

# **Sistema Public Joint Stock Financial Corporation**

## **CHARTER**

**(VERSION No. 9)**



Moscow  
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## PART I. COMPANY

### 1. GENERAL PROVISIONS

- 1.1. Sistema Public Joint Stock Financial Corporation, hereinafter referred to as "the Company", was registered by the Moscow Registration Chamber on 16 July 1993 (State Registration Certificate No. 025.866).
- 1.2. The Company was included in the Unified State Register of Legal Entities with the primary state registration number (OGRN) 1027700003891.
- 1.3. Full name of the Company in the Russian language: **Публичное акционерное общество «Акционерная финансовая корпорация «Система».**
- 1.4. Short name of the Company in the Russian language: **ПАО АФК «Система».**
- 1.5. Full name of the Company in the English language: **Sistema Public Joint Stock Financial Corporation.**
- 1.6. Short name of the Company in the English language: **Sistema PJSFC.**
- 1.7. Location of the Company: Russian Federation, Moscow. The Company's address is specified in the Uniform State Register of Legal Entities.
- 1.8. The address of the Company's website: [www.sistema.ru](http://www.sistema.ru) or [www.sistema.com](http://www.sistema.com).
- 1.9. The Company operates in accordance with the Civil Code of the Russian Federation, Federal Law "On Joint-Stock Companies" and other laws and regulations of the Russian Federation and this Charter.
- 1.10. The Company is established for an indefinite duration.
- 1.11. The Company is a universal legal successor of Closed Joint-Stock Company Sistema Invest and Open Joint-Stock Company MKNT&Co, which were reorganised via a merger with the Company (Certificates of dissolution of a legal entity due to reorganisation via merger issued by the Moscow Registration Chamber, No. 851210 dd 03 June 2002 and No. 35642 dd 07 June 2002).

### 2. GOAL, NATURE AND TYPES OF ACTIVITIES

- 2.1. The goal of the Company's establishment and operation is generation of profit from entrepreneurial activities.
- 2.2. To achieve its goal, the Company engages in the following types of activities:
  - (1) all types of investment, both in the Russian Federation and abroad, including financing and management of commercial, innovative and investment projects in various business segments and investments in securities;
  - (2) organising, financing and performing research, design, development, construction, repair and start-up work;
  - (3) consulting on commercial operations and management;
  - (4) organising manufacturing of industrial and consumer goods;
  - (5) trading, procurement and agency work;
  - (6) all types of operations with real estate, including sale and purchase of land plots;
  - (7) providing various industrial, scientific, technical, patenting and licensing, financial, management, information and analytical, audit, legal, agency, advertising, maintenance, exhibition, auction, marketing and other services to legal entities and individuals, including in the area of foreign economic activities.
- 2.3. The Company may engage in any other types of activities that serve its goals and are not prohibited by law.
- 2.4. All activities that require licensing shall be carried out based on corresponding licences.

### 3. LEGAL STATUS

- 3.1. The Company is a corporate legal entity in accordance with Russian law, owns separate property shown on its separate balance sheet, may acquire and exercise property and non-property rights in its own name, have legal obligations and act as a plaintiff and defendant in court.
- 3.2. The Company has a round seal, stamps and letterheads that show its full name in Russian and/or English and its location, and also duly registered trademarks. The Company may have a logo and other means of visual identification.
- 3.3. The Company may in due manner participate in establishment of other entities in the Russian Federation and abroad and have subsidiaries both in the Russian Federation and abroad, acquire stakes (shares) in their authorised capital, buildings, structures, land, other real estate, securities and any other assets that can be an item of property in accordance with law.
- 3.4. For the purpose of raising additional funds, the Company may issue different types of securities trading in which is permitted by Russian law, including registered shares, bonds and other securities, independently determining the terms of their issue and placement in accordance with Russian law and this Charter.
- 3.5. The Company may be a participant of holding companies, financial and industrial groups, associations and other alliances of commercial companies provided their terms do not contradict Russian law and this Charter.

- 3.6. The Company may be a participant of unions, associations and other alliances of organisations provided their terms do not contradict Russian law and this Charter. The Company may cooperate with international financial organisations in any form that is not prohibited by law.
- 3.7. The Company shall gain civil rights and assume obligations through its governance bodies, acting in accordance with law and this Charter.
- 3.8. The Company shall not be liable for obligations of its shareholders and the shareholders shall not be liable for obligations of the Company and shall bear the risk of losses related to its operations within the value of the shares held by them. The Company shall not be liable for obligations of the state and its agencies, and the state and its agencies shall not be liable for obligations of the Company.
- 3.9. For the purpose of implementing the government, social, economic and tax policies, the Company shall be responsible for safekeeping its internal documents (management, financial, administrative, staff, etc.); shall procure submission of documents that have scientific and historical value for national archiving at central archives of Moscow, in accordance with the list of documents approved by the Moscow City Archives Association (Mosgorarkhiv); shall store and use documents related to its employees as prescribed.
- 3.10. The Company shall organise state mobilisation training in accordance with Russian law and regulations of the Moscow city administration.

#### **4. PROPERTY**

- 4.1. The Company is the owner of its property, including property contributed to it by shareholders. The Company's shareholders shall not have the title to property contributed to the Company's authorised capital.
- 4.2. The Company shall freely own, use and dispose of property in its possession in accordance with Russian law.
- 4.3. Major transactions and related party transactions shall be carried out by the Company only subject to existing consent or subsequent approval of the General Meeting of shareholders or the Board of Directors of the Company in accordance with the applicable laws.
- 4.4. The Company's property shall consist of fixed assets and working capital, and other property the cost of which is shown on its separate balance sheet. The sources of property, revenue, balance and net income of the Company shall be formed in accordance with Russian law.

#### **5. BRANCHES AND REPRESENTATIVE OFFICES**

- 5.1. The Company may establish branches and representative offices in Russia and abroad, as required, which shall act on the basis of their respective terms of reference approved by the Board of Directors of the Company. Branches and representative offices are not legal entities; their heads shall be appointed by the President and act within the remit of a power of attorney issued by the Company.
- 5.2. Information about the branches and representative offices of the Company shall be included in the Unified State Register of Legal Entities.

#### **6. DIVIDENDS**

- 6.1. The Company may decide to pay (announce) dividends for outstanding shares based on the results of its performance in the first quarter, six months, nine months of a reporting year and/or a financial year.
- 6.2. The decision to pay (the announcement of) dividends for the first quarter, six months and nine months of a reporting year may be made by an extraordinary General Meeting of shareholders within three months after the end of the relevant period. The decision to pay dividends for a reporting year shall be made by the Annual General Meeting of shareholders of the Company.
- 6.3. The decision on payment of dividends, their amount, form of distribution and the record date shall be made upon proposal from the Board of Directors. The amount of dividends may not exceed the amount recommended by the Board of Directors.
- 6.4. The timeframe for the payment of dividends shall be determined by a resolution of the General Meeting of shareholders on the payment of dividends in accordance with Russian law.
- 6.5. The Company shall pay dividends announced for shares of each category (type).
- 6.6. The amount of dividends shall be announced as percentage of the nominal value of a share or as roubles per share.
- 6.7. Dividends may be paid in cash, or, upon resolution of the General Meeting of shareholders, in kind - in shares, bonds, goods or other property.
- 6.8. The record date for the purpose of dividends shall be determined by the General Meeting of shareholders in accordance with Russian law.
- 6.9. The announcement and payment of dividends shall be subject to restrictions stipulated by law.

#### **7. FUNDS AND NET ASSETS**

- 7.1. The Company shall establish a reserve fund by making annual contributions in the amount of at least 5% (five percent) of its net income, until it reaches 5% (five percent) of the Company's authorised capital. The Company's reserve fund shall be used to cover its losses and redeem the Company's bonds and

shares in the event no other funds are available. The reserve fund may not be used for other purposes. The reserve fund shall be used upon resolution of the Board of Directors and as prescribed by the Board of Directors.

7.2. The Company may establish other funds.

7.3. The value of the net assets of the Company shall be determined according to its accounting reports as prescribed by law.

## **8. ACCOUNTING AND REPORTING**

8.1. The Company shall organise the accounting process and take measures to ensure that accounting at the Company shows complete and fair information about all conducted transactions and other facts of business operations.

8.2. The Company shall keep documents required by law.

8.3. The Company shall disclose its financial reports as prescribed by law and the internal documents of the Company.

8.4. The President of the Company shall be responsible for the organisation, quality and reliability of accounting at the Company, timely submission of the annual report and other financial reports to regulatory agencies and also for the fairness of information about the Company's operations provided to its shareholders, creditors and other persons, as prescribed by law.

8.5. The Company's President shall present the Company's annual balance sheet together with the opinions of the Auditor and the Audit Review Commission of the Company to the Board of Directors and the Annual General Meeting of shareholders.

8.6. The Company's Annual Report shall be pre-approved by the Company's Board of Directors at least 30 (thirty) days before the date of the Annual General Meeting of shareholders.

8.7. The reliability of information included in the Company's Annual Report presented to the General Meeting of shareholders and in the annual accounting (financial) reports shall be confirmed by the Audit Review Commission of the Company.

## **9. INFORMATION ABOUT THE COMPANY**

9.1. Information about the Company shall be provided by it in accordance with Russian law.

9.2. The Company shall procure access of its shareholders to documents that it is obligated to keep and provide in accordance with this Charter and Russian law. Information about the Company and copies of the relevant documents of the Company shall be provided as prescribed by Russian law.

9.3. Shareholders and the Company shall take reasonable effort to prevent unauthorised disclosure and leaks of information about the Company. Members of the Board of Directors that have access to confidential information about the Company shall not disclose it to other persons that do not have access to such information or use it in their own interest or in the interest of other persons.

9.4. If necessary, the Company shall sign confidentiality agreements with employees, members of the Board of Directors and shareholders, and such persons shall sign confidentiality agreements between themselves.

9.5. The Company shall perform mandatory disclosure of information in the amount and manner prescribed by the Company's internal regulations and Russian law.

## **10. REORGANISATION AND LIQUIDATION**

10.1. The Company may be voluntarily reorganised in compliance with procedures established by Russian law. As established by law, reorganisation of the Company shall result in transfer of its rights and obligations to its legal successors.

10.2. The Company may be reorganised via a merger, takeover, breakup, spin-off and transformation or a combination of any of the above.

10.3. The Company shall be deemed reorganised from the moment of state registration of newly established legal entities, except for reorganisation via takeover.

10.4. If the Company is reorganised via takeover of another company, the Company shall be considered reorganised from the moment a record is made in the Unified State Register of Legal Entities about the termination of activities of the company that has been taken over.

10.5. The Company may be liquidated voluntarily, in accordance with procedures established by law, or by court order, on grounds stipulated by Russian law.

10.6. The liquidation of the Company shall result in its dissolution without transfer of its rights and obligations to other persons by way of succession.

