

**APPROVED**  
by the Extraordinary General Meeting of  
Shareholders of Open Joint Stock Company  
LSR Group

Minutes No. 7/2007 dated 23 August 2007

**Chairman**

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(I. M. Levit)

Seal

**CHARTER**  
**Open Joint Stock Company**  
**LSR Group**  
**(new version)**

Saint Petersburg  
2007

## 1. GENERAL PROVISIONS

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

1.2. The Company has been established for indefinite term.

## 2. FIRM NAME AND PLACE OF LOCATION OF THE COMPANY

2.1. Firm name of the Company:

2.1.1. Full firm name of the Company in Russian language: Открытое акционерное общество «Группа ЛСР».

2.1.2. Short firm name of the Company in Russian language: ОАО «Группа ЛСР».

2.1.3. Full firm name of the Company in English language: Open Joint Stock Company LSR Group.

2.1.4. Short name of the Company in English language: OJSC LSR Group.

2.2. Place of location of the Company: Kazanskaya Street 36, St. Petersburg, 190031, the Russian Federation.

## 3. PURPOSE AND OBJECTIVES OF THE COMPANY'S ACTIVITIES

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

3.2. The Company possesses civil rights and owes civil obligations pursuant to any activity not prohibited by federal laws.

3.3. Certain activities of the Company, as set forth by the Russian current legislation, may be carried out only upon receipt a special permission (license) based on the effective legislation. The Company acquires a right to perform the activity subject to licensing from the moment the license is issued or as specified in the respective license and shall be terminated upon expiry of the licensed period unless otherwise established in the current legislation.

3.4. The Company carries out the following major types of activity:

- Investments to securities
- Preparation of equity real estate for sale
- Purchase and sale of equity real estate
- Business and management consulting
- Scientific research and development
- Legal, accounting, and audit activities, business and corporate management consulting.

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

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

3.7. Whereas a special permission (license) for certain activity requires an exclusive performance of the Company, the Company may perform only those activities stipulated in given special permission (license) for the period of time noted in the permission (license), including affiliate activities.

#### **4. LEGAL STATUS OF THE COMPANY**

4.1. The Company is a legal entity, owning an independent property accounted for in its balance sheet.

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

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

4.3. The Company shall have a round stamp with its full name in Russian language and place of location. The stamp may also carry the Company's name in any other foreign language or one of the local languages of ethnic groups of the Russian Federation.

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

4.5. The Company performs all types of international economic activities.

4.6. The Company may participate in and establish commercial entities in the Russian Federation and abroad.

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

4.8. The Company shall keep and hold the Shareholders' Register of the Company in compliance with the laws of the Russian Federation from the moment of its state registration.

#### **5. LIABILITY OF THE COMPANY**

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

5.2. The Company is not liable for undertakings of its shareholders.

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

#### **6. BRANCHES AND REPRESENTATIVE OFFICES**

6.1. The Company may establish branches and representative offices in the Russian Federation and abroad.

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

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

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

6.4. Branch managers and heads of representative offices are appointed by the Company's Board of Directors (hereinafter "the Board of Directors") and shall act on the basis of power of attorney issued by the Company.

## 7. CHARTER CAPITAL

7.1. The charter capital of the Company is 21,287,234 (Twenty one million two hundred eighty seven thousand two hundred thirty four) Rubles. It consists of the nominal value of the Company's shares acquired by the shareholders, including:

- 85,148,936 (Eighty five million one hundred forty eight thousand nine hundred thirty six) ordinary registered shares having nominal value of 0,25 Ruble (Twenty five kopecks) each.

7.2. The quantity of authorized shares which the Company may additionally place on the market is 50,000,000 (Fifty million) of ordinary registered shares having nominal value 0,25 ruble (Twenty five kopecks) each.

7.3. The authorized shares shall serve basis to the following rights:

- Participation in management of the Company, including participation in the General Meetings of Shareholders in person or in-proxy with a right to vote on any issues within its competence;
- To share the profit;
- To obtain dividends or, in case of liquidation of the Company, to obtain a part of the Company's property or its value;
- To be elected to the governing or control bodies of the Company;
- To obtain information about Company's activity subject to regulatory procedures;
- To conclude transactions with respect to the Company's securities at shareholder's convenience and in compliance with the laws of the Russian Federation;
- Other rights provided for in the Charter and current legislation.

