



APPROVED

**by the resolution of
the general meeting of shareholders of
Public Joint Stock Company
“Pharmstandard”,
(Minutes No ____ dated ____ ____, 2008)**

CHARTER

(Unofficial translation)

**of Public Joint Stock Company
“Pharmstandard”**

(JSC “Pharmstandard”)

(5th edition)

Dolgoprudny
Moscow Region

2008

TABLE OF CONTENTS

Article 1. GENERAL PROVISIONS	3
Article 2. BUSINESS NAME AND LOCATION OF THE COMPANY	3
Article 3. GOALS AND OBJECTIVES OF THE COMPANY	3
Article 4. LEGAL STATUS OF THE COMPANY	4
Article 5. RESPONSIBILITIES OF THE COMPANY	4
Article 6. BRANCHES AND REPRESENTATIVE OFFICES, SUBSIDIARIES AND AFFILIATED COMPANIES	5
Article 7. CHARTER CAPITAL	5
Article 8. COMPANY SHARES	6
Article 9. ISSUANCE OF SHARES AND OTHER SECURITIES	7
Article 10. ACQUISITION OF ISSUED SHARES BY THE COMPANY	8
Article 11. DIVIDENDS	8
Article 12. COMPANY BODIES	8
Article 13. GENERAL MEETING OF SHAREHOLDERS	9
Article 14. BOARD OF DIRECTORS OF THE COMPANY	14
Article 15. EXECUTIVE BODY OF THE COMPANY	17
Article 16. RESPONSIBILITY OF MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE BODY OF THE COMPANY	19
Article 17. AUDITING COMMITTEE AND AUDITOR OF THE COMPANY	20
Article 18. FUNDS OF THE COMPANY. ACCOUNTING AND REPORTING	21
Article 19. PROVISION OF INFORMATION BY THE COMPANY TO SHAREHOLDERS	21
Article 20. RESTRUCTURING AND LIQUIDATION OF THE COMPANY	21
Article 21. FINAL PROVISIONS	21

Article 1. GENERAL PROVISIONS

- 1.1. Joint Stock Company "Pharmstandard" (hereinafter referred to as "Company") is a public joint stock company. The Company is a legal entity acting by virtue of the Charter and law of the Russian Federation.
- 1.2. The term of the Company's activities is unlimited.
- 1.3. The Company is established as a result of restructuring of a Limited Liability Company BIOVIT (registered by the Inspectorate of the Ministry of Taxation of the Russian Federation of Kirovsky District, Ufa, Republic of Bashkortostan on March 25, 2003, OGRN 1030203921208; having its address at 28 Khudayberdina Street, Ufa, Republic of Bashkortostan, 450077; INN 0274091088 (KPP 027401001) as a public joint stock company with concurrent change of name; and is a legal successor of BIOVIT, LLC with respect to any rights and liabilities.

Article 2. BUSINESS NAME AND LOCATION OF THE COMPANY

- 2.1. Business name of the Company.
Full business name:
 in the Russian language: **открытое акционерное общество "Фармстандарт"**
 in the English language: **Public Joint Stock Company "Pharmstandard"**
Abbreviated business name:
 in the Russian language: **ОАО "Фармстандарт"**
 in the English language: **JSC "Pharmstandard"**
- 2.2. Address of the Company: Russian Federation, 141700, Moscow Region, Dolgoprudny town, 5B Likhachevsky proezd.

Article 3. GOALS AND OBJECTIVES OF THE COMPANY

- 3.1. The Company is a commercial organization, the main goal of the Company is profit earning.
- 3.2. The Company has civil rights and bears civil liabilities, essential for carrying out of any types of activities, not prohibited by law of the Russian Federation.
- 3.3. Certain types of activities, which list is determined by law of the Russian Federation, can be carried out by the Company only by virtue of a special permit (license).
- 3.4. The Company carries out the following types of activity:
 - production, purchase and sale of pharmaceuticals and medical drugs, production of pilot samples of medical drugs and drug products in the form of substances, preparations made of natural raw materials complete with injector if required, and accompanying chemicals and products;
 - investment activity;
 - development and implementation of any pharmaceuticals production technologies and implementation of wide range of procedures for production (manufacture) of ready dosage forms including insulinic and substances for production thereof;
 - development and production of samples of new medical equipment, appliances and tools;
 - foreign economic activity, export-import operations;
 - development and implementation of advanced technologies and other scientific and manufacturing activities, research and development, design and exploration works, finding advanced developments in all spheres of Company's activities and implementation thereof;
 - duplication, implementation and mass production of effective research and development projects, inventions and rationalization proposals in the sphere of biology, pharmaceuticals and medicine;
 - research, purchase and sale of know-how, patents and trademarks;
 - production, purchase and sale of pharmaceuticals and medical-care products, technologies and services in Russia and abroad;
 - organization of custom and joint productions and ventures, commercial entities with domestic and foreign partners;
 - organization of research-and-production, direct commercial and intermediate entities engaged in purchase, processing and production of nutrimental, perfumery and cosmetic, pharmaceutical, agricultural, mineral and other raw materials and semifinished products, sales of products on domestic and foreign markets;
 - services in public healthcare and social spheres;
 - charitable and sponsorship activity;

- any other types of activities consistent with the objectives of the Company and not conflicting with law of the Russian Federation.
- 3.5. Forms and types of activities shall be not limited by the Charter. The transactions entered into by the Company and falling outside the scope of activities determined by the Charter, but consistent with law of the Russian Federation, shall be deemed to be valid.
- 3.6. The mandatory conditions for the Company's activities shall be as follows:
- compliance with law of the Russian Federation;
 - compliance with requirements of environment protection and use of natural resources;
 - creation of safe and healthy work environment, compliance with statutory requirements, rules, norms, instructions, work safety provisions, production sanitation, fire safety;
 - carrying out of preventative measures with respect to industrial accidents and occupational illnesses, implementation of new safe equipment and technologies.
- 3.7. The Company shall independently carry out its activities; manage the profits remaining after payment of tax and other mandatory payments.
- 3.8. The Company shall sell products, works and services on the markets of the Russian Federation and foreign markets at the terms and conditions, prices and tariffs determined at its own discretion or subject to agreement, and in accordance with law, at controlled prices.
- 3.9. The Company shall maintain business and tax accounting and file the accounting statements in accordance with the procedure prescribed by statutory instruments of the Russian Federation.
- 3.10. The Company shall insure its property and risks at its own discretion unless otherwise provided by law of the Russian Federation.
- 3.11. The Company may carry out export and import operations in accordance with law of the Russian Federation.

Article 4. LEGAL STATUS OF THE COMPANY

- 4.1. The Company is a legal entity organized in accordance with law of the Russian Federation. The Company may own ringfenced assets, may enter into transactions on its own behalf, acquire and exercise proprietary and personal non-proprietary rights and incur obligations, act as a claimant and defendant in court, including the court of arbitration and the arbitration tribunal.
- 4.2. The Company owns the assets recorded in its balance sheet including the assets obtained as a result of restructuring of the Limited Liability Company BIOVIT, the assets obtained as consideration for shares, and also the assets obtained as a result of its activities and on other grounds, not prohibited by law of the Russian Federation. The Company carries out holding, using and management of the assets in accordance with the goal and types of its activities.
- 4.3. The Company shall acquire rights and liabilities of a legal entity from the moment of its state registration in accordance with the established procedure.
- 4.4. The Company may to open rouble and foreign currency bank accounts in the territory of the Russian Federation and abroad. The Company has a round seal bearing its full business name in the Russian language and the address. The seal may also bear the business name of the Company in any foreign language or any language of any nationalities of the Russian Federation can be given on the seal. Unless prohibited by law of the Russian Federation, the seal may also bear the image of the Company's visual identification (emblem, logo etc.) and also any other information.
- 4.5. The Company may to have stamps and letterhead with its business name, its own emblem, and logo and also a trademark and other means of visual identification registered in accordance with the established procedure.
- 4.6. The Company may establish and become a member of commercial entities in the territory of the Russian Federation and abroad.
- 4.7. The Company may enter into (participate in establishment of) unions, associations and also become a member of other nonprofit organizations both in the territory of the Russian Federation and abroad.
- 4.8. The Company must maintain and keep a register of Company's shareholders from the date of state registration of the Company in accordance with statutory instruments of the Russian Federation.
- 4.9. The Company shall organize civil defense training in accordance with the requirements of law of the Russian Federation.

