

Approved by  
General Meeting of Shareholders  
Minutes № 11 of May 29, 2006

**CHARTER**

**PIK Group of Companies,  
Open Joint Stock Company**

**(version №5)**

Moscow  
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## **Article 1. Legal status of the Company**

1. PIK Group of Companies, Open Joint Stock Company (hereinafter referred to as «the Company») is an universal successor to First Mortgage Company, Open Joint Stock Company, registered on 20.09.1994 by Moscow Registration Chamber, registration number 756.924, and entered into EGRUL on 30.08.2002 with OGRN 1027739137084.
2. The Company in its activity is governed by rules and regulations of the Civil Code of the Russian Federation, the Federal Law «On Joint Stock Companies» and other statutory and legal acts of current legislation of the Russian Federation.
3. The full trade name of the Company in the Russian language – Открытое акционерное общество «Группа Компаний ПИК».
4. The abbreviated trade name of the Company in Russian - ОАО «Группа Компаний ПИК».
5. The abbreviated trade name of the Company in English: «PIK Group».
6. The Company shall be a legal entity and shall have in ownership solitary property reflected on its autonomous balance sheet, may in its own name acquire and effectuate property and personal non-property rights on its own behalf, bear duties, and be a plaintiff and a defendant in a court.
7. The Company shall be Open Joint Stock Company.
8. The location and the postal address of the Company:  
Str. 1, 24/27, Sadovaya-Kudrinskaya str., Moscow, 123001.
9. The Company shall be located at the address of the permanent one-man executive body of the Company and storage of documents.
10. The charter capital of the Company shall be divided into a fixed number of shares verifying law of obligation of participants (shareholders) with respect to the Company.
11. Shareholders shall not be liable for obligations of the Company and shall bear the risk of losses associated with its activity within the limits of the value of the shares owned by them. Shareholders which have not completely paid for shares shall bear joint liability for obligations of the Company within the limits of the unpaid part of the shares owned by them.
12. Shareholders shall be entitled to alienate shares owned by them not having agreement of other shareholders and the Company.
13. The Company shall be considered to be established from the moment of its state registration without limitation of a term.
14. The Company shall be entitled to open bank accounts in the territory of the Russian Federation and abroad.
15. The Company shall have a circular seal specifying its full trade name in the Russian language and the location, shall have the right to have stamps and letterheads with its name, own emblem, and also a trademark registered in accordance with the established procedure and other means of visual identification.

## **Article 2. Purpose and types of activity of the Company**

1. The purpose of the Company's activity shall be receipt of profit for development of the Company itself and in the interests of its shareholders.
2. The Company shall have civil rights and bear responsibility necessary for performance of any types of activity not prohibited by the federal laws of the Russian Federation. The Company shall perform some types of activity a list of which is stipulated by federal laws subject to a special permission (a license).
3. Types of activity of the Company shall be as follows:
  - conclusion of transactions regarding acquisition and alienation of shares and other securities;
  - participation in the charter capital of other legal entities; transfer of property belonging to the Company: shares, movable and immovable property as a contribution into the charter capital of other legal entities;

- conclusion of transactions regarding purchase, sale, donation, exchange, lease and pledge of immovable property;
  - on behalf of interested persons and at their expense or in its own name but at the expense and for the benefit of interested persons, conclusion of civil transactions regarding purchase, sale, exchange, lease of movable and immovable property, securities;
  - establishment of unit investment funds;
  - transfer of property owned by the Company to asset management;
  - investment activity (including investments into construction);
  - conclusion of transactions related to acquisition and session of rights to investments into construction and results of investment activity;
  - rendering services of appraisal of movable and immovable property;
  - activity (including intermediary) in the area of lease of movable and immovable property
  - sale of residential and non-residential premises by auction and on a competitive bases;
  - construction and maintenance of real estate;
  - acquisition of equipment, raw materials, goods for own needs, and as an intermediary or for sale to third persons;
  - scientific-research works, holding technical, technical-economic, financial, legal and other expert examinations and consultations, IT services;
  - assistance in drafting legal, economic and other documentation and in holding negotiations, concluding contracts with Russian and foreign partners;
  - arranging and holding conferences, seminars, symposia, business meetings;
  - advertising of all types;
  - other activity not prohibited by the current legislation.
4. The Company shall carry out foreign economic activity in accordance with legislation of the Russian Federation and independently in accordance with the established procedure import and export equipment, goods and services, products of the Company.
  5. The Company shall cooperate with Russian organizations and enterprises, foreign organizations, companies and private persons in the areas related to achievement of the charter purposes of the Company.

### **Article 3. Responsibility of the Company**

1. The Company shall bear responsibility for its obligations with all of the property belonging to it.
2. The Company shall not be liable for the obligations of its shareholders.
3. If the insolvency (bankruptcy) of the Company is caused by the actions (or failure to act) of its shareholders or other persons who have the right to give instructions binding upon the Company or otherwise have the possibility to determine its actions, then subsidiary responsibility for its obligations may be placed on the said shareholders or other persons in the event of the insufficiency of the property of the Company.

### **Article 4. Branches, representative offices, subsidiary and dependent companies.**

1. The Company may set up branches and open representative offices in the territory of the Russian Federation in compliance with the requirements of the Law «On Joint Stock Companies» and other federal laws.
2. Establishment by the Company of branches and the opening of representative offices outside the territory of the Russian Federation also shall be effectuated in accordance with legislation of the foreign state at the location of the branches and representative offices.
3. The Company may have subsidiary and dependent companies with the rights of a legal entity in the territory of the Russian Federation and outside the territory of the Russian Federation in

accordance with legislation of the foreign state at the location of a subsidiary or a dependent company.

#### **Article 5. Founders of the Company**

1. The number of founders (shareholders) of the Company shall not be limited.
2. The founders (shareholders) of the Company may be individual persons and (or) legal entities.
3. The Company may not have as a sole founder (a shareholder) another economic unit consisting of one person.

#### **Article 6. Reorganization of the Company**

1. The Company may be voluntarily reorganized in accordance with the procedure provided for by the Law «On Joint Stock Companies».
2. The Company shall be considered to be reorganized except for reorganization in the form of accession, from the moment of state registration of the newly arisen legal entities.  
In the event of the reorganization of the Company by means of accession of another company, the first of them shall be considered to be reorganized from the moment of the making of the entry concerning the termination of the activity of the acceding in the unified state register of legal entities.
3. The state registration of Companies which arose anew as a result of reorganization and the making of an entry concerning the termination of activity of the reorganized Companies shall be effectuated in accordance with the procedure established by federal laws.
4. Reorganization of the Company shall be effectuated in accordance with the order stipulated for by the Law «On Joint Stock Companies», the Civil Code of the Russian Federation and other legal acts of the Russian Federation.

#### **Article 7. Liquidation of the Company**

1. The Company may be liquidated voluntarily in accordance with the procedure established by the Civil Code of the Russian Federation, taking into account the requirements of the Law «On Joint Stock Companies» and the Charter of the Company. The Company may be liquidated by decision of a court on the grounds provided for by the Civil Code of the Russian Federation. The liquidation of the Company shall entail its termination without the transfer of rights and duties by way of legal succession to other persons.
2. In the event of the voluntarily liquidation of the Company the Board of Directors of the Company shall submit for decision of the General Meeting of Shareholders the issue of the liquidation of the Company and the appointment of the liquidation commission.  
The General Meeting of Shareholders of the voluntarily liquidated Company shall adopt a resolution on liquidation of the Company and the appointment of the liquidation commission.
3. From the moment of appointment of the liquidation commission all authorities regarding the management of the Company shall pass to it. The liquidation commission shall appear in courts in the name of the Company being liquidated.
4. The liquidation of the Company shall be effectuated in accordance with the procedure provided for by the law «On Joint Stock Companies», the Civil Code of the Russian Federation and other legal acts of the Russian Federation.
5. The liquidation of the Company shall be considered to be completed, and the Company to have terminated its existence from the moment of the making by the agency of state registration of the respective entry in the unified state register of legal entities.

