received by Company even in case if it is not located at the indicated address.

3. LEGAL STATUS

3.1. Legal status of the Company, rights and obligations of its shareholders are determined by Civil Code of the Russian Federations and law of joint stock companies.

3.2. Constituent documents of the Company are deemed its Charter properly authorized by founders (shareholders) thereof.

3.3. Equity capital of the Company is divided in a certain number of shares that are certifying the shareholders' liability rights in respect to Company. All property created for the account of contributions made by founders (shareholders), as well as produced and acquired by Company in process of the relevant activity belongs to Company according to the property right.

3.4. The Company owns independent assets, is liable for its respective obligations, is entitled on behalf of itself acquire and exercise civil rights and bear civil obligations, as well as to act in court in a quality of plaintiff either the civil defendant.

3.5. The Company may have civil rights in compliance with activity targets presumed by its Charter and bear obligations connected with such activity.

3.6. The Company may have civil rights and bear civil obligations required for exercising any activities types of whatsoever nature not prohibited by law. Is cases specifically provided by law the Company shall be entitled to practice individual activities only on the basis of special permit (license), membership in self-regulated organization, either by virtue of special certificate issued by such organization and attesting the relevant access authorization regarding certain activity types.

3.7. The Company's rights may be limited only in cases and according to procedures specifically provided by law. It is understood that such limitation may be challenged by Company at court.

3.8. Legal capacity of the Company shall be deemed created effective the moment of entering in the Unified State Register of Legal Entities the relevant information regarding thereof, and shall be deemed ceased as of the moment of entering in such Register information of its respective termination. Right of the Company to exercise activity that requires issuance of special permit (license), membership in self-regulated organization, either the issuance of special certificate given by such organization and attesting the relevant access authorization regarding certain activity types shall be created effective the moment of granting the relevant permit (license) or in the indicated timeframes, either as of the moment of admitting the Company in such self-regulated organization or issuance by such self-regulated organization the special certificate attesting the relevant access authorization regarding certain activity types. The right above mentioned shall be deemed terminated upon ceasing the validity of the relevant permit (license), membership in self-regulated organization, either certificate attesting the access authorization regarding certain activity types.

3.9. Civil status of the Company and procedures of its taking part in civil circulation shall be regulated by Civil Code of the Russian Federation, law of joint stock companies and the other relevant legislative and regulatory acts issued in the Russian Federation.

3.10. Data of state registration of the Company shall be entered in the Unified State Register of Legal Entities opened for public access. Person that relies in good faith on data containing in the Unified State Register of Legal Entities, shall presume that these are really in compliance with the valid circumstances. The Company is not entitled in their relations with person that relies on data containing in the Unified State Register of Legal Entities to make reference to the data not indicated in the Register above mentioned, as well as to the uncertainty of data containing thereon - excluding cases if the appropriate data have been included in the Register in result of any third persons' misconduct, either any other way whatsoever rather than as per the Company's intention.

The Company shall be entitled to make up losses incurred to the other participants of civil circulation that are have been occurred due the untimely presentation, either presentation of unreliable information thereon in the Unified State Register of Legal Entities.

Prior to official registration in the Unified State Register of Legal Entities of any amendments duly entered in the Charter or any other data not connected with amendments of the Charter, the authorized state authority shall be liable to run (according to the procedures and within timeframes presumed by law) the examination of data to be included in the Register above mentioned.

In cases and according to the relevant procedures presumed by law of state registration of legal entities, the authorized state authority shall be liable in due course inform the interested persons of the coming official registration of amendments entered in the Company's Charter and of the coming entering the appropriate data in the Unified State Register of Legal Entities.

The interested persons are entitled to forward in the authorized state authority any objections of whatsoever nature regarding the coming official registration of amendments to be entered in the Company's Charter, either the coming inclusion of data in the Unified State Register of Legal Entities according to procedures presumed by law of state registration. Accordingly, the said authorized state authority shall be liable to consider these objections and take the appropriate decision as per the procedures and within timeframes properly presumed by law of state registration of legal entities.

Refuse to enter data of the Company in the Unified State Register of Legal Entities shall be admissible only in cases properly presumed by law of state registration of legal entities.

Data of the Company shall be deemed included in the Unified State Register of Legal Entities effective the day of entering the relevant record in the Register above mentioned.

Amendments entered in the Charter shall be deemed valid for third persons effective the moment of their official registration, and in cases stipulated by law - effective the moment of the proper

notification of such amendments of the authority in charge of official registration. Meanwhile the Company and its respective shareholders shall be not entitled to refer to the lack of registration of such amendments in their relations with third persons acing with the account thereof.

3.11. The Company has round seal with their appropriate name. The Company is entitled to possess stamps and stationery forms bearing its name, the own logotype, as well as any other trademarks registered as per the established procedures, the other means of individualization inclusive.

3.12. The Company acquires civil rights and undertakes civil obligations via its respective bodies acting in compliance with law, any other legal acts and the present Charter.

The procedures of setting up and competence of the Company's bodies are determined by law and the present Charter.

In cases presumed by Civil Code of the Russian Federation the Company shall be entitled also to acquire civil rights and undertake civil obligations via its respective shareholders.

It is understood that person who by virtue of law either any other legal act or the present Charter is duly entitled to act for and on behalf thereof, shall be acing in best interests of the represented entity in good faith and in reasonable manner.

4. RESPONSIBILITY

4.1. The Company's shareholders shall not be liable for its obligations and bear the risk of losses connected with its respective activity only within the limits of cost of shares belonging thereto.

4.2. The founder (shareholder) of the Company shall not be liable for its obligations, whereas the Company shall not be liable for obligations of its founder (shareholder) – excluding cases specifically provided by Civil Code of the Russian Federation either the other law provisions.

4.3. The Company shall be liable for its obligations with all of the assets belonging thereto.

4.4. Shareholders that not paid up their shares in full shall be deemed jointly and severally liable for the Company's obligations only within the limits of cost of unpaid shares belonging thereto.

4.5. Person that by virtue of law, any other legal act or the Charter is authorized to act for and on behalf thereof, shall be liable according to the request of the Company or its respective founders (shareholders) acing in the Company's interests to reimburse losses inflicted due to the Company's fault.

Person that by virtue of law, any other legal act or the Charter is authorized to act for and on behalf thereof, shall be deemed liable – in case if it has been proved that in course of exercising its rights and performing its respective obligations if was acting in bad faith or unreasonably, including situations when its acts (failure to act) were not in compliance with the usual terms and conditions of civil circulation or the normal business risk.

The responsibility presumed by item 1 of article 53.1 of the Civil Code of Russian Federation shall be born also by any members of the Company's collegial bodies – excluding those that have voted against the decisions that resulted in inflicting losses to the Company, or those bodies that in a bona fide manner have abstained from the subject voting.

4.6. The person that possesses the actual capability to determine the Company's activity shall be liable to act in best interests of the Company in good faith and the reasonable manner; besides he bears responsibility for losses incurred to Company due to his fault.

4.7. In cases of the mutual inflicting losses to Company, the persons mentioned in items 1 to 2 of article 53.1 of Civil Code of the Russian Federation shall be jointly and severally liable to reimburse the relevant losses.

4.8. The agreement regarding the recovery either limitation of responsibility for conducting any frauds by persons mentioned in items 1 to 2 of article 53.1 of Civil Code of the Russian Federation, shall be deemed null and void. The agreement regarding the recovery either limitation of responsibility for persons mentioned in item 3 of article 53.1 of Civil Code of the Russian Federation, shall be also deemed null and void.

5. AFFILIATES AND REPRESENTATIVE OFFICE, SUBSIDIARIES

5.1. The Company shall be entitled to establish affiliates and open its representative offices.

5.2. The representative office is a separate Company's department located beyond its principal place of business that is entitled to represent the interests thereof and provide for their protection.

5.3. The representative office is a separate Company's department located beyond its principal place of business that is entitled to exercise all its functions either the part thereof, the representation functions inclusive.

5.4. The representative offices and the Company's affiliates are not referred the legal entities. They are vested with property/assets by the founding Company and acts on the basis of provisions authorized thereby.

5.5. Heads of representative offices and affiliates are appointed by Company and acts on the basis of its power of attorney.

5.6. The representative offices and the Company's affiliates shall be indicated in the Unified State Register of Legal Entities.

5.7. The Company may have the subsidiary commercial companies. Such commercial company shall be deemed subsidiary in case if the Company by virtue of prevailing participation in its equity capital, either in compliance with the relevant agreement concluded in between thereof or otherwise, possesses the capability to determine decisions taken by such subsidiary.

Subsidiary is not liable for the Company's debts.

The Company is jointly and severally with subsidiary shall be liable for transactions concluded by the latter one in pursuance of the relevant directives or with the Company's consent - apart from cases of the Company's voting on the transactions approval during general meeting of the subsidiary, as well as the approval of transactions by any Company's managerial body (should such approval necessity is duly provided by the Charter of subsidiary and/or the Company).

In case of financial insolvency (bankruptcy) of subsidiary due to the Company's fault, the latter one shall be deemed jointly and severally liable for its respective debts.

Participants (shareholders) to subsidiary shall be entitled to demand the reimbursement by Company of any losses inflicted to the subsidiary by virtue of its respective actions (failure to act).

6. OBJECTIVES AND TYPES OF ACTIVITIES

6.1. Main objective of the Company's activity is profit extraction.

6.2. The Company shall be entitled to perform all and any business activities not prohibited by law. The Company is engaged, inter alia, in the following activities:

- General wholesale trade whatsoever;
- Production, transportation (transmission) of various energy resources, heat and electric power;
- Production, processing and selling mineral deposits, the underground fresh water inclusive;
- Trading operations with industrial products, raw materials and other commodities in any form whatsoever through agency, commission and other transactions for the purpose of their import, export, purchase, sale or exchange;
- Fulfillment of domestic and export orders for purchase and sale of coal and other minerals, acquisition of products through domestic and foreign commodity exchanges, auctions and fairs;
- Protection of the classified information;
- Determining the export potential of coal production facilities;
- Studying foreign coal sales markets and the other mineral deposit markets and searching potential byers;
- Acquisition, leasing and operation of transport, production, warehousing, exhibition facilities and areas and the other requisite assets;
- Foreign trade activity;
- Investment operations;
- Leasing operations;
- Operations with securities and derivative financial instruments;

- Running the overburden and mine preparation works;
- Running reclamation of the disturbed lands;
- Comprehensive environmental protection activities in accordance with the requirements of environmental laws of the Russian Federation;
- Activities relating to providing for industrial safety in accordance with applicable laws of the Russian Federation;
- Operation of hazardous industrial enterprises, including explosion-, fire- and chemically hazardous production facilities;
- Conducting the expert examinations in sphere of industrial safety;
- Running works related to the erection, repair and maintenance of fire protection facilities intended for buildings and structures;
- Activity on operation of electric power networks including the receipt, transmission and distribution of electric energy, the technical maintenance and repair of electric power lines inclusive;
- Activity on operation of heat networks including the receipt, transmission and distribution of heat energy, the technical maintenance and repair of heat lines inclusive;
- Generation and supply (sale) of electric and heat energy;
- Procurement (purchase) of electric and heat energy from electricity and heat generating enterprises;
- Procurement (purchase) of electric energy in the electricity power wholesale market;
- Providing the dispatcher control services;
- Operation of energy facilities which are not on the balance of the Company under contracts with owners of such energy facilities;
- Metal and wood processing;
- Manufacture of spare parts;
- Designing and production of non-standard equipment;
- Logging activity;
- Activity on operation of gas networks;
- Designing, construction and engineering surveys for buildings and structures of Criticality Ratings I and II in accordance with the relevant state standards;
- Performance of tunnel surveys;
- Performance of works on active impact on geophysical processes and phenomena;
- Cargo transportation by trucks with capacity exceeding 3.5 tons;
- Activity on technical maintenance and repair of rolling stock and railway transport facilities;
- Operation and repair of heavy machines and mechanisms, drilling, mining and the other special equipment;
- Railway loading/unloading operations;
- Inland water transport loading/unloading operations;
- Loading/unloading operations at sea ports;
- Conducting the independent expert examinations of various activities, works and international projects;
- Stocking, processing and sale of non-ferrous metal and iron scrap;
- Running operations in field of licenses and "know-how" exchange, engineering and other industrial and economic relationships, patent surveys;
- Conducting the lectures, conferences, festivals, workshops, symposia, working meetings, auctions, exhibitions, fairs and tenders both in the Russian Federation and abroad;
- Arrangement of training and the advanced vocational training of personnel, including training conducted outside the Russian Federation;
- Provision of marketing, engineering and consultancy services;
- Carrying out prospecting, research and development, scientific and technological and scientific and production researches; provision of representation, managerial, agency and advertising services;
- Trust management of assets owned by the other persons;
- Exercising the other activities not specifically prohibited by laws of the Russian Federation.

6.3. In cases presumed by law, the Company shall be entitled to exercise individual activities only on the basis of special permit (license), membership in self-regulated organization either the relevant certificate on access authorization for certain activities issued by the relevant self-regulated organization.

6.4. In compliance with laws currently in force in the Russian Federation, the Company shall be entitled to exercise foreign trade activity.

7. EQUITY CAPITAL

7.1. Equity capital of the Company is composed of the nominal value of its respective shares acquired by shareholders thereof.

7.2. Equity capital of the Company amounts to 1,160,300 (one million one hundred and sixty thousand three hundred) Rubles and consists of 232 060 000 (two hundred and thirty-two million sixty thousand) common non-certificated registered shares with the nominal value 0.005 (zero point five thousandths) Rubles each (outstanding shares).

7.3. In addition to the already placed shares, the Company is entitled to place 514 800 000 (Five Hundred and Fourteen Million Eight Hundred Thousand) common non-certificated registered shares with nominal value 0.005 (zero point five thousandths) Rubles each (hereinafter referred to as the "Authorized Shares"). The Authorized Shares afford their holders the same rights as the Outstanding (placed) Shares of the respective category.

7.4. No discharge of a shareholder from its obligation to pay for the Company's shares shall be admissible.

8. RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

8.1. Excluding cases specifically provided by Civil Code of the Russian Federation, in connection with their participation in corporate organization shareholders of the Company acquire the relevant corporate rights and obligations in respect of the Company.