10.7. After the appointment of a liquidation commission, all powers of managing the Company shall be transferred to it. The liquidation commission shall appear in court on behalf of the Company that is undergoing liquidation.

10.8. The liquidation commission shall publish a notice of the Company's liquidation and the timelines and procedures for its creditors to submit their claims in printed media that publish information about state registration of legal entities. The period for creditors to present their claims may not be less than two months from the date when the notice of the Company's liquidation is published.

- 10.9. After the period for creditors to present their claims expires, the liquidation commission shall prepare an interim liquidation balance sheet, which shall include information about the assets of the Company that is undergoing liquidation, the claims presented by creditors, the results of their consideration and the list of claims settled by a legally effective court ruling regardless of whether such claims were accepted by the liquidation commission. The interim liquidation balance sheet shall be approved by the General Meeting of shareholders.
- 10.10. After settlements with creditors are completed, the liquidation commission shall prepare a final liquidation balance sheet, which shall be approved by the General Meeting of shareholders.
- 10.11. The property of the Company that is undergoing liquidation that remains after the settlements with creditors shall be distributed among shareholders by the liquidation commission in the following priority order:
  - the first priority shall be given to payments on shares that shall be bought back by the Company in accordance with law requirements;
  - the second priority shall be given to payment of accrued, but not paid dividends on preferred shares and of the realisable value on preferred shares stipulated by the Company's Charter;
  - the third priority shall be given to distribution of the property of the Company that is undergoing liquidation among holders of ordinary shares and all types of preferred shares.
- 10.12. Property for each priority shall be distributed after complete distribution of property of the previous priority.
- 10.13. The liquidation of the Company shall be deemed complete and the Company terminated from the moment a corresponding entry is made to the Unified State Register of Legal Entities by the state registrar.
- 10.14. During reorganisation and liquidation of the Company and after completion of work using information that constitutes Russia's state secret, the Company shall ensure safekeeping of such information and respective media.

## **11. CHARTER**

- 11.1. This Charter is a constitutive document of the Company. The provisions of the Charter are binding on all governance and controlling bodies of the Company and on the shareholders of the Company. This Charter shall come into force from the moment of its registration as stipulated by Russian law.
- 11.2. Resolutions on amendments hereto shall be adopted by the General Meeting of shareholders of the Company or the Board of Directors of the Company in accordance with procedures stipulated by law and this Charter. Amendments hereto shall become binding on third persons from the moment of their state registration and, in cases stipulated by law, from the moment of notification of the state registrar.
- 11.3. The provisions hereof shall be valid in so far as they do not contradict law. If, following changes made to legislation, any article or provision hereof should come into conflict with law, it shall become null and void and shall not be applied until the required amendments are made hereto.

## **PART II. AUTHORISED CAPITAL**

### **12. AUTHORISED CAPITAL. GENERAL PROVISIONS**

- 12.1. The authorised capital of the Company shall consist of the nominal value of shares of the Company acquired by shareholders.
- 12.2. The authorised capital of the Company totals RUB 868,500,000.00 (eight hundred sixty-eight million and five hundred thousand roubles) and consists of 9,650,000,000 (nine billion six hundred and fifty million) outstanding ordinary shares of the Company with a nominal value of RUB 0.09 (zero point zero nine roubles) per share.
- 12.3. In addition to the outstanding ordinary registered shares, the Company has authorised (has a right to issue) 386,000,000 (three hundred and eighty-six million) ordinary registered shares with a nominal value of RUB 0.09 (zero point zero nine roubles) per share with the total nominal value of RUB 34,740,000.00 (thirty-four million seven hundred and forty thousand roubles) (authorised shares). Upon issue, the authorised shares shall represent the same amount of rights as the outstanding registered shares of the Company.

### **13. INCREASE OF THE AUTHORISED CAPITAL**

- 13.1. The authorised capital of the Company may be increased by increasing the nominal value of shares of the Company or by issuing additional shares upon resolution of the General Meeting of shareholders or the Board of Directors of the Company, in accordance with cl. 27.1.6 - 27.1.10 and 32.2.7 – 32.2.8 hereof.
- 13.2. Increase of the Company's authorised capital through an increase of the nominal value of shares shall be done only using the Company's assets. Increase of the Company's authorised capital through issue of additional shares may be done using the Company's assets.

- 13.3. When increasing the Company's authorised capital through issue of additional shares, the number of such additional shares issued by the Company may not exceed the number of authorised shares stipulated herein. If the number of authorised shares of the Company is not sufficient for issue of the proposed number of additional shares of the Company, the resolution on increase of the Company's authorised capital may be passed simultaneously with a resolution on making amendments hereto with regard to the number of the Company's authorised shares required for passing such resolution, in accordance with procedures stipulated by law and this Charter.
- 13.4. Additional shares of the Company may be placed through subscription or conversion, and also through distribution among all shareholders of the Company, if the authorised capital of the Company is increased at the expense of its assets.
- 13.5. The Company may place additional shares through public or private subscription.
- 13.6. The price at which additional shares are offered to persons with preemptive rights for such shares may be lower than the price at which such shares are offered to other persons by no more than 10% (ten percent). However, the placement price of such additional shares may not be below their nominal value.
- 13.7. Additional shares of the Company placed through subscription may be paid for with cash, securities, other assets or ownership rights or other rights that have a monetary value, in accordance with the resolution on increase of the Company's authorised capital.
- 13.8. Additional shares of the Company placed through subscription shall be placed provided they are fully paid for.
- 13.9. When the Company's authorised capital is increased using its assets through placement of additional shares, such shares shall be distributed among all shareholders. Each shareholder shall receive shares of the same category (type) that the ones he/she holds, pro rata to his/her shareholding in the Company.
- 13.10. The amount by which the Company's authorised capital is increased using the Company's assets should not exceed the difference between the Company's net assets value and the amount of the Company's authorised capital and reserve fund.

#### **14. DECREASE OF THE AUTHORISED CAPITAL**

- 14.1. The Company may and, in instances stipulated by Russian law, shall decrease its authorised capital by decreasing the nominal value of shares or their total number, including through acquisition of a part of shares in instances stipulated by Russian law and this Charter.
- 14.2. A resolution on decreasing the Company's authorised capital by decreasing the nominal value of shares or acquiring some shares for the purpose of decreasing their total number shall be passed by the General Meeting of shareholders of the Company, in accordance with cl. 27.1.11-27.1.12 hereof.
- 14.3. The resolution on decreasing the Company's authorised capital by decreasing the nominal value of shares may stipulate payment of cash to all shareholders of the Company and/or distribution among them of issue-grade securities issued by another legal entity and held by the Company.
- 14.4. The Company's authorised capital may be decreased by decreasing the total number of outstanding shares, including through acquisition and cancellation of a part of shares at the Company's disposal, in the following cases:
  - (1) when cancelling a part of the Company's shares acquired by the Company on the basis of the resolution on decrease of the Company's authorised capital through acquisition and cancellation of a part of its shares for the purpose of reducing their total number;
  - (2) if the shares bought back by the Company at request of the shareholders were not sold within one year from the date of buyback (except when the shares are bought back as per resolution on the Company's reorganisation);
  - (3) buyback of the Company's shares due to its reorganisation;
  - (4) the Company's reorganisation via spin-off by cancellation of converted shares;
  - (5) if shares bought by the Company in accordance with the resolution of its authorised governance body determined by the Company's Charter were not sold within one year from the date of their acquisition;
  - (6) in other instances stipulated by Russian law.
- 14.5. A resolution on decreasing the Company's authorised capital through acquisition of a part of the Company's shares for the purpose of reducing their total number shall be adopted by the General Meeting of shareholders.
- 14.6. If the Company passes a resolution on reducing its authorised capital, it shall notify the state registrar of legal entities, its creditors and other persons about the decrease of its authorised capital within the timelines and in accordance with procedures stipulated by the current Russian laws on joint-stock companies. The creditors of the Company shall be entitled to demand early termination or discharge of respective obligations of the Company and compensation of their losses within the timelines and in accordance with procedures stipulated by the current Russian laws on joint-stock companies. The Company may refuse to comply with the creditors' demands if:
  - (1) the decrease of its authorised capital does not infringe on the creditors' rights;
  - (2) it has provided sufficient security to guarantee proper discharge of the corresponding liabilities.

## **PART III. SHARES AND OTHER ISSUE-GRADE SECURITIES**

### **15. SHARES**

- 15.1. An ordinary share of the Company is a book-entry registered issue-grade security that vests in its holder (shareholder) a certain amount of property rights, including the right to participate in management of the Company, the right to receive part of the Company's profit in form of dividends and the right to receive a part of assets left after the Company's liquidation.
- 15.2. All issued and outstanding shares of the Company are ordinary registered book-entry shares with the same nominal value. The nominal value of shares shall be expressed in roubles, regardless of the form and payment method.
- 15.3. The Company may issue one or several types of preferred shares of the Company.
- 15.4. All shares of one type (category) shall have the same nominal value.
- 15.5. The nominal value of issued preferred shares of the Company shall not exceed 25% of the Company's authorised capital.
- 15.6. The procedure for creation and flotation of fractional shares of the Company shall be stipulated by this Charter and Russian law.
- 15.7. The amount of rights vested in a share of the Company shall be determined by law and this Charter.
- 15.8. The rights vested in a share of the Company shall be transferred to its buyer with the transfer of the title for such share.

### **16. BONDS AND OTHER ISSUE-GRADE SECURITIES**

- 16.1. Besides additional shares of the Company, the Company may issue bonds and other issue-grade securities provided for by regulations of the Russian Federation on securities. Issue of bonds and other issue-grade securities of the Company may be performed by subscription or conversion in accordance with Russian law.
- 16.2. Bonds and other issue-grade securities shall be issued upon resolution of the Company's Board of Directors made in accordance with this Charter and Russian law.
- 16.3. The Company is entitled to issue bonds after full payment of its authorised capital. Bonds may be redeemed in cash or in the form of other property, including issued shares of the Company, in accordance with the resolution on their issue.
- 16.4. The Company may not issue bonds and other issue-grade securities convertible into shares of the Company if the number of the Company's authorised shares of specific categories and types is less than the number of shares of such categories and types that may be acquired in exchange for such securities. In this case, the resolution on issue of issue-grade securities convertible into the Company's shares according to the procedure and on the terms and conditions stipulated by law and this Charter may be adopted simultaneously with a resolution on introducing amendments hereto in terms of the number of the Company's authorised shares required for such a resolution to be made.
- 16.5. Payments for the Company's issue-grade securities issued by subscription shall be made at the price determined by or calculated based on the procedure established by the Company's Board of Directors in accordance with Russian law. In this case, payments for issue-grade securities convertible into the Company's shares issued by subscription shall be made at a price equal to or higher than the par value of the shares such securities are convertible into.
- 16.6. The price at which the Company's issue-grade securities convertible into shares are offered to persons with preemptive rights for such securities may be lower than the price at which such securities are offered to other persons by no more than 10% (ten percent). The amount of the fee payable to a broker participating in the issue of issue-grade securities by subscription shall be established in accordance with Russian law.