## **Article 8. Charter capital of the Company and shares of the Company**

1. The charter capital of the Company shall be equal to 28 516 274 000 (twenty eight billion five hundred and sixteen million two hundred seventy four thousand) roubles. The charter capital shall be presented in the form of 456 260 384 (four hundred and fifty six million two hundred sixty thousand three hundred eighty four) registered common shares with a par value of 62 (sixty two) roubles 50 kopeks each.
2. The charter capital of the Company shall consist of the par value of the shares of the Company acquired by shareholders. The charter capital of the Company shall determine the minimum amount of the property of the Company guaranteeing the interests of its creditors.
3. Shares of the Company shall be non-documentary registered securities. Rights of owners to shares of the Company shall be verified by records on personal accounts in the system of keeping the shareholders' register.
4. The Company or its shareholders shall not have the priority right to the acquisition of shares alienated by shareholders of the Company.
5. The Company shall have the right to place one or several types of preferred shares. The par value of the placed preferred shares of all types shall not exceed 25 % (Twenty five percent) of the charter capital of the Company.
6. By decision of the General Meeting of Shareholders the charter capital may be paid for fully or partially with money, securities, other goods or property rights or other rights having pecuniary valuation. Pecuniary valuation of the contribution made by the founder of the Company shall be effectuated upon agreement of the founders of the Company. In the events provided for by the law, such contribution shall be evaluated by independent experts.

## **Article 9. Increase of the charter capital of the Company**

1. The charter capital of the Company may be increased by means of increasing the par value of shares or the placement of additional shares.
2. The Company shall effectuate public subscription for shares to be issued by it and effect free sale of such shares taking into account the requirements of current legislation of the Russian Federation. The Company shall also have the right to effectuate closed subscription for shares to be issued by it, except for cases, when possibility to effectuate closed subscription is limited by the requirements of legal acts of the Russian Federation.
3. Additional shares may be placed by the Company only within the limits of the quantity of the declared shares. The Company shall have the right to place, in addition to the shares which have been already placed, 400 000 000 (Four hundred million) ordinary registered shares with a par value of 62 (Sixty two) roubles 50 kopeks each, in the total amount of 25 000 000 000 (Twenty five billion) roubles.
4. The increase of the charter capital of the Company by the placement of the additional shares may be effected at the expense of the property of the Company.
5. The increase of the charter capital of the Company by means of increasing the par value of shares shall be effectuated only at the expense of the property of the Company. Amount by which the charter capital of the Company is increased at the expense of the property of the Company, shall not exceed the difference between value of net assets of the Company and value of the charter capital and the reserve fund of the Company. Increase of the charter capital of the Company at the expense of its property by the placement of additional shares as a result of which fractional shares appear shall be prohibited.

## **Article 10. Reduction of the charter capital of the Company**

1. The Company shall have the right and in the instances provided for by the Law «On Joint Stock Companies» be obliged to reduce its chartered capital.
2. The charter capital of the Company may be reduced by means of the reduction of the par value of shares or the reduction of their total quantity, including by means of the acquisition of a part of shares. The reduction of the charter capital of the Company by means of the acquisition and the redemption of a part of shares by the Company shall be prohibited.
3. The Company shall not have the right to reduce the charter capital if as a result of this the amount thereof becomes less than the minimum charter capital of the Company determined in accordance with the Law «On Joint Stock Companies» on the date of submission of documents for the state registration of the respective changes in the Charter of the Company, and in the event if the Company shall be obliged to reduce the charter capital – on the date of the state registration of the Company.
4. The resolution on reduction of the charter capital of the Company by means of reducing the par value of shares or by means of the acquisition of a part of shares for the purpose of reducing their total quantity and regarding the making of respective changes in the Charter of the Company shall be adopted by the General Meeting of Shareholders.

## **11. Rights and duties of shareholders – owners of ordinary shares of the Company**

1. Legal entities and individuals which have acquired shares of the Company in accordance with the procedure provided for by the Charter and legal acts of the Russian Federation shall be shareholders of the Company.
2. In the event of death of an individual – a shareholder or reorganization of a legal entity – a shareholder the right to his/its shares and participation in the Company shall pass to his/its successors (assignees) in accordance with the civil legislation of the Russian Federation.
3. Each common share of the Company shall grant to a shareholder – its owner thereof an identical scope of rights.
4. Shareholders – owners of common shares shall have the right:
  - to participate in the General Meeting of Shareholders with the right of vote regarding all issues of its competence;
  - to receive dividends in accordance with the procedure and ways provided for by the present Charter;
  - to receive a portion of the property or value of a portion of the property of the Company kept in course of liquidation of the Company upon settlements with creditors, in proportion to shares owned by a shareholder in accordance to priorities and the procedure provided for by current legislation of the Russian Federation;
  - to sell, exchange, bring in the charter capital, transfer in pledge, trust management and otherwise alienate shares which belong to them at any time without any agreeing it with other shareholders and bodies of the Company. Transfer of shares to third parties shall be possible only after they have been fully paid for by a conceding shareholder;
  - to have a priority in purchase of additional shares placed by the Company by way of open subscription and other issued securities convertible in shares, in quantity proportional to quantity of shares of the Company of this category (type) which belong to them;
  - to have access to documents provided for by Art. 89, cl.1 of the Federal Law «On Joint Stock companies», in accordance with the procedure provided for by Art.91 of the said Law;
  - to demand the registrar of the Company to confirm rights of a shareholder to shares by means of the drawing out of an extract from the register of shareholders of the Company;

- to receive from the registrar of the Company information about all entries in his/its personal account, and also other information provided for by legal acts of the Russian Federation establishing the procedure of keeping the register of shareholders;
  - to demand the Company to purchase all shares which belong to a shareholder or a portion of such shares in the events and in accordance with the procedure provided for by the current legislation of the Russian Federation;
  - to sell shares to the Company if the Company has adopted the resolution on acquisition of these shares;
  - a shareholder owing more than 1 percent of voting shares of the Company shall have the right to demand the registrar of the Company to provide him/its with information about names of shareholders - owners of shares registered in the register and about quantity, a category and par value of shares which belong to them (this information shall not include addresses of shareholders);
  - shareholders (a shareholder) owing in aggregate not less than 2 percent of voting shares of the Company shall have the right to put issues on the agenda of the Annual General Meeting of Shareholders and nominate candidates to bodies of management and control of the Company to be elected by the General Meeting of Shareholders;
  - shareholders (a shareholder) owing in aggregate not less than 10 percent of voting shares of the Company shall have the right to demand the Board of Directors of the Company to convoke the Extraordinary General Meeting of Shareholders. In the event if within a period of time established by the current legislation of the Russian Federation and this Charter the resolution on convocation of the Extraordinary General Meeting of Shareholders has not been taken or the resolution has been adopted on refusal to convene it, the Extraordinary Meeting may be convened by the stated shareholders (a shareholder);
  - shareholders (a shareholder) owing in aggregate not less than 10 of voting shares of the Company shall have the right at any time to demand the conducting of an audit of financial-economic activity of the Company;
  - shareholders (a shareholder) owing in aggregate not less than 25 percent of voting shares of the Company shall have access to and receive copies of the bookkeeping records and minutes of meetings of the collegial executive body of the Company;
  - to receive information about activity of the Company;
  - other rights stipulated by the current legislation of the Russian Federation and this Charter.
5. A shareholder shall be obliged:
- to pay for shares to be acquired in terms and in accordance with the procedure established by this Charter and the current legislation of the Russian Federation;
  - to observe requirements of the Charter and comply with decisions of management bodies of the Company adopted within the limits of their competence;
  - to properly inform a holder of the register of shareholders of the Company about changes in his/its data;
  - not to disclose information being a commercial secret.

## **Article 12. Register of shareholders**

1. The Company shall be the holder of the shareholders' register. By decision of the General Meeting of Shareholders the Company shall have the right to entrust a specialized registrar with the keeping of the shareholders' register. In the event if a number of shareholders exceeds 50 (fifty) the Company shall be obliged to entrust a specialized registrar with the keeping and storage of the shareholders' register.
2. The Company shall ensure the keeping and storage of the shareholders' register in accordance with legal acts of the Russian Federation. The shareholders' register shall contain information



about each registered person (a shareholder or a nominal holder), quantity and categories (types) of shares recorded in the name of each registered person and other information provided for by legal acts of the Russian Federation.

3. The making of entries in the shareholders' register and refusal to make entries shall be effectuated for reasons and in accordance with the procedure stipulated by the legislation.
4. By demand of a shareholder or a nominal holder of shares the Company shall be obliged to verify their rights by the granting of an extract from the shareholders' register. The extract from the shareholders' register shall not present a security.

