***APPROVED BY***

 ***Resolution of the Sole Shareholder***

 ***(Resolution w/n of March 00, 0000)***

**ARTICLES OF ASSOCIATION**

**of Closed Joint Stock Company**

**XXX**

**XXX CJSC**

Moscow

0000

**CONTENTS**

# Section 1. GENERAL PROVISIONS

* 1. Closed Joint Stock Company XXX (abbreviated name XXX CJSC) was renamed into Closed Joint Stock Company XXX (abbreviated name CJSC XXX) following the resolution of the sole shareholder of March 0000000.
	2. This version of the Articles of Association of Closed Joint Stock Company XXX, hereinafter referred to as the Company, has been approved by the resolution of the sole shareholder of Closed Joint Stock Company XXX of March 00000000.
	3. Closed Joint Stock Company XXX (formerly, Closed Joint Stock Company XXX) has been registered by the Moscow Registration Chamber (Branch No. 00) under No. 000000 on December 00, 0000, entered into the Unified State Register of Legal Entities on July 0, 0000 under main state registration number 0000000000000.
	4. The Company's legal status, the procedure of its restructuring and liquidating as well as the rights and obligations of the Company's shareholder shall be defined by the Civil Code of the Russian Federation, Federal Law "On Joint Stock Companies", other Federal Laws, other legal acts of the Russian Federation and these Articles of Association.
	5. The Company is established to have perpetual existence.
	6. The issues not covered by these Articles of Association shall be governed by laws of the Russian Federation.
	7. The Company is included in **XXX** Group established in accordance with Italian laws and regulations governing banking operations, therefore, to the extent it is not in conflict with the norms of current legislation the Company shall comply with the instructions of its parent company **XXX**., laid out in codes, policies and instructions and shall carry out its operations in accordance with instructions aimed at ensuring financial stability of **XXX** Group. The Members of the Board of Directors and the Chief Executive Officer shall provide all the required data and information to the Parent Company with due consideration of current legislation.

# Section 2. COMPANY'S CORPORATE NAME AND LOCATION

2.1. The Company's full name in Russian:

**Закрытое акционерное общество** XXX

The Company's abbreviated name in Russian:

**ЗАО** XXX**.**

The Company's full name in English:

XXX **Closed Joint Stock Company.**

The Company's abbreviated name in English:

**XXX CJSC.**

2.2. The Company shall be located at the permanent seat of its management bodies represented by Chief Executive Officer:

**XXX, 000000, Russian Federation.**

The Company's postal address:

**XXX, 000000, Russian Federation.**

# Section 3. OBJECTIVES AND TYPES OF OPERATION

* 1. The Company shall represent a for-profit entity having the objective of gaining profit.
	2. The Company shall have a general civil legal capacity. It shall be entitled to have the civil rights and incur civil obligations for carrying out any types of operations which are not prohibited by law.
	3. The objectives of the Company's operations shall be as follows:
		1. Financial lease, i.e. the type of investment activity involving the purchase of property and its transfer to natural persons or legal entities under a financial lease agreement for a certain pay for a defined period and on the defined conditions set out in the agreement: including:
* Financial lease or lease of means of transportation without an operator.
* Financial lease or lease of ground vehicles without a driver.
* Financial lease or lease of waterborne craft without a crew.
* Financial lease or lease of air carriers without a crew.
* Financial lease or lease of other machines and equipment without an operator.
* Financial lease or lease of agricultural machines and equipment without an operator.
* Financial lease or lease of machines and equipment for industrial and civil construction without an operator.
* Financial lease or lease of office machines and equipment.
* Financial lease or lease of other machines and equipment without an operator not included in other groups.
* Financial lease or lease (rent) of household goods and personal appliances not included in other groups, raising financial resources for the purchase and sale of machines and equipment for entities and organizations that carry out their operations in the Russian Federation.

3.3.2. Lease of movable and real property.

3.3.3. Taking possession of, selling and/or transferring to financial lease of machines and equipment, real and other property as well as the agency operations related thereto.

3.3.4. Researching the market of machines, equipment and other property.

3.3.5. Sales agency operations.

3.3.6. Warehousing operations.

3.3.7. Foreign trade operations.

3.3.8. Participation in operations of insurance companies.

3.3.9. Advisory services to Russian and foreign legal entities in the field of investment activities, including project financing in the Russian Federation.

3.3.10. Preparing business plans, financial models and feasibility studies for investment projects worked out with the participation of foreign investors and sponsors in the Russian Federation.

3.3.11. Assisting Russian legal entities in searching and selection of foreign sponsors and partners in the field of investment project implementation in the Russian Federation.

3.3.12. Provision of consulting services to Russian and foreign legal entities in terms of tax and currency legislation of the Russian Federation and foreign countries as well as accounting and reporting.

3.3.13. Audit activities.

The Company shall have the right to carry out other types of operations which are not prohibited by laws of the Russian Federation.

3.4. The Company may perform certain types of operations the list of which is defined by federal laws only based on a special permit (license).

# Section 4. THE COMPANY'S LEGAL STATUS

4.1. The Company shall be a legal entity and shall possess an independent property recorded on a separate balance sheet, including the property transferred to it by its shareholder as a payment for the shares.