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

- 17.1. The Company may consolidate outstanding ordinary shares of the Company, as a result of which two or more ordinary shares of the Company will be converted into one new ordinary share of the Company, upon resolution of the General Meeting of shareholders of the Company. In this case, corresponding amendments shall be made hereto with regard to the nominal value and the number of outstanding and authorised ordinary shares of the Company.
- 17.2. If, upon consolidation of shares, acquisition of a whole number of shares is impossible, fractional shares shall be created.
- 17.3. Upon resolution of the General Meeting of shareholders, the Company may split outstanding shares of the Company, as a result of which one share of the Company will be converted into two or more shares of the Company of the same category (type). In this case, corresponding amendments shall be made hereto with regard to the nominal value and the number of outstanding and authorised ordinary shares of the Company of the respective category (type).



## **18. PAYMENT FOR SHARES AND OTHER ISSUE-GRADE SECURITIES UPON PLACEMENT**

- 18.1. Shares of the Company distributed upon its establishment were fully paid for by the founders of the Company in accordance with the resolution on establishment of the Company and the terms of the agreement on establishment of the Company.
- 18.2. Additional shares and other issue-grade securities of the Company placed by subscription shall be placed provided they are fully paid for.
- 18.3. Additional shares placed by subscription may be paid for with cash, securities, other assets or ownership rights or other rights that have a monetary value. Additional shares may be paid for by means of set-off of the Company's liabilities if they are placed by private subscription.
- 18.4. The form of payment for additional shares of the Company shall be determined in the resolution on their issue. Payment for other issue-grade securities shall be made only in cash.
- 18.5. When payment for additional shares is made with non-monetary assets, the monetary value of the assets contributed as payment for shares shall be determined in accordance with Article 77 of Federal Law "On Joint-Stock Companies."
- 18.6. When payment for shares is made with non-monetary assets, the market value of such assets shall be determined by engaging an independent appraiser, unless otherwise stipulated by Russian law. The monetary valuation of the assets made by the Board of Directors of the Company may not exceed the valuation made by the independent appraiser.

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

- 19.1. The Company may purchase its outstanding shares upon resolution of the General Meeting of shareholders on decrease of the Company's authorised capital by acquisition of a part of outstanding shares for the purpose of decreasing their total number. The resolution on decreasing the authorised capital in this way may not be adopted if the nominal value of shares remaining outstanding is below the minimum amount of authorised capital stipulated by Russian law. The shares bought upon resolution of the General Meeting of shareholders on decreasing the authorised capital shall be cancelled upon acquisition.
- 19.2. The Company may purchase its outstanding shares upon resolution of the Board of Directors. Such resolution may be adopted if the nominal value of shares of the Company that are outstanding is at least 90% of the authorised capital of the Company. The acquired shares shall not give voting rights, shall not be taken into account when counting votes and their holder shall not be entitled to dividends. Such shares shall be sold at their market value within one year after acquisition. Otherwise the General Meeting of shareholders shall pass a resolution on decreasing the Company's authorised capital by cancelling such shares.

## **20. BUYBACK OF SHARES UPON SHAREHOLDERS' DEMAND**

- 20.1. Shareholders - holders of voting shares - may demand that the Company buy back all or part of their shares in the following cases:
  - (1) reorganisation of the Company or a major transaction that requires existing consent or subsequent approval of the General Meeting of shareholders as per Federal Law "On Joint-Stock Companies", if they voted against such reorganisation or against the approval of such transaction or did not participate in the voting on these items;
  - (2) amendment of the Company's Charter or approval of a new version of the Charter limiting their rights provided they voted against the resolution or did not participate in the voting;
  - (3) the General Meeting of shareholders adopts a resolution on listing and delisting of the Company's shares and/or issue-grade securities convertible into its shares, provided they voted against the resolution or did not participate in the voting.
- 20.2. Such demand may be made by the shareholders that voted against the adoption of relevant resolutions by the Company or did not participate in the voting on these items.
- 20.3. The acquired shares shall be put at the disposal of the Company and shall be sold within one year from the date of buyback. The shares bought by the Company in the event of reorganisation shall be cancelled upon acquisition.

# **PART IV. SHAREHOLDERS**

## **21. SHAREHOLDERS**

- 21.1. A shareholder of the Company shall be any person that comes into possession of the Company's shares as stipulated by Russian law and this Charter. The number of shareholders of the Company is not restricted.
- 21.2. Unless otherwise stipulated by law, if shared ownership rights for two or more shares of the Company legally arise for one or more persons, all such persons shall be recognised as one shareholder of the Company and shall exercise their shareholder rights, including the voting rights at the General Meeting of shareholders, at their discretion, through one of them or through a common representative. The

powers of each of such persons shall be duly supported by appropriate proof. Co-holders of shares are jointly and severally liable for shareholders' liabilities.

- 21.3. A person that comes into possession of a fractional share of the Company on grounds envisaged by law and this Charter shall be recognised as a shareholder of the Company. A fractional share of the Company shall give its holder the rights vested into a whole share of the Company pro rata to the fraction of the whole share it represents.
- 21.4. The legal status of a shareholder of the Company shall be determined by the amount of rights and obligations accrued or assumed by such shareholder. The rights of a shareholder (shareholders) of the Company with regard to the Company and other shareholders shall depend on the category and type and the number of shares in their possession.

## **22. SHAREHOLDERS REGISTER**

- 22.1. The rights of the Company's shareholders for their shares shall be certified in the register, with entries in personal accounts kept by the registrar, or, if the rights for the Company's shares are recorded by a depositary, with entries in depo accounts kept by depositaries.
- 22.2. The title to a share of the Company shall be transferred to the buyer from the moment the registrar makes a credit entry to the buyer's personal account in the register or, if the title for the Company's shares is recorded by a depositary, from the moment a depositary makes a credit entry to the buyer's depo account.
- 22.3. The shareholders register of the Company shall include information about each registered person, the number and categories (types) of shares recorded in the name of such person and other information as stipulated by Russian law.
- 22.4. The Company shall ensure keeping and safekeeping of the shareholders register in accordance with Russian law.
- 22.5. The shareholders register shall be kept by an organisation that is a professional securities market participant and has a licence for such operations as stipulated by law.

## **23. RIGHTS OF THE SHAREHOLDERS**

- 23.1. Shareholders (a shareholder) that aggregately hold 1 (one) whole ordinary share of the Company shall have 1 (one) vote when voting at the General Meeting of shareholders. A fractional ordinary share of the Company shall give its holder a respective fraction of a vote.
- 23.2. Each ordinary registered share of the Company shall vest in its holder an equal amount of rights, including:
  - (1) the right to participate in management of the Company, including participation in the General Meeting of shareholders of the Company personally or via a proxy, with the voting right on all items within his/her remit and the number of votes corresponding to the number of ordinary shares of the Company in his/her possession;
  - (2) the right to receive dividends from the Company's net income;
  - (3) the right to receive part of the Company's assets in case of its liquidation;
  - (4) the right to freely dispose of all or some of shares held by such shareholder without consent of other shareholders or the Company;
  - (5) the right to demand buyback of all or part of its shares by the Company in cases and in accordance with procedures stipulated by law;
  - (6) the preemptive right to acquire additional ordinary shares placed by the Company through public subscription and, in cases stipulated by Russian law, through private subscription, in accordance with the terms and procedures envisaged by Russian law, and issue-grade securities convertible into ordinary shares in the amount pro rata to the number of shares of such category held by such shareholder;
  - (7) when exercising the preemptive right for acquisition of ordinary shares of the Company placed by the Company or other issue-grade securities convertible into shares of the Company, the right to pay for such issue-grade securities of the Company with cash at such shareholder's discretion, if the resolution on placement of such issue-grade securities provides for payment with non-monetary assets;
  - (8) the right to request a confirmation of such shareholder's title for his/her shares of the Company from the registrar of the Company by providing an excerpt from the shareholders register, which is not a security, as stipulated by law;
  - (9) the right to request that the Company provide him/her with an excerpt from the list of persons that have the right to participate in the General Meeting of shareholders containing data about such shareholder or a letter confirming that he/she is not included in the list of persons that have the right to participate in the General Meeting of shareholders;
  - (10) the right to request that the Company provide him/her with an excerpt from the list of persons that have the right to demand buyback of their shares by the Company containing data about such shareholder or a letter confirming that he/she is not included in the list of persons that have the right to demand buyback of their shares by the Company;

- (11) the right to demand that the Company provide him/her with an excerpt from the list of persons that have a preemptive right for additional shares issued by the Company and issue-grade securities convertible into shares containing information about such shareholder or a letter that he/she is not included in such list;
  - (12) the right to access documents of the Company as stipulated by Federal Law "On Joint-Stock Companies";
  - (13) the right of free access to information (materials) that should be provided to shareholders exercising their right for participation in the General Meeting of shareholders, on a mandatory basis, when preparing for such meeting;
  - (14) the right to file a lawsuit asking for declaring a major transaction or a related party transaction null and void if it was carried out by the Company in breach of procedures stipulated by law;
  - (15) the right to appeal in court a resolution of the General Meeting of shareholders passed in violation of law or this Charter, provided such shareholder did not participate in the General Meeting of shareholders or voted against adopting this resolution, and such resolution infringes on his/her rights and legitimate interests;
  - (16) other rights stipulated by Russian law.
- 23.3. Shareholders (a shareholder) registered in the shareholders register that aggregately hold at least 1% (one percent) of voting shares of the Company in addition have the right:
- (1) to request that the Company provide them with a list of persons that have the right to participate in the General Meeting of shareholders, provided they are included in such list;
  - (2) to file a lawsuit against a member of the Board of Directors, Management Board or the President of the Company for compensation of damages inflicted on the Company, in accordance with procedures stipulated by law.
- 23.4. Shareholders (a shareholder) that are registered in the shareholders register and aggregately hold over 1% (one percent) of voting shares of the Company in addition have the right to demand that the Company's registrar provide them with information from the shareholders register about the names (company names) of shareholders registered in the shareholders register and the number, category and nominal value of shares held by them.
- 23.5. Shareholders (a shareholder) registered in the shareholders register that aggregately hold at least 2% (two percent) of voting shares of the Company in addition have the right:
- (1) to add items to the agenda of the Annual General Meeting of shareholders and to nominate candidates (including self-nomination) to the Board of Directors, the Audit Review Commission and the Teller Committee of the Company, to nominate the Auditor of the Company;
  - (2) to nominate candidates (including self-nomination) to the Board of Directors of the Company if the proposed agenda of the extraordinary General Meeting of shareholders includes an item on election of Board members.
  - (3) If the Board of Directors refuses to include the proposed item in the agenda of the General Meeting of shareholders or to include candidates in the list for voting on election to the corresponding body of the Company, or if the Board of Directors evades making such a decision, the shareholder shall be entitled to file a lawsuit to compel the Company to include the proposed item in the agenda of the General Meeting of shareholders or to include the proposed candidates in the list for voting on election to the corresponding body of the Company.
- 23.6. Shareholders (a shareholder) that aggregately hold at least 10% (ten percent) of voting shares of the Company in addition have the right:
- (1) to request convening an extraordinary General Meeting of shareholders of the Company on any matters within its remit;
  - (2) to file a lawsuit to compel the Company to hold an extraordinary General Meeting of shareholders if the Board of Directors of the Company has not passed a resolution on convening an extraordinary General Meeting of shareholders within the period stipulated by Federal Law "On Joint-Stock Companies" or has refused to convene it;
  - (3) to demand that the Audit Review Commission of the Company conduct an extraordinary audit of the financial and business operations of the Company; such additional audit shall be conducted at the expense of the shareholder demanding it;
  - (4) to demand an extraordinary independent audit of the operations of the Company; such additional audit shall be conducted at the expense of the shareholder demanding it.
- 23.7. Shareholders (a shareholder) that aggregately hold at least 25% (twenty-five percent) of voting shares of the Company in addition have the right of unhindered access to accounting documents and minutes of meetings of the Management Board of the Company.