Article 5. RESPONSIBILITIES OF THE COMPANY

- 5.1. The Company shall be responsible for its any obligations with respect to its any assets.

- 5.2. The Company shall be not responsible with respect to the obligations of its shareholders. Shareholders shall be not responsible for Company's obligations and bear risks with respect to the losses in connection with its activities, within the value of shares held by them.
- 5.3. The state and the government authorities shall be not responsible for Company's obligations, and the Company shall be not responsible for the obligations of the state and the government authorities.

Article 6. BRANCHES AND REPRESENTATIVE OFFICES, SUBSIDIARIES AND AFFILIATED COMPANIES

- 6.1. The Company may establish, restructure and liquidate branches and representative offices in compliance with the requirements of law of the Russian Federation. The Company's branches and representative offices shall be provided with capital and floating assets by the Company and shall operate in accordance with the Regulations on branches and representative offices.
- 6.2. Branches and representative offices are not legal persons. The assets of branches and representative offices shall be recorded on their balance sheets and in the balance sheet of the Company. A resolution on establishment of branches and representative offices, their restructuring and liquidation, their regulations, a resolution on appointment of a director shall be adopted in accordance with the Charter.
- 6.3. Branches and representative offices shall carry out their activities on behalf of the Company. The Company shall be liable to external counterparties for the business activities of branches and representative offices to the extent established by law of the Russian Federation.
- 6.4. Directors of branches and representative offices shall act by virtue of a power of attorney issued by the Company.
- 6.5. The Company has the following branches:
 - 6.5.1 Kursk Branch of JSC "Pharmstandard" having its address at B3, Building 1A/18 2nd Agregatnaya Street, Kursk, 305022;
 - 6.5.2 Tyumen Branch of JSC "Pharmstandard" – Trading house "Tumen-Medico" having its address at A8, A9, Building 3, 24, 25 Building 2, 17 Building 1, 205 Respubliki Street Tyumen, 625035.
- 6.6. The Company may hold subsidiaries and affiliated companies with rights of legal persons in the territory of the Russian Federation, established in accordance with law of the Russian Federation; and abroad, in accordance with law of a foreign state where a subsidiary or an affiliated company is located, unless provided otherwise for by an international treaty of the Russian Federation.

Article 7. CHARTER CAPITAL

Allotted and authorized shares

- 7.1. The charter capital of the Company is 37,792,603 (thirty seven million seven hundred ninety two thousand six hundred and three) roubles divided into 37,792,603 ordinary shares with nominal value of 1 rouble per share.

The Company may place 11,337,780 (Eleven million three hundred thirty seven thousand seven hundred eighty) authorized ordinary shares with nominal value 1 Ruble each in addition to the issued shares. Rights attaching to the shares are set out in Article 8 hereof.

Increase of the charter capital

- 7.2. The charter capital of the Company may be increased by the increase of the nominal value of shares or by issuance of additional shares.
- 7.3. The general meeting of shareholders of the Company shall approve a resolution on increase of the charter capital.
- 7.4. With respect to the increase of the charter capital the Company shall comply with limitations established by law of the Russian Federation.

Reduction of the charter capital

- 7.5. The charter capital of the Company may be reduced by reduction of the nominal value of shares or by reduction of their total number, including the buy back of shares.
- 7.6. The charter capital of the Company may be reduced by the buy back of part of the shares of the Company for the purpose of their cancellation by the resolution of the general meeting of shareholders.

- 7.7. The charter capital of the Company may be reduced by the resolution of the general meeting of shareholders with respect to cancellation of shares bought back by the Company in following events:
- if the shares, in respect to which the ownership right passed to the Company as a result of failure by the promoter to pay up the shares within the prescribed term, were not sold within one year from the date of their acquisition by the Company;
 - if the shares bought back by the Company at the request of shareholders were not sold within one year from the date of their buy back (excluding the buy back of shares passed by a resolution with respect to restructuring of the Company);
 - in case the shares acquired by the Company in accordance with Article 72.2 of the Federal Law "On Joint Stock Companies" were not sold within one year from the date of their acquisition.
- 7.8. If, at the end of the second and each subsequent financial year, in accordance with the annual balance sheet proposed for approval by the shareholders of the Company or the auditor's report, the value of net assets of the Company is less than its charter capital, the Company must announce the reduction of its charter capital to the value not exceeding the value of its net assets. In this event the charter capital of the Company shall be reduced by reduction of the nominal value of the shares.
- 7.9. Within 30 days from the date of adoption of the resolution with respect to reduction of the charter capital, the Company shall give notice in writing to its creditors with respect to the reduction of its charter capital and with respect to the new number of creditors of the Company, and also to publish a notice in a printed publication intended for publication of information on state registration of legal persons, with respect to the adopted resolution.
- 7.10. The charter capital of the Company shall be reduced by cancellation of a part of shares pursuant to a resolution of the general meeting of shareholders with respect to restructuring of the Company in the event:
- prescribed in Article 76.6.1 of the Federal Law "On Joint Stock Companies";
 - restructuring of the Company by application of cancellation of convertible shares.
- 7.11. With respect to reduction of the charter capital the Company shall comply with limitations established by law of the Russian Federation.

Net assets

- 7.12. The value net assets of the Company shall be estimated on the basis of the accounting data in accordance with the procedure established by law of the Russian Federation.
- 7.13. If, at the end of the second and each subsequent financial year, in accordance with the annual balance sheet proposed for approval by the shareholders of the Company or the auditor's report, the value of net assets of the Company is less than the minimum charter capital of the Company, determined as at the date of the state registration of the Company, the Company shall adopt a resolution with respect to its liquidation.

Article 8. COMPANY SHARES

Types of shares issued by the Company. General rights and obligations of shareholders

- 8.1. The Company may issue ordinary shares.
- 8.2. All shares of the Company shall be registered and uncertified.
- 8.3. Shareholders shall be not responsible for Company's obligations and shall not bear risks of losses in connection with the Company's activities, to the extent of value of the shares owned by them.
- 8.4. The shareholders which did not pay up the shares shall be jointly liable with respect to the obligations of the Company to the extent of the unpaid value of the shares held by them.
- 8.5. Shareholders shall:
- comply with the requirements of the Charter;
 - with respect to issuance, to pay up the shares within the period, in accordance with the procedure and by methods prescribed by law of the Russian Federation, the Charter and the agreement on issuance of shares;
 - perform any other obligations, prescribed by law of the Russian Federation, the Charter, and also by the resolutions of general management bodies of the Company adopted in accordance with their powers.
- 8.6. General rights of shareholders of shares of categories (types):
- dispose of shares owned by them without consent of other shareholders of the Company;
 - the shareholders of Company shall have the preemption right with respect to purchase of securities issued by open subscription of additional shares and equity securities convertible into shares in the number proportional to the number of shares of the same category (type) held by them;

- the shareholders of the Company, which voted against or did not vote with respect to issuance of shares and securities convertible into shares by closed subscription, shall have the preemption right with respect to purchase of additional shares and securities convertible into shares issued by closed subscription proportional to the number of shares of the same category (type) held by them. The above right shall not apply to issuance of shares and other securities convertible into shares by closed subscription only among shareholders, in the event that the shareholders have the right to purchase an integral number of issued shares or other securities convertible into shares proportional to the number of shares of an appropriate (category) type held by them.
- receive a part of net profits (dividends) distributable among the shareholders in accordance with the procedure prescribed by law of the Russian Federation and the Charter, depending on the category (type) of shares held by them;
- receive a part of the assets of the Company available after the liquidation of the Company proportional to the number of shares of a relevant category (type) held by them;

Ordinary shares

- 8.7. Each ordinary share of the Company shall have equal nominal value and shall provide an equal scope of rights to its holder.
- 8.8. The shareholders holding ordinary shares of the Company may, in accordance with law of the Russian Federation "On Joint Stock Companies", participate in the general meeting of shareholders and have a right to vote with respect of all issues within the scope of its powers, and also have a right to dividends, and, in the event of liquidation of the Company, a right to a part of its assets (the liquidation share).