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

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

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

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

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

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

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

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

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

- in case shares purchased by the Company pursuant to the shareholder's request were not sold within a year from the date of the purchase (with the exception of share purchases resulting from the Company's reorganization);
- in case shares purchased by the Company, as provided for in Article 72(2) of the Federal law "On Joint Stock Companies", were not sold within one year following the date of purchase.

7.11. If in accordance with the annual balance sheet submitted for the Company shareholders' approval upon expiry of the second and each subsequent fiscal year, or basing on the audit results, the net value of the Company's assets is less than the value of the charter capital, the Company shall declare the reduction of the charter capital down to the value that does not exceed the net value Company assets.

Under such circumstances the reduction of the charter capital is to be carried by decrease of the nominal value of shares.

7.12. Within 30 days following the date of decision on reduction of the charter capital the Company has a duty to notify the reduction of the charter capital and its revised value in writing to the Company's creditors and publish accordingly in a printed periodical specializing in corporate state registration.

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

- as provided in paragraph 1 of Article 76(6) of the Federal law "On Joint Stock Companies";
- if the Company undergoes a spin-off reorganization through redemption of converted shares.

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

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

7.16. In the event if, upon elapse of the fiscal year, according to the annual balance sheet submitted for approval by the Company shareholders, or if, basing on audit report, the value of the Company's net assets is less than the value of the Company's minimal charter capital, provided for in Article 26 of the Federal law "On Joint Stock Companies", the Company shall declare its liquidation.

7.17. Should no decision to reduce the charter capital as provided for in section 7.11 of the present Charter be adopted, or in circumstances stipulated in section 7.16 of the present Charter the decision on liquidation of the Company is not made, the Company's creditors shall have the right to an early termination or execution of obligations and compensation of damages. In such case the authority responsible for the state registration of legal entities, or any other government body or a local authority authorized to file the claims under the federal laws, may commence legal action in order to terminate the Company's activity.

## **8. SHARES**

8.1. The Company may issue ordinary shares and one or several types of preferred shares.

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

8.3. A share in possession of a Company's founder entitles to a voting right starting the moment of state registration of the Company up to the date of its complete payment.

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

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

8.6. A shareholder shall:

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

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

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

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

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

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

## **9. PLACEMENT OF SHARES AND OTHER SECURITIES**

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

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

## **10. ACQUISITION OF ISSUED SHARES**

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

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

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

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

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

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

## **11. DIVIDENDS**

11.1. Dividend is a part of the Company's net profit gained over accounted fiscal year; it is distributed among the shareholders in proportion to the number, category and type of the shares.

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

11.3. Dividend shall be paid in cash.

11.4. There shall be a list of shareholders eligible to obtain dividends. This list shall be in accord with the Shareholder Register data taken as of the date of the list of shareholders eligible to participate in the General Meeting of Shareholders which approves the decision on distribution of dividend.

## **12. GOVERNING BODIES**

12.1. The governing bodies of the Company shall be:

- General Meeting of Shareholders;
- Board of Directors;
- Sole executive body – General Director.

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

12.2. The Revision Commission shall be authorized to control financial activity and management of the Company.

12.3. The Board of Directors and the Revision Commission shall be elected by the General Meeting of Shareholders.

12.4. The sole executive body shall be elected by the General Meeting of Shareholders.

12.5. The Counting Commission of the company shall be elected by the General Meeting of Shareholders.

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

## **13. THE GENERAL MEETING OF SHAREHOLDERS**

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

The General Meeting of Shareholders can be held as follows:

- meeting;
- voting in absentia.