## **24. OBLIGATIONS OF THE SHAREHOLDERS**

- 24.1. Obligations of shareholders are stipulated by Russian law and this Charter. Notably, shareholders of the Company shall:
- (1) comply with the provisions hereof and respect the resolutions of the General Meeting of shareholders and other internal documents of the Company;

- (2) pay for shares issued by the Company and other issue-grade securities in a timely manner and in accordance with other terms and procedures stipulated by law, this Charter and internal documents of the Company;
  - (3) timely inform the Board of Directors, the Audit Review Commission and the Auditor of the Company about transactions conducted and/or contemplated by the Company of which shareholders are aware and in which they may be recognised as a related party and, if they are a related party in a transaction of the Company, provide information about the legal entities in which they together with their affiliates hold 20% (twenty percent) or more of voting shares and about the legal entities where they hold positions in governance bodies;
  - (4) not disclose confidential information about the operations of the Company;
  - (5) participate in passing corporate resolutions without which the Company may not continue its operations in accordance with law, if such participation is required for passing such resolutions;
  - (6) not inflict premeditated damage on the Company;
  - (7) not engage in actions (inaction) that seriously hinder achievement of goals for which the Company was established or that make it impossible to achieve such goals;
  - (8) in the event of demanding compensation of damages inflicted on the Company or recognising a transaction of the Company null and void or applying the consequences of invalidity of such a transaction, take reasonable measures to notify in advance other shareholders of the Company and, if relevant, the Company about their intention to make such claims in court and to provide them with other relevant information;
  - (9) discharge other obligations stipulated by law.
- 24.2. Shareholders of the Company shall not act on behalf of the Company without special powers duly executed in accordance with law.

## **PART V. GOVERNANCE BODIES**

### **25. STRUCTURE OF THE GOVERNANCE BODIES**

- 25.1. The Company is managed via its governance bodies.
- 25.2. The governance bodies of the Company are the General Meeting of shareholders, the Board of Directors, the Management Board (a collective executive body of the Company) and the President (a sole executive body of the Company).
- 25.3. The Company may establish additional internal structural units (such as councils, committees and commissions) under a governance body of the Company.

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

- 26.1. The General Meeting of shareholders of the Company is the supreme governing body of the Company.
- 26.2. The General Meeting of shareholders acts in accordance with the provisions of this Charter, internal documents of the Company approved by the resolutions of the General Meeting of shareholders and Russian law.
- 26.3. The Company shall annually hold an Annual (regular) General Meeting of shareholders.
- 26.4. The Annual General Meeting of shareholders shall make decisions on election of the Board of Directors and the Audit Review Commission of the Company, approval of the Auditor of the Company, items envisaged by cl. 27.1.19 – 27.1.21 hereof, and may also make decisions on other matters within the remit of the General Meeting of shareholders.
- 26.5. All meetings held in addition to the Annual General Meeting of shareholders shall be Extraordinary Meetings. Extraordinary General Meetings of shareholders may make decisions on early termination of powers of members of the Board of Directors and election of the Board of Directors of the Company, on early termination of powers of members of the Audit Review Commission and election of the Audit Review Commission of the Company, on approval of the Auditor of the Company and on other matters envisaged by Russian law.

### **27. REMIT OF THE GENERAL MEETING OF SHAREHOLDERS**

- 27.1. The remit of the General Meeting of shareholders shall include the following:
  - (1) **introducing amendments hereto (except for cases when such resolution falls within the remit of the Board of Directors of the Company) and approval of the new version hereof;**
    - (the decision shall be taken by a qualified majority of  $\frac{3}{4}$  (three quarters) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
  - (2) **restructuring of the Company;**
    - (the decision on transformation of the Company into a non-profit partnership may be taken only upon proposal from the Board of Directors of the Company, unanimously by all shareholders of the Company;
    - decisions on reorganisation of the Company in another form shall be taken only upon proposal from the Board of Directors of the Company, by a qualified majority of  $\frac{3}{4}$  (three quarters) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)

- (3) **liquidation of the Company, appointment of the liquidation commission and approval of interim and final liquidation balance sheets;**
  - (the decision shall be taken by a qualified majority of  $\frac{3}{4}$  (three quarters) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (4) **determining the number of members on the Board of Directors, electing the Board of Directors and deciding on early termination of powers of all Board members, as well as deciding on remuneration and/or compensation payable to Board members for the discharge of their duties;**
  - (the decision on election of the Board of Directors shall be taken by a cumulative vote. In the cumulative vote, the number of votes owned by each shareholder shall be multiplied by the number of persons to be elected to the Board of Directors, and a shareholder shall therefore be entitled to cast the resulting votes for one candidate or distribute them between two or more candidates. The candidates that receive the biggest number of votes are elected to the Board of Directors to the Company;
  - decisions on all other agenda items shall be taken by a simple majority (more than  $\frac{1}{2}$  (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (5) **determining the number, nominal value and category (type) of the Company's authorised shares and the rights vested into these shares;**
  - (the decision shall be taken by a qualified majority of  $\frac{3}{4}$  (three quarters) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (6) **increasing the Company's authorised capital through increase of the nominal value of shares of the Company;**
  - (the decision shall be taken only upon proposal from the Board of Directors, by a simple majority (more than  $\frac{1}{2}$  (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (7) **increasing the Company's authorised capital through placement of additional shares only among the Company's shareholders, if the authorised capital is increased using the Company's assets;**
  - (the decision shall be taken only upon proposal from the Board of Directors, by a simple majority (more than  $\frac{1}{2}$  (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (8) **increasing the Company's authorised capital through private subscription for additional shares;**
  - (the decision shall be taken only upon proposal from the Board of Directors of the Company, by a qualified majority of  $\frac{3}{4}$  (three quarters) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (9) **increasing the Company's authorised capital through public subscription for ordinary shares of the Company constituting over 25% (twenty-five percent) of earlier placed ordinary shares of the Company;**
  - (the decision shall be taken only upon proposal from the Board of Directors of the Company, by a qualified majority of  $\frac{3}{4}$  (three quarters) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (10) **if the Company receives a voluntary or mandatory tender offer for buyback of shares or other issue-grade securities convertible into its shares - increasing of the Company's authorised capital by placement of additional shares in accordance with the number and categories (types) of the authorised shares, as prescribed by law;**
  - (the decision shall be taken only upon proposal from the Board of Directors of the Company by a simple majority (more than  $\frac{1}{2}$  (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders, except for items on increase of the Company's authorised capital through private subscription for additional shares and through public subscription for ordinary shares that constitute more than 25% (twenty-five percent) of earlier placed ordinary shares of the Company, decisions on which shall be taken only upon proposal from the Board of Directors of the Company by a majority of  $\frac{3}{4}$  (three quarters) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (11) **decreasing the Company's authorised capital through decrease of the nominal value of shares of the Company;**
  - (the decision shall be taken only upon proposal from the Board of Directors of the Company, by a qualified majority of  $\frac{3}{4}$  (three quarters) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (12) **decreasing the Company's authorised capital through acquisition of some of the shares by the Company for the purpose of decreasing their total number, and also through cancellation of the acquired or bought back shares;**
  - (the decision shall be taken by a simple majority (more than  $\frac{1}{2}$  (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (13) **private subscription for issue-grade securities convertible into the Company's ordinary shares;**
  - (the decision shall be taken by a qualified majority of  $\frac{3}{4}$  (three quarters) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (14) **public subscription for issue-grade securities convertible into the Company's ordinary shares if such securities constitute over 25% (twenty-five percent) of earlier placed ordinary shares of the Company;**

- (the decision shall be taken only upon proposal from the Board of Directors of the Company, by a qualified majority of  $\frac{3}{4}$  (three quarters) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (15) **the Company's placement of securities convertible into its shares, including options, if the Company received a voluntary or mandatory tender offer for buyback of shares or other issue-grade securities convertible into the shares of the Company in accordance with procedures prescribed by law;**
  - (the decision shall be taken by a simple majority (more than  $\frac{1}{2}$  (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders, except for items on private subscription for issue-grade securities convertible into ordinary shares of the Company and on public subscription for issue-grade securities convertible into ordinary shares of the Company if they constitute more than 25% (twenty-five percent) of earlier placed ordinary shares of the Company, decisions on which shall be taken only upon proposal from the Board of Directors of the Company by a qualified majority of  $\frac{3}{4}$  (three quarters) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (16) **determining the number of members of the Audit Review Commission of the Company, electing the Audit Review Commission and deciding on early termination of powers of all members of the Audit Review Commission, as well as deciding on remuneration and/or compensation payable to the members of the Audit Review Commission for the discharge of their duties;**
  - (the decision on election of members of the Audit Review Commission shall be taken by a simple majority (more than  $\frac{1}{2}$  (one half)) of the votes of the shareholders - owners of the Company's voting shares who are not members of the Board of Directors and do not hold positions in the governance bodies of the Company - taking part in the General Meeting of shareholders;
  - decisions on all other agenda items shall be taken by a simple majority (more than  $\frac{1}{2}$  (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (17) **approval of the Auditor of the Company;**
  - (the decision shall be taken by a simple majority (more than  $\frac{1}{2}$  (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (18) **payment (announcement) of dividends for the first quarter, six months, nine months of a reporting year and setting the record date;**
  - (the decision shall be taken by a simple majority (more than  $\frac{1}{2}$  (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (19) **approval of annual reports and annual accounting (financial) statements of the Company;**
  - (the decision shall be taken by a simple majority (more than  $\frac{1}{2}$  (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (20) **approval of the amount of dividends payable on each category (type) of shares, form of payment, the procedure of distribution of non-cash dividends, and the record date;**
  - (the decision shall be taken by a simple majority (more than  $\frac{1}{2}$  (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (21) **distribution of income (including payment (announcement) of dividends, except for income distributed as dividends for the first quarter, six months, nine months of the reporting year) and losses of the Company for a reporting year and setting the record date;**
  - (the decision shall be taken by a simple majority (more than  $\frac{1}{2}$  (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (22) **determining the procedures of the General Meeting of shareholders;**
  - (the decision shall be taken by a simple majority (more than  $\frac{1}{2}$  (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (23) **determining the number of members of the Teller Committee, electing the Teller Committee and early termination of powers of its members;**
  - (the decision shall be taken by a simple majority (more than  $\frac{1}{2}$  (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (24) **consolidation and splitting of shares;**
  - (the decision shall be taken only upon proposal from the Board of Directors, by a simple majority (more than  $\frac{1}{2}$  (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (25) **consent to or subsequent approval of related party transactions as set out in the Federal Law On Joint-Stock Companies;**
- (26) **consent to or subsequent approval of, in accordance with law and this Charter, related party transactions, if all members of the Board of Directors are recognised as interested and/or are not recognised as independent during review of the item on approval of the related party transaction by the Board of Directors of the Company, in all cases not provided for by cl. 27.1.25 hereof, and if the Board of Directors submits this item to the General Meeting of shareholders;**
  - (decision on approval of related party transactions in cl. (25) - (26) above shall be taken only upon proposal from the Board of Directors of the Company by a simple majority (more than  $\frac{1}{2}$  (one half)) of the votes of the shareholders - owners of the Company's voting shares who are not a related party in the transaction);