Voting shares

- 8.9. A voting share is a share providing its holder with a right to vote with respect to all issues within the scope of powers of the general meeting or with respect to any separate issues envisaged by law of the Russian Federation and the Charter.
- 8.10. A fully paid ordinary share (excluding the shares available to the Company) shall be deemed to be voting with respect to any issues within the scope of powers of the general meeting.
- 8.11. The shares voting with respect to any issues of powers of the general meeting shall provide to their holders the rights of:
 - participation in voting (including the absentee voting) at the general meeting of shareholders with respect to any issues of powers of the meeting;
 - recommending candidates for the bodies of the Company in accordance with the procedure and on terms and conditions prescribed by law of the Russian Federation and the Charter;
 - making proposals with respect to the agenda of the annual general meeting of shareholders in accordance with the procedure and on terms conditions prescribed by law of the Russian Federation and the Charter;
 - requesting a list of persons entitled to participation in the general meeting of shareholders in accordance with the procedure and on terms and conditions prescribed by law of the Russian Federation and the Charter;
 - access to accounting documents in accordance with the procedure and on terms and conditions prescribed by law of the Russian Federation and the Charter;
 - requesting to convene an extraordinary meeting of shareholders, audit of financial and economic activities of the Company by an auditing committee in accordance with the procedure and on terms and conditions prescribed by law of the Russian Federation and the Charter;
 - requesting the buyback of all or any a part of shares held by the Company in the events prescribed by law of the Russian Federation and the Charter;

Article 9. ISSUANCE OF SHARES AND OTHER SECURITIES

- 9.1. The Company shall have the right to issue additional shares and other securities by subscription and/or conversion. In the event of increase of the charter capital of the Company by virtue its assets, the Company shall issue additional shares by distribution among shareholders.
- 9.2. In the event of issuance of shares and securities convertible into shares by subscription, the Company shall have the right to issuance by open and closed subscription.

Article 10. ACQUISITION OF ISSUED SHARES BY THE COMPANY

- 10.1. The Company shall be entitled to acquire the shares, which it issued, pursuant to the resolution of the general meeting of shareholders with respect to reduction of the charter capital of the Company by acquisition of a part of issued shares for the purpose of reduction of their total number.
- 10.2. The shares acquired by the Company pursuant to the resolution of the general meeting of shareholders with respect to reduction of charter capital of the Company by acquisition of shares for the purpose of reduction of their total number, shall be cancelled upon acquisition thereof.
- 10.3. The Company shall be entitled to acquire the shares, which it issued, pursuant to the resolution of the Board of Directors in accordance with Article 72.2 of the Federal Law "On Joint Stock Companies".
- 10.4. The shares acquired by the Company in accordance with Article 72.2 of the Federal Law "On Joint Stock Companies" shall not provide a voting right, they shall be not taken into consideration with respect to counting the votes, and dividends shall be not accrued with respect to them. These shares shall be sold at the market value within one year from the date of their acquisition. Otherwise the general meeting of shareholders shall adopt a resolution with respect to reduction of charter capital of the Company by cancellation of the above shares.
- 10.5. Consideration with respect to the issued shares acquired by the Company shall be payable by cash, securities, other assets, proprietary and other rights with monetary value.
- 10.6. The method of payment with respect to the additional shares and other securities shall be determined by the resolution on their issuance.
- 10.7. With respect to adopting a resolution on acquisition of shares issued the Company, the Company shall comply with limitations prescribed by law of the Russian Federation and the Charter.

Article 11. DIVIDENDS

- 11.1. A dividend shall be deemed to a part of net profits of the Company per financial year distributable among shareholders in proportion to the number of shares of a relevant category (type) held by them.
- 11.2. The Company shall be entitled at the end of the first quarter, year, six months, nine months of a financial year and (or) at the end of a financial year to declare payment of dividends with respect to issued shares. Resolution on payment (announcement) of dividends at the end of the first quarter, six months and nine months of a financial year may be adopted within three months from the end of the respective period. Resolution on payment (announcement) of dividends, including the dividend rate and the method of payment with respect to each category (type) of shares shall be adopted by the general meeting of shareholders. The amount of dividends shall not exceed the amount recommended by the Board of Directors of the Company.
- 11.3. Dividends shall be paid in cash or any other assets, if prescribed by a resolution of an authorised management body of the Company.
- 11.4. Payment of dividends at the end of a financial year (year-end dividends) shall be made not later than 31 December of the year, in which the annual general meeting having adopted the resolution on payment of the year-end dividend, was held.
Payment of dividends at the end of the first quarter, six months, nine months of a financial year shall be made within six months from the date of adoption of the resolution on payment of dividends.
- 11.5. With respect to payment of dividends, the Company shall draw a list of persons entitled to dividends prior to payment of dividends. The list shall be drawn in accordance with the register as at the date of drawing the list of persons entitled to participation in the general meeting of shareholders, which adopted a resolution on payment of dividends.
- 11.6. With respect to adoption of a resolution (making an announcement) on payment of dividends the Company shall comply with limitations in accordance with law of the Russian Federation and the Charter.
- 11.7. Dividends shall be accrued and paid only with respect to fully paid-up shares.

Article 12. COMPANY BODIES

- 12.1. Management bodies of the Companies shall be deemed to be:
 - general meeting of shareholders;
 - Board of Directors;
 - collegial executive body (Management Board);
 - sole executive body (General Director);

In the event of appointment of a liquidation committee all management functions of the Company shall be transferred to it.

- 12.2. An auditing committee shall exercise control over financial and economic activities of the Company.
- 12.3. The Board of Directors and the auditing committee shall be appointed by the general meeting of shareholders.
- 12.4. The General Director shall be appointed by the Board of Directors of the Company.
- 12.5. The Management Board shall be appointed by the Board of Directors of the Company.
- 12.6. The liquidation committee shall be appointed by the general meeting of shareholders in the event of voluntary winding up of the Company and shall be appointed by court (the arbitration court) in the event of mandatory liquidation.

Article 13. GENERAL MEETING OF SHAREHOLDERS

Powers of the general meeting of shareholders

- 13.1. The general meeting of shareholders shall be deemed to be the supreme management body of the Company. A resolution of the general meeting of shareholders can be adopted (formats of the general meeting of shareholders):
 - by collective presence of shareholders for discussion of items of the agenda and adoption of a resolution with respect to the issues proposed for voting without prior delivery (serving) of voting ballots for holding the general meeting of shareholders;
 - by absentee voting (without collective presence of shareholders for discussion of items of the agenda and adoption of resolutions with respect to the issues proposed for voting).The Board of Directors shall determine the format of the meeting along with adoption of a resolution on conveying of the general meeting of shareholders.

The Company shall annually hold the annual general meeting of shareholders not earlier than 2 months and not later than 6 months from the end of a financial year.

The general meeting of shareholders of the Company can be held at the address of Company in Moscow, at the address of a shareholder (in the event that all voting shares of the Company are held by one shareholder), and also at any address determined by the Board of Directors of the Company with respect to convening of the general meeting of shareholders.

The general meeting of shareholders shall have powers with respect to the following issues:

- 1) incorporation of amendments and addenda to the Charter or approval of a new edition of the Charter (excluding the events prescribed by Articles 12.2-12.5 of the Federal Law "On Joint Stock Companies");
- 2) restructuring of the Company;
- 3) liquidation of the Company, appointment of the liquidation committee and approval of an interim and final liquidation balance sheet;
- 4) election of members of the Board of Directors of the Company and early termination of their offices;
- 5) determination of number, nominal value, and category (type) of authorized shares and the rights attaching to these shares;
- 6) increase of charter capital of the Company by the increase of nominal value of shares or by issuance of additional shares;
- 7) reduction of charter capital of the Company by reduction of nominal value of shares, by acquisition of a part of shares by the Company for the purpose of reduction of their total number, and cancellation of the shares acquired or repurchased by the Company;
- 8) appointment of members of the auditing committee (auditor) of the Company and early termination of their powers;
- 9) approval of the auditor of the Company;
- 10) payment (announcement) of dividends at the end of the first quarter, six months, nine months of a financial year;
- 11) approval of the annual report, annual accounting statements, including profit and loss accounts (profit and loss account reports) of the Company, and also distribution of profits (including payment (announcement) of dividends, excluding the profit distributable as dividends at the end of the first quarter, six months, nine months of a financial year) and losses of the Company as at the end of a financial year;
- 12) determination of the procedure of holding the general meeting of shareholders;