8.2. The Company's shareholders are entitled as follows:

- to take part in administration of the Company's affairs;
- In cases and according to procedures envisaged by law and the Company's Charter, to receive information of its activity and become acquainted with its accountancy and the other documentation;
- to appeal against decisions taken by the Company's bodies that entail the negative civil law consequences (in cases and according to procedures envisaged by applicable law);
- acting for and on behalf of the Company, to demand indemnification of losses incurred to the Company;
- acting for and on behalf of the Company, to appeal against any transactions made thereby on grounds presumed by the applicable laws currently in force in the Russian Federation and demand application of consequences of their invalidity, as well as application of consequences of such invalid transactions of the Company;
- to take part in distribution of the profits generated by the Company;
- in case of liquidation of the Company to receive part of its respective assets remaining upon settlement with creditors (either the cost thereof);
- to demand expulsion of the other shareholder from Company through legal proceedings with payment thereto the actual cost of its respective stake – in case if such shareholder by his actions (failure to act) has inflicted substantial damage to the Company, either otherwise substantially inhibited its activity and achieving goals for which it has been created, the material breach of his obligations presumed by law or the Charter inclusive. Waiver of such right either the limitation thereof is deemed null and void;
- to take part in General meetings of shareholders, the right to vote on all issues covered by the competence thereof inclusive;
- to receive the dividends declared.

Company's shareholders may also have the other rights as specified in this Charter and laws of the Russian Federation.

In case if they are not registered in shareholder register of the Company, peculiarities of exercising by shareholders of their respective rights shall be determined by laws of the Russian Federation related to securities and law of joint stock companies.

8.3. The shareholder challenging resolution of General meeting of shareholders, as well as shareholder or member of Board of directors demanding reimbursement of losses inflicted to the Company, either recognizing any Company's transaction null and void, or application of consequences of transaction invalidity, shall be liable to take due and reasonable measures on the timely notification of the other Company's shareholders regarding his intention. In the appropriate situations the shareholder shall be entitled to appeal to court; as expected, the relevant written notification shall reach the Company at least five days prior to the date of reference to the court. Such notification shall contain the Company's denomination, name of filing person, the relevant demand, brief description of circumstances on which the plaintiff's claim is based, and name of court that shall be reached with the subject lawsuit. To notification may be attached the relevant documents containing information pertaining thereof.

In case if the person registered in the Company's shareholder register is the nominal shareholder, then the relevant notice mentioned in the present article and all the documents attached thereto shall be presented in compliance with rules containing in laws of the Russian Federation regarding securities and intended for providing information and materials to persons exercising their securities rights. The notice above mentioned and all the documents attached thereto shall be presented the latest 3 (three) days of the date of confirmation by court of the receipt of the relevant lawsuit for proceedings.

The latest 3 (three) days of the date of acceptance by court the lawsuit confirmation for proceedings indicated in the present item, the Company shall be liable to bring to the notice of its shareholders duly registered in the Company's shareholder register the notifications received and all the documents attached thereto in compliance with procedures stipulated for messages regarding carrying out General meetings of shareholders.

Shareholders of the Company that have failed to join to such lawsuit according to the procedures set up by the relevant procedural law, shall not be entitled henceforth to appeal to court with similar requests in case if the court shall not recognize the reasons of such request valid.

8.4. Should the otherwise is not specifically provided by Civil code of the Russian Federation, the Company's shareholder that has lost the Company participation rights due to no fault of himself in result of any wrongful acts of the other shareholders either any third persons whatsoever, shall be entitled to demand reimbursement his appropriate stake that have passed to other persons with payment in favor thereof the just compensation assessed by court as well as the recovery of losses for the account of guilty persons. In case if such development would result to the unfair deprivation of the other persons their respective Company participation rights or entail the extremely negative social and the other publicly valid consequences, the court may refuse the stake recovery. Otherwise in favor of person that has lost his respective Company participation rights due to no fault of himself the guilty person shall be liable to pay the fair compensation assessed by court.

8.5. Shareholder of the Company is entitled as follows:

- to take part in the formation of the Company's assets in the appropriate extent, according to the relevant procedures and within timeframes determined by Civil Code of the Russian Federation, the other law provisions or the Charter;
- to refrain from the disclosure of confidential information related to the Company's activity;
- to take part in taking such corporate decisions without which the Company is not in a position to continue its lawful activity (in case if his participation is necessary for taking thereof);
- not to perform any acts that consciously directed to inflicting damage to the Company;
- to refrain from any acts (or admit the failure to act) that may materially hindering either make impossible achieving goals for which the Company has been created;
- to make contributions to the equity capital of the Company in the appropriate extent, according to the relevant procedures and within timeframes determined by its Charter, the contributions to the other Company's assets inclusive.

Shareholders of the Company may bear also the other liabilities presumed by law or its Charter.

8.6. The extent of authorities of the Company's shareholders shall be determined pro rata to their respective stakes in the equity capital of the Company. In the Company's Charter as well as in corporate agreement may be provided also the other extent of authorities for its shareholders – subject

to entering information of the availability of such agreement and the presumed shareholders authorities extent in the Unified State Register of Legal Entities.

8.7. Any shareholders of the Company shall be entitled to conclude in between themselves the relevant corporate agreement regarding exercising their corporate rights (shareholders agreement); according to such agreement they shall be liable to exercise their rights in a definite way, either to refrain (refuse) from their exercising, the right to vote in a definite way in course of General meetings of shareholders. They shall be entitled also to perform the other properly concerted actions on managing the Company, acquire or alienate shares according to a determined price, or (subject to the occurrence of a certain circumstances) to refrain from the shares alienation until occurrence thereof.

Such corporate agreement cannot oblige shareholders to vote in compliance with the Company's directives, determine structure of their bodies and the competence thereof. Terms and conditions of corporate agreement contradicting the present provision shall be deemed null and void.

The corporate agreement may state the obligation of its parties to vote in course of General meeting of the Company's shareholders for inclusion in the Charter of provisions determining the structure of the Company's bodies and their competence – in case if in compliance with Civil Code of the Russian Federation and law of joint stock companies entering in its Charter any changes in structure of the Company's bodies and the competence thereof shall be deemed admissible.

The corporate agreement is concluded in writing by way of drawing up the sole document properly signed by its respective parties.

Shareholders of the Company that have concluded the corporate agreement shall be liable to notify the Company of the fact of its conclusion the latest 15 (fifteen) days of the date of concluding thereof; meanwhile, the disclosure of its content is not required. In case of failure to perform the obligation above mentioned the Company's shareholders not being the parties of corporate agreement shall be entitled to demand recovery of any losses inflicted thereon. Should the otherwise is not specifically stated by the applicable law, information of content of corporate agreement concluded by the Company's shareholders is not subject to disclosure and shall be deemed confidential.

The corporate agreement does not create any obligations for persons not participating thereon in a quality of party.

Violation of corporate agreement may be deemed the proper grounds for recognizing invalid any decisions taken by the Company's bodies in respect of any lawsuit filed by party of the subject agreement - under the condition that as of the moment of taking the appropriate decision by the Company's bodies all the parties of corporate agreement were the Company's shareholders. Meanwhile, recognizing invalid the decisions taken by any Company's body, shall not implicate the invalidity of any transactions of the Company concluded with third persons on the basis of such decision. Transaction concluded by party of the corporate agreement in violation of this agreement may be recognized by court null and void according to lawsuit filed by participant to corporate agreement only in case if the other transaction part shall be notified (or should become notified) of limitations presumed by such corporate agreement.

Parties of corporate agreement are not entitled to refer to the invalidity thereof due to its contradictions with any provisions of the Charter.

Should the otherwise in not specifically presumed by the conditions thereof, ceasing share rights of one of the parties of corporate agreement shall not entail termination of validity of such agreement related to its other parties.

For the purpose to secure protected by law interests of such persons, the Company's creditors and the other third persons may conclude agreements with shareholders of the Company according to which the latter ones shall be liable to exercise their respective corporate rights in a definite way either to refrain (refuse) from their exercising. Such rights presumes voting in a definite way in course of General meetings of shareholders, in a coherent manner to perform the other actions on managing the Company, acquire or alienate shares at a definite price, or (subject to the occurrence of a certain circumstances) to refrain from the shares alienation until occurrence thereof. Accordingly, the rules regulating the corporate agreements shall be applied. to such agreement

Should the otherwise is not specifically prescribed by law either not stem from the nature of relations of parties of such agreement, the corporate agreement rules shall be applicable to agreement of the Company's creation.

8.8. Shareholders of the Company shall be entitled to authorize documents regulating the corporate relation that not referred to its constituent documents, the Company's internal regulations and any other internal documents thereof. It is understood that such internal regulations and the other internal documents of the Company may contain only provisions not contradicting to its Charter.

8.9. The Company may be established by one person either consists of one person only (in case of acquisition all shares of the Company by sole shareholder). The relevant information is subject to inclusion in the Unified State Register of Legal Entities.

8.10. Proceeding from the relevant agreement with Company and in purpose of to finance and support its activity, shareholders shall be entitled to make in any time contributions in the Company's assets both in monetary either in the other form. Such contributions shall not increase or decrease its equity capital and not alter the nominal cost of its shares (hereinafter referred to as "contributions to the Company's assets").

Property entered in a quality of contributions in the Company's assets shall be referred to types indicated in item 1, article 66.1 of Civil Code of the Russian Federation.

To agreements being grounds for making contributions in the Company's assets, provisions of Civil Code of the Russian Federation regulating donation agreements shall not be applicable.

The agreement being grounds for making contributions by shareholder to the Company's assets, shall be preliminary authorized by resolution adopted by its Board of directors – excluding cases of making contributions to the Company's assets according to item 3, article 32.2 of Federal law № 208-FZ «On Joint Stock Companies" dated December 25, 1995.

By resolution adopted by General meeting of shareholders, on all the Company's shareholders may be imposed the duty to make contributions in the Company's assets; the relevant resolution may prescribe also the procedures, grounds and conditions of making contributions in the Company's assets. Such resolution shall be unanimously adopted by all shareholders of the Company. Obligation to make contributions in the Company's assets shall bear the persons that were the shareholders as of the date of arising such duty. The Company or its respective shareholder shall be entitled to appeal to court with lawsuit addressed to person that is refraining from his duty to make contributions in the Company's assets.

9. INCREASE AND DECREASE OF THE EQUITY CAPITAL

9.1. Equity capital of the Company may be increased by way of increasing nominal cost of share either by way of placement the additional shares.

Resolution of the increase of charter capital of the Company by way of increasing nominal cost of share either by way of placement the additional shares shall be adopted by General meeting of its shareholders.

The additional shares shall be place by Company only within the number of authorized shares stated by the Charter.

9.2. Increase of the equity capital of the Company by the way of placement the additional shares may be performed for the account of the Company's assets. Increase of the equity charter capital of the Company by way of increasing the nominal cost of shares may be performed for the account of the Company's assets only. Amount of increasing the equity capital of the Company for the account of the Company's shall not exceed the difference between cost of its net assets and amount of the equity capital, the Company's reserve fund inclusive. When increasing the equity capital of the Company for the account of its assets by way of placement the additional shares, such shares shall be distributed among all its shareholders. Meanwhile, to each shareholder shall be distributed shares of the same category (type) as the shares already belonging thereto; the distribution shall be made on a pro rata basis with shares above mentioned. The increase of charter capital of the Company for the account of its assets by way of placement the additional shares resulting in the creation of fractional shares is not admissible.

9.3. Payment of any additional shares placed by way of the subscription may be performed by means of money, securities, the other assets either property interests or any other rights having monetary value. Payment of any additional shares by way of the set-off of monetary claims addressed to the Company shall be admissible in case of their placement by way of closed subscription. As expected, payment of the other equity securities may be performed by monetary funds only.

When paying for the additional shares with non-monetary funds, the relevant monetary assessment of assets contributed to pay for shares shall be done by the Board of directors in compliance with article 77 of Federal law № 208-FZ «On Joint Stock Companies" dated December 25, 1995. Should the otherwise is not specifically provided by federal laws, when paying for shares with non-monetary funds, to determine market value of such assets a Valuer shall be engaged. It is understood that size of monetary value determined by the Board of directors cannot exceed the size of value assessed by the Valuer.

Company's shareholders are not entitled to determine the monetary value of non-monetary contributions in size exceeding the assessment amount determined by the independent Valuer. When contributing in the Company's equity capital non-monetary funds, the other assets inclusive, the shareholder performing such payment and independent Valuer, in case of insufficiency of the Company's assets, shall be deemed jointly and severally liable for his respective obligations within the limits of amount of the exceedance of valuation of assets contributed to t capital. Such provision shall be valid within 5 (five) years of the moment of state registration of the Company either entering in its Charter the relevant modifications.

9.4. In compliance with the law on joint stock companies, the Company is entitled to diminish the equity capital by way of decreasing the nominal cost of shares, either by way of purchasing part of shares for the purpose to decrease their total number. In cases specifically presumed by the laws currently in force, the Company shall be also liable to decrease its equity capital.

Diminishing the equity capital of the Company may be done by way of purchasing and redemption a part of shares.

Resolution regarding the decrease of the equity capital of the Company by way of reducing the nominal cost of shares, either by way of purchasing a part of shares for the purpose to decrease their total number shall be adopted by the General meeting of its shareholders.

The decrease of the equity capital of the Company is deemed admissible upon the proper notification of all its creditors according to procedures prescribed by the law on joint stock companies. The creditors' rights in case of decreasing the equity capital of the Company either decreasing cost of its net assets are determined by the law on joint stock companies.

Within 3 (three) working days upon adopting by Company the resolution regarding the decrease of its equity capital it shall be liable to properly inform of such resolution the authority in charge of official registration of legal entities; besides it shall be liable two times with periodicity once a month to release in mass media the relevant information, i.e. to provide publishing data of the official registration of legal entity and notice of reduction the Company's equity capital.

In case if the Company's creditor right of demand has occurred prior to publishing notification of reduction the equity capital of the Company, then the latest 30 (thirty) days of the date of last publishing such notification the creditor shall be entitled to demand from Company an early performance of the relevant obligation; should such performance turns out to be impossible, the obligation above mentioned shall be terminated, whereas the losses connected therewith shall be indemnified.

The Company shall not be entitled to decrease its equity capital in case if in result of such capital decreasing its size becomes less than the minimum size thereof prescribed by law provisions in force as of the date of presentation of documents for state registration of the relevant modifications entered in the Charter. In case if in compliance with law provisions in force the Company shall be liable to decrease its equity capital, it shall be done as of the date of state registration of the Company.

Resolution on decrease the Company's equity capital by way of diminishing the nominal cost of shares may envisage payment to all shareholders of the Company the relevant monetary funds and/or the delivery of equity securities belonging to Company but placed in favor of the other legal entities.

10. ACQUISITION OF OUTSTANDING SHARES BY THE COMPANY

10.1. The Company shall be entitled to acquire shares placed in compliance with resolutions of General meeting of the Company's shareholders regarding reduction of the equity capital of the Company by way of acquisition of a part of its outstanding shares in purpose to decrease their total number. Shares properly acquired by Company on the basis of resolution adopted by General meeting of the Company's shareholders regarding reduction of the equity capital of the Company by way of acquisition thereof in purpose to decrease their total number, are subject to paying off upon their acquisition.