- (27) **if the Company receives a voluntary or mandatory tender offer for buyback of shares or other issue-grade securities convertible into the Company's shares, the General Meeting shall approve related party transactions in accordance with procedures stipulated by law;**
- (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of the shareholders - owners of the Company's voting shares who are not an interested party in the transaction)
- (28) **consent to or subsequent approval of, in accordance with law and this Charter, major transactions if the value of assets that are the subject of such transactions exceeds 50% (fifty percent) of the book value of the Company's assets according to its accounting reports as of the most recent reporting date;**
- (the decision shall be taken only upon proposal from the Board of Directors of the Company, by a qualified majority of ¾ (three quarters) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (29) **consent to or subsequent approval of, in accordance with law and this Charter, major transactions if the Board of Directors fails to reach a unanimous decision on consent to or subsequent approval of such major transaction as envisaged by cl. 32.2.19 hereof and submits the item to the General Meeting of shareholders in accordance with procedures stipulated by law;**
- (the decision shall be taken only upon proposal from the Board of Directors, by a simple majority (more than ½ (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (30) **deciding on participation in financial and industrial groups, associations and other alliances of commercial organisations;**
- (the decision shall be taken only upon proposal from the Board of Directors, by a simple majority (more than ½ (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (31) **approval of internal documents regulating the work of the Company's governance bodies;**
- (the decision shall be taken only upon proposal from the Board of Directors, by a simple majority (more than ½ (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (32) **transfer of powers of the sole executive body of the Company to a commercial organisation (a management company) or an individual entrepreneur (a manager) under a contract, and deciding on early termination of powers of such management company or manager;**
- (the decision shall be taken only upon proposal from the Board of Directors, by a simple majority (more than ½ (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (33) **if the Company receives a voluntary or mandatory tender offer for buyback of shares and other issue-grade securities convertible into the Company's shares, consent to or a subsequent approval of a transaction or a series of transactions related to acquisition, divestment or potential divestment by the Company, directly or indirectly, of property the value of which equals or exceeds 10% of the book value of the Company's assets according to its accounting (financial) reports as of the most recent reporting date, unless such transactions are carried out in the course of ordinary business of the Company or were carried out by the Company before it received the voluntary or mandatory tender offer;**
- (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (34) **if the Company receives a voluntary or mandatory tender offer for buyback of shares and other issue-grade securities convertible into the Company's shares, deciding on increasing the remuneration of persons holding positions at the Company's governance bodies and on the terms of termination of their powers, including setting or increasing compensation payable to such persons in the event of termination of their powers;**
- (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (35) **if the Company receives a voluntary or mandatory tender offer for buyback of shares and other issue-grade securities convertible into the Company's shares, acquisition of placed shares by the Company;**
- (the decision shall be taken only upon proposal from the Board of Directors of the Company, by a qualified majority of ¾ (three quarters) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (36a) **deciding on listing and delisting of the Company's shares and/or issue-grade securities convertible into the Company's shares;**
- (the decision shall be taken only upon proposal from the Board of Directors of the Company, by a qualified majority of ¾ (three quarters) of the votes of the shareholders - owners of the Company's voting shares - taking part in the General Meeting of shareholders)
- (36) **other matters as stipulated by law and this Charter.**
- 27.2. The matters falling within the remit of the General Meeting of shareholders shall not be delegated to the Board of Directors of the Company or executive bodies of the Company.

- 27.3. The General Meeting of shareholders may not review and make decisions on matters that do not fall within its remit.
- 27.4. The General Meeting of shareholders shall not be entitled to pass resolutions on items not included in its agenda or to change its agenda.

## **28. PREPARATIONS FOR AND CONVENING OF THE GENERAL MEETING OF SHAREHOLDERS**

- 28.1. The Annual General Meeting of shareholders shall be held not earlier than 2 (two) months and not later than 6 (six) months after the end of the reporting year.
- 28.2. An Extraordinary General Meeting of shareholders shall be held upon resolution of the Board of Directors based on its own initiative, a demand of the Audit Review Commission of the Company, the Auditor of the Company, shareholders (a shareholder) that aggregately hold at least 10% (ten percent) of voting shares of the Company on the date of making the demand, or on other grounds envisaged by Russian law. An Extraordinary General Meeting of shareholders shall be convened by the Board of Directors or, in cases stipulated by Russian law, by other persons and/or in another manner.
- 28.3. The resolution of the Board of Directors of the Company on convening an Extraordinary General Meeting of shareholders or the substantiated refusal to convene it shall be sent to persons demanding it within 3 (three) days from the moment of taking the decision.
- 28.4. The list of persons that have the right to participate in the General Meeting of shareholders shall be made based on the data of the Company's shareholders register on the date set by the Board of Directors of the Company in accordance with Russian law and this Charter.
- 28.5. When preparing for a General Meeting of shareholders, the Board of Directors shall determine the format, date, venue, time and agenda of the General Meeting of shareholders, and shall take other decisions required to convene, prepare and hold the General Meeting of shareholders, in accordance with Russian law.
- 28.6. The agenda of the Annual General Meeting of shareholders shall always include items on election of the Board of Directors and the Audit Review Commission, approval of the Auditor, approval of the annual report, annual accounting (financial) statements and distribution of the Company's income and losses.
- 28.7. The Board of Directors may not make any alterations to the wording of the items proposed for the agenda of a General Meeting of shareholders and to the wording of resolutions on such items.
- 28.8. Voting at the General Meeting of shareholders shall be conducted by ballots. The Company shall circulate ballots for voting by regular mail, registered mail or e-mail to the addresses of relevant shareholders specified in the Company's shareholders register or deliver such ballots against signature to each person included in the Company's shareholders register who has the right to participate in the General Meeting of shareholders, within the timelines and in accordance with procedures stipulated by Russian law. The Board of Directors of the Company may decide to send ballots using any of the means set out in this paragraph to each person included in the list of persons entitled to participate in the General Meeting of shareholders.
- 28.9. A notice of the General Meeting of shareholders and information (materials) that must be provided to the persons that have the right to participate in the General Meeting of shareholders during preparation for the General Meeting of shareholders shall be published on the Company's website at least 30 days before the date of the General Meeting of shareholders, unless a longer period is stipulated by law. The Company may, upon resolution of the Board of Directors, send the notice of a General Meeting of shareholders by registered mail, regular mail or other means to each person included in the list of persons that have the right to participate in the General Meeting of shareholders, to the address specified in the list of persons that have the right to participate in the General Meeting of shareholders.
- 28.10. If a person registered in the Company's shareholders register is a nominal holder of shares, the notice of the General Meeting of shareholders and information (materials) provided to persons that have the right to participate in the General Meeting of shareholders during preparations for the Meeting shall be sent to persons whose rights for securities are registered by the nominal holder in accordance with procedures stipulated by Russian law and this Charter.
- 28.11. Additional requirements for preparation and convening of the General Meeting of shareholders shall be set by Russian law and internal documents of the Company.
- 28.12. The list and procedure for provision of materials and information on agenda items of the General Meeting to shareholders shall be determined in accordance with requirements of Russian law and may also be determined by internal documents of the Company stipulating the Company's information policy that have been approved by the Board of Directors and published on the Company's website.
- 28.13. Proposals on introducing items to the agenda of the Annual General Meeting of shareholders and on nomination of candidates to the Company's bodies elected by the General Meeting of shareholders shall be made by the Company's shareholders that own at least 2 percent of voting shares of the Companies not later than **100 days** after the end of the reporting year.

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

- 29.1. The General Meeting of Shareholders shall be held in the format of joint presence of shareholders to discuss agenda items and pass resolutions on items put to vote. The General Meeting of shareholders