- 13) appointment of members of the counting committee and early termination of its powers;
 - 14) dilution and consolidation of shares;
 - 15) adoption of resolutions with respect to approval of transactions in accordance with Article 83 of the Federal Law "On Joint Stock Companies";
 - 16) adoption of resolutions with respect to approval of material transactions in accordance with Article 79 of the Federal Law "On Joint Stock Companies";
 - 17) acquisition of issued shares by the Company in accordance with the Federal Law "On Joint Stock Companies";
 - 18) adoption of resolutions with respect to participation in holding companies, financial industrial groups, associations and other commercial entities;
 - 19) approval of internal documents regulating activities of management bodies of the Company;
 - 20) resolving other issues prescribed by the Federal Law "On Joint Stock Companies".
- 13.2. The general meeting shall be not entitled to review and adopt resolutions with respect to the issues beyond its powers in accordance with the Federal Law "On Joint Stock Companies" and the Charter.
- 13.3. The general meeting shall be not entitled to adopt resolutions with respect to the issues not included in the agenda of the meeting or to amend the agenda.
- 13.4. The General Director shall be the chairman of the general meetings of shareholders. The chairman of the meeting shall be entitled to appoint another person as a chairman, notwithstanding he shall remain the chairman of the meeting.

Procedure for adoption of resolutions by the general meeting of shareholders

- 13.5. A resolution of the general meeting of shareholders with respect to the issue proposed for voting shall be adopted by the majority of votes of shareholders holding the voting shares of the Company participating in the meeting unless otherwise provided for by the Federal Law "On Joint Stock Companies";
- 13.6. The general meeting of shareholders shall adopt resolutions with respect to the issues set out below only on the motion of the Board of Directors:
- 1) restructuring of the Company;
 - 2) increase of the charter capital of the Company by increase of the nominal value of shares;
 - 3) increase of the charter capital of the Company by open or closed subscription of shares;
 - 4) increase of the charter capital of the Company by issuance of additional shares within the number and categories (types) of authorized shares out of the assets of the Company;
 - 5) reduction of the charter capital of the Company by reduction of nominal value of shares, acquisition of shares by the Company for the purpose of reduction of their total number, and cancellation of the shares acquired and bought back by the Company (the shares held by the Company);
 - 6) dilution and consolidation of shares;
 - 7) adoption of resolutions with respect to approval of transactions in accordance with Article 83 of the Federal Law "On Joint Stock Companies";
 - 8) adoption of resolutions with respect to approval of material transactions in accordance with by Article 79 of the Federal Law "On Joint Stock Companies";
 - 9) adoption of resolutions with respect to participation in holding companies, financial industrial groups, associations and other commercial entities;
 - 10) approval of internal documents regulating activities of bodies of the Company;
 - 11) adoption of resolutions with respect to payment of remuneration to the members of the auditing committee of the Company and (or) reimbursement of expenses in connection with performance of their duties;
- 13.7. The General meeting of shareholders shall adopt resolutions with respect to the issues set out below by the majority of three fourths of votes of the shareholders holding the voting shares participating in the general meeting of shareholders:
- 1) incorporation of amendments and addenda to the Charter or approval of a new edition of the Charter (excluding the events prescribed by Articles 12.2-12.5 of the Federal Law "On Joint Stock Companies");
 - 2) restructuring of the Company;
 - 3) liquidation of the Company, appointment of the liquidation committee and approval of interim and final liquidation balance sheet;
 - 4) determination of number, nominal value, and type of authorized shares and rights carried by these shares;
 - 5) increase of the charter capital of the Company by open subscription of shares;
 - 6) issuance of securities of the Company convertible into shares by open subscription;
 - 7) increase of the charter capital of the Company by open subscription of ordinary shares amounting to more

- than 25 percent of the previously issued ordinary shares;
- 8) issuance of securities convertible into ordinary shares by open subscription, which may be converted into ordinary shares, amounting to more than 25 percent of the previously issued ordinary shares;
 - 9) adoption of resolutions with respect to approval of material transactions in accordance with Article 79.3 of the Federal Law "On Joint Stock Companies";
- 13.8. Counting of votes at the general meeting of shareholders with respect to the issue proposed for voting, the voting right with respect to which is held by the shareholders holding ordinary shares of the Company, shall be carried out with collectively with respect to all voting shares.
- 13.9. The resolutions adopted by the general meeting of shareholders and also the results of voting shall be announced at the general meeting of shareholders or shall be communicated to the persons included in the list of persons entitled to participate at the general meeting of shareholders not later than 10 days from the date of the voting minutes in the format of a report on the results of voting, in accordance with the procedure of giving notices on holding of the general meeting of shareholders;

Notice on holding of the general meeting of shareholders

- 13.10. Notice of the general meeting of shareholders shall be given not later than 30 days prior to the date of the meeting.
- In the event that the proposed agenda of the extraordinary general meeting of shareholders includes an issue with respect to appointment of members of the Board of Directors of the Company or with respect to restructuring of the Company by merger or demerger, the notice with respect to holding of the extraordinary general meeting of shareholders shall be given not later than 70 days prior to the date of the meeting.
- Within the prescribed period, the notice of the general meeting of shareholders shall be given to every person listed in the list of persons entitled to participate in the general meeting of shareholders by registered mail and/or by express mail and/or shall be delivered by hand personally to each persons above.
- The Company shall be entitled to inform shareholders additionally with respect to holding of the general meeting of shareholders by means of other mass media (television, radio, press) and the internet network.
- 13.11. Annual reports, annual accounting statements, including auditors report, report of the auditing committee of the Company prepared with respect to the annual audit results, information with respect to the candidate (candidates) for appointment as a member of the Board of Directors and the auditing committee of the Company, as an auditor of the Company, draft amendments and addenda to the Charter of the Company or the draft of the new edition of the Charter the Company shall be deemed to be the information (materials) that shall be provided to the persons entitled to participate in the general meeting of shareholders for the purpose of preparation for holding of the general meeting of shareholders of the Company.

Proposed items of the agenda of the general meeting of shareholders

- 13.12. Shareholders (shareholder) holding together not less than 2 percent of voting shares of the Company shall be entitled to propose items of the agenda for the annual general meeting of shareholders and nominate candidates for appointment to the Board of Directors and the auditing committee of the Company, which the number may not exceed the number of members of the relevant body prescribed by the Charter.
- These proposals shall be delivered to the Company not later than 60 days following the end of a financial year.
- In the event that the proposed agenda of an extraordinary general meeting of shareholders contains an issue with respect to appointment of members of the Board of Directors of the Company, the shareholders (shareholder) of the Company holding together not less than 2 percent of the voting shares of the Company shall be entitled to nominate candidates for appointment to the Board of Directors of the Company, which number may not exceed the number of members of the Board of Directors prescribed by the Charter.
- These proposals shall be delivered to the Company not later than 30 following the date of holding of the extraordinary general meeting of shareholders.
- 13.13. The proposal with respect to incorporation of items of the agenda for the general meeting of shareholders shall contain the text of each proposed issue. The proposal with respect to incorporation of issues to the agenda of the general meeting of shareholders shall contain the text of the resolution with respect to each proposed issue.
- 13.14. The proposal with respect of appointment of candidates at the annual and extraordinary general meetings of shareholders shall contain the name of the body, for the appointment into which the candidate is nominated, and the full name and position of the candidate.