10.2. The Company is entitled to acquire shares placed thereby according to resolution of General meeting of shareholders – excluding cases when the nominal cost of shares currently in circulation accounts for at least 90% (ninety percent) of the entire Company's equity capital. Shares acquired by the Company in compliance with this item are not vesting the holder thereof with any voting rights, not taken into the account when counting votes, and the dividends not accrued thereon. Such shares shall be sold at price not lower than their market value the latest one year of the date of their acquisition. Otherwise the General meeting of shareholders shall be liable to adopt resolution regarding the decrease of the equity capital of the Company by way of paying off the shares above mentioned.

10.3. In resolution regarding acquisition of shares shall be determined their categories (types), number of shares of each category (type), acquisition price, forms and timeframes of payment, as well as time limits for the receipt of shareholders' applications regarding selling to Company the shares belonging thereto, either the withdrawal of such applications.

Payment of shares placed by Company shall be done with the use of monetary funds, securities, the other assets, property either the other rights having monetary value.

Timeframe for the receipt of shareholders' applications regarding selling to Company of their shares, the withdrawal of such applications inclusive, shall be equal to at least 30 (thirty) days, whereas the timeframe for paying by Company for the shares acquired cannot exceed 15 (fifteen) days of the date of expiration of deadline stated for the receipt or the withdrawal of such applications.

Price of the shares acquired by Company shall be assessed in compliance with law provisions currently in force.

Each shareholder being holder of the certain categories (types) of shares proposed for acquisition, shall be entitled to sell thereof whereas the Company shall be liable to purchase such shares. Should the total number of shares proposed for selling to Company exceeds the number that may be really acquired by Company with the account of the relevant limitations imposed by the law on joint stock companies, then the shares shall be purchased from shareholders pro rata to the selling applications filed.

The latest 20 (twenty) days prior to the beginning of period stated for the receipt of shareholders' applications regarding selling their respective shares, the withdrawal thereof inclusive, the Company shall be liable to properly notify shareholders being holders of the certain categories (types) of shares. Such notice shall contain data indicated in paragraph 1, item 10.3 of the present article. The subject document shall be brought to notice of shareholders being holders of the certain categories (types) of shares presumed for acquisition according to the procedures stated for notices of holding the general meetings.

The latest 5 (five) days of the date of expiration of timeframe stated for the receipt of shareholders' applications regarding the sale of their respective shares, the withdrawal thereof inclusive, the Board of directors shall be liable to approve report of the results of filing applications to sale their respective shares. Such report shall contain information of the number of shares proposed for selling and their number that may be really purchased by Company.

10.4. In cases prescribed by law the shareholders being holders of voting shares shall be entitled to demand buying-out of all or some part of such shares belonging thereto. The procedures of exercising by shareholders of their respective rights related to buying-out by Company of the subject shares is stated by the law on joint stock companies.

11. SHAREHOLDER REGISTER

11.1. The Company shall be obliged to secure keeping its shareholder Register in compliance with the legal acts of the Russian Federation since the moment of the proper official registration of this Company.

11.2. In accordance with item 2, article 149 of Civil Code of the Russian Federation and item 1, article 8 of Federal law № 39-FZ "On securities market" dated April 22, 1996, holder of shareholder Register of the Company's shareholders shall be the professional participant to securities market possessing the relevant license authorizing thereof to exercise activity relate to maintaining such Register (Registrar).

11.3. In compliance with the request of shareholders either the nominal shares holder, the holder of such Register shall be liable to acknowledge their rights on the subject shares by way of granting extract from the Company's shareholder Register; meanwhile such an extract is not deemed the security.

12. DIVIDEND PAYMENT PROCEDURE

12.1. According to operation results for the first quarter, half-year period, nine months and/or results attained in the year reported, the Company shall be entitled to adopt resolutions (declare) of payment dividends for its outstanding shares. Source of paying dividends are the Company's profit after tax (i.e. net profit of the Company). Net profit of the Company is determined according to the Company's accountancy (financial) reports and statements. The dividends are payable in money. In compliance with the unanimously resolution adopted by the General meeting of shareholders, dividend may be payable also in non-monetary form.

12.2. Resolution authorizing payment (declaration) of dividend in respect of ordinary shares shall be adopted by General meeting of the Company's shareholders. In the resolution above mentioned shall be determined the size of dividends for shares of each category (type), their payment forms, dividend payment procedure applicable to non-monetary payments and date on which shall be determined the persons entitled to dividends. It is understood that resolution to set the date on which shall be determined the persons entitled to dividends shall be adopted only as per proposal of the Board of directors. Size of dividend cannot exceed those recommended by the Board of directors.

12.3. Date of which according to dividend payment (declaration) resolution shall be determined persons entitled thereto cannot be set earlier than 10 (ten) days of the date of adopting the dividend payment (declaration) resolution and not later than 20 (twenty) days of the date of taking such decision.

12.4. Timeframes for paying dividend to the nominal shares holder being professional participant to securities market and to trust manager that shall be duly registered in shareholders register, cannot exceed 10 (ten) working days, whereas to the other persons registered in shareholders register – 25 (twenty five) working days of the date on which shall be determined the persons entitled to dividends.

12.5. The Company shall not be entitled to adopt resolutions regarding payment of any dividend (i.e. to declare thereof) in the following situations:

- until paying in full entire equity capital of the Company;
- in case if as of the date of adopting such resolution the cost of the Company's equity capital and reserve fund shall be exceeding cost of its net assets;
- prior to the buyback of shares that are subject to redemption in compliance with article 76 of Federal law № 208-FZ "On joint stock companies" dated December 26, 1996;
- In case if as of the date of adopting such resolution the Company meets the criteria of insolvency (bankruptcy) in compliance with the applicable laws of insolvency (bankruptcy) of the Russian Federation, either in case if the criteria above mentioned shall occur in result of the relevant dividend payments;
- In any other cases specifically provided by federal laws.

13. COMPANY'S MANAGEMENT

13.1. To the Company's managerial bodies are referred:

- General meeting of shareholders;
- Board of directors;
- Management Board;
- Chief Executive Officer.

13.2. Relations between the Company and persons included in its managerial bodies are regulated by Civil Code of the Russian Federation and law on joint stock companies enacted on the basis thereof.

14. GENERAL MEETING OF SHAREHOLDERS

14.1. The supreme management body of the Company shall be its General meeting of shareholders.

14.2. The competence of the General meeting of shareholders shall cover the following matters:

1) approval and modification of the Company's Charter (i.e. entering alterations and amendments in the Charter, either approval of the new version thereof);
2) determining procedures of admission and expulsion of the Company's shareholders – excluding the cases when such procedures are prescribed by law;
3) determining the number, nominal value, category (class) of Authorized Shares and the rights carried by such shares;
4) increasing the Company's equity capital by way of increasing the nominal value of the shares or placement of the additional shares;
5) decreasing the Company's equity capital by way of decreasing the nominal value of the shares, purchase of a portion of the shares by the Company in order to reduce their overall number, as well as by way of canceling the shares acquired or repurchased by the Company;
6) acquisition by Company of the outstanding shares (in cases specifically provided by law);
7) adopting resolutions regarding alienation of outstanding shares of the Company that are transferred to the ownership thereof;
8) splitting and consolidation of shares;
9) taking decisions regarding placement by Company of bonds and the other equity securities (in cases specifically provided by law);
10) taking decisions regarding reorganization of the Company;
11) adopting resolutions regarding liquidation of the Company, appointment of liquidation committee (liquidating agent) and authorizing the liquidation balance (intermediate and final liquidation balance);
12) determining procedures of running General meeting of shareholders;
13) Approval of the annual Company's report and its annual accountancy (financial) reports and statements;
14) distribution of profit (dividend payment/declaration inclusive) – excluding payment/declaration of dividend according to first quarter, half-year period and nine months of the year reported, and the Company's losses recorded as of results of the year reported;
15) payment (declaration) of dividends as of results of the first quarter, half-year period and nine months of the year reported;
16) determining the number of members of the Board of directors, election of its members and an early termination of their authorities;
17) taking decisions regarding the transfer of authorities of the Company's sole executive body to its manager (either in favor of any other commercial entity or self-employed entrepreneur), approval of such manager and conditions of the relevant contact, taking decisions regarding the suspending the authorities vested to the Company's manager;
18) Election and an early termination of authorities of Auditing Commission, determining size of remuneration and compensations payable to members of Auditing Commission;
19) approval of the Company's Auditor (hereinafter referred to as "Auditor");
20) approval the Company's internal rules regulating its corporate relations; the said internal rules are not referred to constituent documents thereof (item 5, article 52 of Civil Cod of the Russian Federation);
21) approval of the internal regulations on the managerial bodies of the Company

22) taking decisions regarding approval of the interested party transactions (in cases specifically provided by article 83 of Federal law № 208-FZ "On joint stock companies" dated December 26, 1996);
23) taking decisions regarding approval of major transactions (in cases specifically provided by article 83 of Federal law № 208-FZ "On joint stock companies" dated December 26, 1996);
24) taking decisions on participation of Company in financial and industrial groups, associations and the other amalgamations of commercial organizations;
25) deciding the other issues provided by law or the Company's Charter.

14.3. Should the otherwise is not specifically provided by Civil Code of the Russian Federation or the other law provisions, the matters referred by Civil Code of the Russian Federation and the other law provisions to the exclusive competence of General meeting of shareholders cannot be passed for deciding to the other Company's bodies.

14.4. Should the otherwise is not specifically provided by law for taking decisions, resolutions of General meeting of shareholders on matter proposed for voting shall be taken by the majority of votes of the Company's shareholders being holders of its voting shares and taking part in the meeting.

Resolutions on matters indicated in sub-items 4-6, 8, 10, 17, 21-24, item 14.2, article 14 of the Charter, shall be adopted by General meeting of shareholders only according to proposals of the Board of directors.

Should the otherwise is not specifically provided by law on joint stock companies, resolutions on matters indicated in sub-items 1, 3, 6, 10, item 14.2, article 14 of the Charter shall be adopted in course of General meeting of shareholders by the majority of votes equal to three quarters of all votes of holders of the Company's voting shares taking part in such meeting.

In case of entering any modifications in the provisions of the Charter indicated in item 3, article 66.3 of Civil Code of the Russian Federation, resolution regarding entering such modifications in the Charter shall unanimously adopted by all the Company's shareholders. In cases when the law presumes the necessity of such resolutions of General meeting of the Company's shareholders, the resolution shall be deemed adopted only in case of the affirmative voting of all holders of its voting shares.

Procedures of taking by General meeting of the Company's shareholders decisions on the order of running thereof shall be determined by the relevant internal documents properly approved by resolution of meeting of the Company's shareholders.

General meeting of shareholders is not entitled to adopt resolutions on matters not included in the agenda thereof, as well as to alter such agenda – excluding cases when in curse of taking decisions on matters not included in the agenda, either when altering thereof, the relevant meeting was attended by all the Company's shareholders.

Any Company's shareholder shall be entitled to challenge in court the decision taken by the General meeting of shareholders with violation of any requirements of law of joint stock companies, the other law provisions of the Russian Federation, Charter - in case if he did not attend the relevant General meeting of shareholders either voted against taking such decision that has violated his rights and/or legitimate interest. With the account of all circumstances the court shall be entitled to retain in force the disputed decision – in case if voting of the given shareholder was not in a position to affect the overall voting results, the committed violations are not deemed sufficient and the decision taken did not result in inflicting damage to such shareholder.

Recognizing the decisions of the General meeting of shareholders regarding approval of any interested major deals and transactions null and void in case of challenging thereof apart of challenging the appropriate Company's deals shall not result in recognizing the relevant deals null and void.

Decisions taken by General meeting of the Company's shareholders on issues not included in the agenda thereof (excluding cases of attendance in such meetings of all the Company's shareholders), either with violation of the competence of General meeting of shareholders (i.e. in case of lacking quorum for holding thereof either without the majority of votes required for taking decisions), shall be deemed null and void irrespective of their appealing through the courts.

14.5. The Company is liable to hold the annual General meeting of their shareholder. All other Company's meetings shall be deemed the extraordinary ones.

Annual General meeting of shareholders shall be held not earlier than after two months and the latest six months upon the end of the year reported.

14.6. The Annual General meeting of shareholders is authorized to decide matters related to election of the Board of directors, Auditing Commission, appointment of Auditor, approval of annual report, and annual accountancy (financial) reports and statements of the Company; the other issues referred to the exclusive competence of General meeting of shareholders may be also decided.

Resolutions of meeting of shareholders may be adopted also without holding thereof (i.e. the mutual presence of shareholders for discussion of matters included in agenda and taking decisions on issues proposed for voting) by way of voting in absentia. General meeting of the Company's shareholders which agenda includes issues related to election of the Board of directors, Auditing Commission, appointment of Auditor, approval of annual accountancy (financial) reports and statements of the Company cannot be held by way of voting in absentia.

14.7. List of persons entitled to take part in General meeting of the Company's shareholders is drawn up in compliance with rules stated by laws of the Russian Federation regarding securities applicable for preparation of lists of persons exercising their rights related to securities.

The date as of are determined (fixed) persons who are entitled to take part in General meeting of shareholders cannot be stated earlier than after 10 (ten) days of the date of taking decision to hold General meeting of the Company's shareholders, and more than 25 (twenty five) days prior to the date above mentioned. In case if the proposed agenda of extraordinary General meeting of shareholders contains issue of electing member of the Board of directors, then such date shall be stated in excess of 55 (fifty five) days prior to the date of holding the General meeting of shareholders. In case of holding the General meeting of shareholders with agenda that contains issue of the Company's reorganization, then the date as of are determined (fixed) persons who are entitled to take part in the relevant meeting cannot be stated in excess of 55 (fifty five) days prior to the date of holding the General meeting of shareholders.

14.8. Notification of holding the General meeting of the Company's shareholders shall be done not later than 10 (ten) days of the date of holding thereof, whereas notification of holding the General meeting of shareholders with agenda that contains issue of the Company's reorganization shall be done not later than 14 (fourteen) days prior to the date of holding thereof. In cases specifically provided by items 2 and 8, article 53 of Federal law № 208-FZ "On joint stock companies" dated December 26, 1996, the proper notification of holding the General meeting of shareholders shall be done not later than 50 (fifty) days prior to the date of holding thereof.

Within timeframes above mentioned the message of holding General meeting of the Company's shareholders shall be brought to notice of persons entitled to take part in such meetings and duly registered in the Company's shareholder Register; it shall be done by way of forwarding registered letter or personal delivery by hand, either by one of the following methods:

- Forwarding electronic message at e-mail address of the appropriate person indicated in the shareholder Register of the Company;
- Forwarding text message containing the procedure of familiarization with message regarding holding the General meeting of shareholders; the said message shall be made at the relevant contact phone number, either at the e-mail address indicated in the shareholder Register of the Company.