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

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

- 1) Approval of amendments and supplements to the Company's Charter or approval of the new revision of the Company's Charter (excluding circumstances stipulated in Article 12(2-5) of the Federal law "On Joint Stock Companies").
- 2) Reorganization of the Company;
- 3) Liquidation of the Company, appointment of the liquidation commission and approval of the interim and final liquidation balance sheets;
- 4) Approval of the number of members on the Board of Directors, election of the members of the Board of Directors and early termination of their authority;
- 5) Election of the executive body of the Company and early termination of its authority;
- 6) Resolution on transfer of authority of the Company's sole executive body to a commercial organization (a managing company) or an individual entrepreneur (a manager) under appropriate agreement;
- 7) Adoption of decision on early termination of authority of the managing company or manager;
- 8) Election of members of the Revision Commission and early termination of their authority;
- 9) Approval of the Company's auditor;
- 10) Election of the members of the Counting Commission;
- 11) Early termination of authority of the members of the Counting Commission;
- 12) Approval of quantity, nominal value, category (type) of authorized shares and rights granted by those shares;
- 13) Increase of the charter capital through increase of nominal value of shares;
- 14) Increase of the charter capital through share issue via private subscription;
- 15) Issue of the Company's securities convertible into shares by private subscription;
- 16) Increase of the charter capital by public subscription through issue of shares in the amount exceeding 25 per cent of ordinary shares issued earlier;
- 17) Issue of bonds and other securities convertible into ordinary shares exceeding 25 per cent of ordinary shares issued earlier, by public subscription;
- 18) Increase of the charter capital by public subscription for ordinary shares in amount of 25 per cent and less than ordinary shares issued earlier, given that the Board of Directors fails to reach unanimous vote in this regard;
- 19) Increase of the charter capital by issuing of additional shares within the quantity and category (type) of authorized shares based on the Company's assets, when additional shares are to be distributed among shareholders, if the Board of Directors fails to reach unanimous vote for this issue;
- 20) Increase of the charter capital by issue of additional preferred shares within the range of the number of authorized shares of this category (type) by public subscription, when additional shares are to be distributed among shareholders, if the Board of Directors fails to reach unanimous vote for this issue;
- 21) Reduction of the charter capital by reduction of the nominal value of shares through partial share purchase by the Company done with an objective to reduce their total number and by redemption of the acquired and purchased shares (shares in possession of the Company);
- 22) Distribution (declaration) of dividend based on the interim balance for the first quarter, six months, nine months of the fiscal year;
- 23) Approval of annual reports, annual account reports, including Company's profits and losses accounts (final accounts) and allocation of profits (including distribution (declaration) of dividend), excluding profits distributed as dividend basing on the interim balance for the first quarter, six months, nine months of the fiscal year and Company's losses during the fiscal year;
- 24) Approval of procedure for holding of General Meeting of Shareholders;
- 25) Split of shares and consolidation;
- 26) Approval of transactions stipulated in Article 83 of the Federal law "On Joint Stock Companies";
- 27) Approval of extraordinary transactions stipulated in Article 79(2) of the Federal law "On Joint Stock Companies";



- 28) Approval of extraordinary transactions stipulated in Article 79(3) of the Federal Law "On Joint Stock Companies";
- 29) Approval of participation of the Company in financial and industrial groups, associations and other unions of commercial organizations;
- 30) Approval of internal by-laws governing Company's bodies;
- 31) Approval of expenses of members of the Revision Commission pertaining to performance of their duties for the period of duty performance, approval of the amount of said remuneration and/or compensation;
- 32) Approval of remuneration and/or compensation of expenses of members of the Board of Directors related to the execution of their duties as members of the Board of Directors for the period of duty performance, approval of amount of remuneration and compensation;
- 33) Approval of compensation out of the Company's budget of expenses incurred due to the preparation and holding of an extraordinary meeting of shareholders to persons and bodies initiators of a given meeting;
- 34) Approval of the additional list of documentation that is mandatory for maintenance within the Company;
- 35) Resolution of other issues as prescribed by laws.

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

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

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

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

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

- 1) Reorganization of the Company;
- 2) Increase of the charter capital through increase of nominal value of shares;
- 3) Increase of the charter capital through share issue by private subscription;
- 4) Increase of the charter capital through public subscription by issue of shares in amount which exceeds 25 per cent of ordinary shares issued earlier;
- 5) Increase of the charter capital by public subscription by issue of ordinary shares in amount of 25 per cent and less than ordinary shares issued earlier, if the Board of Directors fails to reach unanimous vote on this issue;
- 6) Increase of the charter capital by issue of additional shares within the range of the number and category (type) of authorized shares at the expense of the Company's assets, when additional shares are to be distributed among shareholders, if the Board of Directors fails to reach unanimous vote on this issue;
- 7) Increase of the charter capital by issue of additional preferred shares within the range of quantity of authorized shares of this category (type) by public subscription, when additional shares are to be distributed among shareholders, if the Board of Directors fails to reach unanimous vote on this issue;
- 8) Reduction of the charter capital by reduction of the nominal value of shares by purchase of a part of shares by the Company done with an objective to reduce their total number and by redemption of the acquired and purchased shares (shares in possession of the Company);
- 9) Split of shares and consolidation;
- 10) Approval of transactions stipulated in Article 83 of the Federal Law "On Joint Stock Companies";
- 11) Approval of extraordinary transactions stipulated in Article 79 of the Federal Law "On Joint Stock Companies";