- shall be chaired by the Chairman of the Board of Directors of the Company or his authorised representative or, if the Board Chairman or his authorised representative are unable to participate in the General Meeting of shareholders, by a person authorised by the Board of Directors, the General Meeting of shareholders or, if the General Meeting of shareholders is convened by a court ruling, by respective judicial authority of Russia. The Secretary of the General Meeting of shareholders shall keep minutes of the Meeting. The Corporate Secretary of the Company or another authorised person shall be the Secretary of the General Meeting of shareholders. If the Corporate Secretary or the authorised person are unable to participate in the General Meeting of shareholders, the minutes of the General Meeting shall be kept by a person authorised by the Board of Directors or the General Meeting of shareholders.
- 29.2. A resolution of the General Meeting of shareholders may be passed without holding a meeting, by organising a letter ballot (absent vote).
- 29.3. The General Meeting of shareholders the agenda of which includes items on election of the Board of Directors and the Audit Review Commission of the Company, approval of the Auditor of the Company and items set out in cl. 27.1.19 – 27.1.21 hereof may not be held in form of a letter ballot (absent vote).
- 29.4. Persons who are entitled to participate in the General Meeting of shareholders are the persons included in the list of persons that have the right to participate in the General Meeting of shareholders, persons to which the said persons' titles to shares were transferred by way of inheritance or reorganisation, or their representatives acting on the basis of a voting proxy or law. When the General Meeting of shareholders is held in the format of joint presence of shareholders, the individuals included in the list of persons that have the right to participate in the General Meeting of shareholders (or their proxies) may participate in the Meeting or send their completed ballots to the Company in accordance with the procedures and timelines stipulated by Russian law. The shareholders of the Company are also entitled to vote at the General Meeting of shareholders electronically in accordance with the procedures determined by the Board of Directors of the Company, including, without limitation, by sending completed ballots to an e-mail address determined by the Board of Directors and/or by completing an electronic ballot form on a website determined by the Board of Directors.
- 29.5. Persons participating in the General Meeting of shareholders conducted in the format of a meeting shall be registered by the Teller Committee of the Company. Functions of the Teller Committee shall be performed by the Company's registrar. The Teller Committee shall verify the powers of persons registering for participation in the General Meeting of shareholders and the voting proxies of representatives of shareholders for their compliance with Russian law.
- 29.6. The General Meeting of shareholders held in the format of a meeting shall open if the quorum for at least one agenda item is present by the time of its opening. Registration of persons that have the right to participate in the General Meeting of shareholders and did not register for participation in the General Meeting before its opening shall not close until the end of discussion of the last agenda item of the General Meeting of shareholders for which a quorum is present, and the time of voting by those persons that had not yet voted.
- 29.7. If the agenda of a General Meeting of shareholders includes items that should be voted on by different groups of voters, the quorum shall be determined separately for each item. Absence of a quorum for passing a resolution on items that require voting by one group of voters shall not prevent the shareholders from passing resolutions on items that require voting by another group of voters for which the quorum is present.
- 29.8. The quorum of the General Meeting of shareholders shall be determined depending on groups of voters voting on respective agenda items of the General Meeting of shareholders.
- 29.9. All shareholders - owners of ordinary shares of the Company - are included in voters on any agenda items of the General Meeting of shareholders, except for the following items:
- when the quorum is determined for consent to or subsequent approval of a related party transaction (cl. 27.1.25-27.1.26 hereof), persons that are considered interested parties in accordance with the current legislation shall not be included in the list of voting shareholders;
  - when the quorum is determined for election of the Audit Review Commission of the Company, the shareholders of the Company that are members of the Board of Directors or hold positions in the Company's governance bodies shall not be included in the list of voting shareholders.
- 29.10. The quorum of the General Meeting of shareholders on any other agenda item of the General Meeting of shareholders shall be a simple majority (more than ½ (one half)) of the votes of the shareholders - owners of the Company's shares - voting on respective items.
- 29.11. If the quorum is present, the number of votes required for adopting a resolution of the General Meeting of shareholders as stipulated in cl. 27.1 hereof shall be determined based on the total number of votes of the shareholders - owners of the Company's voting shares - that participated in the General Meeting of shareholders, except for voting on transformation of the Company into a non-profit partnership and on consent to or subsequent approval of a related party transaction (cl. 27.1.25-27.1.26 hereof). In such cases, the number of votes required for adopting the respective resolution of the General Meeting of shareholders shall be determined based on the total number of the votes of the shareholders - owners of the Company's voting shares - voting on such item.

- 29.12. If by the time of opening of the General Meeting of shareholders there is no quorum for any of the agenda items, the opening may be postponed till a later time, but not later than 2 (two) hours.
- 29.13. If the quorum for an Annual General Meeting of shareholders is absent, another meeting with the same agenda shall be convened. If the quorum for an Extraordinary General Meeting of shareholders is absent, another meeting with the same agenda may be convened. A repeated General Meeting of shareholders shall be considered quorate (having a quorum) on an agenda item if it is attended by shareholders that together hold at least 30 percent of outstanding voting shares of the Company.
- 29.14. The notice of a repeated General Meeting of shareholders shall be sent in accordance with cl. 28.9, 28.10 hereof. Ballots for voting in a repeated General Meeting of shareholders shall be sent in accordance with the procedures stipulated by Russian law.
- 29.15. When a repeated General Meeting of Shareholders is held less than 40 days after the failed General Meeting of shareholders, persons that have the right to participate in the General Meeting of shareholders shall be determined according to the list of persons that had the right to participate in the failed General Meeting of shareholders.
- 29.16. Voting at the General Meeting of shareholders shall be conducted based on the principle "one voting share equals one vote," except for cumulative voting in a case stipulated by law or this Charter.
- 29.17. Additional requirements for procedures of the General Meeting of shareholders of the Company shall be set by Russian law and internal documents of the Company.

### **30. DOCUMENTS OF THE GENERAL MEETING OF SHAREHOLDERS**

- 30.1. After the vote count, the Teller Committee shall draw up minutes on voting results that shall be signed by members of the Teller Committee or the person performing the functions of the Teller Committee. The minutes on vote count shall be drawn up not later than 3 (three) business days after the closing of the General Meeting of shareholders or the final date of accepting ballots if the General Meeting of shareholders is held in the format of a letter ballot.
- 30.2. Resolutions adopted by the General Meeting of shareholders and results of voting shall be announced at the General Meeting of shareholders at which the voting took place or communicated to persons included in the list of persons that have the right to participate in the General Meeting of shareholders in accordance with the procedure, form and timelines stipulated by Russian law. Voting results on election of the Board of Directors and the Audit Review Commission of the Company shall be announced at the General Meeting of Shareholders and come into force upon announcement.
- 30.3. The minutes on voting results shall be added to the Minutes of the General Meeting of shareholders.
- 30.4. The Minutes of the General Meeting of shareholders shall be drawn up not later than 3 (three) business days after the closing of the General Meeting of shareholders in two counterparts. Both counterparts shall be signed by the chairman of the General Meeting of shareholders and the Corporate Secretary who acts as the secretary of the General Meeting of shareholders.
- 30.5. After the minutes on voting results are drawn up and the minutes of the General Meeting of shareholders are signed, voting ballots shall be sealed by the Teller Committee and placed in the Company's archive.
- 30.6. Additional requirements with regard to the form and procedures for drawing up documents of the General Meeting of shareholders shall be set by Russian law and internal documents of the Company.

### **31. BOARD OF DIRECTORS**

- 31.1. The Board of Directors of the Company shall be in charge of overall stewardship of the Company, except for items that fall within the remit of the General Meeting of shareholders in accordance with law and this Charter.
- 31.2. Only an individual may be a member of the Board of Directors of the Company. Persons elected to the Company's Board of Directors may be re-elected for an unlimited number of times. A member of the Board of Directors shall not have to be a shareholder of the Company. Requirements for persons elected to the Board of Directors of the Company may be set by the Terms of Reference of the Board of Directors.
- 31.3. The President of the Company may not at the same time be Board Chairman.
- 31.4. The Company's Board of Directors shall be elected by the General Meeting of shareholders in accordance with the procedures stipulated by law and this Charter, and shall remain in authority until the next Annual General Meeting of Shareholders. Should the Annual General Meeting of shareholders fail to be conducted within the stipulated period, the authority of the Board of Directors shall be terminated, with the exception of that with respect to preparation, convening, and conduct of the Annual General Meeting of shareholders.
- 31.5. The number of members of the Board of Directors of the Company shall be determined by resolution of the General Meeting of shareholders.
- 31.6. The Board Chairman shall organise and manage the work of the Board of Directors. The Board Chairman shall chair meetings of the Board of Directors, organise keeping of minutes at meetings and chair the General Meeting of shareholders.
- 31.7. The Board Chairman and his deputies shall be elected by members of the Board of Directors from among the Board members with a majority of votes of the total number of Board members. The Board

of Directors may re-elect the Board Chairman or his deputies at any time, by a majority of votes from the total number of Board members.

- 31.8. Members of the Board of Directors shall serve the interests of the Company when exercising their rights and discharging their duties, acting reasonably and in good faith.
- 31.9. The Board of Directors shall annually report to the General Meeting of shareholders about its performance.
- 31.10. The duties of the Board members shall be determined by Russian law, this Charter and internal documents of the Company. Board members, inter alia, shall:
- (1) comply with the provisions hereof and resolutions of the General Meeting of shareholders;
  - (2) timely provide information about themselves and their affiliates to the Company and notify the Company about any changes in this information as prescribed by the law and the internal regulations of the Company;
  - (3) timely inform the Board of Directors, the Audit Review Commission and the Auditor of the Company about the transactions conducted and/or contemplated by the Company of which they become aware and in which they may be recognised as a related party, and provide information about the legal entities in which they together with their related party (-ies) hold 20% (twenty percent) or more of voting shares (equity stakes) and about the legal entities where they serve as members of governance bodies;
  - (4) notify the Company about the Company's shares in their possession, specifying the number and category (type) of such shares, within 2 (two) days from the date of share acquisition and divestment.
- 31.11. Upon resolution of the General Meeting of shareholders, Board members shall receive remuneration and compensation of expenses related to discharge of their duties during the period when they serve as Board members. The amount of such remuneration and compensation shall be determined by a resolution of the General Meeting of shareholders. Upon decision of the Company's governance bodies, the Company may insure liability of Board members in relation to discharge of their duties in the capacity of Board members.

## 32. REMIT OF THE BOARD OF DIRECTORS

- 32.1. For the purpose of preserving a stable financial situation and competitiveness of the Company, the Board of Directors shall ensure development of an efficient organisational structure and management system of the Company, develop key strategic and tactical goals and assist their achievement by the Company.
- 32.2. The remit of the Board of Directors shall include the following:
- (1) **determining the priority areas of the Company's operations, determining the development strategy of the Company, approving the Company's annual budgets (financial plans), reviewing the main focus areas, financial performance and development strategies of subsidiaries;**
    - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
  - (2) **approving the organisational structure of the Company (in the form of a chart of top executives of the Company and its subdivisions reporting directly to the Company's President;**
    - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
  - (3) **reviewing the results of the Company's financial and business operations, preliminary review of the annual report and annual accounting (financial) reports of the Company;**
    - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
  - (4) **convening the Annual and Extraordinary General Meetings of shareholders, except for cases provided for in cl. 23.6.2 hereof;**
    - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
  - (5) **approving the agenda of the General Meeting of shareholders;**
    - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
  - (6) **determining the date for preparing the list of persons that have the right to participate in the General Meeting of shareholders and other matters related to preparation and organisation of the General Meeting of shareholders and meetings of the Board of Directors that fall within the remit of the Board of Directors in accordance with Russian law and this Charter;**
    - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
  - (7) **increasing the Company's authorised capital by placement of additional shares through public subscription, except for cases set out in cl. 27.1.9 and 27.1.10 hereof;**
    - (the decision shall be taken unanimously by all members of the Board of Directors, apart from retiring Board members)
  - (8) **increasing the Company's authorised capital by placement of additional shares of the Company through conversion of earlier issued convertible issue-grade securities into such shares;**