The specific method of notifying persons entitled to attend the General meeting of shareholders regarding holding thereof shall be determined by the Company's Board of directors.

The message related to holding General meeting of shareholders shall contain the following data:

- Full firm name of the Company and its respective location;
- Form of holding the General meeting of shareholders (i.e. the actual meeting or voting in absentia);
- Date, place and time of holding the General meeting of shareholders; in case when the filled voting ballots shall be forwarded to the Company – the relevant mail address for sending such filled ballots, either in case of holding the General meeting of shareholders in form of voting in absentia – limit date for the acceptance by Company of the filled voting ballots and the relevant mail address;
- Date as of which the persons entitled to take part in General meeting of shareholders shall be determined;

- Agenda of General meeting of shareholders;
- Procedure of familiarization with information/materials that are subject to submitting in course of preparation for General meeting of shareholders and the relevant address/addresses for such familiarization;
- E-mail address for forwarding the filled voting ballots (in case of voting in absentia);
- Categories (types) of shares whose holders are entitled to vote on all or several issues containing in the agenda of General meeting of shareholders.

14.9. To information (materials) subject to presentation to persons entitled to take part in General meeting of shareholders in course of preparation thereof, are referred the annual Company's report and conclusion of Auditing Commission on results of examination thereof, annual accountancy (financial) reports and statements, the Auditor conclusion inclusive, conclusion of Auditing Commission on the results of checking such reports / statements, data of candidates to the Company's executive bodies, Board of directors, Auditing Commission, draft of amendments and additions to be entered in the Charter either draft of new version of the Charter, drafts of internal documents of the Company, drafts of resolutions to be adopted by General meeting of shareholders, information of shareholder agreements concluded within one year until the date of holding General meeting of shareholder, as well as the other information/materials whatsoever envisaged by the Charter. List of the additional information / materials obligatory for presentation to persons entitled to take part in the General meeting of shareholders in course of preparation thereof may be determined by Central Bank of the Russian Federation.

Information (materials) envisaged by the present item of the Charter shall be accessible for familiarization to persons entitled to take part in General meetings of shareholders in premises occupied by the Company's executive body and in the other locations which addresses are indicated in notice of holding the General meeting of shareholders. It is understood that such information shall be accessible within 10 (ten) days, and in case of holding the General meeting of shareholders with agenda containing the issue of the Company's reorganization – within 14 (fourteen) days prior to the date of holding the General meeting of shareholders. The said information (materials) shall be accessible also to persons taking part in the General meeting of shareholders in course of holding thereof. According to the request of person entitled to take part in General meetings of shareholders, Company shall be liable to present him copies of the documents above mentioned. Fee chargeable by Company for presentation of such copies cannot exceed the cost of their production.

In case if the person registered in shareholders Register is the nominal shareholder, then information and materials to be presented to persons entitled to take part in General meeting of shareholders, shall be really presented in course of preparation thereof in compliance with the applicable rules/laws of the Russian Federation related to securities and presentation of information/materials to persons exercising their securities rights.

14.10. Shareholders being in aggregate owners of at least 2% (two percent) of all voting shares of the Company, shall be entitled to enter issues in agenda of annual General meeting of shareholders and propose candidates the Board of directors and Auditing Commission; their number cannot exceed the number of members in the appropriate body. Such proposals shall reach the Company the latest 60 (sixty) days upon the end of the year reported.

In case if the proposed agenda of extraordinary General meeting of shareholders contains issue of electing Board of directors, then shareholders being in aggregate owners of at least 2% (two percent) of all voting shares of the Company, shall be entitled to propose their candidates to stand for election to Board of directors; their number cannot exceed the number of members in the Board of directors. Proposals mentioned in the present item shall reach the Company at least 19 (nineteen) days prior to the date of holding the extraordinary General meeting of shareholders.

Proposals of entering issues in agenda of the General meeting of shareholders and proposals regarding nomination of candidates may be entered by the following methods:

- by way of forwarding with the use of postal communications either via the express delivery service at address of sole executive body of the Company containing in the Unified State Register of Legal Entities, or at the address indicated in resolution of Board of directors for forwarding the filled voting ballots;
- by way of the delivery by hand to person exercising the functions of sole executive body of the Company, Corporate Company's secretary either the other person duly authorized to accept written correspondence addressed to Company, or

- by way of forwarding at e-mail address indicated in resolution of the Board of directors and intended for forwarding the filled voting ballots.

Such proposals shall contain name in full (denomination) of shareholders that have presented thereof, number and category (type) of shares belonging thereto, and shall be signed by the relevant shareholders or their legal representatives.

The Company's shareholders not registered in the Unified State Register of Legal Entities shall be entitled also to enter their proposals in agenda of General meeting of shareholders and proposals of the candidates nomination by way of issuance the appropriate instructions (directives) to person that is in charge of their share rights. Such instructions (directives) shall be released in compliance with the securities rules in force in the Russian Federation.

Proposals related to entering matters in agenda of the General meeting of shareholders shall contain the proper wording of each of the matter proposed regarding the candidates' nomination, their names in full (if any), data of identification documents (series and number, date and place of issuance and name of the issuing authority) of each of the candidates proposed, name of the relevant Company's body, as well as any other information presumed by the Charter and/or the internal Company's documents. Proposals of entering matters into the agenda of General meeting of shareholders may contain wordings for draft resolutions on each of the matters proposed.

The Board of directors shall be liable to consider the entered proposals and take decision regarding their inclusion into the subject agenda (either to refuse thereof) the latest 5 (five) days upon expiration of relevant deadline. The issues proposed to the Company's shareholders are subject to inclusion to agenda of the General meeting of shareholders whereas the candidates nominated shall be included into the voting list for election in the appropriate Company's body – excluding the cases when:

- the shareholders have failed to observe the timeframes stated for the submitting the appropriate proposals;
- shareholders are not holders of the required number of voting shares of the Company;
- the proposal submitted does not comply with requirements prescribed by law;
- the issue proposed for entering into agenda of General meeting of shareholders is not referred to the competence of the Company, either does not comply with requirements prescribed by Federal law of the Russian Federation № 208-FZ "On joint stock companies" dated December 26, 1996.

The properly motivated resolution of the Board of directors regarding the refusal to entry the proposed issue into agenda of the General meeting of shareholders or the relevant candidate into voting list for the election in the appropriate Company's body shall be forwarded to the appropriate initiating shareholder the latest 3 (three) days of the date of its adoption.

The Board of directors is not entitled to enter any modifications whatsoever into wording of issues proposed for the inclusion into agenda of General meeting of shareholders and the draft resolutions proposed in respect thereof.

Apart of the issues proposed for inclusion into agenda of General meeting of shareholders as well as in case of lacking such proposals, lacking either the insufficient number of candidates proposed by shareholders for forming the appropriate body, the Board of directors shall be entitled to enter into agenda of General meeting of shareholders the issues or candidates as it thinks fit. In case if the subject proposals have been entered the Company from persons not duly registered in the Company's shareholder register and have issued the instructions to person in charge of their share rights, then the relevant resolution of the Board of directors shall be forwarded to such persons the latest 3 (three) days of the date of its adoption in compliance with laws of Russian Federation of the securities that relate to presentation of information to persons in charge of the securities rights.

In course of preparation for holding General meeting of shareholders the Board of directors shall be entitled to determine:

1) form of holding the General meeting of shareholders (i.e. the actual meeting or voting in absentia);
2) date, place and time of holding the General meeting of shareholders; in case when the General meeting of shareholders is held if form of voting in absentia – the deadline for the acceptance of filled voting ballots;
3) mail address at which the filled ballots may be forwarded (in case of voting in absentia), as well as e-mail address for forwarding the filled ballots;

4) deadline for determining (fixing) the persons authorized to take part in General meetings of the Company's shareholders;
5) date of ending the acceptance of shareholder proposals regarding nomination of candidates for election to the Board of directors - in case if agenda of extraordinary General meeting of shareholders contains such issue;
6) agenda of General meeting of the Company's shareholders;
7) procedures and method/ methods of notification of persons entitled to take part in General meetings of shareholders;
8) List of information/materials to be presented to shareholders in course of preparation and holding General meetings of the Company's shareholders, the relevant submitting procedures inclusive;
9) Form and text of voting ballot, as well as the method of forwarding ballots to persons entitled to take part in General meeting of shareholders and registered in shareholder register (in case of voting by ballots) as well as wordings of draft resolutions on issues included into the agenda of General meetings of shareholders that shall be forwarded in electronic form to the nominal holders of shares duly registered in the Company's shareholder register.

14.11. Extraordinary General meeting of shareholders shall be held as per the basis of resolution adopted by the Board of directors according to its own initiative, request of Auditing Commission, Auditor and shareholders being in aggregate the owners of at least 10% (ten percent) of all the Company's voting shares as of the date of submitting the relevant demand.

Convening the extraordinary General meeting of shareholders according to request of Auditing Commission, Auditor and shareholders being in aggregate the owners of at least 10% (ten percent) of all the Company's voting shares ,shall be done by the Board of directors.

Extraordinary General meeting of shareholders convened according to according to request of Auditing Commission, Auditor and shareholders being in aggregate the owners of at least 10% (ten percent) of all the Company's voting shares ,shall be held within 25 (twenty five) days of the moment of submitting request regarding holding such extraordinary General meeting of shareholders.

In case if the proposed agenda of extraordinary General meeting of shareholders contains issue of electing members to the Board of directors, than such General meeting shall be held within 39 (thirty nine) days of the date of submitting request regarding holding the extraordinary General meeting of shareholders. In such a case the Board of directors shall be liable to determine deadline for the acceptance of shareholders' proposals regarding nomination of candidates for the election of Board of directors.

In the request to hold an extraordinary General meeting of shareholders the issues that are subject to inclusion in the meeting agenda shall be properly worded. The request to hold an extraordinary General meeting of shareholders may contain wordings for drafts of each resolution to be taken in respect thereof as well as the proposals on the form of holding the General meeting of shareholders. In case if the request to hold an extraordinary General meeting of shareholders contains any proposals regarding nomination of candidates, then on such proposals shall be extended the appropriate provisions of item 14.10 of the Company's Charter.

The Board of directors is not entitled to enter any modifications in the agenda wordings and alter the proposed form of holding the extraordinary General meeting of shareholders convened according to request of the Auditing Commission, Auditor and shareholder/shareholders being in aggregate the owners of at least 10% (ten percent) of all the Company's voting shares.

In case if the request to hold the extraordinary General meeting of shareholders is coming from shareholder/shareholders, then it shall contain the relevant full names (if any) of shareholders requesting the convening of such meeting and indication of number and category (type) of shares belonging thereto.

The Board of directors shall take decision to authorize the convening of extraordinary General meeting of shareholders, either to refuse thereof, within 5 (five) days of the date of submitting the relevant request of the Company's Auditing Commission, Auditor and shareholders being in aggregate the owners of at least 10% (ten percent) of all the Company's voting shares.

Decision to refuse convening of the extraordinary General meeting of shareholders according to the request of the Company's Auditing Commission, Auditor and shareholders being in aggregate the

owners of at least 10% (ten percent) of all the Company's voting shares may be taken in the following situations:

- procedures of submitting request regarding the convening of the extraordinary General meeting of shareholders prescribed by the Company's Charter or law are not observed;
- shareholders requesting the convening of the extraordinary General meeting of shareholders are not owners of the requisite number of the Company's voting shares, and
- neither issues proposed for inclusion into agenda of the extraordinary General meeting of shareholders are not referred to the competence thereof and/or are not in compliance with applicable law requirements.

Resolution of the Company's Board of directors of convening the extraordinary General meeting of shareholders either the properly motivated refusal shall be forwarded to the relevant persons requested such convening the latest 3 (three) days of the date of taking such decision. In case if the request to hold the extraordinary General meeting of shareholders has come to Company from persons not registered in the Company's shareholder register that have issued their instructions (directives) to person in charge of their respective share rights, then the mentioned resolution of the Company's Board of directors shall be forwarded in favor of such persons the latest 3 (three) days of the date of taking such decision in compliance with rules/laws of securities of the Russian Federation that relates to presentation of information and materials to persons in charge of exercising the securities rights.

14.12. Functions of the Company's Counting commission are exercising by the person in charge of keeping its shareholder register. Such Counting commission is checking authorities and registers persons attending the General meeting of the Company's shareholders, determines quorum, explains problems arisen in connection with implementation by shareholders (or their representatives) of voting rights during the agreements of shareholders, explains voting procedures on the issues proposed, provides the proper order in polling stations, secures implementation of shareholders voting rights, counts the votes, summarizes the voting results and draw up the relevant minutes; upon the voting completion Counting commission shall be liable to deliver the used voting ballots to the Company's archive.

14.13. Right to attend General meeting of shareholders is exercised by shareholders either personally or via their respective representatives (proxies). The shareholder shall be entitled in any time to replace his representative and personally attend the General meeting of shareholders.

Shareholder's proxy attending General meeting of shareholders is acting in compliance with his authorities provided by means of power of attorney drawn up in writing. Such power of attorney applicable to voting shall contain the following data: name in full, series and number of identification document, date and place of issuance thereof, name of issuing body (for individuals); denomination and information of domicile (for legal entities). The power of attorney shall be executed in compliance with provisions of items 2 and 4, article 185.1 of Civil Code of the Russian Federation, either attested by a notary.

In case of passing shares after the date of drawing up the list of persons entitled to take part in the Company's General meeting of shareholders and prior to the date of holding thereof , then the person included in such a list shall be liable to grant to beneficiary the relevant power of attorney authorizing the holder to vote in course of General meetings of shareholders in accordance with his instructions (in case if this is specifically provided by the shares transfer agreement).

14.14. The General meeting of shareholders shall be deemed legally competent (i.e. possessing quorum) in case if it was attended by shareholders controlling in aggregate at least half of all the Company's voting rights represented by its outstanding shares.

Attended in General meeting of shareholders shall be deemed shareholders duly registered for taking part thereon. Attended in General meeting of shareholders that is performed in form of voting in absentia shall be deemed those shareholders who have handed over their voting ballots to Company before the date of ending thereof.

The filled bulletins may be forwarded to Company by the ways as follows:

- forwarding by means of postal communications either via courier delivery service at the address (domicile) of the Company's sole executive body containing in the Unified State Register of Legal Entities , or at the address indicated in the relevant resolution of its Board of directors for sending the filled voting ballots;

- by way of the delivery by hand to person in charge of functions of sole executive body, Company's Corporate secretary or the other persons authorized to receive the written correspondence addressed to the Company, or
- by way of sending an e-mail address properly indicated in resolution of the Company's Board of directors and intended for sending the filled voting ballots.