### **Article 13. Bonds and other issued securities of the Company**

1. The Company shall have the right to place bonds and other issued securities provided for by legal acts of the Russian Federation on securities, the placement shall be effectuated by the resolution of the Board of Directors of the Company.
2. The Company shall have the right to issue bonds. A bond shall verify the right of its owner to make a demand for redemption of a bond within the specified time.  
Par value of all shares issued by the Company shall not exceed amount of the charter capital of the Company or amount of collateral provided by third parties for issue of bonds of the Company. The placement of bonds of the Company shall be admissible upon complete payment of the charter capital of the Company.

### **Article 14. Payment of shares and other issued securities of the Company**

1. Shares of the Company distributed in course of its establishment shall be fully paid for within a year period from the moment of the state registration of the Company. Not less than 50% of shares of the Company distributed in course of its establishment shall be paid for within three months from the moment of the state registration of the Company.
2. A share owned by the founder of the Company shall not grant the right of vote, unless it has been fully paid for.
3. Payment of shares distributed between the founders of the Company in course of its establishment and additional shares placed by means of subscription may be effected with money, securities, other goods or property rights or other rights having pecuniary valuation.  
A form of payment of additional shares shall be determined by the resolution on their placement. In the event of payment of additional shares with non-monetary funds pecuniary valuation of property contributed into payment of shares shall be effected by the Board of Directors of the Company in accordance with the law of the Russian Federation «On Joint Stock Companies».  
Payment of other issued securities maybe effected solely with monetary funds.
4. In the event of incomplete payment of shares within the terms established by cl. of the present Article of the Charter the property right to shares placement price of which corresponds with unpaid amount (value of property not passed for payment of shares) shall be passed to the Company.
5. Additional shares and other issued securities of the Company placed by means of subscription shall be placed upon complete payment.

### **Article 15. Funds of the Company**

1. The Company shall set up a reserve fund amounting to 5 percent of the charter capital of the Company.

The reserve fund of the Company shall be formed by obligatory annual allocation of not less than 5 percent of net profit of the Company until the fund reaches the amount established in this clause.

2. The reserve fund shall be assigned for compensation for losses of the Company, and also for retirement of bonds of the Company and redemption of shares of the Company in case of lack of other funds.
3. The reserve fund shall not be used for some other purposes.

#### **Article 16. Dividends of the Company**

1. The Company shall have the right, proceeding from the results of the first quarter, half a year, nine months of a fiscal year and (or) the results of a fiscal year, to adopt resolutions (to declare) on payment of dividends on placed shares. The resolution to pay (to declare) dividends, proceeding from the results of the first quarter, half a year, nine months of the fiscal year, may be adopted within three months upon termination of the respective period.

Dividends shall be paid out of net profit of the Company. Net profit of the Company shall be determined proceeding from the data of the bookkeeping reporting of the Company.

The resolution on payment (declaration) of dividends, amount of a dividend and a form of its payment shall be adopted by the General Meeting of Shareholders. Amount of dividends shall not be larger than the one recommended by the Board of Directors of the Company.

In order to pay dividends, the Company shall draw up a list of persons entitled to draw dividends. This list shall be made proceeding from data of a register on a date of making up a list of persons entitled to participate in the General Meeting of Shareholders, at which the resolution on payment of respective dividends is being adopted.

2. Dividends shall be paid by the Company within the term established by the resolution of the General Meeting of Shareholders on payment (declaration) of dividends of the Company. Term of payment of dividends shall not exceed 60 days from the date of adoption of the resolution on payment of dividends.
3. Dividends declared by the Company may be paid whether with money or other property in the event if the General Meeting of Shareholders have taken the resolution on payment of dividends in a non-monetary form.

The resolution of the General Meeting of Shareholders on payment of dividends of the Company in a non-monetary form shall be taken only on the basis of the proposal of the Board of Directors which shall specify property of the Company assigned for payment of dividends.

4. When taking the resolution to pay dividends, the Company shall be obliged to be guided by limitations imposed by the federal laws.

#### **Article 17. Management bodies of the Company**

1. Management bodies of the Company shall be as follows:
  - the General Meeting of Shareholders;
  - the Board of Directors;
  - the Board of the Company – a collegial executive body;
  - President of the Company – a one-man executive body.

#### **Article 18. General Meeting of Shareholders**

1. The supreme management body of the Company shall be the General Meeting of Shareholders. The Company shall hold the annual General Meeting of Shareholders each year. The annual General Meeting of Shareholders shall be held not earlier than two months and not later than six

- months after the end of a fiscal year. The Annual General Meeting of Shareholders shall deal with election of the Board of Directors of the Company, the Audit Commission (the internal auditor) of the Company, approval of the auditor of the Company, consider issues provided for by Art. 19, cl. 15 of the Charter and may settle other issues attributed to the competence of the General Meeting of Shareholders.
2. General Meetings of Shareholders not being the Annual General Meetings of Shareholders shall be extraordinary.
  3. Shareholders (a shareholder) of the Company owing in aggregate not less than 2% of voting shares of the Company, not later than 30 days after the end of a fiscal year of the Company, shall have the right to put issues on the agenda of the General Meeting of Shareholders and nominate candidacies for the Board of Directors of the Company, the Audit Commission (the internal auditor) and the Counting Commission of the Company, and also candidacies for the office of the one-man executive body of the Company.
  4. The proposal to put some issues on the agenda of the General Meeting of Shareholders shall be made in a written form and indicate the wording of an issue with its motives, a name of a shareholder (shareholders) putting an issue, quantity and a category (a type) of shares owned by him (her) and shall be signed by a shareholder (shareholders).
  5. The proposal to nominate candidacies, including self-nomination, shall indicate a candidacy name (in the event if a candidacy is a shareholder of the Company, the quantity and a category (a type) of shares owned by him, a name of a body to which a candidacy have been proposed, and also a name of a shareholder (shareholders) nominating a candidacy, the quantity and a category (a type) of shares owned by him. The application shall be signed by a shareholder (shareholders).
  6. The Board of Directors or the individual executive body of the Company, in the event if the Board of Directors have not been formed, shall consider submitted proposals and take a decision whether to put them on the agenda of the General Meeting of Shareholders or to refuse to do so, not later than 5 days after expiration of a term, as set forth in cl.3 of the present Article.

#### **Article 19. Competence of the General Meeting of Shareholders**

1. The competence of the General Meeting of Shareholders shall comprise of the following issues:
  - 1) the introducing of changes and addenda in the Charter of the Company or approval of a new version of the Charter;
  - 2) the reorganization of the Company;
  - 3) the liquidation of the Company, appointment of the liquidation commission and approval of intermediate and final liquidation balance sheets;
  - 4) the determination of quantitative membership of the Board of Directors, election of its members and prescheduled termination of their authorities;
  - 5) the determination of quantity, face value, a category (a type) of declared shares and rights granted by these shares;
  - 6) the increase of the charter capital by means of increase of par value of shares;
  - 7) the increase of the charter capital by the placement of additional ordinary shares by means of an open subscription in case if quantity of additionally placed shares exceeds 25 percent of ordinary shares earlier placed by the Company;
  - 8) the reduction of the charter capital by reduction of face value of shares, acquisition of a portion of shares by the Company for the purposes of reduction of their total quantity and redemption of shares acquired or redeemed by the Company;
  - 9) the placement by the Company of bonds convertible into shares and other issuing securities convertible into shares if the stated bonds (other issuing securities) are placed by a closed subscription or an open subscription when at an open subscription convertible bonds (other