- (the decision shall be taken unanimously by all members of the Board of Directors, apart from retiring Board members)
- (9) **placement by the Company of additional shares into which preferred shares of a certain type placed by the Company and convertible into ordinary shares or preferred shares of other types are converted, if such placement does not result in an increase of the Company's authorised capital, and placement by the Company of bonds or other issue-grade securities except for shares;**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting;
  - the decision on placement of bonds convertible into shares and other issue-grade securities convertible into shares shall be taken unanimously by all members of the Board of Directors, apart from retiring Board members)
- (10) **determining the price (monetary value) of assets that are subject of transactions carried out by the Company and the placement price or the procedure for its determination and the buyback price of issue-grade securities of the Company in cases provided for by Russian law;**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting. If a person who is an interested party in one or several transactions the price (monetary value) of which is determined by the Board of Directors (Supervisory Board) of the Company is member of the Board of Directors (Supervisory Board) of the Company, the price (monetary value) of assets shall be determined by non-interested members of the Board of Directors (Supervisory Board) of the Company)
- (10a) **filing an application for listing of the Company's shares and/or issue-grade securities convertible into the Company's shares;**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
- (11) **acquisition of the shares, bonds and other securities placed by the Company in cases and in accordance with procedures envisaged by Russian law, except for cases when such acquisition results in a decrease of the Company's authorised capital;**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
- (12) **appointing the President of the Company; determining the number of members of the Management Board, election of the Management Board; approving the terms of the employment agreements with the President and members of the Management Board; early termination of powers of the President and members of the Management Board;**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
- (13) **recommendations for the General Meeting of shareholders with regard to the amount of remuneration and/or compensation payable to members of the Audit Review Commission of the Company and determining the amount of the fee of the Auditor of the Company;**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
- (14) **recommendations for the General Meeting of shareholders for the amount of dividends payable on the shares, form of payment, the procedure of distribution of non-cash dividends, and the record date;**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
- (15) **using the reserve fund and other funds of the Company and approving internal documents regulating the procedures for forming and using the Company's funds;**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
- (16) **approving the principles of the Company's operations in the following areas:**
  - **strategy, investments, new business segments;**
  - **HR strategy and incentive system;**
  - **participation in subsidiaries, groups or alliances, establishment and operations of branches and representative offices;**
  - **corporate governance;**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
- (17) **approving the Corporate Governance Code of the Company and principles of risk management at the Company;**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
- (18) **establishing branches and opening representative offices of the Company and deciding on their liquidation; approving the Terms of Reference of Branches and Representative Offices and deciding on introduction of amendments hereto with regard to establishment of branches and opening of representative offices of the Company and their liquidation;**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)

- (19) **giving consent to or subsequently approving major transactions if the value of assets that are the subject of such transaction totals from 25% (twenty-five percent) to 50% (fifty percent) of the book value of the Company's assets according to its accounting (financial) reports as of the most recent reporting date, and approving transactions related to divestment or potential divestment of real estate the value of which exceeds 10% (ten percent) of the book value of the Company's assets;**
  - (the decision on giving consent to or subsequent approval of transactions with real estate shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting;
  - the decision on giving consent to or subsequent approval of major transactions specified in this paragraph shall be taken unanimously by the Board of Directors, apart from retiring Board members)
- (20) **giving consent to or subsequently approving, in accordance with procedures established by the law, related party transactions, except for cases when such decisions fall within the remit of the General Meeting of shareholders in accordance with the Federal law "On joint-stock companies";**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of non-interested Board members)
- (21) **giving consent to or subsequently approving, the transactions the subject of which is assets whose price or book value do not exceed the threshold established by the law for related party transactions, provided that such a transaction has all the other characteristics of a related party transaction stipulated by the law if such an item was submitted by the Company's President for consideration of the Board of Directors;**
- (22) **approving the Company's registrar and the terms of its contract, and termination of such contract;**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
- (23) **approving the management company (manager) and the terms of its contract, for the purpose of including in the agenda of the General Meeting of shareholders of an item on transfer of the powers of the sole executive body of the Company to such management company (manager);**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
- (24) **suspending the powers of the management company (manager), simultaneously with taking a decision on establishing a temporary sole executive body of the Company and convening an Extraordinary General Meeting of shareholders to make a decision on early termination of the powers of the management company (manager) and transfer of the powers of the sole executive body of the Company to the management company (manager);**
  - (the decision shall be taken by a qualified majority of ¾ (three quarters) of the votes of all members of the Board of Directors, apart from retiring Board members)
- (25) **deciding on sale of the Company's shares bought back or acquired for other reasons, which come in the Company's possession in accordance with law and this Charter;**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
- (26) **approving resolutions on issue, issue memorandums, issue reports and reports on acquisition of the Company's securities by the Company;**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
- (27) **introducing items to the agenda of the General Meeting of shareholders in cases stipulated by law and this Charter;**
  - (the decision on introducing these items in the agenda of the General Meeting of shareholders shall be taken by a simple majority of over ½ (one half) of the votes of Board members participating in the meeting)
- (28) **deciding on shareholding, changing the shareholding and termination of shareholding of the Company in other entities (except for cases when such decision falls within the remit of the General Meeting of shareholders of the Company in accordance with cl. 27.1.30 hereof), including on establishing subsidiaries of the Company;**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
- (29) **approving the principles of assessment of performance and the remuneration system, as well as controlling the work of senior executives of the Company reporting directly to the President of the Company;**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
- (30) **approving of the President and Management Board members holding positions in the executive governance bodies of other entities or positions in the governance bodies of entities not included in the Company's group;**
  - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)

- (31) **adopting recommendations with regard to a voluntary or mandatory tender offer received by the Company in accordance with Chapter XI.1 of Federal Law "On Joint-Stock Companies", including assessment of the proposed price of the securities and the potential change of their market value after acquisition, assessment of the plans of the person who made the offer with regard to the Company, including its employees;**
    - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
  - (32) **appointing and dismissing the Corporate Secretary of the Company;**
    - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
  - (33) **approving candidates for senior executive positions reporting directly to the President of the Company;**
    - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
  - (34) **approving trademarks, logos and other means of visual identification of the Company;**
    - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
  - (35) **establishing committees, commissions and other internal structural units of the Board of Directors, determining their powers and membership;**
    - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
  - (36) **determining the Company's stance on corporate conflicts;**
    - (the decision shall be taken by a simple majority (more than ½ (one half)) of the votes of Board members participating in the meeting)
  - (37) **taking decisions on other matters falling within the remit of the Board of Directors by law, this Charter, contractual obligations of the Company and also foreign laws applicable to the Company as an issuer of securities placed outside Russia.**
- 32.3. Executive bodies of the Company may not take decisions on matters that fall within the remit of the Board of Directors as per law or this Charter.
- 32.4. Decisions made by the Board of Directors within its remit shall be binding on the President, Management Board and employees of the Company.

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

- 33.1. The Board of Directors shall organise its work in the format of meetings conducted as joint physical presence of Board members and based on free collective discussions of agenda items for the purpose of taking decisions on issues within its remit. If necessary, the Board of Directors may adopt resolutions by letter ballot. The decision on holding a meeting of the Board of Directors by letter ballot shall be made by the Board Chairman.
- 33.2. The Board of Directors may hold meetings using electronic means of communication (phone). The Secretary of the Board of Directors shall organise magnetic recording of the meetings. Participation in a Board meeting using electronic means of communication (phone) is treated as physical presence.
- 33.3. Meetings of the Board of Directors shall be held as necessary, but at least 2 (two) times per quarter, and shall be convened by the Board Chairman based on his initiative, on demand of a Board member, the Audit Review Commission or the Auditor of the Company or on demand of an executive body of the Company.
- 33.4. The Board of Directors shall meet at least 30 (thirty) days before the date of the Annual General Meeting of shareholders of the Company to pre-approve the annual report, annual accounting (financial) statements of the Company, and the opinions of the Auditor and the Audit Review Commission following the audits of the annual accounting (financial) statements, which are submitted for approval to the Annual General Meeting of shareholders. At such meeting, the Board Chairman shall present to the Board complete current financial information and a complete report on the current situation of the Company, the main results of its operations and its plans.
- 33.5. Board meetings shall be held at the address of the Company or at another venue determined by the Board Chairman.
- 33.6. Members of the Board of Directors shall be notified about a forthcoming Board meeting in advance. The notice shall include the agenda of the forthcoming meeting.
- 33.7. The quorum for holding Board meetings is ½ (one half) of elected members of the Board of Directors. Should the number of Board members become less than the established quorum for Board meetings, the Board of Directors shall decide on convening an Extraordinary General Meeting of shareholders for election of new members of the Board of Directors of the Company. In such case, the powers of the Board of Directors shall terminate, except for powers to prepare, convene and conduct and Extraordinary General Meeting of shareholders.
- 33.8. When taking decisions at a Board meeting, each Board member shall have 1 (one) vote.

- 33.9. Unless otherwise stipulated by law and this Charter, a decision of the Board of Directors shall be taken if more than half of members participating in the Board meeting vote for it. In the event of a tie vote of the Board members, the Board Chairman shall have the casting vote.
- 33.10. When determining the quorum and voting results on agenda items of a Board meeting, written opinions of absent Board members shall be taken into account. A written opinion of a Board member shall be included in the minutes.
- 33.11. In cases stipulated by Federal Law "On Joint-Stock Companies", votes of retiring Board members shall not be counted when voting on corresponding items.
- 33.12. A Board member may not transfer his/her voting right to another Board member or another person.
- 33.13. The Board Chairman's right of casting vote may not be exercised by his deputy or another Board member performing the functions of the Board Chairman in his absence.
- 33.14. The Secretary of the Board of Directors shall keep minutes of Board meetings. The minutes of Board meetings shall be drawn up within 3 (three) days from such meetings. The minutes of the Board meeting shall be signed by the person who chaired such meeting. Documents approved by the Board of Directors shall be attached to the minutes.
- 33.15. Additional requirements for procedures of the meetings of the Board of Directors shall be set by Russian law, the Terms of Reference of the Board of Directors and other internal documents of the Company.

#### **34. EXECUTIVE GOVERNANCE BODIES**

- 34.1. The executive governance bodies of the Company shall be a collective executive body (the Management Board) and a sole executive body (the President).
- 34.2. The executive governance bodies manage day-to-day operations of the Company and report to the Board of Directors and the General Meeting of shareholders.
- 34.3. The remit of the executive governance bodies of the Company includes all issues of the Company's day-to-day operations, except for issues included in the remit of the General Meeting of shareholders and the Board of Directors of the Company.
- 34.4. The executive governance bodies of the Company shall be formed by the Board of Directors.
- 34.5. The rights and obligations of the executive governance bodies shall be regulated by Russian law, this Charter and internal regulations of the Company.
- 34.6. The executive governance bodies of the Company shall organise its operations and be responsible for its performance, ensure implementation of decisions taken by the General Meeting of shareholders and the Board of Directors.
- 34.7. The executive governance bodies of the Company shall be responsible for the Company's efficient economic, financial, scientific and social policy.
- 34.8. The President and members of the Management Board may hold positions at governance bodies of other entities only upon obtaining consent of the Board of Directors of the Company.
- 34.9. The Board of Directors may at any time decide to terminate the powers of the President early or to terminate the powers of any member of the Management Board or all members of the Management Board and to form new executive governance bodies of the Company.
- 34.10. If the functions of the sole executive body are performed by a management company (manager), such management company (manager) may not carry out similar functions at a competitor of the Company.