- 12) Approval of participation in holding companies, financial and industrial groups, associations and other unions of commercial organizations;
- 13) Resolution on transfer of authority of the Company's sole executive body to corporate (managing company) or individual contractor (manager) under appropriate agreement;
- 14) Approval of internal by-laws governing activity of Company's bodies;
- 15) Approval of reimbursement of the members of the Revision Commission and (or) compensation of expenses incurred during execution of their duties;

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

- 1) Approval of amendments and supplements to the Company's Charter or a new revision of the Company's Charter (excluding circumstances stipulated in Article 12(2-6) of the Federal law "On Joint Stock Companies");
- 2) Reorganization of the Company;
- 3) Liquidation of the Company, appointment of the Liquidation commission and approval of the interim and final liquidation statements;
- 4) Approval of number, nominal value, category (type) of authorized shares and rights granted by those shares;
- 5) Increase of the charter capital by share issue by private subscription;
- 6) Issuing of Company's securities convertible into shares by private subscription;
- 7) Increase of the charter capital by public subscription by issue of ordinary shares in the amount exceeding 25 per cent of ordinary shares issued earlier;
- 8) Issue of securities convertible into ordinary shares, in amount exceeding 25 per cent of ordinary shares issued earlier, by public subscription;
- 9) Approval of extraordinary transactions stipulated in Article 79(3) of the Federal law "On Joint Stock Companies".

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

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

13.10. Decisions approved by the General Meeting of Shareholders and vote results shall be announced at the General Meeting of Shareholders where voting in absentia is held, or shall be furnished to individuals with a right to vote included in the list not later than within 10 days subsequent to the General Meeting of Shareholders.

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

Within the time period mentioned above the notice of General Meeting of Shareholders shall be delivered to each person included in the list of persons entitled to participation in the General Meeting of Shareholders by registered mail or served personally against written confirmation.

The Company is authorized to inform shareholders about the General Meeting of Shareholders additionally via media sources (television, radio) and Internet.

13.12. Information (materials) due for provision to the persons with a right to participate in the General Meeting of Shareholders during preparation of the General Meeting of Shareholders shall include annual

statements, annual accounting statements, including audit statement, assessment of Company's audit statement, prepared by the Revision Commission of the Board of Directors, statement of the Revision Commission on inspection of annual accounting statement, information related to candidate (candidates) for selection to the executive bodies of the Company, the Board of Directors, the Counting Commission, the Revision Commission, the Company's auditor, drafts of amendments and supplements to the Company's Charter or drafted new revision of the Company's Charter, drafts of the Company's internal documentation subjected to approval by the General Meeting of Shareholders, drafts of decisions of the General Meeting of Shareholders and other documents approved by the Board of Directors.

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

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

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

13.15. Proposal on nomination of candidates shall include name, registration data of the identifying document (series and (or) number of the document, date and place of issue, issuing body) of each proposed candidate and the name of the body to which this candidate was nominated.

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

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

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

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

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

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

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

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

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

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

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

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

Reject to call for the special General Meeting of Shareholders may be only appealed in court.

13.24. A special General Meeting of Shareholders called on request brought by the Revision Commission, Company's auditor or shareholders (shareholder) owning not less than 10 per cent of voting shares shall be held during 40 days from the date of bringing request to call such special General Meeting of Shareholders.

For the benefit of the present section date of bringing request to call a special General Meeting of Shareholders is the date when such request was received by the Company.

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

13.26. If the Board of Directors failed to call a special General Meeting of Shareholders or refused to call a special General Meeting of Shareholders during the period established by the Federal Law "On Joint Stock Companies", a special General Meeting of Shareholders may be called by bodies or persons requesting such call.

The bodies and individuals calling for the special General Meeting of Shareholders acquire authority under the Federal Law "On Joint Stock Companies" to call and hold a General Meeting of Shareholders.

In this case expenses incurred during preparation and holding of the General Meeting of Shareholders may be reimbursed by the Company basing on decision of the General Meeting of Shareholders.

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

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

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

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

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

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

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

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

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

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

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

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

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

In electing the Counting Commission if the number of 'pro' answers exceeds the number of vacancies, the voting paper shall be considered void.