- issuing securities) can be converted into ordinary shares of the Company which amount to over 25 percent of earlier placed ordinary shares;
- 10) the transfer of authorities of a sole executive body under a contract of a commercial organization (to a managing organization) or to an individual entrepreneur (a manager);
  - 11) the election of members of an auditing commission of the Company and prescheduled termination of their authorities;
  - 12) the approval of an auditor of the Company;
  - 13) the payment (announcement) of dividends proceeding from the results of the first quarter, half year, nine months of a fiscal year;
  - 14) the approval of annual reports, annual bookkeeping, including profits and losses reports (profits and losses accounts) of the Company, and distribution of profits (including payment (announcement) of dividends, except for profits distributed as dividends proceeding from the results of the first quarter, half year, nine months of a fiscal year) and losses of the Company under results of a fiscal year;
  - 15) the determination of the procedure of conducting the General Meeting of Shareholders;
  - 16) the election of members of the accounting commission and prescheduled termination of their authorities;
  - 17) the splitting and consolidation of shares;
  - 18) taking decisions about approval of transactions to which interest is revealed in cases provided for by the Law «About Joint Stock Companies»;
  - 19) taking decisions about approval of major transactions in cases stipulated by the Law «On Joint Stock Companies»;
  - 20) the acquisition by the Company of placed shares in cases stipulated by the Law «On Joint Stock Companies»;
  - 21) taking a decision about participation in holding companies, financial-industrial groups and associations, other associations of commercial organizations;
  - 22) the approval of internal documents regulating activity of bodies of the Company:
    - Bylaw «On the General Meeting»,
    - Bylaw «On the Board of Directors»,
    - Bylaw «On an Auditing Commission»;
    - Bylaw «On the Management Board»;
  - 23) the settlement of other issues provided for by the Law «On Joint Stock Companies».
2. Issues attributed to the competence of the General Meeting of Shareholders shall not be transferred to the executive body of the Company for adoption of a decision.
  3. Issues attributed to the competence of the General Meeting of Shareholders shall not be transferred to the Board of Directors of the Company for adoption of a resolution, except for issues provided for by the Law «On Joint Stock Companies».

#### **Article 20. Resolution of the General Meeting of Shareholders**

1. Shareholders – owners of common shares of the Company shall have the right of vote at the General Meeting of Shareholders regarding issues put for voting. A voting share of the Company shall be a common share or a preferred share granting a vote to a shareholder – its owner for adopting a resolution on an issue put for voting.
2. A resolution of the General Meeting of Shareholders on an issue put for voting shall be taken by a majority of votes of shareholders – owners of voting shares of the Company participating in the Meeting, unless different quantity of votes necessary for adoption of a resolution is provided by the present Charter or the Law «On Joint Stock Companies».
3. A resolution on issues specified in Article 19, clause 1, subparagraphs 2, 6 and 15-20 of the Charter shall be taken by the General Meeting of Shareholders only by suggestion of the Board of Directors of the Company.

4. A decision regarding issues specified in article 19, clause 1, subparagraphs 1-3, 5, 7, 9 and 20 shall be taken by the General Meeting of Shareholders by a majority in three-quarters of votes of shareholders – owners of voting shares participating in the General Meeting of Shareholders.
5. A decision regarding a major transaction subject of which is property cost of which amounts to over 50 percent of book value of assets of the Company determined according to data of its accounting as for the last reporting date shall be taken by the General Meeting of Shareholders by majority in three-quarters of votes of shareholders – owners of voting shares participating in the Meeting.
6. The procedure of adoption of a decision by the General Meeting of Shareholders on conducting the General Meeting shall be established by the present Charter and internal documents of the Company approved by a resolution of the General Meeting of Shareholders.
7. The General Meeting of Shareholders shall not have the right to adopt resolutions on issues not included into an agenda of the Meeting and modify an agenda.
8. Resolutions adopted by the General Meeting of Shareholders, and also voting results shall be revealed at the General Meeting of Shareholders in course of which voting took place or submitted not later than 10 days after the drawing up of minutes on voting results in the form of a report on voting results to persons entitled to participate in the General Meeting of Shareholders, in accordance with the procedure provided for a notification about conducting the General Meeting of Shareholders.
9. In the event if all voting shares of the Company belong to one shareholder, resolutions on issues within the competence of the General Meeting of Shareholders shall be taken individually by this shareholder and executed in a written form. Whereas the provisions of the Law «On Joint Stock Companies» and the present Charter determining terms of preparation, convocation and carrying out the General Meeting of Shareholders shall not be applied, except for the provisions on terms of holding the Annual General Meeting of Shareholders.

#### **Article 21. Resolution of the General Meeting of Shareholders adopted by absentee voting (by poll)**

1. A decision of the General Meeting of Shareholders may be taken without the holding of a meeting (joint presence of shareholders for discussion of issues on an agenda and adoption of resolutions on issues put for voting) by means of absentee voting.
2. The General Meeting of Shareholders, an agenda of which includes issues of election of the Board of Directors of the Company, the Audit Commission (the internal auditor) of the Company, approval of an auditor of the Company and issues provided for by Article 19, clause 1, subparagraph 14 of the Charter, shall not be held in a form of absentee voting.
3. The following issues shall be determined by a resolution of the Board of Directors of the Company on the holding of the Extraordinary General Meeting of Shareholders by absentee voting (by poll):
  - the form and the text of a voting bulletin;
  - the date of delivery of a voting bulletin and other information for shareholders in accordance with the Charter of the Company;
  - the date of conclusion of receipt of voting bulletins by the Company.

#### **Article 22. Extraordinary General Meeting of Shareholders**

1. The Extraordinary General Meeting of Shareholders shall be held by a resolution of the Board of Directors of the Company on its own initiative, by demand of the Audit Commission of the Company, an auditor of the Company and a shareholder (shareholders) owing not less than 10% of voting shares of the Company as for a date of submission of the demand.

2. Convocation of the Extraordinary General Meeting of Shareholders by demand of the Audit Commission of the Company, an auditor of the Company and shareholders (a shareholder) owing not less than 10% of voting shares of the Company shall be effected by the Board of Directors of the Company. In case if the Board of Directors have not been formed, such convocation shall be effected by the one-man executive body of the Company.
3. The demand to hold the Extraordinary General Meeting of Shareholders shall contain issues to be introduced into an agenda of a Meeting and specify reasons for their introduction. The demand to hold the Extraordinary General Meeting of Shareholders may also contain wording of decisions on each of these issues and proposals regarding a form of the holding of the General Meeting of Shareholders. The demand to convoke the Extraordinary General Meeting of Shareholders shall be signed by those persons who demand to convene it.
4. The Board of Directors of the Company shall not have the right to introduce modifications into the wording of issues on an agenda, the wording of decisions on such issues and modify a proposed form of the holding of the Extraordinary General Meeting of Shareholders convened by demand of the Audit Commission (the internal auditor) of the Company, an auditor of the Company and shareholders (a shareholder) owing not less than 10% of voting shares of the Company.
5. The Board of Directors shall take a decision whether to convene the Extraordinary General Meeting of Shareholders or to refuse to convene it within 5 days from a date of submission of the demand of the Audit Commission (an internal auditor) of the Company, an auditor of the Company and shareholders (a shareholder) owing not less than 10% of voting shares of the Company to convene the Extraordinary General Meeting of Shareholders.
6. The Extraordinary General Meeting of Shareholders convened by demand of the Audit Commission of the Company, an auditor of the Company or shareholders (a shareholder) owing not less than 10 % of voting shares of the Company shall be held within 40 days from the moment of submission of the demand to convene the Extraordinary General Meeting of Shareholders.
7. The Extraordinary General Meeting of Shareholders convened by demand of the Audit Commission of the Company, an auditor of the Company or shareholders (a shareholder) owing not less than 10 % of voting shares of the Company, agenda of which includes an issue of election of members of the Board of Directors of the Company shall be held within 70 days from the moment of submission of the demand to convene the Extraordinary General Meeting of Shareholders. In the event if the quantity of members of the Board of Directors of the Company becomes less than the quantity securing quorum for the holding of meetings of the Board of Directors of the Company, the Extraordinary General Meeting of Shareholders convened by a resolution of the Board of Directors of the Company based on its own initiative for solving an issue of election of the Board of Directors of the Company shall be held within 70 days from the moment of adoption of the resolution on its convocation by the Board of Directors of the Company.
8. The decision on refusal to convene the Extraordinary General Meeting of Shareholders may be adopted in the event if:
  - the procedure of submission of the demand to convene the Extraordinary General Meeting of Shareholders provided for by the Law «On Joint Stock Companies» and the present Charter has not been observed;
  - shareholders (a shareholder) making the demand to convene the Extraordinary General Meeting of Shareholders are not owing 10 and more percent of voting shares of the Company;
  - no issues proposed for introducing into an agenda of the Extraordinary General Meeting of Shareholders are related to competence and/or correspond with the requirements of the Law «On Joint Stock Companies» and other legal acts of the Russian Federation.