- 13.15. The proposal with respect to incorporation of items of the agenda for the general meeting of shareholders and with respect to nomination of candidates shall be made in writing stating the name (business name) of the shareholders (shareholder) proposing them, the number and category (type) of shares held by them and shall be signed by the shareholders (shareholder).
- 13.16. The Board of Directors of the Company must consider the delivered proposals and adopt a decision to include them in the agenda of the general meeting of shareholders or to reject their incorporation in the above agenda not later than 5 days from the expiry of the term prescribed by the Charter with respect to submission of proposals for the agenda of the general meeting of shareholders to the Company.
- 13.17. The item proposed by shareholders (shareholder) shall be included in the agenda of the general meeting of shareholders and the nominated candidates shall be included in the list of candidates for appointment to the relevant body of the Company, except where:
- shareholders (shareholder) failed to comply with the terms prescribed by the Charter with respect to submission of proposals of items of agenda and nomination of candidates for the annual general meeting of shareholders;
 - shareholders (shareholder) failed to comply with the terms prescribed by the Charter with respect to nomination of candidates for appointment to the Board of Directors at the extraordinary general meeting of shareholders;
 - number of the voting shares of the Company held by the shareholders (shareholder) is less than the number prescribed by Articles 53.1 and 53.2 of the Federal Law "On Joint Stock Companies";
 - the proposal does not comply with the requirements of Articles 53.3 and 53.4 of the Federal Law "On Joint Stock Companies" and the requirements of the Charter pursuant to them;
 - the item proposed for incorporation into the agenda of the general meeting of shareholders is outside its powers and/or does not comply with the requirements of the Federal Law "On Joint Stock Companies" and other statutory instruments of the Russian Federation.
- 13.18. A reasoned resolution of the Board of Directors of the Company with respect to rejection to include the proposed item in the agenda of the general meeting of shareholders or to include a candidate in the list of candidates for voting on appointment to a respective body of the Company, shall be delivered to the shareholders (shareholder), which proposed the item or the nominated candidate, not later than 3 days from the date of this decision.
- 13.19. The Board of Directors of the Company shall be not entitled to amend the text of the items proposed for including in the agenda of the general meeting of shareholders and the text of resolutions with respect to these items.
- 13.20. In addition to the items proposed by the shareholders for incorporation in the agenda of the general meeting of shareholders, and in the event of absence of these proposals, the absence or insufficient numbers of nominated candidates proposed by the shareholders for formation of the relevant body, the Board of Directors of the Company, at its discretion, shall be entitled to include the items or candidates in the agenda of the general meeting of shareholders.

Extraordinary general meeting of shareholders

- 13.21. The extraordinary general meeting of shareholders shall be held pursuant to the resolution of the Board of Directors of the Company at its initiative, requirement of the auditing committee of the Company, the auditor of the Company and shareholders (shareholder) holding not less than 10 percent of voting shares of the Company as at the date of the request.
- The extraordinary general meeting of shareholders shall be convened by the Board of Directors of the Company at request of the auditing committee of the Company, the auditor of the Company and shareholders (shareholder) holding not less than 10 percent of voting shares of the Company.
- 13.22. Within 5 days from the date of request of auditing committee of the Company, the auditor of the Company and shareholders (shareholder) holding not less than 10 percent of voting shares of the Company with respect to convening of the extraordinary general meeting of shareholders, the Board of Directors of the Company shall adopt a resolution with respect of convening of extraordinary general meeting of shareholders or with respect of refusal to convene it.
- The resolution of the Board of Directors with respect to convening the extraordinary general meeting of shareholders or a reasoned decision with respect to refusal to convene it shall be delivered to the persons requesting to convene the meeting not later than 3 days from the date of adoption of this resolution.
- The resolution with respect to refusal to convene the extraordinary general meeting of shareholders at the request of the auditing committee of the Company, the auditor of the Company and shareholders

(shareholder) holding not less than 10 percent of voting shares of the Company may be only adopted pursuant to the grounds set out in the Federal Law "On Joint Stock Companies".

- 13.23. The extraordinary general meeting of shareholders convened at the request of the auditing committee of the Company, the auditor of the Company and shareholders (shareholder) holding not less than 10 percent of the voting shares of the Company shall be held within 40 days from the date of the request with respect to convening the extraordinary general meeting of shareholders.

In the event that the proposed agenda for the extraordinary general meeting of shareholders contains an item with respect to appointment of a member of the board of directors of the Company, this general meeting of shareholders shall be held within 60 days from the date of the request with respect to convening the extraordinary general meeting of shareholders.

The above provision shall apply to the events when the proposed agenda for the extraordinary general meeting of shareholders contains only the items with respect to early termination of powers of all members of the Board of Directors of the Company and appointment of members to the Board of Directors of the Company, and also to the events when to the proposed agenda are included other items, in the addition to the items above.

The date of delivery of the request for convening the extraordinary general meeting of shareholders shall be deemed to be the date of receipt of the request by the Company.

- 13.24. In the events that, in accordance with Articles 68-70 of the Federal Law "On Joint Stock Companies", the Board of Directors shall adopt a decision with respect to holding the extraordinary general meeting of shareholders, the general meeting of shareholders shall be held within 40 days from the date of adopting this decision by the Board of Directors of the Company.

In the events that, in accordance with Article 70 of the Federal Law "On Joint Stock Companies", the Board of Directors shall adopt a decision with respect to holding the extraordinary general meeting of shareholders for appointment of members of the Board of Directors, the general meeting of shareholders shall be held within 70 days from the date of adopting this decision by the Board of Directors of the Company.

- 13.25. In the events that during the term prescribed by the Federal Law "On Joint Stock Companies" and/or the Charter of Company case the Board of Directors fails to adopt a decision to convene the extraordinary general meeting of shareholders or refuses to convene the meeting, the extraordinary general meeting of shareholders may be convened by the bodies and persons requesting it.

Herewith the bodies and persons convening the extraordinary general meeting of shareholders shall have the powers required for convening and holding of the general meeting of shareholders in accordance with the Federal Law "On Joint Stock Companies".

In this event all expenses in connection with preparation and holding of the general meeting of shareholders may be reimbursed by the Company pursuant to the resolution of the general meeting of shareholders.

Quorum of the general meeting of shareholders

- 13.26. The general meeting of shareholders shall be deemed to be duly convened (quorate) if attended by shareholders holding together more than fifty percent of the votes represented by voting shares of the Company.

The shareholders registered for attendance of in the general meeting of shareholders held in the format of collective presence of shareholders for discussion of items of the agenda and adoption of resolutions with respect to the items proposed for voting without delivery of voting ballots prior to the general meeting of shareholders, shall be deemed to have duly attended the meeting.

The shareholders which ballots were received prior to the deadline for submission of the ballots with respect to the meeting held in the format of absentee voting, shall be deemed to have attended the meeting.

- 13.27. In the event that quorum with respect to holding the annual general meeting of shareholders, a general meeting of shareholders with respect to the same agenda shall be held at a later date. In the event that quorum with respect to holding the extraordinary general meeting of shareholders, a general meeting of shareholders with respect to the same agenda shall be held at a later date.

The general meeting of shareholders held at a later date shall be deemed to be duly convened (quorate) in the event that it was attended by the shareholders holding together more than 30 percent of the voting shares of the Company.

Voting ballots

- 13.28. Voting with respect to the items of the agenda of the general meeting of shareholders shall be carried out voting ballots.

13.29. With respect to holding the absentee general meeting of shareholders in the format of absentee voting, a voting ballot shall be delivered by hand against the signature to each person listed in the list of persons entitled to participate in the general meeting of shareholders, not later than 20 days prior to the date of the general meeting of shareholders.

The ballots shall be delivered by registered mail and/or by express mail.

13.30. The voting ballots shall contain information set out in Article 60.4 of the Federal Law "On Joint Stock Companies". The voting ballots may contain additional information specified by the Board of Directors during the approval of format and text of the voting ballots.

13.31. In voting carried out by voting ballots, shall be counted those votes with respect to which only one voting option was selected. Those voting ballots filled in contravention of the above requirement, shall be deemed to be void.

If the item, voting in respect to which was carried out by a voting ballot, contains more than one definition of resolution with respect to this item and the option "for" was selected more than once in connection with the proposed definition, the ballot shall be deemed to be void.

A ballot shall be deemed to be void, if the option "for" is selected with respect to more than one nominated candidate for appointment as the auditor of the Company.

A ballot shall be deemed to be void, if the option "for" is selected with respect to the a number of nominated candidates exceeding the number of vacancies for appointment of the auditing committee of the Company.

With respect to cumulative voting a ballot shall be deemed to be void if the attendee of the meeting cast a number of votes exceeding the number of votes available to this attendee.

If a voting ballot contains several items proposed for voting, failure to comply with the above requirements with respect to one or several items shall not result in the ballot being rendered void as a whole.

With respect to holding the meeting in the format of a meeting with absentee voting, the voting ballots received by the Company after the deadline for submission of the voting ballots shall be deemed to be void.

In the event of the ballot being rendered void, the votes contained in it shall not be taken into account.