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

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

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

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

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

13.35. If the number of shareholders/holders of voting shares exceeds 100 (one hundred) the Counting Commission shall be formed. The Counting Commission shall be elected by the General Meeting of Shareholders; it shall consist of three persons with a term of office of three years.

If the terms of office of the Counting Commission has expired or the number of its members reduces to less than three, or if less than three members of the Counting Commission attended to fulfill their duties, a registrar may be invited to execute those duties instead.

13.36. Authority of a separate member or of the whole Counting Commission may be terminated by the decision of the General Meeting of Shareholders.

13.37. The Counting Commission verifies documents proving representative authority, registers persons participating in the General Meeting of Shareholders, determines the quorum of the General Meeting of Shareholders, clarifies issues arising in connection with exercise of voting rights by the shareholders (or their proxy representatives) at the General Meeting of Shareholders, explains voting procedures for issues submitted to ballot voting, ensures observation of the voting procedure and shareholders' rights to vote, counts votes and summarizes results, compiles the statement of the voting results, transfers the ballot to archive, performs other functions stipulated in the present Charter and Company's internal regulations.

#### **14. THE BOARD OF DIRECTORS**

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

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

- 1) Setting priorities in the Company's activity, including approval of strategic plans, annual and quarterly budgets;
- 2) Calling for the annual and extraordinary General meetings of the shareholders save for cases stipulated in Article 55(8) of the Federal Law "On Joint Stock Companies";
- 3) Approval of agenda of the General Meeting of Shareholders;
- 4) Setting the date for compilation of the list of persons entitled to participate in the General Meeting of Shareholders and other issues within the competence of the Board of Directors according to the provisions of chapter VII of the Federal law "On Joint Stock Companies" and issues related to the preparation and realization of the General Meeting of Shareholders;
- 5) Preliminary approval of the Company's annual statements;
- 6) Increase of the charter capital through additional shares not exceeding the number and falling within the category (type) of authorized shares based on the Company's assets, when additional shares are to be distributed among shareholders;
- 7) Increase of the charter capital by public subscription through additional ordinary shares with observance of limits of authorized shares of that category (type) in the amount of 25 per cent or less than ordinary shares issued earlier;
- 8) Increase of the charter capital by additional placement of preferred shares within the number of authorized shares of this category (type) through public subscription;
- 9) Issuing of bonds and other securities convertible into ordinary shares and other securities convertible into ordinary shares, in the amount of 25 per cent and less than ordinary shares issued earlier, by public subscription;
- 10) Placing of bonds convertible into preferred shares and other securities convertible into preferred shares by public subscription;
- 11) Placing of non-convertible bonds and other securities not convertible into preferred shares;
- 12) Approval of securities placement, securities prospect, amendments and supplements thereto;
- 13) Setting the value (cash price) of property, placement and redemption of securities in cases stipulated by the Federal Law "On Joint Stock Companies";
- 14) Acquisition of shares issued by the Company according to Article 72(2) of the Federal Law "On Joint Stock Companies";
- 15) Acquisition of bonds and other securities issued by the Company according to provisions of the Federal Law "On Joint Stock Companies";
- 16) Approval of statement on acquisition of shares purchased according to Article 72(1) of the Federal Law "On Joint Stock Companies";
- 17) Proposals to the General Meeting of Shareholders with regards to the amount of reimbursement and compensation of the Revision Commission members;