9. The resolution of the Board of Directors to convene the Extraordinary General Meeting of Shareholders or the motivated resolution on refusal to convene it shall be sent to persons demanding convocation not later than three days from the moment of adoption of such a resolution.
10. In the event if the Board of Directors of the Company fails to adopt the decision on convocation of the Extraordinary General Meeting of Shareholders within a term established by the Law of the Russian Federation «On Joint Stock Companies» or the resolution has been adopted on refusal to convene it, the Extraordinary General Meeting of Shareholders may be convened by bodies and persons demanding its convocation. Whereas bodies and persons convening the Extraordinary General Meeting of Shareholders shall have authorities provided for by the Law of the Russian Federation «On Joint Stock Companies» necessary for convocation and the holding of the General Meeting of Shareholders.

In such case, expenses for preparation and the holding of the General Meeting of Shareholders may be reimbursed by a resolution of the General Meeting of Shareholders at expense of the Company.

### **Article 23. Counting Commission**

1. The Counting Commission shall be set up if a number of shareholders – owners of voting shares exceeds 100 (a hundred). In the event if a number of shareholders – owners of voting shares is less than 100 (a hundred), the Counting Commission shall be set up for each General Meeting of Shareholders. Quantitative and personal composition of the Commission shall be approved by the General Meeting of Shareholders. The Counting Commission shall be valid until the General Meeting of Shareholders elects a new membership of the Counting Commission.
2. The Counting Commission shall not consist of less than three persons. Members of the Board of Directors of the Company, members of the Auditing Commission of the Company, members of the collective executive body of the Company, the individual executive body of the Company, and also the managing organization or the Executive Officer and persons nominated for such offices, shall not be members of the Counting Commission.
3. The Counting Commission shall check authorities and register persons participating in the General Meeting of Shareholders, determine a quorum of the General Meeting of Shareholders, give explanations on issues related to use of a vote of shareholders (their representatives) at the General Meeting and a procedure regarding issues put for voting, ensure the established voting procedure and shareholders' rights for participation in voting, calculate votes and summarize voting results, keep the minutes on voting results, deliver voting papers to archives.

### **Article 24. Notification of the General Meeting of Shareholders and the procedure for participation of the shareholders at the General Meeting of Shareholders**

1. In course of preparation for the holding of the General Meeting of Shareholders, the Board of Directors of the Company or the One-Man Executive Body of the Company, if the Board of Directors have not been formed, shall determine:
  - the form of the holding of the General Meeting of Shareholders (a meeting or absentee voting);
  - the date, the place, time of holding the General Meeting of Shareholders and, in case when in accordance with the Law «On Joint Stock Companies» filled in voting papers may be sent to the Company, the postal address to which filled in voting papers may be sent or, in case of the holding of the General Meeting of Shareholders in a form of absentee voting, the date of end of receipt of voting papers and the postal address to which filled in voting papers shall be sent;

- the date of making a list of persons entitled to participate in the General Meeting of Shareholders;
  - the agenda of the General Meeting of Shareholders;
  - the procedure of notifying shareholders about the holding of the General Meeting of Shareholders;
  - a list of information (materials) submitted to shareholders in course of preparation for the holding of the General Meeting of Shareholders and the procedure of its submission;
  - in case of voting with voting papers, the form and the text of a voting paper.
2. The Board of Directors of the Company or, in the event if the Board of Directors has not been formed, the One-Man Executive Body of the Company shall send a notification or release information about the holding of the General Meeting of Shareholders, and also the announcement about the holding of the General Meeting of Shareholders, the agenda of which includes the issue of reorganization of the Company, not later than 30 days before a date of such meeting.
  3. In the event if the proposed agenda of the Extraordinary Meeting of Shareholders includes the issue on election of members of the Board of Directors of the Company which shall be elected by cumulative voting, information about the holding of the Extraordinary General Meeting of Shareholders shall be made not later than 50 days before a date of its holding. Within the stated period of time, information about the holding of the General Meeting of Shareholders shall be sent to each person indicated in a list of persons entitled to participate in the General Meeting of Shareholders.
  4. Shareholders shall be informed of the holding of the General Meeting of Shareholders by delivery of such information for signature or by delivery a letter with a notification.
  5. A list of persons entitled to participate in the General Meeting of Shareholders shall be made on the basis of the register of the Company's shareholders in accordance with the procedure and in terms provided for by the Law «On Joint Stock Companies».
  6. A shareholder may effect his right to participate in the General Meeting of Shareholders by personal attendance or through his representative.
  7. A shareholder shall have the right at any time to replace his representative at the General Meeting or personally participate in the General Meeting of Shareholders. A representative of a shareholder shall act on the basis of the power of attorney made in a written form. The power of attorney for voting shall be executed in accordance with the requirements of the Civil Code of the Russian Federation or verified with a notary.
  8. In the event of transfer of a share after the making of a list of persons entitled to participate in the General Meeting of Shareholders and before a date of the holding of the General Meeting of Shareholders, a person included into this list shall grant the power of attorney for voting to a purchaser or vote at the General Meeting in accordance with the instructions of a purchaser of shares.
  9. In the event if a share of the Company is in common share ownership of several persons, authorities to vote at the General Meeting shall be effectuated at their discretion whether by one of participants of common share property or their common representative, authorities of each of the stated persons shall to be properly executed.

#### **Article 25. Quorum of the General Meeting of Shareholders**

1. The General Meeting of Shareholders shall be empowered (have a quorum), if shareholders having in aggregate more than a half of votes granted by the placed voting shares of the Company have participated in it.
2. Those shareholders who have registered for participation in the General Meeting of Shareholders and those shareholders whose voting ballots have been received not later than two days before a



date of the General Meeting of Shareholders shall be considered to be shareholders who have participated in the General Meeting of Shareholders. Shareholders whose voting ballots have been received before the final date for accepting the voting papers shall be considered to be shareholders who have participated in the General Meeting of Shareholders held in the form of absentee voting.

3. In the absence of a quorum for holding the Annual General Meeting of Shareholders, the Repeated General meeting of Shareholders shall be held, with the same agenda. In the absence of a quorum for holding the Extraordinary General Meeting of Shareholders, the Repeated General Meeting of Shareholders with the same agenda may be held.
4. The Repeated General Meeting of Shareholders shall be empowered (have a quorum), if shareholders having in aggregate not less than 30% of votes granted by the placed voting shares of the Company have participated in it.
5. In the event the Repeated General Meeting of Shareholders is held less than 40 days after the unconstituted General Meeting of Shareholders considered to be incompetent, persons entitled to participate in the General Meeting of Shareholders shall be determined in accordance with a list of persons entitled to participated in the unconstituted General Meeting of Shareholders.

#### **Article 26. Voting at the General Meeting of Shareholders**

1. Voting at the General Meeting of Shareholders shall be effected in accordance with the principle «one voting share of the Company – one vote», except for instances of conducting cumulative voting for election of members of the Board of Directors.
2. Voting on issues on the agenda of the General Meeting of Shareholders may be effectuated by voting ballots. Voting on issues on the agenda of the General Meeting of Shareholders held in a form of absentee voting shall be effectuated only by voting ballots. A voting ballot shall be delivered for signature to each person specified in the list of persons entitled to participate in the General Meeting of Shareholders (his representative) who have registered for participation in the General Meeting of Shareholders, except for the instances provided for by the Law «On Joint Stock Companies».
3. In the event of the holding of the General Meeting of Shareholders in the form of absentee voting, a voting ballot shall be sent by a letter with a notification or delivered for signature to each person specified in the list of persons entitled to participate in the General Meeting of Shareholders, not later than 30 days before a date of the General Meeting of Shareholders.
4. A voting ballot shall contain:
  - the full firm name of the Company and place of its location;
  - the form of the holding of the General Meeting of Shareholders (a meeting or absentee voting);
  - the date, the place, time of the holding of the General Meeting of Shareholders, the postal address to which filled in voting ballots may be sent, and, in the event of the holding of the General Meeting of Shareholders in the form of absentee voting, the final date of accepting voting ballots,
  - the wording of resolutions on each issue (a name of each candidacy), voting on which shall be effectuated by this voting ballot;
  - voting options on each issue on the agenda, such as «for», «against» or «abstained»;
  - the record that a voting ballot shall be signed by a shareholder.

In the event of cumulative voting, a voting ballot shall refer to it and make explanations of the essence of cumulative voting.