Counting committee

13.32. The counting committee shall be elected by the general meeting of shareholders for the term of 3 (three) years.

13.33. The counting committee shall verify the powers and register the persons attending the general meeting of shareholders, determine whether the quorum of the general meeting of shareholders is present, clarifies any questions arising with respect to exercise of voting rights by shareholders (their proxies) at the general meeting, explain the procedure for voting with respect to the items proposed for voting, ensure the implementation of the established voting procedure and rights of shareholders to participate in voting, count votes and publish voting results, prepare minutes with respect to voting results, submit the voting ballots to the registrar.

13.34. In the event that all voting shares of the Company are held by one shareholder, the resolutions on the items with respect to the powers the general meeting of shareholders shall be adopted individually by this shareholder in writing. The provisions of Article 13 setting out the procedure and terms for preparation, convening and holding the general meeting of shareholders, shall not apply, except for those provisions relating to the terms for holding the annual general meeting of shareholders.

Article 14. BOARD OF DIRECTORS OF THE COMPANY

Competence of the Board of Directors

14.1. The Board of Directors shall carry out general management of the Company, except for solving those issues classified by the law of the Russian Federation and the Charter as the powers of the general meeting of shareholders.

14.2. The Board of Directors of the Company shall have the following powers:

- 1) determination of business priorities of the Company; approval of business plans, feasibility analysis of investment projects of the Company;
- 2) convening the annual and extraordinary general meetings of shareholders, except for those cases prescribed by Article 55.8 of the Federal Law "On Joint Stock Companies";
- 3) approval of agenda of the general meeting of shareholders;

- 4) determination of term for preparing list of persons entitled to participate in the general meeting of shareholders and other questions within the scope of powers of the Board of Directors of the Company in accordance with provisions of Chapter VII of the Federal Law "On Joint Stock Companies" and in connection with preparation and holding of the general meeting of shareholders;
- 5) preliminary approval of annual reports of the Company;
- 6) formation of collegial and sole executive bodies of the Company, early termination of its powers;
- 7) issuance of bonds and other securities in accordance with the Federal Law "On Joint Stock Companies";
- 8) approval of resolutions with respect to issuance of securities, prospectuses, reports with respect to issuance of securities, incorporation of amendments and addenda;
- 9) determination of value (cash value) of assets, cost of offering and buyback of securities in accordance with the Federal Law "On Joint Stock Companies";
- 10) acquisition of shares issued by the Company in accordance with Article 72.2 of the Federal Law "On Joint Stock Companies";
- 11) acquisition of bonds and other securities issued by the Company in accordance with the Federal Law "On Joint Stock Companies";
- 12) approval of reports on acquisition of shares acquired in accordance with Article 72.1 of the Federal Law "On Joint Stock Companies";
- 13) recommendations to the general meeting of shareholders with respect to amounts of remuneration and fees payable to the members of the auditing committee of the Company;
- 14) determination of amount of remuneration of the auditor;
- 15) recommendations to the general meeting of shareholders with respect to the amount of dividends on shares and the procedure of its payment;
- 16) recommendations to the general meeting of shareholders with respect to distribution of profits and losses of the Company at the end of a financial year;
- 17) use of reserve and other funds of the Company;
- 18) approval of internal documents of the Company, except for those internal documents, regulating the activities of bodies of the Company, approved by the general meeting of shareholders and also other internal documents of the Company, which shall be approved by the executive bodies of the Company, in accordance with the Charter; incorporation of amendments and addenda into these documents;
- 19) approval of agreements with the General Director and members of the collegial executive body and determination of the person authorized to sign the agreement with the General Director on behalf of the Company;
- 20) approval of overlapping by the General Director and members of the collegial executive body of offices in management bodies of other organizations;
- 21) formation and liquidation of branches, opening and liquidation of representative offices of the Company, approval of provisions on branches and representative offices, incorporation of amendments and addenda, appointment and removal of directors of branches and representative offices;
- 22) amendment of the Charter of the Company in connection with establishment of branches, opening of representative offices and their liquidation;
- 23) approval of material transactions in accordance with Chapter X of the Federal Law "On Joint Stock Companies";
- 24) approval of transactions prescribed by Chapter XI of the Federal Law "On Joint Stock Companies";
- 25) approval of the registrar of the Company and terms and conditions of its retainer and termination of the agreement;
- 26) at all times passing a resolution with respect to audit of financial and economic activities of the Company;
- 27) determination of a list of additional documents for mandatory keeping by the Company;
- 28) approval of a corporate governance code of the Company;
- 29) adoption of resolutions with respect to the use by the Company of the rights resulting from participation of the Company in other organizations (holding shares, securities, participation interest), including voting with respect to the items of the agenda of the supreme management bodies of these organizations;
- 30) adoption of resolutions with respect to disposal of shares, participation interest in other organizations and other convertible securities, verifying the right of the Company to a share in the charter capital, in the event that the passing a resolution in respect to this issues is within the powers of the general meeting of shareholders;
- 31) adoption of resolutions with respect to participation of the Company in other organizations, including formation of subsidiaries and affiliated companies, including by acquisition of shares, participation interest

and rights, which permit to determine the resolutions of other companies, in the event that adoption of a resolution in this respect does not fall within the powers of the general meeting of shareholders;

- 32) adoption of resolutions with respect to activities of associated and affiliated companies;
 - 33) other items provided for by the Federal Law "On Joint Stock Companies" and the Charter;
- 14.3. The items falling within the scope of powers of the board of directors of the Company may not be passed to the executive body of the Company.

Appointment of the Board of Directors

- 14.4. Members of the Board of Directors shall be appointed by the general meeting of shareholders for a term until the next annual general meeting of shareholders; the Board of Directors shall consist of 11 (eleven) members.
- 14.5. In the event that the annual general meeting of shareholders was not held within the term prescribed by Article 47.1 of the Federal Law "On Joint Stock Companies", the powers of the Board of Directors shall be terminated, except for the powers required for preparation, convening and holding of an annual general meeting of shareholders.
- 14.6. A member of the Board of Directors of the Company shall be not to be a shareholder of the Company. Only a physical person can be a member of the Board of Directors. Persons appointed to the Board of Directors can be reelected for an limited number of times.
- 14.7. A member of the Board of Directors shall be entitled to resign voluntarily by giving a written notice to the chairman of the Board of Directors and stating the resignation date. Herewith the powers of other members of the Board of Directors shall not be terminated, unless otherwise provided in paragraph of the Charter below.
- 14.8. In the event that the number of the members of the Board of Directors of the Company is less than fifty percent of the number of members of the Board of Directors prescribed by the Charter, the Board of Directors must call an extraordinary general meeting of shareholders for appointment of new members of the Board of Directors. The remaining members of the Board of Directors shall be entitled to adopt resolutions only with respect to convening the above extraordinary general meeting of shareholders.
- 14.9. The Board of Directors shall be appointed by the general meeting of shareholders by cumulative voting. Herewith the number of votes held by each shareholder shall be multiplied by the number of persons, which will be appointed to the Board of Directors, and a shareholder shall be entitled to cast its votes with respect to one candidate or to distribute them among other candidates. Those candidates, which received the maximum number of votes shall be deemed to be elected for the Board of Directors.
- 14.10. A resolution of the general meeting of shareholders with respect to early termination of powers of the Board of Directors can be adopted only with respect to all members of the Board of Directors.
- 14.11. The Board of Directors shall establish a permanent audit committee. The Board of Directors shall be entitled to establish any other permanent or temporary committees, if required.
- 14.12. A committee of the Board of Directors shall consist only of the members of the Board of Directors. The committee members shall be appointed by the majority of three fourths of votes of the appointed members of the Board of Directors. There shall be at least 2(two) committee members.
- 14.13. Committees shall be advisory and consulting bodies and they shall be established for preliminary and efficient consideration of the issues within the scope of powers of the Board of Directors and preparation of recommendations for the board of directors. Committees shall be not entitled to act on behalf of the Board of Directors and shall not have regulatory powers.
- 14.14. The procedure of formation and activities of the committees of the Board of Directors shall be determined by the Provisions on the Committees of the Board of Directors.