Attended in General meeting of shareholders shall be deemed also those shareholders who in compliance with the applicable rules of the Russian Federation regarding the securities have issued to persons exercising their shares rights the relevant instructions (directives) on voting – in case if such instructions have been duly received the latest 2 (two) days prior to the date of holding the General meeting of shareholders, either to the date of ending the acceptance of voting ballots (should the subject General meeting of shareholders is held in form of voting in absentia).

In case if agenda of the Company's General meeting of shareholders incudes issues that are voted by the various persons, then the respective quorum for taking decisions on such issues is determined separately. Meanwhile, it is understood that the lack of quorum when voting such issues shall not prevent taking decision on issues voted by the other persons whatsoever.

In case of lacking quorum required for holding the General meeting of shareholders, the repeated General meeting with the same agenda shall be held. Similarly, in case of lacking quorum required for holding the extraordinary General meeting of shareholders, the repeated extraordinary General meeting with the same agenda shall be held.

The repeated General meeting of shareholders shall be deemed legally competent (having the quorum) in case if it is attended by shareholders controlling in aggregate at least 30% (thirty percent) of all the Company's outstanding shares.

14.15. The voting in process of holding the General meeting of shareholders shall be performed according to principle "one voting share of Company – one vote" – excluding the case of running cumulative voting in situations specifically provided by law on joint stock companies.

Voting on issues included into the agenda of General meeting of shareholders may be done by means of voting ballots. Voting on issues included into the agenda of General meeting of shareholders held in form of voting in absentia should be done by means of voting ballots.

Voting by means of voting ballots shall be treated as the receipt by the Company's registrar of the relevant notifications regarding the will expression by persons who are authorized to take part in General meeting of shareholders but not registered in shareholder register of the Company and are issued in compliance with requirements of securities laws of the Russian Federation the relevant voting instructions addressed to persons exercising their shares rights.

Voting ballot shall be handed over against receipt to each person (or his representative) included into the list of persons duly authorized to take part in General meeting of shareholders and registered for participation in General meeting of shareholders held in form of meeting.

When holding General meeting of shareholders in form of voting in absentia, the relevant voting ballots shall be forwarded or handed over against receipt to each person who is registered in the Company's shareholder register and is authorized to take part in the General meeting of shareholders the latest 10 (ten) days prior to holding such meeting.

Forwarding the ballots for voting may be done by a registered mail or by means of the other facilities determined by resolution of the Board of directors, including electronic message sent at the e-mail address of the appropriate person indicated in the Company's shareholder register.

The voting ballot shall contain the following information:

- full firm name of the Company and its domicile;
- form of holding the General meeting of shareholders (holding the meeting either voting in absentia);
- date, place and time of holding the General meeting of shareholders, or, in case of holding the meeting by way of voting in absentia, the date of ending the acceptance of voting ballots and the relevant address for sending the filled ballots;
- wordings of draft resolutions proposed on each issue voted by the given ballots, names in (if any) full of each candidate;

– options for voting on each issue included into the meeting agenda (i.e. ‘for’, ‘against’ either ‘abstained’) and mentioning the fact that voting ballots shall be signed by person properly authorized to take part in General meeting of shareholders, or his legal representative.

Should the cumulative voting is practiced, the relevant voting ballots shall contain the appropriate instructions and explanations of the essence of such voting mode.

14.16. In case of voting performed with the use of voting ballots, shall be taken into account only the votes taken on such issues that presumes one of the possible voting options only. The voting ballots filled with violation of the requirement above mentioned shall be deemed null and void, and the votes on the issues containing in them shall not be counted.

In case if the voting ballots contain several issues proposed for voting, then the failure to observe the requirement above mentioned in respect of one or several issues does not entail recognizing the subject voting ballot null and void.

According to the results of voting the Counting Commission shall be entitled to prepare the relevant minutes signed by its members or person performing the functions of such Commission. Minutes on voting results shall be prepared the latest 3 (three) working days upon closure of the General meeting of shareholders, or the date of ending the acceptance of voting ballots (should the subject General meeting of shareholders is held in form of voting in absentia).

Upon preparation of minutes on voting results and signing the minutes of the General meeting of shareholders, the relevant voting ballots shall be sealed by Counting Commission and handed over for keeping to the Company’s archive.

Minutes of voting results are subject to attachment to minutes of General meeting of the Company’s shareholders.

Resolutions adopted by General meeting of shareholders and voting results may be announced in process of the appropriate meeting. They shall be also brought to notice of persons included into the list of persons entitled to take part in General meeting of shareholders (in form of voting results report prepared as per procedures presumed for notices of holding General meeting of shareholders) the latest 4 (four) working days upon closure of the General meeting of shareholders, or the date of ending the acceptance of voting ballots (should the subject General meeting of shareholders is held in form of voting in absentia).

In case if as of the date of determining (fixing) persons entitled to take part in General meeting of shareholders the properly registered in the Company’s shareholder register person is represented by the nominal shares holder, then information containing in voting results report shall be presented to such nominal holder in compliance with the relevant rules/laws of securities of the Russian Federation that relates to presentation of information and materials to persons in charge of exercising the securities rights.

Minutes of General meeting of shareholders shall be drawn up in two copies the latest 3 (three) working days of closure of the relevant meeting.

Both such copies shall be signed by person presiding the General meeting of shareholders and the secretary of such meeting. The Secretary of General meeting of shareholders is electable by the General meeting of shareholders for indefinite term.

As regards the results of voting in person, the minutes of General meeting of the Company’s shareholders shall reflect the data as follows:

1) Date, place and time of holding the General meeting of shareholders;
2) Information of persons that have taken part in the meeting;
3) Total number of votes possessed by shareholders being the owners of voting shares of the Company;
4) Total number of votes possessed by shareholders attending the meeting;
5) Chairman and Secretary of the meeting;
6) Agenda of General meeting of shareholders;
7) Primary aspects of speeches and names of speakers on each issue included into the agenda of General meeting of shareholders;
8) List of issues proposed for voting;
9) Results of voting on each issue included into the agenda of General meeting of shareholders;

10) Wordings of resolutions adopted by the General meeting of shareholders in respect of each issue included into the agenda thereof;
11) Information of persons performing the votes counting (Counting commission);
12) Information of persons that have voted against draft resolutions and requested to enter the relevant record into the meeting minutes.

As regards the results of absentee voting, the minutes of General meeting of the Company's shareholders shall reflect the data as follows:

1) Deadline for acceptance of voting ballots;
2) Information of persons attending the voting process;
3) Total number of votes possessed by shareholders being the owners of the Company's voting shares;
4) Total number of votes possessed by shareholders attending the meeting;
5) Chairman and Secretary of the meeting;
6) Agenda of the General meeting of shareholders;
7) List of issues proposed for voting;
8) Results of voting on each issue included into the meeting agenda;
9) Wordings of resolutions adopted by General meeting of shareholders in respect of each issue included into the meeting agenda;
10) Information of persons performing the votes counting (Counting commission);
11) Information of persons that have signed the minutes.

All resolutions adopted by the General meeting of shareholders and the composition of shareholders attended in course of adoption thereof and forwarding their respective ballots, are subject to the approval by person in charge of keeping the Company's shareholder register and performing the functions of its Counting commission.

14.17. In the Company whose voting shares completely belong to sole shareholder, resolutions on issues referred to competence of General meeting of shareholders shall be adopted by such shareholder at his sole discretion and executed in writing. Meanwhile, the provisions of this article determining the procedures and timeframes of preparation, convening and holding the General meeting of shareholders shall not be applicable (apart from the provisions related to timeframes of holding the annual General meeting of shareholders).

15. BOARD OF DIRECTORS

15.1. Board of directors is exercising general control over the Company's activity (excluding issues referred by the Charter to the competence of General meeting of shareholders); it controls also the activity of executive bodies of the Company.

15.2. To the competence of the Company's Board of directors are referred the issues as follows:

1) Determining the priority directions of the Company's activity, principles of collection and making use of the Company's assets/property, authorization of the prospect plans of their realization; approval of development strategy for the Company and its respective subsidiaries, exercising control over its implementation and the efficiency assessment;
   It is understood that in context of its Charter the Company's subsidiaries mean legal entities established in compliance with laws of the Russian Federation in which the Company by virtue of its dominant participation in the equity capital either in compliance with the agreements concluded in between thereof, or the otherwise possess the opportunity to determine decisions taken by such legal entities;
2) Convening both the annual and extraordinary General meetings of shareholders – excluding cases specifically provided by item 8, article 55 of Federal law № 208-FZ «On joint stock companies" dated December 25, 1995;
3) approval of agenda of General meeting of the shareholders;
4) Determining the date of drawing up the list of persons duly authorized to take part in General meetings of shareholders and the other issues referred to the competence of Board of directors in compliance with provisions containing in article VII of Federal law № 208-FZ «Regarding joint stock companies" dated December 25, 1995 and provisions of article 14 of the Company's Charter pertaining to preparation and holding the General meeting of shareholders;

5) Determining the price (monetary assessment) of the Company's assets/property, placement price or procedures of its determining, the repurchase price of equity securities inclusive – in cases specifically provided by law on joint stock companies;
6) Appointment of Corporate secretary of the Company;
7) Approval of the Company's registrar and conditions of the relevant of agreement concluded therewith; issuance of recommendations to the Company's managerial bodies on problems pertaining to the approval of their registrars;
8) Taking decisions regarding acquisition of debentures/bonds placed by the Company;
9) Authorizing report of the outcomes of presentation by the Company's shareholders requests regarding the repurchase of shares belonging thereto (in cases and according to procedures specifically provided by law);
10) Election of Chief Executive Officer, setting up the collective executive body of the Company (its Management Board), including the assessment of number of its members and approval of the respective candidates as advised by the Chief Executive Officer, and an early termination of authorities of the Chief Executive Officer and members of the Management Board;
11) Recommendations on the size of remuneration and compensations payable to members of Auditing Commission;
12) Determining the size of the Auditor's remuneration;
13) Issuance of recommendations on size of dividend payable in respect of shares and the procedures of payment thereof;
14) Approval of the Company's internal documents (apart from the internal documents not referred to competence of the General meeting of shareholders) as well as the other Company's internal documents which approval is specifically referred by the Charter to the competence of executive bodies of the Company;
15) Taking decisions regarding setting up the Company's affiliates and opening their respective representation offices and their liquidation, approval of provisions pertaining to such affiliates and representation offices;
16) Making use of the Company's reserve fund;
17) Approval of transactions specifically provided by chapter XI of Federal law № 208-FZ «On joint stock companies" dated December 25, 1995;
18) Approval of major transactions specifically provided by chapter X of Federal law № 208-FZ «On joint stock companies" dated December 25, 1995;
19) Approval of the system of motivation, assessment and determining the size of compensations payable to the Chief Executive Officer, approval of the obligatory terms and conditions of the labor contact concluded therewith; approval of appointments and dismissals of executives included into the list of positions approvable by the Board of directors; approval of motivation system and the obligatory terms and conditions of the labor contacts concluded therewith, as well as the reconciliation of the succession pool pertaining thereto;
20) Taking the following decisions by the Company either the other legal entities:
    (a) Taking decisions regarding the ultimate participation of Company in the equity capital of the other organizations, either regarding the termination of such participation in equity capital of the other organizations whatsoever;
    (б) Taking decisions regarding acquisition or alienation by Company of share (ownership interest in equity capital) belonging to other organizations; as expected, in result of such operations the part of the Company's voting shares in charter capital of the subject organizations would exceed (or becomes less than) 50% (fifty percent) of their entire voting shares pool;
    (в) Issuance of recommendations to the Company's managerial bodies in taking decisions, indicated in paragraphs (a) and (b), sub-item 20, item 15.2, article 15 of the Charter;
21) Approval of granting either the withdrawal or power of attorney authoring the Company's legal representatives to manage the Company's shares/capital stakes, as well as to perform any other actions in respect of shares/capital stakes belonging to the Company;
22) Supervision of implementation by the Company of its authorities as shareholder or participant to other organizations;
23) Determining the principles of budgeting system applicable to Company and its subsidiaries, control and assessment of budgeting system efficiency, approval of annual consolidated

budget of the Company (the consolidated budget of its capital expense inclusive), entering amendments in the budgets above mentioned;

24) Determining the investment management system for the Company and its subsidiaries; approval of the Company's or subsidiaries' investment projects amounting in excess of USD 20 000 000 (twenty millions US dollars, or their appropriate Ruble equivalent as per the currency exchange rate stated by Central Bank of the Russian Federation as of the project approval date; issuance of recommendations to the Company's managerial bodies related to the approval of investment projects amounting in excess of USD 20 000 000 (twenty millions US dollars), or their appropriate Ruble equivalent as per the currency exchange rate stated by Central Bank of the Russian Federation as of the project approval date;
25) Approval of management accounting principles; approval of activity reporting system related to the Company and its subsidiaries; consideration of reports regarding the financial and commercial activity exercised by Company and its subsidiaries; control and assessment of efficiency of such systems;
26) Approval of internal control procedures applicable to financial and commercial activity exercised by the Company; approval of the risk management system applicable to the Company and its subsidiaries; control and assessment of the internal control and risk management systems;
27) Taking decisions regarding the approval of one or several interrelated transactions (prior to making thereof) connected with acquisition and alienation by Company or its subsidiaries of shares/stakes in equity capitals of the other legal entities with balance (acquisition) cost in excess of USD 20 000 000 (twenty millions US dollars), or their appropriate Ruble equivalent as per the currency exchange rate stated by Central Bank of the Russian Federation as of the transaction approval date. It is understood that provisions of the subject sub-item shall not be applicable to transactions concluded in between the Company, its subsidiaries and their respective affiliated persons;
28) Taking decisions regarding the approval of one or several interrelated transactions (prior to making thereof) connected with (a) acquisition by Company or its subsidiaries of fixed assets amounting in excess of USD 50 000 000 (fifty millions US dollars), or their appropriate Ruble equivalent as per the currency exchange rate stated by Central Bank of the Russian Federation as of the transaction approval date, or (b) with alienation by Company or its subsidiaries of the fixed assets with balance cost in excess of USD 20 000 000 (twenty millions US dollars), or their appropriate Ruble equivalent as per the currency exchange rate stated by Central Bank of the Russian Federation as of the transaction approval date. It is understood that provisions of the subject sub-item shall not be applicable to transactions concluded in between the Company, its subsidiaries and their respective affiliated persons;
29) Taking decisions regarding the approval of one or several interrelated transactions (prior to making thereof) upon the receipt by Company or its subsidiaries of any financing whatsoever, including credits, loans and issuance of the own debentures/bonds to the amount in excess of US 300 000 000 (three hundred millions) US dollars or their appropriate Ruble equivalent as per the currency exchange rate stated by Central Bank of the Russian Federation as of the transaction approval date. For the purpose of application of the subject sub-item it is understood that the finance sum shall be determined by way of adding the amount of the primary obligation to the relevant interest amount accrued for the entire transaction validity period upon the extending thereof. The provisions of the subject sub-item shall not be applicable to transactions concluded in between the Company, its subsidiaries and their respective affiliated persons;
30) Taking decisions regarding the approval of one or several interrelated transactions (prior to making thereof) upon the providing by Company or its subsidiaries of any financing whatsoever, including loans and acquisition of debentures/bonds to the amount in excess of US 100 000 000 (one hundred millions) US dollars or their appropriate Ruble equivalent as per the currency exchange rate stated by Central Bank of the Russian Federation as of the transaction approval date. For the purpose of application of the subject sub-item it is understood that the finance sum shall be determined by way of adding the amount of the primary obligation to the relevant interest amount accrued for the entire transaction validity period upon the extending thereof. The provisions of the subject sub-item shall not be

applicable to transactions concluded in between the Company, its subsidiaries and their respective affiliated persons;