## **Article 27. Minutes of the General Meeting of Shareholders**

1. The Minutes of the General Meeting of Shareholders shall be drawn up not later than 15 days upon the closure of the General Meeting of Shareholders in two copies. Both copies shall to be signed by the Chairman of the Meeting and the Secretary of the General Meeting of Shareholders.
2. The Minutes of the General Meeting of Shareholders shall indicate:
  - the place and time of holding the General Meeting of Shareholders;
  - the total quantity of votes held by shareholders – owners of voting shares of the Company;
  - the quantity of votes held by shareholders participating in the meeting;
  - the Chairman (Presidium) and the Secretary of the meeting, the agenda.The Minutes of the Board of Directors shall comprise basic theses of speeches, issues put for voting and voting results on them, resolutions adopted by the General Meeting of Shareholders.

## **Article 28. Board of Directors of the Company**

1. The Board of Directors shall effectuate general direction over the activity of the Company, except for the issues assigned to the competence of the General Meeting of Shareholders.
2. The Board of Directors shall not consist of less than 5 members. The quantity of members shall be approved by the General Meeting of Shareholders.
3. If the General Meeting of Shareholders adopts the resolution not to form the Board of Directors, the General Meeting of Shareholders shall effectuate functions of the Board of Directors. In such event, the issue of the holding of the General Meeting of Shareholders and approval of its agenda shall be settled by the One-Man Executive Body of the Company.
4. By a resolution of the General Meeting of Shareholders, members of the Board of Directors in a period of performance of their duties shall have compensation paid and (or) expenses related to performance of their functions of members of the Board of Directors reimbursed.

## **Article 29. Competence of the Board of Directors**

1. The Board of Directors of the Company shall effectuate general direction over the activity of the Company, except for issues relegated to the exclusive competence of the General Meeting of Shareholders.
2. The following issues shall be relegated to the competence of the Board of Directors:
  - 1) determination of the priority orientations of activity of the Company's activities, including approval of annual budget, budgets for middle-term and long-term development, strategies and programs of the Company's development, introducing modifications into the stated documents, examination of results of their performance;
  - 2) convocation of the Annual and Extraordinary General Meeting of Shareholders of the Company, except for the instances provided for by Art. 55 cl. 8 of the Law of RF «On Joint Stock Companies»;
  - 3) approval of the agenda of the General Meeting of Shareholders;
  - 4) determination of the date of drawing up the list of persons having the right to participate in the General Meeting of Shareholders and other questions relegated to the competence of the Board of Directors of the Company;
  - 5) increase of the chartered capital of the Company by means of the placement of additional shares by the Company within the limits of the quantity and categories (types) of authorized shares specified in the present Charter, except for the instances provided for by Art. 19 cl.1 subcl. 7, 9 of the present Charter;

- 6) placement by the Company of bonds and other issued securities, if not convertible into shares of the Company under terms and conditions of placement of such bonds and other issued securities;
- 7) determination of the value (pecuniary valuation) of property, placement price and redemption of issued securities in the instances provided for by the Law «About Joint Stock Companies»;
- 8) acquisition of shares, bonds, and other issued securities placed by the Company in the instances provided for by the Law «On Joint Stock Companies»;
- 9) formation of the collegial executive body – the Board of the Company, determination of term of its authorities, and prescheduled termination of the authorities of members of the Board;
- 10) recommendations relating to the amount of remuneration and compensations to be paid to members of the Auditing Commission of the Company, approval of terms and conditions of a contract to be concluded with an auditor, including determination of the amount of payment for the services of an auditor;
- 11) recommendations relating to the amount of dividend for shares, the procedure and the term for the payment thereof, approval of an internal document related to dividends for shares of the Company;
- 12) use of the reserve and other funds of the Company;
- 13) approval of the internal documents of the Company regulating the questions within the competence of the Board of Directors of the Company, except for the internal documents, approval of which is relegated by the Charter of the Company to the competence of the General Meeting of Shareholders and executive bodies of the Company;
- 14) establishment of branches, opening and liquidation of representative offices, approval of bylaws on them;
- 15) approval of large-scale transactions in the instances provided for by the Law «On Joint Stock Companies»;
- 16) approval of transactions in conclusion of which there is an interest in the instances stipulated by the Law «On Joint Stock Companies»;
- 17) approval of the registrar of the Company and of terms and conditions of the agreement with it and on termination of the agreement with it;
- 18) appointment of a one-man executive body (the President) of the Company, determination of the term of his (her) authorities, and prescheduled termination of his (her) authorities;
- 19) appointment and dismissal of the Corporate Secretary of the Company, approval on the Provision on the Corporate Secretary and the Staff of the Corporate Secretary of the Company;
- 20) placement by the Company of bonds convertible into shares and other issued securities convertible into shares if the stated bonds (other issued securities) are placed by means of an open subscription, whereas convertible bonds (other issued securities) may be converted into ordinary shares of the Company amounting to 25 and less percent of earlier placed ordinary shares;
- 21) approval of resolutions on issue of securities, securities prospectus, reports on results of issue of securities of the Company, reports on results of acquisition of shares of the Company for the purposes of redemption;
- 22) approval of the internal document defining procedures of internal control over financial-economic activity of the Company;
- 23) approval of the Provision on the structural department of the Company effecting functions of internal control, agreeing candidacies for a post of its chief officer, consideration of other questions to be resolved by the Board of Directors in accordance with the Provision on the stated department;
- 24) election (re-election) of the Chairman of the Board of Directors of the Company;
- 25) agreement that a person effecting functions of a one-man executive body of the Company, members of the Board of the Company will serve in management bodies of other organizations;

- 26) permission to a person effecting functions of a one-man executive body to work in other organizations and be paid for that;
  - 27) establishment of permanent or temporary (for settlement of specific questions) committees of the Board of Directors, approval of Provisions of them;
  - 28) approval of terms and conditions of contracts (additional agreements) to be concluded with the President, members of the Board of Directors, members of the Board, the chief officer of the structural department of the Company effecting functions of internal control, the Corporate Secretary of the Company, and consideration of questions to be resolved by the Board of Directors in accordance with the stated contracts;
  - 29) decisions on participation of the Company in other organizations (entering as a participant, termination of participation, change of amount or face value of contribution, change of quantity of shares or face value of shares owned by the Company) by means of acquisition, sale or other alienation of shares, parts and/or portions of parts, and by means of making additional contributions into chartered capital of other organizations;
  - 30) decisions on participation of the Company in non-commercial organizations by means of entering as a participant, termination of participation, making additional contributions related to participation of the Company in non-commercial organizations;
  - 31) approval of the internal documents (the document) defining rules and approaches towards disclosure of information about the Company, the procedure of use of information about activity of the Company, securities and transactions with them, not being public knowledge;
  - 32) approval of the Code of Corporate Conduct, making modifications and addenda to it;
  - 33) other issues provided for by the Law «On Joint Stock Companies» and the Charter of the Company.
3. Issues relegated to the competence of the Board of Directors of the Company shall not be transferred to the executive body of the Company for a decision-taking process.
  4. The procedure of a decision-taking process relegated to the competence of the Board of Directors of the Company is provided for by the Law «On Joint Stock Companies», the present Charter, and the internal documents regulating activity of the Board of Directors of the Company.

### **Article 30. Election of the Board of Directors**

1. Members of the Board of Directors of the Company shall be elected by the Annual General Meeting of Shareholders by cumulative voting for a term till the next Annual General Meeting of Shareholders. If the Annual General Meeting of Shareholders have not been held at the established time, authorities of the Board of Directors shall be terminated, except for authorities to prepare, convene and hold the Annual General Meeting of Shareholders.
2. Candidates who receive the largest number of votes shall be considered to be elected to the Board of Directors of the Company.
3. Solely an individual may be a member of the Board of Directors. A member of the Board of Directors should not necessarily be a shareholder of the Company.
4. Members of the collective executive body of the Company shall not make up more than one fourth of the Board of Directors of the Company. A person effecting functions of the one-man executive body shall not at the same time be the Chairman of the Board of Directors of the Company.
5. Persons elected to the Board of Directors of the Company may be re-elected for an unlimited number of times.
6. By decision of the General Meeting of Shareholders the authorities of all members of the Board of Directors of the Company may be terminated ahead of time.