Chairman of the Board of Directors

- 14.15. The chairman of the Board of Directors shall be appointed by members of the Board of Directors from the members of the board by the majority of three fourths of votes of members of the Board of Directors present at the meeting.
- 14.16. The Board of Directors shall be entitled to reappoint the chairman at any time by the majority of three fourths of votes of members of the Board of Directors present at the meeting.
- 14.17. The chairman of the Board of Directors shall organize its work, call meetings of the Board of Directors, chair these meetings, organize taking of minutes of the meetings.
- 14.18. In the event that the absence of the chairman of the Board of Directors his functions shall be performed by one of the members of the Board of Directors pursuant to the resolution of the Board of Directors.

Meetings of the Board of Directors

- 14.19. A meeting of the Board of Directors shall be called by the chairman of the Board of Directors at his own discretion, at the request of a member of the Board of Directors, the audit committee of the Company or the auditor of the Company, the executive body of the Company.
- 14.20. A written opinion of an absent member of the Board of Directors of the Company shall be taken into consideration with respect to determination of quorum and voting results with respect to the items of the agenda. A resolution of the Board of Directors can be adopted by absentee voting.
- 14.21. A meeting of the Board of Directors of the Company shall be deemed to be quorate in the event that a written opinion of more than fifty percent of the total number of members of the Board of Directors, determined by this Charter, is available, unless provided otherwise by the Federal Law "On Joint Stock Companies" and this Charter.
- 14.22. Resolutions of the Board of Directors adopted by the absentee voting shall be deemed to be valid, if more than fifty percent of members of Board of Directors, determined by this Charter, participated in voting, unless otherwise provided by the Federal Law "On Joint Stock Companies" and this Charter.
- 14.23. Resolutions of the meeting of the Board of Directors shall be adopted by the majority of votes of members of the Board of Directors participating in the meeting and (or) expressing their opinion in writing, unless otherwise provided by the Federal Law "On Joint Stock Companies" and the Charter.
- 14.24. A resolution approving a transactions with interested parties, shall be approved by the majority of votes of the board of directors not interested in the transaction. In the event that the number of not interested directors is less than the number required for the meeting to be quorate, a resolution with respect to this item shall be adopted by the general meeting of directors.
- 14.25. A resolution of the Board of Directors of the Company adopted by the absentee voting shall be deemed to be adopted, if with respect of its approval the majority of members of the Board of Directors participating in the meeting voted "for", unless otherwise provided by the Federal Law "On Joint Stock Companies" and the Charter.
- 14.26. Resolutions with respect to the following item shall be approved the members of the Board of Directors of the Company unanimously; the votes of retiring members of the board shall not be counted: approval of a material transaction with the asset value of 25–50 percent of the balance sheet assets of the Company, as the subject of the transaction. In the event that a unanious opinion of the Board of Directors with respect to the above item cannot not reached, then pursuant to the resolution of the Board of Directors, this item may be proposed for approval by the general meeting of shareholders.
- 14.27. With repset to approval of items by the meeting of the Board of Directors of the Company, each member of the Board of Directors shall only have one vote. Members of the Board of Directors shall not transfer their voting rights to another person. The chairman of the Board of Directors shall not have the casting vote.
- 14.28. The formation procedure, competence and activity of the Board of Directors of the Company shall be regulated by law of the Russian Federation, the Charter and Regulations on the Board of Directors.

Article 15. EXECUTIVE BODY OF THE COMPANY

- 15.1. The General Director as the sole executive body of the Company and the Managment Board as the collegial executive body of the Company shall carry out day to day management of Company.
- 15.2. The General Director of the Company shall have the powers with respect day to day management of the Company, except those issues within the scope of powers of the general meeting of shareholders, the Board of Directors or the Managment Board.

Managment Board

- 15.3. Members of the Managment Board of the Company shall act in accordance with law of the Russian Federation, Regulations on the Managment Board of the Company, any other local instruments of the Company, and also in accordance with agreements entered into by the Company.
- 15.4. The Managment Board shall have the following powers:
- 1) approval of draft annual reports on financial and economic activities of the Company, balance sheet, annual profit and loss accounts and proposals on distribution of profits submitted to the Board of Directors;
 - 2) approval of technical and economic grounds of investment projects of the Company, business plans submitted to the Board of Directors;
 - 3) approval of transactions entered into by the Company, in the event that the transaction amount (related transactions) amounts to 100,000,000 (one hundred million) roubles or more. This provision shall not apply

- to transactions entered into with subsidiaries (affiliated companies). In accordance with Charter, transactions can be approved by the management board prior to the transaction or at any time thereafter;
- 4) other items submitted by the General Director of the Company for approval of the management board or for passing of those resolutions, with respect to which it was authorized by the committee of Board of Directors of the Company.
- 15.5. Duties of members of the management board shall be determined by this Charter, Regulations on the management board of the Company, and the agreements entered into between the Company and the board members;
 - 15.6. The Management Board shall consist of 3 (three) members appointed for the term of 1 (one) year. The members of the Management Board shall be appointed by the Board of Directors upon recommendation of the General Director and/or a member of the Board of Directors. Powers of any member of the Management Board can be terminated early by the Board of Directors of the Company.
 - 15.7. The number of members of the Management Board shall not exceed one fourth of the number of members of the Board of Directors of the Company. A member of the Management Board of the Company can also be a member of management bodies of other organizations only with consent of the Board of Directors of the Company.
 - 15.8. The functions of the chairman of the Management Board shall be exercised by the General Director of the Company.
 - 15.9. The Management Board is accountable to the Board of Directors and the general meeting of the Company.
 - 15.10. The meetings of the Management Board shall be chaired by the General Director and, in the event of his absence, by a member of the Management Board appointed by the General Director.
 - 15.11. A meeting of the Management Board shall be deemed to be quorate, if fifty percent of the total number of members of the Management Board prescribed by the Charter are present and (or) their written opinions are available.
 - 15.12. Resolutions of the Management Board shall be deemed to be adopted, if the majority of members of the Management Board participating in the meeting (voting) voted "for" the resolution.
 - 15.13. Each member of the Management Board has one vote at the meeting of the Management Board.
 - 15.14. Members of the Management Board shall be not entitled to transfer their right to vote to another person, including another member of the Management Board.
 - 15.15. The chairman of the Management Board has the casting vote in the event of deadlock.
 - 15.16. The General Director shall ensure taking of minutes of meetings of the Management Board.

General Director

- 15.17. The General Director shall act in accordance with the law of the Russian Federation, Regulations on the General Director, and other statutory instruments.
- 15.18. The General Director shall ensure implementation of resolutions adopted by the general meeting of shareholders, the Board of Directors and the Management Board of the Company.
- 15.19. The General Director in accordance with its powers shall ensure as follows:
 - 1) Implementation of production plans, contractual and other obligations assumed by the Company;
 - 2) organization of material and technical support of activities of the Company, disposal (sale) of goods, works, services manufactured and provided by of the Company;
 - 3) organization of economic, accounting, legal and information support of activities of the Company, including provision of information in connection with the items proposed for approval by the general meeting of shareholders, the Board of Directors or the Management Board of the Company;
 - 4) implementation of technical upgrading of the Company, reconstruction and implementation of production facilities;
 - 5) implementation of programs of social development of Company personnel;
 - 6) confidentiality of economic, technical and commercial information. Protection of information classified as state, official, and commercial secret;
 - 7) efficient work of all divisions of the Company;
 - 8) implementation of business plans;
 - 9) compliance with employee production discipline by the employees of the Company, their compliance with the internal employment regulations;
 - 10) implementation of resolutions adopted by the general meeting of shareholders, the Board of Directors and the Management Board of the Company.