31) Taking decisions regarding the approval of one or several interrelated transactions (prior to making thereof) upon undertaking by Company or its subsidiaries of any collateral obligations (the pledges and collaterals in favor of any third persons inclusive) to the amount in excess of US 100 000 000 (one hundred millions) US dollars or their appropriate Ruble equivalent as per the currency exchange rate stated by Central Bank of the Russian Federation as of the transaction approval date. For the purpose of application of the subject sub-item it is understood that the sum of collateral obligation shall be equal to sum of the primary obligation. The provisions of the subject sub-item shall not be applicable to transactions concluded in between the Company, its subsidiaries and their respective affiliated persons, as well as to any collateral obligations undertaken by entities above mentioned, including the pledges and collaterals in favor of any third persons taken in respect of obligations of the Company, its subsidiaries and their respective affiliated persons;
32) Taking decisions related to settlement/ reconciliation of any judicial or arbitration proceedings, either the series of interconnected proceedings that are deemed substantial for the Company's activity to the amount in excess of US 20 000 000 (twenty millions) US dollars or their appropriate Ruble equivalent as per the currency exchange rate stated by Central Bank of the Russian Federation as of the transaction approval date;
33) Preliminary approval of transactions related to implementation of the exclusive rights on results of any intellectual activity either on the means of individualization (brands) by any methods not contradicting to law and essence of such exclusive rights, including by way of its alienation according to the relevant agreement in favor of the other persons (i.e. according to the exclusive right alienation agreement), either by way of vesting the other person with the right to use the appropriate intellectual activity results or the means of individualization within the limits prescribed by law (license agreement);
34) Approval of information/ social Company's policy, policy of the Company in field of environment-related activity and its policy in field of interrelationship with governmental authorities;
35) Taking decision regarding forwarding by the Company of voluntary either the obligatory offer of the shares redemption in the other joint stock company in compliance with procedure prescribed by the article 84.8 of the Federal law № 208-FZ «On joint stock companies" dated December 25, 1995;
36) Authorizing the report regarding the results of acquisition of the Company's shares in case of diminishing its equity capital by means of acquisition of part of the Company's shares in purpose of their redemption; authorization of report regarding the results of redemption the Company's shares in case of diminishing its charter capital by means of redemption of the own shares belonging to the Company;
37) Approval of decision regarding issuance (additional issue) of the Company's equity securities and the relevant prospectus for such securities; approval of decision regarding issuance of the equity securities that are subject to placement in case of reorganization of the Company in form of splitting, allocation either the transformation thereof; approval of decision regarding issuance of the equity securities that are subject to placement in case of reorganization of the Company in form of merger (in cases specifically provided by laws of the Russian Federation);
38) Approval of the Company's Provisions of Internal control and audit service and Provisions regarding the salaries payable to personnel of Internal control and audit service; reconciliation of appointment and dismissal of director of Internal control and audit service; approval of the relevant system of motivation, assessment and determining the size or remunerations/compensations payable to the director of Internal control and audit service; approval the obligatory conditions of labor contact concluded therewith;
39) Setting up the relevant committees and commissions of the Board of directors, determining the number of members of such committees / commissions and their identities; an early termination of authorities of members such committees / commissions and regulation of their respective activity;
40) Deciding any other issues specifically provided by law or the present Charter.

In cases when transactions envisaged by sub-items 21 to 31, item 15.2 of the Company's Charter shall be qualified as major or the interested transactions, then to procedures of their approval shall be applicable the appropriate provisions of Federal law № 208-FZ «On joint stock companies" dated December 25, 1995 (to the major transactions), and provisions of the Company's Charter (to the interested transactions).

15.3. Members of the Board of directors shall be elected by General meeting of shareholders for the term until the next regular annual General meeting of shareholder. In case of the General meeting of shareholders was not held within timeframes prescribed by law, then the relevant authorities of Board of directors shall be subject to termination – excluding the authorities related to preparation, convening and holding the annual General meeting of shareholders.

Persons elected as members of the Company's Board of directors, may be re-electable any number of times.

Members of the Board of directors may be represented only by individuals.

Number of members of Board of directors shall be determined by resolution adopted by General meeting of shareholder; meanwhile is cannot be less than 4 (five).

Election of the members of the Board of directors shall be carried out by cumulative vote. In case of cumulative voting, the number of votes belonging to each shareholder shall be multiplied by number of persons to be elected to the Board of directors, and such shareholder shall be entitled to cast votes thus obtained wholly for one candidate or to distribute them among several candidates. Candidates for which the greatest numbers of votes are cast will be deemed elected to the Company's Board of directors. Candidates who receive the largest number of votes shall be deemed to have been elected to the Board of directors.

The General shareholders meeting may early terminate the powers of all members of the Board of Directors. If the powers of all members of the Board of directors are terminated before their expiration, and an extraordinary General meeting of shareholders has not elected members of the Board of directors in a number sufficient to make quorum for holding a meeting of the Board of directors, established by the Regulations on the Board of directors, the powers of the Company's Board of directors shall cease, except for the powers for preparation, convocation and holding the General meeting of shareholders.

If the number of the members of the Board of directors becomes less than the number that constitutes a quorum for the holding of a meeting of the Board of directors, established by the Regulations on the Board of directors, the Board of directors shall resolve to hold an extraordinary General shareholders meeting to elect the new members of the Board of directors. The remaining members of the Board of directors shall be entitled to pass resolutions only on the convocation of such extraordinary General meeting of shareholders.

15.4. Chairman of the Board of directors shall be elected by members of the Company's Board of directors from their number by the majority of votes.

The Board of directors shall be liable in any time to reelect its respective Chairman.

Chairman of the Board of directors shall be arranging its activity, convening meeting of the Board of directors and presiding in course thereof, arranges keeping the relevant minutes, and presiding the General meeting of shareholders (should the otherwise as not specifically provided by the Company's Charter).

In case of lacking the Chairman of the Board of directors, according to decision of the Board of directors his functions shall be performed by one of the members of the Board of directors.

15.5. Meetings of the Board of directors shall be convoked by the Chairman of the Board of directors either on his own initiative, or at the request of a member of the Board of directors, the Audit Commission or the Auditor or at the request of the Chief Executive Officer.

While determining the quorum and the results of the voting on the issues on the agenda, an opinion in writing of a member of the Company's Board of directors, who is absent at the meeting of the Board of directors shall be taken into account.

The resolutions of the Board of directors may be adopted by an absentee vote. The procedure for convening and conducting meetings of the Board of directors, and the procedure for making decisions by absentee vote are set forth in the Regulation on the Board of directors.

The quorum for conducting a meeting of the Board of directors shall be determined by the Regulations on the Board of directors and shall not be less than a half of the elected members of the Board of directors.

Resolutions at the meetings of the Board of directors shall be passed by a majority of votes of members of the Board of directors, who are present at the meeting and/or expressed their opinion in writing, unless a greater number of votes for adopting relevant decisions is stipulated by the Law, Charter or the Regulations on the Board of directors.

A resolution of the Board of directors voted by an absentee voting shall be considered passed if more than half of the number of the members of the Board of directors who took part in the absentee voting voted in its favour unless a greater number of votes for adopting relevant decisions is stipulated by the Law, Charter or the Regulations on the Board of directors.

A resolution approving a major transaction (involving property worth from 25 to 50 percent of the balance sheet value of the Company's assets) shall be adopted unanimously by all the members of the Board of directors, though the votes of former members of the Board of directors shall not be taken into account.

If the Board of directors of the Company fails to reach unanimity on the indicated issue, then this issue, by the decision of the Board of Directors, may be submitted for consideration of the General meeting of shareholders.

The resolution for approval of any transaction, which may involve interest, shall be adopted with the majority of votes given by the members of the Board of directors, who are not interested in conclusion of the said transaction. If the number of uninterested directors is less than the quorum established by the Law, the Charter or the Regulations on the Board of directors for holding meetings of the Board of directors, the decision on this issue shall be taken by the General meeting of shareholders.

When resolving matters at the meeting of the Board of directors, each member of the Board of directors shall have one vote.

The transfer of the right to vote by the member of the Board of directors to any other person, including another member of the Board of directors shall not be allowed.

In case of a tie vote of the members of the Board of directors, the Chairman of the Board of directors shall have a casting vote.

Minutes shall be kept at the meeting of the Board of directors. The minutes of the meeting of the Board of directors shall be prepared no later 3 (Three) days after the meeting and signed by the Chairman of the Board of directors, who shall be held liable for the accuracy of preparation of the minutes, and by the Corporate secretary.

The Company may prepare extracts from the minutes of the meetings of the Board of directors containing information on all or some of the decisions taken by the Board of directors. The scope of information included in the respective extract from the minutes of the Board of directors shall be determined proceeding from the purpose of preparing the extract from the minutes of the Board of directors. The abstract from the minutes of the meeting of the Board of directors shall be signed by the Chairman of the Board of directors or the Corporate secretary.

15.6. The members of the Board of directors shall have the right to obtain information of the Company's activity and review its accounts and records and other documentation, demand compensation for the damage caused to the Company, contest transactions made by the Company on the grounds stipulated by article 174 of the Civil Code of the Russian Federation or the law on joint stock companies and demand for the application of consequences of the their invalidity, as well as the application of consequences of the invalidity of the Company's void transactions in the procedure established by item 2 of article 65.2 of the Civil Code of the Russian Federation.

16. COMPNY'S EXECUTIVE BODIES

16.1. All current activities of the Company shall be managed by the Company's sole executive body – the Chief Executive Officer and the Company's collective executive body - Management Board.

The Company's executive bodies shall be responsible for execution of the decisions adopted by the General meeting of shareholders and the Board of directors.

All matters of managing current operations of the Company, except for the matters referred to the competence of the General meeting of shareholders or the Board of directors shall refer to the competence of the Company's executive bodies.

The executive bodies shall be accountable to the Board of directors and the General meeting of shareholders.

16.2. The Chief Executive Officer shall be elected by the Board of directors for an unlimited time period. The Board of directors shall have the right to take a decision concerning early termination of the powers of the Chief Executive Officer.

The Chief Executive Officer shall act on the basis of the Charter.

The Chief Executive Officer shall be responsible for ensuring confidentiality of information constituting a state secret.

The contract between the Company and the Chief Executive Officer shall be signed on behalf of the Company by the Chairman of the Board of directors or other person authorized by the Board of directors.

The number of members of the Management Board shall be determined by decision of the Board of directors. Approval of the candidates for the position of the Management Board members nominated by the Chief Executive Officer shall be carried out by the Board of directors. Members of the Management Board shall be approved by the Board of directors for an unlimited time period. The Board of directors shall be entitled at any time to make a decision on early termination of the powers of one, several or all members of the Management Board.

The members of the Management Board may not have labor relationships with the Company, in particular, by occupying positions of heads of the Company's subsidiaries.

The Management Board shall act on the basis of the Charter and the Regulations on Management Board approved by the General meeting of shareholders.

16.3. The following matters shall pertain to the competence of the Management Board:

1) coordination of the general development strategy and activities of Company's subsidiaries;
2) organization of the operational management of the Company's current activities, including:
   (a) approval of the Company's current business policy within the framework of the Company Strategy (if any) determined by the Board of directors, relating to the Company's key activities: marketing and sales, production, investment and innovation activities, economics and finance, human resources and social programs, and supervision of their implementation;
   (b) approval of the quarterly programs for production and shipment of the Company's products, including consolidated programs (annual performance benchmarks approved by the Board of directors within the framework of the Company's annual budget), and supervision of their execution;
   (c) approval of reports on fulfillment of the Programs for production and shipment of products, financial indicators and investment programs of the Company; as well as review of the reports on fulfillment of the programs for production and shipment of products, financial indicators and investment programs of Company's subsidiaries, including consolidated programs;
   (d) approval of the Company's quarterly profit-and-loss budgets (PLB) and cash flow budgets (CFB) (annual performance benchmarks approved by the Board of directors within the framework of the Company's annual budget), and supervision of their fulfillment;
3) approval of production programs for the Company's structural subdivisions;
4) approval of the Company's investment projects for the amount from 15,000,000 (fifteen million) US dollars to 20,000,000 (twenty million) US dollars inclusive (or equivalent in rubles at the exchange rate of the Central Bank of the Russian Federation as of the date of approval) and issue of recommendations to the management bodies of the Company's subsidiaries on approval of the investment projects for the amount of from 15,000,000 (fifteen million) US dollars to 20,000,000 (twenty million) US dollars inclusive (or equivalent in rubles at the exchange rate of the Central Bank of the Russian Federation Russia as of the date of approval);