### **Article 31. Chairman of the Board of Directors of the Company**

1. The Chairman of the Board of Directors of the Company shall be elected by members of the Board of Directors of the Company from among them by a majority of votes of the total number of members of the Board of Directors of the Company.
2. The Board of Directors of the Company shall have the right at any time to re-elect the Chairman by a majority of votes of the total number of the Board of Directors of the Company.
3. The Chairman of the Board of Directors of the Company shall organize its work, convoke meetings of the Board of Directors of the Company and preside at them, organize the keeping of the minutes at meetings.
4. In the event of the absence of the Chairman of the Board of Directors, his (her) functions shall be effectuated by one of members of the Board of Directors of the Company be decision of the Board of Directors of the Company taken by a majority of votes of its members participating in the meeting.

### **Article 32. Meeting of the Board of Directors of the Company**

1. A meeting of the Board of Directors of the Company shall be convoked by the Chairman of the Board of Directors on his own initiative or by demand of a member of the Board of Directors, or the Audit Commission (or the internal auditor), or the auditor of the Company, the collective or the one-man executive body.
2. A quorum for conducting a meeting of the Board of Directors shall not be less than two thirds of the quantity of elected members of the Board of Directors of the Company. When the quantity of members of the Board of Directors of the Company becomes less than the quantity making up a quorum for the holding of a meeting, the Board of Directors is obliged to adopt a resolution on convocation of the Extraordinary General Meeting of Shareholders in order to elect the new membership of the Board of Directors.
3. Resolutions at a meeting of the Board of Directors shall be adopted by a majority of votes of members of the Board of Directors of the Company participating at a meeting unless provided otherwise by the Law of the Russian Federation «On Joint Stock Companies». When adopting resolutions at a meeting of the Board of Directors, each member of the Board of Directors shall have one vote. Resolutions of the Board of Directors may be adopted by absentee voting (by poll).
4. A member of the Board of Directors absent at a meeting may express his opinion on issues on the agenda of a meeting of the Board of Directors, in a written form. If he does so, his vote shall be taken account of as for determination of a quorum and voting results.
5. The resolution on approval of a large-scale transaction subject of which is property with cost ranging from 25 to 50 percent of book value of the Company's assets determined as for the last reporting date shall be adopted by the Board of Directors unanimously, not taking into account the votes of members of the Board of Directors who have withdrawn. In case if unanimity has not been reached, the issue of approval of a large-scale transaction shall be submitted to the General Meeting of Shareholders.
6. The resolution on increase of the charter capital of the Company by means of the placement of additional shares by the Company within the limits of the quantity and categories (types) of authorized shares specified in the present Charter, except for the instances provided for by Art. 19 cl.1 subcl. 7, 9 of the present Charter, shall be adopted by the Board of Directors unanimously, not taking into account the votes of members of the Board of Directors who have withdrawn. In

case if unanimity has not been reached, the issue of approval of a large-scale transaction shall be submitted to the General Meeting of Shareholders.

7. Resolutions on suspension of authorities of the One-Man Executive Body of the Company (a managing organization, an administrator) and on establishment of the temporary One-Man Executive Body shall be adopted by a majority of three fourths of votes of members of the Board of Directors, not taking into account the votes of members of the Board of Directors who have withdrawn.
8. The transfer of a vote by one member of the Board of Directors of the Company to another person, including another member of the Board of Directors of the Company, shall be prohibited.
9. In case of a tie vote of members of the Board of Directors the Chairman of the Board of Directors shall have the right of a casting vote.
10. Minutes shall be kept at a meeting of the Board of Directors. The minutes of a meeting of the Board of Directors of the Company shall be signed by a person presiding at the meeting who shall be responsible for the correctness of the drawing up of the minutes. The minutes shall specify: the place and time of the holding of a meeting, the persons present at the meeting, the agenda of the meeting, the issues put for voting and voting results on them, adopted resolutions.

### **Article 33. Executive bodies of the Company**

1. The direction of the current activity of the Company shall be effectuated by the Management Board of the Company – the collegial executive body chaired by the President being the one-man executive body. The President of the Company is the Chairman of the Management Board of the Company.
2. Executive bodies are accountable to the General Meeting of Shareholders and the Board of Directors of the Company.

### **Article 34. Management Board**

1. The Management Board of the Company shall act on the basis of the Charter of the Company and the Bylaw «On the Management Board» which shall determine terms, procedure of convocation and the holding of its meetings, and procedure of adoption of resolutions.
2. Quantitative and personal membership of the Management Board shall be determined by a resolution of the Board of Directors at the suggestion of the President of the Company and members of the Board of Directors. The Management Board shall be formed for a term determined by the Board of Directors of the Company when its members have been appointed. By a resolution of the Board of Directors of the Company authorities of any member (all members) of the Management Board of the Company may be terminated ahead of time. In case of prescheduled termination of authorities of some members of the Management Board, authorities of newly appointed members shall be valid within the limits of a term for which the Management Board of the Company have been established.
3. The Management Board of the Company shall be convoked not less than once per month on the initiative of the President or any member of the Management Board. A quorum for the holding of a meeting of the Management Board shall make up not less than 2/3 of elected members of the Management Board.
4. The following issues shall be relegated to the competence of the Management Board of the Company:
  - 1) decisions on appointment of chiefs of branches and representative offices of the Company;
  - 2) appointment of persons representing the Company at the General Meetings of Shareholders of other companies in which the Company is a participant;

- 3) nomination of candidacies for the General Director, the managing organization, the Chief Executive Officer, members of the Management Board, members of the Board of Directors of other companies in which the Company is a participant;
  - 4) approval of the internal documents regulating the issues within the competence of the Management Board of the Company, except for the documents to be approved by the General Meeting of Shareholders and the Board of Directors of the Company;
  - 5) proposals on principle orientations of activity of the Company, including drafts of annual budget, budgets for middle-term and short-term development, strategies and programs of the Company's development, proposals on introducing modifications into the stated documents;
  - 6) decisions on fulfillment of resolutions of the General Meeting of Shareholders and the Management Board of Directors of the Company;
  - 7) analysis of results of work of structural departments of the Company, including separated ones, and instructions for perfection of their work;
  - 8) determination of a list of information being a commercial secret, the procedure of work with such information and responsibility for violation of this procedure;
  - 9) determination of the Company's policy on human resources and social aspects;
  - 10) approval of the internal document regulating general provisions of labour motivation, and consideration and taking decisions on concluding collective contracts and agreements;
  - 11) preparation of materials and draft resolutions on the issues to be considered at the General Meeting of Shareholders, the Board of Directors and submission of materials to the committees of the Board of Directors;
  - 12) determination of the account policy, control over perfection of methodology of financial and managerial reporting, and over preparation of financial reporting of the Company in accordance with the international standards;
  - 13) determination of methodology of planning, budgeting and controlling of the Company;
  - 14) determination of security policy of the Company;
  - 15) determination of the procedure of property allotment to a branch and seizure of property attached to a branch;
  - 16) agreeing candidacies for deputy executives, chief accountants of branches and representative offices and dismissal of the stated persons;
  - 17) approval of terms and conditions of contracts (additional agreements) to be concluded with deputy executives, chief accountants of branches and representative offices, and consideration of the issues resolutions on which shall be adopted by the Management Board on accordance with the stated contracts;
  - 18) approval of the organizational structure of the Company, including principle functions;
  - 19) determination of the procedure of interaction of the Company with organizations in which the Company participates;
  - 20) The Management Board of the Company shall have the right to adopt the resolutions on other issues of guidance over the current activity of the Company on instructions of the Board of Directors or at the suggestion of the President of the Company.
5. The President being the Chairman of the Management Board shall preside at a meeting.
  6. Minutes shall be kept at a meeting of the Management Board of the Company. The minutes of a meeting of the Management Board of the Company shall be signed by the President and submitted to members of the Board of Directors of the Company and the Audit Commission at their demand.
  7. Resolutions of the Management Board shall be taken by a simple majority of votes of members of the Management Board present at a meeting. Each member of the Management Board of the Company has one vote.