#### **35. MANAGEMENT BOARD**

- 35.1. The Management Board, the remit of which is established by this Charter, resolutions of the General Meetings of shareholders, the Board of Directors and internal documents of the Company approved by General Meetings of shareholders, shall be responsible for the following matters:
  - (1) coordination of the Company's interaction with its subsidiaries;
  - (2) review of the performance results of subsidiaries and structural divisions of the Company;
  - (3) preliminary review of major innovative and investment projects and programmes carried out by the Company and its subsidiaries submitted by such subsidiaries for the Management Board's review;
  - (4) deciding on the Company's position with regard to reorganisation, major transactions and related party transactions, increase of the authorised capital submitted for approval of general meetings of shareholders of subsidiaries (the lists of companies and items shall be determined by decisions of the Management Board);
  - (5) preparation of proposals for the Board of Directors on approving the budget and financial plan of the Company and on amending the previously approved budget;
  - (6) review of transactions the value of which does not exceed 5% of the book value of the Company's assets according to its accounting (financial) statements as of the most recent reporting date;
  - (7) approval and organisation of programmes for raising investment;
  - (8) approval of internal documents submitted for the Management Board's review upon decision of the President of the Company;
  - (9) participation in settlement of labour disputes and appointment of a representative of the Company's management for settlement of disputes out of court;

- (10) review of other issues related to the Company's day-to-day operations. The President of the Company may submit for the Management Board's review any issues of the Company's day-to-day operations that are not included in the remit of the General Meeting of shareholders or the Board of Directors.
- 35.2. Members of the Management Board shall be nominated by the President and approved by the Board of Directors for a three-year term. Members of the Management Board may be re-elected for an unlimited number of times.
- 35.3. A contract with a member of the Management Board on behalf of the Company shall be signed by the Board Chairman or a person authorised by the Board of Directors. The terms of such contract shall be approved by the Board of Directors. Members of the Management Board that have entered into employment contracts with the Company are subject to regulatory aspects stipulated by Chapter 43 of the Labour Code of the Russian Federation.
- 35.4. The Board of Directors may terminate the powers of any member of the Management Board at any time.
- 35.5. If the powers of a member of the Management Board are terminated, the member of the Management Board shall submit to the Board of Directors a report on his/her work by the deadline stipulated by his/her employment contract.
- 35.6. The Management Board shall act by holding meetings and taking decisions. Meetings of the Management Board shall be held in accordance with its schedule.
- 35.7. The agenda of the next meeting of the Management Board shall be determined on the basis of its work plan and proposals of the chairman and members of the Management Board. Meetings of the Management Board shall be held only in presentia. When determining the quorum and voting results, written opinions of absent members of the Management Board on agenda items shall be taken into account.
- 35.8. The Management Board is quorate if the meeting is attended by at least half of its members. If the number of members of the Management Board becomes lower than the established quorum, the Board of Directors shall pass a resolution on forming a new Management Board.
- 35.9. Decisions on agenda items of the Management Board's meetings shall be taken by a simple majority of votes of meeting participants. In case of a tie vote, the chairman of the Management Board shall have the casting vote.
- 35.10. If a member of the Management Board disagrees with an adopted decision, he/she may ask that his/her dissenting opinion be included in the minutes of the Management Board's meeting; he/she shall submit such written opinion to the Secretary of the Management Board within 2 days after the date of the meeting.
- 35.11. Members of the Management Board shall act within their remit established by this Charter, internal documents of the Company, resolutions of the General Meetings of shareholders, the Board of Directors and/or on the basis of the President's powers of attorney.

### **36. PRESIDENT**

- 36.1. The President of the Company shall have all the necessary powers for day-to-day management of the Company's operations and resolution of respective issues not included in the remit of the General Meeting of shareholders, the Board of Directors or the Management Board.
- 36.2. The President shall represent the position of the executive governance bodies at meetings of the Board of Directors and at General Meetings of shareholders.
- 36.3. The President shall chair the Management Board of the Company and organise its work.
- 36.4. The President shall act on behalf of the Company without a power of attorney and represent its interests in dealings with any persons on any issues, including representing and defending the interests of the Company at government agencies and in court.
- 36.5. Within his/her remit, the President shall, among other things:
- (1) dispose of the assets and funds of the Company in the interests of the Company and on its behalf;
  - (2) conclude any transactions on behalf of the Company both in Russia and abroad, except for cases stipulated by Russian law and this Charter;
  - (3) have the right to submit for consideration of the Company's Board of Directors items related to getting the Board of Director's consent or subsequent approval of:
    - major and related party transactions in accordance with the requirements of the law;
    - entering into the transactions the subject of which is assets whose price or book value do not exceed the threshold established by the law for related party transactions, provided that such a transaction has all the other characteristics of a related party transaction stipulated by the law;
  - (4) approve the staffing schedule of the Company, hire and dismiss employees of the Company in accordance with Russian law, approve internal rules of conduct and labour discipline of the Company and its compensation system, reward employees for outstanding performance and impose disciplinary penalties;
  - (5) organise financial and tax accounting and reports, ensure safekeeping of records, ledgers and accounting (financial) documents;
  - (6) take measures to ensure safety of commercial and confidential information related to the Company;



- (7) represent the interests of the Company in court, commercial court and arbitration;
  - (8) issue powers of attorney for performing any actions on behalf of the Company, including with the right of substitution;
  - (9) issue orders, approve internal documents of the Company regulating its financial and business operations, activities of its internal divisions and other internal documents except documents approval of which is within the remit of the General Meeting of shareholders or the Board of Directors of the Company;
  - (10) at his/her discretion, submit documents set out in cl. 35.1.8 hereof for review by the Management Board of the Company;
  - (11) ensure on behalf of the Company and in compliance with article 82 of the Federal Law "On Joint-stock Companies" the circulation of Notices of potential involvement of related parties in the transactions concluded by the Company and Notices of changes in information on such transactions. The Notices may be sent by fax or telegraph, e-mail, in the form of an electronic document with a digital signature in accordance with the requirements of Federal Law dd 6 April 2011 No 63-FZ "On Digital Signatures" or in any other way allowed by the applicable law or by-laws.
  - (12) exercise other powers required for day-to-day management of the Company.
- 36.6. In accordance with the powers conferred upon him/her, the President shall issue orders and give oral directions that are binding on all employees of the Company.
- 36.7. The President shall be appointed by the Board of Directors for a three-year term and may be re-elected for an unlimited number of times.
- 36.8. An employment contract with the President on behalf of the Company shall be signed by the Board Chairman or a person authorised by the Board of Directors. The terms of such contract shall be approved by the Board of Directors.
- 36.9. When performing his/her functions, the President of the Company shall be guided by Russian law, provisions of this Charter and internal documents of the Company.

## **PART VI. CONTROL OVER FINANCIAL AND BUSINESS OPERATIONS**

### **37. AUDITOR**

- 37.1. The General Meeting of shareholders shall annually approve the Auditor of the Company for auditing and confirming the annual financial statements of the Company.
- 37.2. The procedures of audit of the Company's financial and business operations by the Auditor shall be determined in an agreement concluded with the Auditor.

### **38. AUDIT REVIEW COMMISSION**

- 38.1. Control over the financial and business operations of the Company (internal audit) shall be ensured by the Audit Review Commission of the Company (hereinafter also "the Commission") which shall comprise 3 (three) members.
- 38.2. The work of the Audit Review Commission shall be regulated by Russian law, this Charter and the Terms of Reference of the Audit Review Commission approved in accordance herewith.
- 38.3. The Audit Review Commission shall be elected by the General Meeting of shareholders from among shareholders or their nominees who are not members of the Board of Directors and do not hold positions in the executive governance bodies of the Company and do not perform the functions of the Chief Accountant of the Company for the period until the next Annual General Meeting of shareholders. Members of the Audit Review Commission may be re-elected for another term. If there are reasonable grounds, the powers of all or any members of the Audit Review Commission may be terminated early by resolution of the General Meeting of shareholders passed by a simple majority of votes.
- 38.4. The work of the Commission shall be managed by its Chairman, who shall be elected at the first meeting of the Commission.
- 38.5. The Audit Review Commission shall conduct audits at its discretion, following instructions from the General Meeting of shareholders or the Board of Directors or upon request of the shareholders that aggregately hold at least 10% (ten percent) of voting shares of the Company. Scheduled audits shall be conducted at least once per annum. During the audit, members of the Audit Review Commission shall be entitled to request any documents and explanations from the officers of the Company. The Audit Review Commission shall present the results of its audits to the General Meeting of shareholders and to the Board of Directors of the Company.
- 38.6. The annual report and annual accounting (financial) statements of the Company shall be presented to the General Meeting of shareholders only together with an opinion of the Audit Review Commission.
- 38.7. The results of transactions audits and audits conducted by the Audit Review Commission shall be executed as acts signed by the Chairman and members of the Audit Review Commission who conducted the audit and discussed at meetings of the Commission. The audit reports and opinions of the Audit Review Commission on annual reports and annual accounting (financial) statements of the Company shall be presented to the Board of Directors.

- 38.8. If necessary, the Audit Review Commission may engage experts and independent audit firms on a contractual basis. In this case, additional expenses shall be approved by the Board of Directors. The Commission's expenses budget shall be approved by the Board of Directors. The Audit Review Commission may engage employees of the Company in its work provided it does not interrupt the ordinary business process at the Company.
- 38.9. Members of the Audit Review Commission may receive remuneration for discharge of their duties. The amount of such remuneration shall be determined by the General Meeting of shareholders upon recommendation of the Board of Directors. The President of the Company shall be responsible for administrative support of the Audit Review Commission's work.
- 38.10. The remit of the Audit Review Commission shall include:
- (1) conducting desk audits (total or random) of the Company's financial and business operations, its trading, settlement, foreign currency and other operations;
  - (2) checking the compliance with approved cost estimates and spending limits;
  - (3) checking the timeliness and correctness of payments made to suppliers of goods and services, payments to the budget, accrual and payment of dividends, repayment of other liabilities;
  - (4) checking the Company's and its governance bodies' compliance with regulations and resolutions of the General Meeting of shareholders and the Board of Directors;
  - (5) checking the reliability of operational, accounting and statistical reports and statements of the Company;
  - (6) checking the cash position and property of the Company;
  - (7) checking compliance with document management and storage rules with regard to financial documents;
  - (8) checking compliance with recommendations issued after previous audits.
- 38.11. Members of the Audit Review Commission may participate in meetings of the Board of Directors with an advisory vote.
- 38.12. Members of the Audit Review Commission shall be responsible for undue discharge of responsibilities assigned to them as stipulated by Russian law and this Charter.
- 38.13. Members of the Audit Review Commission shall be financially liable to the Company for damage inflicted by their disclosure of information that constitutes trade secret of the Company.
- 38.14. Additional requirements to organisation of the work and the rights and obligations of the Audit Review Commission shall be stipulated by the Terms of Reference of the Audit Review Commission of the Company.