5) Taking a decision on approval of one or several interrelated transactions (prior to their settlement) connected with acquisition, alienation by the Company or the Company's subsidiaries shares, participatory shares in of the equity capital of other legal entities for the balance sheet value (acquisition cost) up to 20,000,000 (twenty million) US dollars (or equivalent in rubles, calculated at the exchange rate of the Central Bank of the Russian Federation Russia as of the date of approval). The provisions of the present sub-item shall not be applied in case of settlement of transaction between the Company, the Company's subsidiaries and their affiliated persons;
6) Taking a decision on approval of one or several interrelated transactions (prior to their settlement) connected with (a) acquisition by the Company or the Company's subsidiaries of basic assets for the value from 20,000,000 (twenty million) US dollars to 50,000,000 (fifty million) US dollars (or equivalent in rubles/ calculated at the exchange rate of the Central Bank of the Russian Federation Russia as of the date of approval, (b) alienation by the Company or the Company's subsidiaries of basic assets for the balance sheet value from 10,000,000 (ten million) US dollars to 20,000,000 (twenty million) US dollars (or equivalent in rubles, calculated at the exchange rate of the Central Bank of the Russian Federation Russia as of the date of approval). The provisions of the present sub-item shall not be applied in case of settlement of transaction between the Company, the Company's subsidiaries and their affiliated persons;
7) Taking a decision on approval of one or several interrelated transactions (prior to their settlement) on receipt of financing by the Company or the Company's subsidiaries, including credits, loans issue of its own promissory notes for the amount from 100,000,000 (one hundred million) US dollars to 300,000,000 (three hundred million) US dollars (or equivalent in rubles, calculated at the exchange rate of the Central Bank of the Russian Federation Russia as of the date of approval). For the purposes of application of this sub-item, the amount of financing shall be determined by addition of the amount of principal and the amount of interest for the use of financing for the whole effective period of the respective transaction. The provisions of the present sub-item shall not be applied in case of settlement of transaction between the Company, the Company's subsidiaries and their affiliated persons;
8) Taking a decision on approval of one or several interrelated transactions (prior to their settlement) on provision of financing by the Company or the Company's subsidiaries, including loans, acquisition of promissory notes for the amount from 50,000,000 (fifty million) US dollars to 100,000,000 (one hundred million) US dollars (or equivalent in rubles, calculated at the exchange rate of the Central Bank of the Russian Federation Russia as of the date of approval). For the purposes of application of this sub-item, the amount of financing shall be determined by addition of the amount of principal and the amount of interest for the use of financing for the whole effective period of the respective transaction. The provisions of the present sub-item shall not be applied in case of settlement of transaction between the Company, the Company's subsidiaries and their affiliated persons;
9) Taking a decision on approval of one or several interrelated transactions (prior to their settlement) on acceptance of any collateral by the Company or the Company's subsidiaries, including suretyship, pledges in favour of third parties for the amount from 50,000,000 (fifty million) US dollars to 100,000,000 (one hundred million) US dollars (or equivalent in rubles, calculated at the exchange rate of the Central Bank of the Russian Federation Russia as of the date of approval). For the purposes of application of this sub-item, the amount of collateral shall be accepted equal to the amount of the principal. The provisions of the present sub-item shall not be applied in case of settlement of transaction between the Company, the Company's subsidiaries and their affiliated persons, as well as upon acceptance of the collateral by the Company or the Company's subsidiaries, including suretyship, pledges in favour of third parties under the obligations of the Company, the Company's subsidiaries and their affiliated persons;
10) establishment of committees and commissions of the Management Board, determination of their quantitative and personal composition, early termination of the powers of the members of such Committees and Commissions of the Management Board, and regulation of their activities;
11) approval of a confidential information list, criteria of confidentiality and a procedure for access to the confidential information;

12) consideration of other issues on the Chief Executive Officer's initiative.

16.4. A quorum for the Management Board's meetings shall comprise, at least, a half of the elected Management Board's members. All decisions at the meetings of the Management Board shall be adopted by a majority vote of the Management Board members attending the meeting. When taking decisions at the meeting of the Management Board, each member of the Management Board shall have one vote.

Should the number of the members of the Management Board becomes less than that required for a quorum, the Board of directors shall be obliged to make a decision to elect new members to the Management Board.

The meetings of the Management Board shall be convoked on the initiative of the Chief Executive Officer, but not less than once a month. The meetings of the Management Board shall be chaired by the Chief Executive Officer (the Chairman of the Management Board).

If the Chairman of the Management Board is absent, his duties relating to convocation of and preparation for a meeting of the Management Board shall be performed by a member of the Management Board appointed by the Chairman of the Management Board as the Acting Chairman of the Management Board.

If the Chairman of the Management Board is absent, the meeting of the Management Board shall be chaired by one of the members of the Management Board appointed by the Chairman of the Management Board as the Acting Chairman of the Management Board; and if both the Chairman of the Management Board and such person appointed as the Acting Chairman of the Management Board are absent, the meeting shall be chaired by a member of the Management Board appointed by a majority vote of the members of the Management Board attending the meeting.

Notice of a meeting of the Management Board shall be sent to each member of the Management Board, and shall contain, inter alia, the agenda of the meeting describing the items to be discussed at such meeting. All materials required for preparation for the meeting of the Management Board and to be discussed at such meeting shall be sent to each member of the Management Board.

No transfer of the voting right of a member of the Management Board to any other person, including any other member of the Management Board, shall be allowed.

16.5. The Chief Executive Officer shall be the Chairman of the Management Board and shall manage its activities, convoke meetings and determine an agenda of each meeting of the Management Board.

The Chief Executive Officer shall represent a position of the Management Board at the General meetings of shareholders and the meetings of the Board of directors.

The Chief Executive Officer shall be entitled to act without any power of attorney on behalf of the Company and shall perform the following actions on behalf thereof:

- represent the Company in its relationships with any third parties (individuals or legal entities of any organizational and legal form, state and municipal bodies, local self-government bodies, courts, arbitration courts and tribunals and so on);
- issue powers of attorney to represent the Company in its relationships with any third parties;
- have the right of the first signature of financial documents;
- open bank accounts in Russian rubles and in foreign currency, and manage the funds placed on such accounts;
- make decisions and issue orders relating to operational matters of the Company's activities to be binding upon all employees of the Company;
- approve a staffing schedule, employ (conclude labor contracts) and dismiss the Company's employees, apply incentives and penalties in accordance with the procedure established by laws of the Russian Federation and this Charter;
- make decisions to send to business trip the Company's employees;
- organize accounting and reporting in the Company;
- enter into transactions on behalf of the Company within his competence subject to their approval by the General meeting of shareholders, the Board of directors or the Management Board in accordance with the requirements of the laws of the Russian Federation and this Charter;
- offer to the Board of directors a personal composition of the Management Board for approval;
- take decisions on other matters related to the financial and business activities of the Company;

- perform any other actions stipulated by the Charter, current legislation of the Russian Federation and the contract concluded between the Company and the Chief Executive Officer.

16.6. The rights and duties of the Chief Executive Officer and members of the Management Board shall be determined by the legislation and other legal acts of the Russian Federation and the contract concluded with each of them by the Company. The labor contract shall be signed on behalf of the Company by the Chairman of the Board of directors or a person authorized by the Board of directors.

The Chief Executive Officer and members of the Management Board may simultaneously be employed by other organizations only with the consent of the Board of directors.

16.7. By decision of the General meeting of stockholders, the powers of the Company's sole executive body may be transferred under a contract to a commercial organization (or management organization) or to an individual entrepreneur (or manager). The decision to delegate the powers of the Company's sole executive body to a management company or manager shall be taken by the General meeting of shareholders as proposed by the Board of directors only.

The Company, having delegated the powers of the sole executive body to the management company or manager, shall exercise civil rights and assume civil obligations through such management company or manager, acting in accordance with federal laws, other regulatory legal acts of the Russian Federation, and the Charter.

The contract with the manager shall be signed on behalf of the Company by a person authorized by the decision of the General meeting of shareholders.

16.8. The Chief Executive Officer and the management company or the manager should act reasonably and in good faith in the Company's interests in exercising their rights and performing their duties.

The Chief Executive Officer and the management company or the manager shall be obliged to compensate, upon the demand of the Company, its founders (shareholders), acting in the Company's interests, for the damages caused through its fault to the Company.

The Chief Executive Officer and the management company or the manager shall be responsible, if it is proved that in exercising their rights and performing their duties they fail to act in good faith and with reasonable care, including cases when their actions (inaction) are inconsistent with the normal conditions of the civil turnover or the normal business risk.

17. COMPANY'S INTEREST IN MAKING TRANSACTIONS; MAJOR TRANSACTIONS

17.1. Transactions (including borrowing, lending, pledging and surety), in which there is an interest of a member of the Board of directors, the person performing the functions of the Company's individual executive body, including managing company or manager, a member of the Company's Management Board or a shareholder, holding together with its affiliates 20 (Twenty) or more percent of the total number of the Company's voting shares, or the person entitled to issue binding instructions to the Company, are carried out by the Company in accordance with the provisions of the present article.

The said persons shall be recognized as having an interest in the transaction, carried out by the Company, if they, their spouses, parents, children, blood and non-blood brothers and sisters, adoptive parents or adoptees, and/or their affiliates:

- are a party to the transaction or act in the interest of third persons in their relations with the Company;
- possess (individually or jointly) 20 (Twenty) and more percent of shares (participatory shares or equity unit) of the legal entity, being a party to a transaction or acting in favour of third parties in their relations with the Company;
- hold a position in management bodies of the legal entity, being a party of the transaction or acting in favour of third parties in their relations with the Company, as well as a position in the management bodies of the managing company of such legal entity.

The persons, indicated in the first paragraph of the present item, should bring to the attention of the Board of directors, the Auditing Committee and the Auditor the information of:

- legal entities, in which they, their spouses, parents, children, blood and non-blood brothers and sisters, adoptive parents or adoptees, and/or their affiliates possess 20 (Twenty) percent and more of shares (participatory shares, equity units);

- legal entities, in which they, their spouses, parents, children, blood and non-blood brothers and sisters, adoptive parents or adoptees, and/or their affiliates hold offices in the management bodies;
- the Company's known transactions, carried out or supposed, in which they may be considered as interested.

17.2. The interested party transaction must be approved before its conclusion by the Board of directors or the General meeting of shareholders in accordance with article 83 of the Federal Law "On Joint-Stock Companies" dated December 26, 1995, No.208-FZ.

17.3. The resolution on approval of the interested party transaction shall be passed by the General meeting of shareholders by a majority of votes of all shareholders not interested in execution of this transaction – owners of the voting shares in the following cases:

- If the subject of the transaction or several interconnected transactions is an asset whose value, pursuant to the Company's accounting records (proposed purchase price) shall constitute 2 (Two) percent or more of the balance sheet value of the Company's assets according to its accounting (financial) statement as of the latest reporting date;
- If a transaction or several interconnected transactions represent a placement by subscription or sale of the shares, constituting more than 2 (Two) percent of the common shares, previously placed by the Company, and the common shares, into which the previously placed equity securities, convertible into shares, may be converted;
- If a transaction or several interconnected transactions represent a placement by subscription of the equity securities, convertible into shares, which may be converted into the common shares, constituting more than 2 (Two) percent of the common shares, previously placed by the Company, and the common shares, into which the previously placed equity securities, convertible into shares, may be converted.

17.4. The decision on approval of the transaction should indicate the person(s), being the parties, beneficiaries in the transaction, the price, the subject of transaction and other essential conditions thereof.

The General meeting of the shareholders may take a decision on approval of the interested party transaction, which may be contracted by the Company in the future in the normal course of business. In this case, a maximum amount of such transaction should be indicated in the decision on approval thereof. The decision on approval of the transaction shall be valid up to the next regular General meeting of shareholders, unless otherwise stipulated by the said decision.

The interested party transaction shall not require approval of the General meeting of shareholders, if the conditions of such transaction are essentially the same as in the similar transactions (including loans, credits, pledges, surety), made between the Company and the interested party in the Company's normal course of business, taken place before the moment, when the interested person is recognized as such. The said exception shall apply only to the interested party transaction, which are made from the moment, when the interested person is recognized as such to the moment of holding the next regular General meeting of the shareholders.

The interested party transaction, which is made with violation of the requirements, stipulated by the present item, may be recognized invalid upon a claim of the Company or its shareholder.

The provisions of the Charter on interested party transactions shall not apply to:

- companies that have one shareholder who simultaneously performs the functions of the sole executive body;
- transactions, in the conclusion of which all shareholders of the Company are interested;
- in exercising the preemptive right to purchase shares issued by the Company and equity securities convertible into the shares and in placing bonds by public subscription not convertible into the shares;
- upon acquisition and redemption by the Company of its shares or bonds;
- in case of reorganization of the Company in the form of a merger (accession);
- transactions, making of which is mandatory for the Company in accordance with the federal laws and/or other legislative acts of the Russian Federation, and settlements on which are carried out according to the prices determined in the procedure, established by the Government of the Russian Federation, or on the prices and tariffs, established by the federal executive body authorized by the Government of the Russian Federation;

- other transactions stipulated by article 81 of the Federal Law dated 26 December, 1995, No.208-FZ "On Joint Stock Companies".

A person shall be recognized as an affiliate in accordance with the requirements of the legislation of the Russian Federation.

The Company's affiliated persons shall be obliged inform the Company in writing about the shares of the Company held by them, indicating their number and categories (types), within not more than 10 (Ten) days from the date of acquisition thereof. If failure to provide the said information by the affiliated party or delay in its provision to the Company caused material damages to the property, such affiliated party shall bear liability to the Company to the extent of the damage caused. The Company shall maintain records of its affiliated parties and provide corresponding reports in accordance with the requirements of the Russian Federation legislation.

17.5. A major transaction shall be a transaction (including loan, credit, pledge, suretyship) or several interconnected transactions connected with acquisition, alienation or possibility of alienation by the Company, directly or indirectly, of the property, the value of which amounts 25 (Twenty five) and more percent of the balance sheet value of the Company's assets, determined on the basis of accounting (financial) statements for the latest reporting period immediately preceding the date of conclusion of such transactions. Transactions are not recognized as major transactions, if they are made in the ordinary course of the Company's business, as well transactions connected with placement by subscription (distribution) of the Company's common shares, transactions connected with placement of equity securities convertible to Company's common shares and transactions to be made by the Company in accordance with federal laws and (or) other legislative acts of the Russian Federation, and settlements for which are carried out according to the prices determined in the procedure established by the Russian Federation Government or the prices and tariffs established by the federal executive body authorized by the Russian Federation Government.

For the purposes of the present item, the value of the assets alienated by the Company as a result of a major transaction shall be determined on the basis of the data of its accounting, and the value of the assets acquired by the Company shall be determined on the basis of the buying price.

The decision on approval of a major transaction shall be taken by the Board of directors or the General meeting of shareholders.

The decision on approval of a major transaction, a subject-matter of which is property with the value of 25 to 50 percent of the balance sheet value of the Company's assets, shall be taken unanimously by all members of the Board of directors, upon that the votes of the withdrawn members of the Board of directors are not taken into account.

In the event no unanimity of the Board of directors on approval of a major transaction is achieved, the Board of directors may decide to submit the matter of such major transaction to the General meeting of shareholders for resolution. In that case, a resolution to approve such major transaction shall be passed by the majority of votes of holders of voting shares participating in the General meeting of shareholders.

A resolution on approval of a major transaction, the subject matter of which is property, the value of which is more than 50 percent of the balance sheet assets of the Company, shall be passed by the General meeting of shareholders by a three quarter majority of holders of voting shares participating therein.