### **Article 35. President of the Company**

1. The President of the Company shall be elected for a term of five years by a resolution of the General Meeting of Shareholders. The General Meeting of Shareholders of the Company shall have the right at any time to adopt the resolution on termination of authorities of the President of the Company ahead of time.
2. The President of the Company shall be accountable to the Board of Directors of the Company and the General Meeting of Shareholders of the Company. The President of the Company shall organize the fulfillment of resolutions of the General Meeting of Shareholders, the Board of Directors and the Management Board of the Company.
3. The President of the Company shall effectuate functions of the Chairman of the Management Board of the Company.
4. The President of the Company shall do as follows:
  - act without a power of attorney in the name of the Company;
  - conclude in the name of the Company transactions and other legal acts within the limits of the competence provided for by the present Charter and current legislation;
  - dispose of movable and immovable property of the Company;
  - represent the Company and protect its interests;
  - hire and dismiss employees of the Company, conclude labour contracts with them in the name of the Company, provide incentives to employees and impose penalties on them;
  - approve a staff list, job descriptions, regulations of internal labour procedure and ensure observance of them;
  - in accordance with resolutions of the General Meeting of Shareholders, the Board of Directors, the Management Board and within the limits of his competence, issue orders and give instructions binding upon all employees of the Company;
  - effect preparation for and convocation of the regular and the extraordinary General Meetings of Shareholders if the Board of Directors of the Company have not been formed.
5. The President of the Company shall in a written form notify the Board of Directors of a fact of ownership of the Company's securities, intention to conclude transactions with securities of the Company, and transactions with such securities which have already been concluded.
6. Rights and responsibilities of the President shall be specified in accordance with the present Charter, the Law «On Joint Stock Companies», other legal acts of the Russian Federation and a contract to be concluded with the Company. The contract in the name of the Company shall be signed by the Chairman of the Board of Directors or a person authorized by the Board of Directors. In case if the Board of Directors of the Company have not been formed, the contract in the name of the Company shall be signed by a person authorized by the General Meeting of Shareholders of the Company.
5. In case of temporary absence of the President – the Chairman of the Management Board of the Company, his functions and his competence shall be relegated to the First Deputy Chairman of the Management Board or the Deputy Chairman of the Management Board being members of the Management Board. Authorities of the First Deputy Chairman of the Management Board or the Deputy Chairman of the Management Board shall be confirmed by an order issued by the President and effective for a term of his absence.

### **Article 36. Corporate Secretary. Staff of the Corporate Secretary of the Company**

1. By a resolution of the Board of Directors a special person may be appointed in order to secure observance by bodies and officials of the Company of procedural requirements ensuring implementation of rights and interests of shareholders of the Company – the Corporate Secretary of the Company.



2. Rights, responsibilities, a term of authorities, amount of remuneration of labour and responsibility of the Corporate Secretary of the Company shall be specified by internal documents of the Company, and the contract to be concluded with him. The Contract in the name of the Company shall be signed by the Chairman of the Board of Directors of the Company.
3. In order to ensure effective performance by the Corporate Secretary of the Company of his obligations, the Corporate Secretary may have employees accountable to him, and a membership, quantity, structure and responsibilities of such employees shall be defined by an internal document of the Company to be approved by the Board of Directors.

### **Article 37. Acquisition, limitations on acquisition of placed shares by the Company**

1. The Company shall have the right to acquire shares placed by it by a resolution of the General Meeting of Shareholders regarding the reduction of charter capital of the Company by means of the acquisition of part of the placed shares for the purpose of reducing the total quantity thereof. The Company shall not have the right to adopt a resolution regarding the reduction of charter capital by means of the acquisition of part of the placed shares for the purpose of reducing the total quantity thereof if the face value of the shares remaining in circulation becomes lower than the minimum amount of charter capital provided for by the Law of RF «On Joint Stock Companies».
2. Shares acquired by the Company on the basis of a resolution adopted by the General Meeting of Shareholders regarding the reduction of charter capital of the Company by means of the acquisition of shares for the purpose of reducing the total quantity thereof shall be redeemed when they are acquired.
3. The Company shall have the right to acquire shares placed by it by a resolution of the General Meeting of Shareholders or the Board of Directors. The Company shall not have the right to adopt a resolution regarding acquisition of shares if the face value of the shares of the Company remaining in circulation comprises less than 90% of charter capital of the Company.
4. Shares acquired by the Company in accordance with cl. 3 of this Article of the Charter shall not grant a vote, they shall not be taken into account during the counting of votes, dividends shall not be paid on them. Such shares shall be sold at their market price not later than one year from the date of their acquisition. Otherwise, the General Meeting of Shareholders shall adopt a resolution regarding the reduction of charter capital of the Company.
5. Each shareholder – owner of shares, a resolution regarding the acquisition of which is adopted, shall have the right to sell the stated shares, and the Company shall be obliged to acquire them. If the total quantity of shares with respect to which applications have been received on their acquisition by the Company, exceeds the quantity of shares which may be acquired by the Company taking into account the limitations established by the Charter and the Law «On Joint Stock Companies», the shares shall be acquired from the shareholders in proportion to the declared demands.
6. Redemption by the Company of shares on demand of a shareholder (shareholders) shall be effected in accordance with the Federal Law «On Joint Stock Companies».

### **Article 38. Audit Commission of the Company**

1. In order to effectuate control over the financial-economic activity of the Company, the Audit Commission of the Company shall be elected by the General Meeting consisting of 3 persons.
2. The procedure of the activity of the Audit Commission of the Company shall be determined by the Bylaw «On the Audit Commission» to be approved by the General Meeting of Shareholders.
3. The following issues shall be relegated to the competence of the Audit Commission:

- verification of data cited in reports and other financial documents of the Company;
  - revelation of breaches of the procedure of keeping bookkeeping records and submitting financial reporting provided for by legal acts of the Russian Federation;
  - verification of legal rules observance in course of tax calculation and payment;
  - revelation of breaches of legal acts of the Russian Federation, in accordance to which the Company effectuates the financial-economic activity;
  - evaluation of economic expediency of financial-economic operations of the Company.
4. The verification (audit) of the financial-economic activity of the Company shall be effectuated with regards to the results of the activity of the Company for a year, and also at any time on the initiative of the Audit Commission (the internal auditor) of the Company, a resolution of the General Meeting of Shareholders, the Board of Directors of the Company or at the demand of a shareholder (shareholders) of the Company owing in aggregate not less than 10 percent of the voting shares of the Company.
  5. At the demand of the Audit Commission of the Company the persons holding office in the management bodies of the Company shall be obliged to submit documents regarding the financial-economic activity of the Company.
  6. The Audit Commission (the internal auditor) of the Company shall have the right to demand the convocation of the Extraordinary General Meeting of Shareholders.
  7. The members of the Audit Commission of the Company may not be at the same time members of the Board of Directors of the Company, nor hold other offices in the management bodies of the Company.

#### **Article 39. Bookkeeping records and financial reporting of the Company**

1. The Company shall be obliged to keep the bookkeeping records and to submit financial reporting in accordance with the procedure established by current legislation of the Russian Federation. The reliability of the data cited in the annual report of the Company, annual bookkeeping reporting shall be verified by the Audit Commission (the internal auditor) of the Company.
2. Responsibility for the organization, state, and reliability of the bookkeeping records in the Company and the timely submission of the annual report and other financial reporting to the respective agencies, and also information regarding the activity of the Company to be submitted to the shareholders, creditors, and mass media, shall be borne by the executive body of the Company.
3. The annual report of the Company shall be subject to preliminary approval by the Board of Directors of the Company, and in case of absence of the Board of Directors – by a person effecting functions of a one-man executive body of the Company, not later than 30 days before the date of holding the Annual General Meeting of Shareholders.

#### **Article 40. Storage of documents of the Company. Granting of information by the Company.**

1. The Company shall be obliged to store the documents provided for by the Law «On Joint Stock Companies», other legal acts of the Russian Federation, internal documents of the Company, resolutions of the General Meeting of Shareholders, the Board of Directors, management bodies of the Company.
2. The Company shall ensure shareholders with access to documents in accordance with the Law «On Joint Stock Companies».
3. Shareholders (a shareholder) owing in aggregate not less than 25% of voting shares of the Company shall have the right of access to bookkeeping records and minutes of meetings of the collegial executive body.

4. The Company shall be obliged to make public:
  - the annual report of the Company, the annual bookkeeping reporting;
  - the issue prospectus for shares of the Company in the instances provided for by legal acts of the Russian Federation;
  - announcement on holding the General Meeting of Shareholders according to the procedure provided for by the legislation;
  - other information determined by the federal agency of executive powers on securities market.