- 18) Determination of remuneration for services of the Company's auditor;
- 19) Proposals to the General Meeting of Shareholders with regards to the amount of dividend on shares and procedure of its payment;
- 20) Proposals to the General Meeting of Shareholders on distribution of Company's annual profits and losses;
- 21) Transactions over Company's Reserve Fund and other funds of the Company;
- 22) Approval of the Company's internal documentation excluding internal by-laws guiding the governing bodies subject to approval by the General Meeting of Shareholders and other internal documents within the competence of the Company's sole executive body as provided for in present Charter;
- 23) Approval of the Company's internal regulations governing use of information on the Company's activities, Company's securities and respective operations closed to public access and disclosure of which may significantly influence the market value of the Company's securities;
- 24) Approval of the Company's internal documents regulating internal procedures for financial and operational control to be performed by a department of the Company;
- 25) Setting up and dissolving of branches, establishing and closing down of Company's representative offices, approval of branches and representative offices by-laws, amendments and supplements thereto, appointment of branch and representative offices managers and their dismissal;
- 26) Inserting changes into the Company's Charter related to the establishment of Company's branches and representative offices and their termination;
- 27) Approval of extraordinary transactions according to chapter X of the Federal Law «On Joint Stock Companies»;
- 28) Approval of transactions according to chapter XI of the Federal Law "On Joint Stock Companies";
- 29) Approval of the Company's registrar and terms and conditions of the relevant contract and termination of that contract;
- 30) Decisions on participation and termination of membership in other organizations (excluding organizations specified in sub-section 29 of section 13.2 of this Charter);
- 31) Approval of a transaction or several interrelated transactions conducted by the Company with the Company's shares or shares of subsidiaries and affiliated companies;
- 32) Approval of acquisition by the Company of shares and stocks of other companies by conclusion of one or several interrelated transactions when such companies become Company's subsidiaries or affiliates;
- 33) Decisions on inspection of Company's financial and operational activities at any time;
- 34) Under circumstances when the sole executive body or the managing company (manager) is unable to fulfill its duties, the Board of Directors shall make decision to form a temporary Company's sole executive body and to call for extraordinary General Meeting of Shareholders to approve the termination of authority of the sole executive body or the managing company (manager), to form a new Company's sole executive body or to transfer authority of the Company's sole executive body to another managing company or a manager ;
- 35) Determination and approval of the contract terms with the person appointed to perform functions of the sole executive body of the Company;
- 36) Approval of the list of additional documentation subjected to compulsory storage in the Company;
- 37) Assessment of programs and budget execution by the executive body;
- 38) Organization of committees of the Board of Directors, approval relevant statements, appointment of committee chairmen;
- 39) Appointment of the corporate secretary,
- 40) Interpretation of the Company's Charter and provisions of internal documents in respect to the scope of competence of the Board of Directors and executive bodies;
- 41) Other issues as provided for in the Federal Law "On Joint Stock Companies" and the present Charter.

14.3. Issues which fall within the scope of competence of the Board of Directors shall not be decided upon by the Company's executive body.

14.4. Members of the Board of Directors shall be elected by the General Meeting of Shareholders; their number subjected to approval by the General Meeting of Shareholders shall not be less than five members with terms of office until the next annual General Meeting of Shareholders.

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

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

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

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

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

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

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

14.10. The Chairman of the Board of Directors shall organize its operation, call for the meetings of the Board of Directors and preside at the meetings, manage keeping of minutes at the meetings. The Board of Directors shall elect a Secretary; the Secretary of the Board of Directors may not be a member of the Board of Directors. The Secretary of the Board of Directors keeps minutes at the meetings of the Board of Directors. The protocol of the meeting of the Board of Directors shall be signed by the presiding member, by the Secretary of the Board of Directors and by a member of the Board of Directors.

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

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

14.12.1. at his/her own discretion;

14.12.2. upon request of a member of the Board of Directors;

14.12.3. upon request of the Revision Commission;

14.12.4. upon request of the Company's auditor;

14.12.5. upon request of the Company's executive body;

14.12.6. upon request of the Company's shareholder(s)/holder(s) of 10 or more percent of the voting shares;

14.12.7. upon request of committee of the Company's Board of Directors.

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

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



14.15. Decisions shall be adopted by the meeting of the Board of Directors by majority votes of the members of the Board of Directors present at the meeting unless otherwise stipulated by the Federal Law "On Joint Stock Companies" or the present Charter.

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

- 1) Increase of the charter capital by issuing of additional shares within the range of number and category (type) of authorized shares based on the Company's assets, when additional shares are to be distributed among shareholders;
- 2) Increase of the charter capital by public subscription by issuing of additional ordinary shares within the limits of authorized shares of that category (type) in amount 25 per cent and less of ordinary shares issued earlier;
- 3) Increase of the charter capital by additional placement of preferred shares within the range of the number of authorized shares of this category (type) by public subscription;
- 4) Approval of an extraordinary transaction over a property the cost of which varies from 25 to 50 per cent of the Company's assets book value.

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

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

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

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

14.18. The Board of Directors may form sections, consisting of members of the Board of Directors only, given it is not the sole executive body of the Company.

## **15. EXECUTIVE BODY OF THE COMPANY**

15.1. The activities of the Company shall be managed by the Company's sole executive body referred to as the 'General Director'. The General Director reports to the General Meeting of Shareholders and to the Board of Directors.