- 15.20. The General Director, in accordance with law of the Russian Federation, the Charter and the Regulations on the General Director, shall:
- 1) act on behalf of the Company, represent its interests at all institutions, companies, organizations, government authorities, courts, courts of arbitration and arbitration tribunals in the territory of Russia and abroad without a power of attorney;
 - 2) carry out day to day management of the Company, including execution of any transactions (subject to approval of the transaction by other management bodies of the Company, if the approval prescribed by law of the Russian Federation or the Charter);
 - 3) be the first signatory with respect to financial documents;
 - 4) open bank accounts for the Company with banks and other financial institutions;
 - 5) coordinate activities of structural divisions of the Company;
 - 6) issue orders, regulations and gives instructions binding for all employees of the Company;
 - 7) approve staff list of the Company, bonuses and penalties with respect to the Company employees;
 - 8) approve regulations of integral structural divisions of the Company, the internal employment rules, job descriptions and regulations with respect to employees of the Company (excluding members of the Management Board), instructions and regulations in connection with employment safety, fire, economic and other safety, regulations and policies of the integral divisions of the Company and their interaction, approve other local instruments, unless applies to the scope of powers of the general meeting of shareholders, the Board of Directors or the Management Board of the Company;
 - 9) appoint and remove directors of branches of the Company, representative offices and other separate divisions of the Company;
 - 10) bring claims against legal and physical persons on behalf of the Company;
 - 11) issue powers of attorney with respect to carrying out of legal and other acts on behalf of the Company;
 - 12) sign the collective employment agreement on behalf of the Company;
 - 13) perform other functions required for implementation of objectives of the Company and ensure its ordinary operations.
- 15.21. The General Director shall chair the general meeting of shareholders of the Company. The General Director shall be not the chairman of the Board of Directors of the Company.
- 15.22. Rights and obligations, terms of office and remuneration of the General Director shall be determined by the agreement entered into with General Director and the Company. The agreement on behalf of the Company shall be signed by the chairman of the Board of Directors or a person authorized by the Board of Directors of the Company.
- 15.23. The General Director shall be appointed by the Board of Directors of the Company for the term of 3 (three) years.
- 15.24. Powers of the General Director shall become effective from the date of his appointment by the Board of Directors until the moment of appointment of a new General Director upon the expiry term appointment of the General Director.
- 15.25. At all times, the Board of Directors of the Company shall be entitled to pass a resolution with respect to early removal of the General Director.
- 15.26. The Board of Directors of the Company shall be entitled to pass a resolution with respect to formation of an interim sole executive body, in the event that the General Director is unable to perform his duties.
- 15.27. The interim executive body of the Company shall perform day to day management of the Company within the scope of powers of the General Director.

Article 16. RESPONSIBILITY OF MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE BODY OF THE COMPANY

- 16.1. Members of the Board of Directors, the Management Board and the General Director (interim sole executive body) shall act in the interests of the Company and exercise their rights and perform their duty of care.
- 16.2. Members of the Board of Directors, the Management Board and the General Director (interim sole executive body) shall be liable to the Company for any losses incurred by the Company as a result of their wrongful acts (omission to act), unless otherwise provided by law of the Russian Federation. Herewith those members of the Board of Directors and the Management Board, which voted against the resolution resulting in losses or did not participate in voting shall be not liable for these losses.

- 16.3. The ordinary business practice and other significant circumstances with respect to the issue, shall be taken into consideration in determination of liability and the amount of liability of members of the Board of Directors, the Management Board, the General Director and the Acting General Director.

Article 17. AUDITING COMMITTEE AND AUDITOR OF THE COMPANY

- 17.1. The auditing committee shall exercise control over financial and economic activities of the Company.
- 17.2. The auditing committee shall consist of 3 (three) members and shall be appointed by the general meeting of shareholders for the term until the next annual general meeting of shareholders.
- 17.3. If for any reason, the election of the audit committee will not take place at the annual general meeting of shareholders the powers of the existing audit committee shall be extended until the new audit committee is elected.
- 17.4. If the number of the auditors falls below 2 (two) members, the board of directors of the Company shall call an extraordinary general meeting of shareholders for purpose of election of the audit committee in case the number of members of the audit committee is less than 2 (two). The remaining members of the audit committee shall perform their duties until the new audit committee is elected.
- 17.5. Powers of individual or all members of the audit committee may be terminated earlier by the resolution of the general meeting of shareholders.
- 17.6. A shareholder of the Company or any other person nominated by a shareholder can be a member of the audit committee. The members of the audit committee can not concurrently be the members of the board of directors or hold other management offices in the Company.
- 17.7. Shares held by the members of the board of directors of the Company or other persons holding management offices in the Company can not be considered in voting with respect to election of the audit committee.
- 17.8. The authority of the audit committee shall include:
- audit of financial documents of the Company, accounts, reports of a assets inventory committee, comparison of such documents against the initial accounting documents;
 - analysis of accuracy and completeness of accounting, tax, management and statistical records;
 - analysis of financial status of the Company, its creditworthiness, liquidity of assets, debt-equity ratio, net assets and charter capital, identification of resources for improvement of economic status of the Company, making recommendations to the management bodies of the Company;
 - examination of payments to suppliers of goods and services, payments to the budget and extra-budgetary funds, accrual and payment of dividends, interest on bonds, liquidation of other obligations being made promptly and accurately;
 - confirmation of data contained in annual reports of the Company, annual accounts, profit and loss reports (profit and loss accounts), distribution of profits, reporting documentation for tax and statistical offices, government authorities being true;
- The audit committee may raise an issue with the management bodies in relation to liability of employees who are in breach of the provisions of this Charter, regulations, rules and instructions adopted by the Company;
- 17.9. Audit of financial and economic activities of the Company shall be carried out with respect to financial results of the Company at the end of the year, and at all times at the discretion of the auditing committee of the Company, pursuant to a resolution of the general meeting of shareholders or the Board of Directors of the Company or at request of shareholders (shareholder) holding together not less than 10 percent of the voting shares of the Company.
- 17.10. At the request of the auditing committee of the Company, the persons holding offices at the management bodies of the Company shall provide documents in connection with financial and economic activities of the Company. The above documents shall be provided within 10 business days from the date of the written request.
- 17.11. The auditing committee of the Company shall be entitled to require convening of an extraordinary general meeting of shareholders in accordance with the procedure prescribed by Article 55 of the Federal Law "On Joint Stock Companies" and the Charter.
- 17.12. The auditor of the Company shall carry out the audit of financial and economic activities of the Company in accordance with law of the Russian Federation pursuant to the agreement entered into with it. The appointment of the auditor shall be approved by the general meeting of shareholders. Remuneration of the auditor shall be determined by the Board of Directors of the Company.

Article 18. FUNDS OF THE COMPANY. ACCOUNTING AND REPORTING

- 18.1. The reserve fund 5 (five) percent of the charter capital of the Company shall be formed by the Company.
- 18.2. The amount of annual contributions to the fund shall amount to 5% of the net profit of the Company. The above contributions shall be payable until the amount of the reserve fund reaches the amount stipulated by the Charter.
- 18.3. Reliability of data contained in the annual reports of the Company and the annual accounting statements shall be verified by the auditing committee of the Company.
- 18.4. Prior to publication by the Company of the above documents, the Company shall retain an independent auditor not connected with the proprietary interests of the Company or its shareholders, for the annual audit and reconciliation of the annual financial reports.
- 18.5. The annual reports of the Company shall be subject to preliminary approval by the Board of Directors of the Company not later than 30 days prior to the date of the annual general meeting of shareholders.

Article 19. PROVISION OF INFORMATION BY THE COMPANY TO SHAREHOLDERS

- 19.1. The Company shall provide its shareholders with access to the documents set out in Article 89.1 of the Federal Law "On Joint Stock Companies". The shareholders holding together not less than 25 percent of voting shares of the Company shall have a right of access of the accounting documents of the Company. Additional provisions, which guarantee the right of access of shareholders to the above documents may be determined by the Code of Corporate Governance adopted by the general meeting of shareholders in accordance with the provisions of the Charter.
- 19.2. The documents set out in Article 89.1 of the Federal Law "On Joint Stock Companies" shall be made available at the premises of the executive body of the Company within 7 (seven) days from the date of request. The Company shall, at request of the persons having the access to the documents, prescribed by Article 89.1 of the Federal Law "On Joint Stock Companies", provide the copies of the above documents. The fee charged by the company with respect to these copies, shall not exceed the cost of their making.

Article 20. RESTRUCTURING AND LIQUIDATION OF THE COMPANY

- 20.1. The Company may be voluntarily restructured in accordance with the procedure prescribed by the Federal Law "On Joint Stock Companies".
- 20.2. Other grounds and procedure for restructuring of the Company shall be determined by law of the Russian Federation.
- 20.3. The Company may be liquidated in accordance with the procedure prescribed by law of the Russian Federation, taking into consideration the requirements of the Federal Law "On Joint Stock Companies" and the Charter.

Article 21. FINAL PROVISIONS

- 21.1. Law of the Russian Federation shall apply to any matters not stipulated by this Charter.