A resolution on approval of a major transaction should indicate the persons being the parties (beneficiaries) to the transaction, its price, subject matter and other material terms. Such resolution may not indicate the persons being the parties (beneficiaries) to the major transaction, if the transaction is to be made through a public tender, as well as in other cases, if the beneficiaries may not be identified by the moment of approval thereof.

The major transaction completed with violation of the requirements provided for by this item may be recognized as invalid upon the claim of the Company or its shareholder.

If a major transaction shall be simultaneously an interested party transaction, the approval of such major transaction shall be carried out in the procedure stipulated by the relevant regulations, except for the case when all the Company's shareholders are interested in completion of the transaction.

The provisions of the present item of the Charter shall not be applied to the companies consisting of one shareholder, who at the same time discharges the functions of the sole executive body.

18. AUDITIG COMMISSION

18.1. To exercise control over the financial and economic activity of the Company, the Auditing Commission shall be elected by the General meeting of shareholders composed of 3 (Three) members.

18.2. The procedure of activity of the Auditing Commission shall be determined by the current legislation, the Charter and Regulations on Auditing Commission approved by the General meeting of shareholders.

18.3. Members of the Auditing Commission may not simultaneously hold other positions in the Company's management bodies.

18.4. The Auditing Commission shall be elected annually at the annual General meeting of shareholders. The shares owned by persons holding positions in the Company's management bodies may not participate in voting in the election of members of the Auditing Commission.

18.5. Upon request of the Auditing Commission, persons holding positions in the Company's management bodies shall be obliged to make available documents pertaining to the Company's financial and business activities.

18.6. The following issues are referred to the competence of the Auditing Commission:

- conduct of scheduled and unscheduled audits of the Company's financial and business activities;
- confirmation of accuracy of the data containing in the Company's annual report and the Company's annual accounting (financial) statements;
- issue of recommendations to the Chief Executive Director with a view to correcting and preventing infringements in the Company's financial and economic activities;
- internal audit of the Company;
- audits of legality of the Company's transactions and settlements with contracting parties;
- analysis of compliance of accounting and statistics reporting with the applicable statutory regulations;
- Auditing of the timeliness and accuracy of payments to be made to suppliers of goods and services, payments to the budget, dividend interest accrual, bond interest and repayment of other obligations.

18.7. The verification (audit) of the Company's financial and business activities shall be carried out upon the results of the Company's activities for a year or any time on the initiative of the Auditing Commission, the decision of the General meeting of shareholders, the Board of directors or at the request of the Company's shareholder(s) holding in aggregate at least 10 (Ten) percent of the Company's voting shares.

18.8. On results of the audit of the Company's financial and economic activities, the Auditing Commission shall prepare an opinion, setting forth the following:

- acknowledgement of reliability of the data, contained in the reports and other financial documents of the Company;
- information of the facts of violations of the procedure of maintenance of accounting records and the submission of financial statements, established by the legal acts of the Russian Federation, as well as violations of the legal acts of the Russian Federation while carrying out financial and economic activities.

19. AUDITOR

19.1. With a view to verifying and approving the correctness of its annual financial statements, the Company shall annually engage an Auditor not connected with the Company or its shareholders by property- related interests.

19.2. In the cases and in procedure stipulated by the laws and the Charter, an audit of the Company's accounting (financial) reporting shall be carried out upon request of the shareholders, whose aggregate share in the Company's equity capital comprises 10 (Ten) or more percent.

19.3. Based on results of the conducted audit of the Company's financial and economic activities, the Auditor shall draw a conclusion, which should contain:

- acknowledgement of reliability of the data, contained in the reports and other financial documents of the Company;

– information of the facts of violations of the procedure of maintenance of accounting records and the submission of financial statements, established by the legal acts of the Russian Federation, as well as violations of the legal acts of the Russian Federation while carrying out financial and economic activities.

20. NET ASSETS. RESERVE FUND

20.1. The value of the Company's net assets shall be determined according to the data of the accounting in the procedure, established by the federal executive body authorized by the Government of the Russian Federation, and in cases, provided for by the federal law - by the Central Bank of the Russian Federation.

20.2. The Company shall be obliged to provide to any interested party access to the information about the value of its net assets in the procedure set forth by the laws.

20.3. If upon expiration of the second or each subsequent reporting year the value of the Company's net assets proves to be less than its equity capital, the Company's Board of directors in preparation for the General meeting of shareholders shall be obliged to include a section with the description of the Company's net assets into the annual report.

The section with the description of the Company's net assets should contain:

1) indicators showing dynamics of change of the value of net assets and the equity capital of the Company for three last reporting years, and if the Company exists for less than three years, for every completed reporting year;
2) results of analysis of the reasons and factors which, according to the Board of directors, have led to the situation when the Company's net assets value proved to be less than its equity capital;
3) a list of measures to bring the Company's net assets value in line with the size of its equity capital.

20.4. If the value of the Company's net assets remains less than its authorized capital upon expiration of the reporting year following the second or each subsequent reporting year, upon expiration of which the value of the Company's net assets has proved to be less than its authorized capital, the Company shall be obliged within 6 (Six) months upon the expiration of the relevant reporting year, to make one of the following decisions:

1) to reduce the Company’s equity capital to the size, not exceeding its net assets value;
2) to liquidate the Company.

20.5. The Company shall form a reserve fund in the amount of 5 (Five) percent of its equity capital.

The reserve fund shall be formed at the expense of compulsory annual deductions at a rate of at least 5 (Five) percent of the Company’s net profit until the fund reaches the amount established by this item of the present Charter.

The Company’s reserve fund shall be designated to cover its losses, as well as to repay the Company’s bonds and redeem shares in the absence of other resources. In case of spending the reserve fund, the deductions to the fund shall be renewed until it reaches the established amount.

The Company’s Reserve fund may not be used for other purposes.

21. KEEPING THE COMPANY’S DOCUMENTATION AND PROVIDING INFORMATION

21.1. The Company is liable to keep the following documents:

1) Foundation Agreement;
2) Charter with duly registered amendments and addenda, the decision to establish the Company; the state registration certificate;
3) documents confirming the Company’s right to the property on its balance sheet;
4) internal documents;
5) regulations on the affiliate or representative office;
6) annual reports;
7) documents of bookkeeping and accounting (financing) reporting;
8) minutes of the General meetings of shareholders (decisions of a shareholder owning all voting shares of the Company), minutes of meetings of the Board of directors, the Auditing Commission and the Management Board;

9) voting ballots and proxies (copies of proxies) for participation in the annual General meeting of shareholders;
10) reports of appraisers;
11) lists of the affiliates;
12) lists of persons having the right to participate in the General meeting of shareholders and having the right to dividends, as well as other lists drawn up by the Company with the purpose of exercising by shareholders of their rights in compliance with requirements of the current legislation;
13) opinions of the Auditing Commission, the Auditor, the state and municipal financial control bodies;
14) prospectuses of securities, quarterly issuer reports and other documents containing information to be published or disclosed by other method in accordance with the current legislation and other federal laws of the Russian Federation;
15) notices of conclusion of the shareholders' agreements submitted to the Company, as well as lists of the persons entered into such agreements;
16) judicial acts on disputes, connected with foundation, management or participation in the Company;
17) other documents stipulated by law, the Charter, internal documents, resolutions of the General meeting of shareholders, as well as documents stipulated by legal acts of the Russian Federation.

21.2. The Company shall keep the documents stipulated by item 21.1 of the present article at the location of its sole executive body according to the procedure and during the time periods established by the normative legal acts of the Russian Federation.

21.3. In case of reorganization of the Company or termination of its activities, all documents (managerial and financial and economic documents, personnel records etc.) shall be transferred to a legal entity - successor in accordance with established rules. In case of absence of the successor, permanent records of scientific and historic value and personnel records (orders, personal accounts etc) shall be transferred for state storage to the archives. The transfer and regulating of the documents shall be carried out by the staff and at the expense of the Company, in accordance with the requirements of the archival authorities.

21.4. The documents stipulated by item 21.1 of the present article shall be submitted by the Company within 7 (Seven) working days from the date of presenting a relevant request to familiarize oneself with information in the premises of the Company's executive body. The Company shall be obliged, at the request of the persons, having the right to access to the documents, stipulated by item 21.1 of the present article, present to them copies of the given documents. The fee collected by the Company for presenting such copies should not exceed the cost of their preparation. Additional requirements to the procedure for presenting the documents specified in item 21.1 of the present article, and to the procedure for provision of copies thereof shall be established by the legislative instruments of the Central Bank of the Russian Federation.

22. REORGANIZATION AND LIQUDATION OF THE COMPANY

22.1. A reorganization of the Company (merger, accession, division, separation, transformation) may be carried out according to the decision of the shareholders. The reorganization of the Company shall be admitted by way of combination of its different forms stipulated by the Civil Code of the Russian Federation.

22.2. In the cases stipulated by the legislation, the Company's reorganization in the form of its division or separation from its structure of one or several legal entities shall be effected by decision of the authorized state bodies or the court decision.

22.3. In the cases established by law, the Company's reorganization in the form of the merger, accession, or transformation may be carried out only upon the consent of the authorized state bodies.

22.4. The Company shall be considered reorganized, except for the cases of reorganization in the form of accession, from the date of the state registration of legal entities established as a result of reorganization. In case of reorganization of the Company in the form of accession of another company thereto, the Company shall be deemed reorganized from the moment an entry is made in the Uniform State Register of Legal Entities about discontinuation of activities of the accessed legal entity. The

state registration of a legal entity being established as a result of the Company's reorganization (the first state registration in case of reorganization of several legal entities) shall be admitted only after expiration of the relevant interval allowed for claims on the decision on reorganization.

22.5. Within 3 (three) working days after the date of taking a decision on the Company's reorganization, the Company shall be obliged to notify in writing the authorized state body carrying out the state registration of legal entities about beginning of the procedure of reorganization with indication of the form of reorganization. Where two or more legal entities are involved in the reorganization, such notice of the reorganization shall be sent by the legal entity that was the last to take a decision on the said reorganization. Based on such notice, the authorized state body carrying out the state registration of legal entities shall make an entry in the Uniform State Register of Legal Entities that the legal entities are in the process of reorganization.

The company under reorganization shall, after making a record of the beginning of the procedure of reorganization in the Uniform Register of Legal Entities, publish two monthly notices of its reorganization in mass media, in which legal entities' state registration details are made available. Where two or more legal entities are involved in the reorganization, a notice of reorganization shall be published on behalf of all legal entities by the legal entity that was the last to take a decision on the said reorganization. The data of each participant of reorganization, newly created legal entity or legal entity continuing the activities in consequence of the reorganization, the form of reorganization, information of the procedure and conditions of assertion of a claim by the creditors and other information stipulated by the legislation shall be indicated in the above notice.

A responsibility of the reorganized legal entity to notify creditors in writing of its reorganization may be stipulated by the legislation.

The Company's creditor, in case its claim rights arise prior to publication of the first notice of the Company's reorganization, shall have the right to demand through legal proceedings early performance by the debtor of the relevant obligation, and where early performance is not possible, to demand termination of the obligation and reimbursement of the related losses, except for the cases established by the legislation or the agreement of the creditor with the Company.

If, upon demand of the creditor in accordance with article 60 of the RF Civil Code, yearly performance of the obligations or termination of the obligations and reimbursement of losses is not provided to the creditor, the losses are not reimbursed and a sufficient security for performance of the obligations is not offered, then, along with legal entities created as a result of the reorganization, the persons determining actions of the reorganized legal entities, members of its collegial bodies, including a person, authorized to act on behalf of the reorganized legal entity, shall bear joint liability to the creditors, if they make possible by their actions (or inaction) the occurrence of the above consequences for the creditor, and in case of reorganization in the form of separation, the reorganized legal entity along with indicated persons shall bear joint liability to the creditors.

22.6. The decision on the Company's reorganization may be recognized as invalid upon demand of the Company's shareholders, as well as other persons not being the Company's shareholders, if such right is provided to them by law.

The persons made in bad faith possible the taking of the decision on reorganization, which is found incompetent by the court, shall be obliged to jointly reimburse losses to the Company's shareholder, voting against the decision on reorganization or not participating in voting, as well as to the creditors of the reorganized Company. The legal entities, created as a result of the reorganization on the basis of the said decision, shall bear joint liability with the said persons made in bad faith possible the taking of the decision on reorganization.

If the decision on the Company's reorganization is taken by the collegial body, the joint liability shall be imposed on the members of this body voting for taking the relevant decision.

The court, upon demand of the Company's shareholder, which voted against the taking of the decision on the Company's reorganization or not participated in voting on the given issue, may recognize the reorganization invalid in case, if the decision on reorganization were not taken by the shareholders of the reorganized Company, as well as in case of provision of the documents containing knowingly inaccurate information about the reorganization for the state registration of legal entities created by the way of reorganization.

22.7. The Company shall be liquidated on the decision of its shareholders or the judicial decision in cases established by law. The liquidation of the Company shall entail its termination without transfer of the rights and obligations to other persons in the procedure of the universal legal succession.

22.8. The obligations of the persons, who have taken the decision on the Company's liquidation, the procedure of liquidation, conditions and procedure of settling claims of the creditors of the reorganized Company, conditions and procedure of protection of the rights of the reorganized Company, shall be determined by the Civil Code of the Russian Federation and other laws.

23. FINAL PROVISIONS

23.1. Unless the otherwise is provided by the law and the Charter of the Company, any communication, application, request, notice, announcement, proposal or any other document (hereinafter referred as the "Document") addressed to Company or its respective shareholders shall be made in writing and delivered by one of the methods as follows:

(a) by hand against signature: the document served by hand against signature shall be deemed to be properly received as of the moment of its handing over to addressee against the addressee's signature; or

(b) by a registered mail with return receipt requested; or

(c) by facsimile transmission either with the use of any other communication and delivery facilities providing fixing the message and its handing over to the addressee.

23.2. Applications, notifications, messages, claims or other legally significant information, with which the legislation connects civil law consequences for the Company or its shareholders, shall entail for each of them such consequences from the moment of delivery to him or its representative of the relevant message.

A message shall be deemed delivered and in those cases, when it delivered to the addressee, but, due to circumstances beyond its control, has not been handed over to the addressee or the addressee has not got acquainted with it.

The present rules shall be applied unless otherwise provided by the legislation or the Charter.

23.3. If, as a result of modifications made in the legislation of the Russian Federation, separate norms of the Charter came in collision with such modifications, the given norms shall cease to be in force, and before introduction of the modifications into the Charter, the Company's bodies and its shareholders shall be governed by the current legislation of the Russian Federation and the Charter as at present in force.

23.4. If separate provisions of this Charter are recognized (in full or in part) as invalid, such recognition shall not entail the invalidity of other provisions of the Charter and the Charter in general.

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