15.2. The competence of the General Director includes management of day-to-day activities of the Company excluding those issues that fall into the scope of competence of the General Meeting of Shareholders and the Board of Directors.

The General Director manages execution of decisions of the General Meeting of Shareholders and the Board of Directors.

The General Director acts on behalf of the Company without a power of attorney, represents the Company's interests, concludes transactions on behalf of the Company within limits established in the Federal Law "On Joint Stock Companies" and the Charter, approves personnel, issues orders and directions compulsory for execution by all the Company's employees.

The General Director approves statement report on issuing of securities.

15.3. Rights and duties, terms of office and amount of reimbursement of the General Director shall be determined in the agreement concluded by the General Director and the Company. The Chairman of the Board of Directors signed the agreement on behalf of the Company.

15.4. The General Director shall be elected by the General Meeting of Shareholders. Terms of office of the General Director shall be determined by the General Meeting of Shareholders. The General Meeting of Shareholders may decide to terminate early the authority of the General Director.

15.5. The General Meeting of Shareholders may transfer authority of the Company's sole executive body to a corporate (managing company) or individual contractor (manager) under corresponding agreement. Transfer of authority of the Company's sole executive body to the managing company or to the manager shall be approved by the General Meeting of Shareholders based on proposal introduced by the Board of Directors.

## **16. RESPONSIBILITY OF MEMBERS OF THE BOARD OF DIRECTORS AND COMPANY'S EXECUTIVE BODY**

16.1. Members of the Board of Directors, the Company's sole executive body (the General Director) shall act to the best interests of the Company in implementation of their rights and duties, perform their duties reasonably and in good faith.

16.2. Members of the Board of Directors and the General Director are responsible for the Company's losses resulting from their guilty conduct (omission to act) unless other liability is imposed by law.

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

Those members of the Board of Directors who had voted against the decision which caused losses to the Company or to the shareholder, or members who had not participated in voting, are released from responsibility.

16.3. The Company or a shareholder(s)/holder(s) of total not less than 1 per cent of issued ordinary shares of the Company shall be entitled to file claims against a member of the Board of Directors or the General Director and claim damages incurred to the Company in cases stipulated in the paragraph 1 of section 16.2 of this Charter.

The Company or a shareholder have right to file claims against a member of the Board of Directors and the General Director and claim compensation of damages incurred in case stipulated in paragraph 2 of section 16.2 of the present Charter.

## **17. THE REVISION COMMISSION**

17.1. The Revision Commission is a body authorized to supervise the financial and business activities of the Company.

17.2. The Revision Commission shall be elected by the General Meeting of Shareholders, consist of three members, with terms of office of one year until next annual General Meeting of Shareholders. Procedures and activities of the Revision Commission shall be regulated in the Regulation on Revision Commission approved by the General Meeting of Shareholders.

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

17.3. Authority of members of the Revision Commission may be terminated early by decision of the General Meeting of Shareholders.

17.4. The Company's shareholder or any other person may be elected to the Revision Commission. A member of the Company's Revision Commission shall not occupy any other positions in the governing bodies of the Company at the same time.

17.5. The scope of competence of the Revision Commission shall include:

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

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

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

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

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

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

Inspection of competence of decisions made by the sole executive body, the Board of Directors, the Liquidation commission, compliance with the Charter, the Company's internal documentation, decisions of the General Meeting of Shareholders.

Ensuring compliance of decisions of the General Meeting of Shareholders against the laws, the Charter and Company's internal documentation.

The Revision Commission shall be authorized:

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

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

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

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

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

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

17.8. The Revision Commission is authorized to require a call for a special General Meeting of Shareholders according to procedure established in Article 55 of the Federal Law "On Joint Stock Companies" and this Charter.

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

## **18. AUDIT**

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

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

## **19. FUNDS**

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

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

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

## **20. SHAREHOLDERS' ACCESS TO INFORMATION**

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

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

## **21. INFORMATION MANAGEMENT**

21.1. The Company shall keep the following documents:

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

21.2. The Company shall store documents stipulated in the section 1 of the present Article at the location of its executive body in accordance with prescribed procedures and for the periods of time stipulated by the federal authority of the executive branch with respect to securities market.

## **22. FINAL PROVISIONS**

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

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

22.3. The present version of the Charter enters into force on the date of its state registration.

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