The Company shall be able to purchase, exercise property and personal non-property rights, act as a claimant or a defendant in court on its own behalf.

4.2. The Company shall have the right to open bank accounts in the Russian Federation and abroad in accordance with the established procedure.

4.3. The Company shall have a round seal containing its full corporate name in Russian and a reference to its location. The seal may also include the Company's corporate name in English.

The Company shall be entitled to have stamps and letterheads with its name, its own emblem as well as its trademark registered in accordance with the established order, and other means of identification.

4.4. The Company shall be able to participate in the operations of and to establish in the Russian Federation and abroad, including in foreign states, business entities, partnerships and production cooperatives having the rights of a legal entity.

4.5. The Company shall be able to form unions and associations on a voluntary basis on the terms consistent with antitrust legislation existing in the Russian Federation and in accordance with the procedure prescribed by legal acts of the Russian Federation.

4.6. The Company shall be able to participate in and otherwise cooperate with international non-governmental and other organizations.

4.7. The Company shall be entitled to engage Russian and foreign experts to its operations and shall independently determine the forms, the systems, the scope and the payment terms for their work.

4.8. Interference of governmental, non-governmental and other organizations with the Company's administrative and business operations shall be prohibited, unless it is determined by their rights to exercise control and carry out audits in accordance with current legislation of the Russian Federation.

# Section 5. THE COMPANY'S LIABILITY

5.1. The Company shall be liable under its obligations to the extent of all the property owned by it. The Company shall not be liable under the obligations of its shareholders.

5.2. In case insolvency (bankruptcy) of the Bank is caused by guilty actions (omissions) of its managers, members of the Board of Directors, shareholders or other persons who have the right to give instructions obligatory for the Company or otherwise have a possibility to define its activities, subsidiary liability shall be imposed on the said shareholders and other entities in case the Company's property is insufficient.

The Company's insolvency shall be deemed caused by actions (omissions) of its shareholders or other persons who have the right to give instructions obligatory for the Company or otherwise have a possibility to define its activities only if they exercised the said right and/or possibility for the purpose of the Company's performance of the activities while being aware in advance that it would cause the Company's insolvency/bankruptcy.

5.3. The government and its agencies shall not be liable under the Company's obligations and equally the Company shall not be liable under the obligations of the government and its agencies.

# Section 6. THE COMPANY'S BRANCHES AND REPRESENTATIVE OFFICES

6.1. The Company may establish branches and representative offices in the Russian Federation and abroad in compliance with the requirements of current legislation of the Russian Federation as well as relevant legislations of foreign states at the place where the branches and representative offices are located, unless otherwise is provided for in an international treaty of the Russian Federation.

The branches and representative offices shall carry out its operations on behalf of the Company which shall be liable for their operation.

6.2. A Company's branch shall represent a remote structural unit located outside the Company's place of business and carrying out all of its functions of a part thereof, including the representation functions.

6.3. A Company's representative office shall represent its remote structural unit located outside the Company's place of business which represents the Company's interests and protects them.

6.4. Branches and representative offices shall not be legal entities and shall be vested with the Company's property and operate in accordance with the regulations on them. The property of branches and representative offices shall be recorded in their separate balance sheet and/or in the Company's balance sheet.

The head of branches and representative offices shall be appointed by the Company and shall act on the Company's behalf based on the power of attorney issued by the Company's sole executive body.

6.5. The Company shall have the following branches:

**XXX**

# Section 7. SUBSIDIARIES AND AFFILIATES

7.1. The Company may have subsidiaries and affiliates having corporate rights in the Russian Federation established in accordance with the Federal Law "On Joint Stock Companies" and other federal laws as well as abroad in accordance with laws of the foreign state at the place of location of the subsidiary or affiliate, unless otherwise is provided in the international treaty of the Russian Federation.

7.2. The Company shall not be liable for the obligations of subsidiaries and affiliates except for the cases provided for in legislation of the Russian Federation, and the subsidiaries and affiliates shall not be liable for the Company's obligations.

# Section 8. SHARE CAPITAL

*Article 8.1. The Company's Placed Shares.*

8.1.1. The share capital of the Company has been formed to the amount of **XXX** million (0,000,000) roubles.

The share capital is divided into **XXX** thousand (00,000) ordinary registered shares with a par value of one hundred (100) roubles which have been purchased by the shareholder (Placed Shares).

All the Company's shares at the time of registration have been placed as follows:

XXX Closed Joint Stock Company has XXX thousand (00,000) ordinary registered shares of the Company with a par value of one hundred (100) roubles per each share which represents one hundred percent (100%) of the Share Capital.

8.1.2. At the time of registration, one hundred percent (100%) of the Share Capital is paid for.

***Article 8.2. Increase in Share Capital***

8.1.2. The Company's share capital may be increased by increasing the par value of the shares or by placing additional shares.

8.2.2. The additional shares may be placed by the Company only within the number of the authorized shares established in the Company's Articles of Association.

In addition to the placed shares representing the Company's registered Share Capital, the Company, upon the resolution of the General Shareholders Meeting on the increase in the Company's share capital, may place **XXX** million (0,000,000) ordinary registered shares with a par value of one hundred (100) roubles per share and the total nominal value of **XXX** hundred million (000,000,000) roubles (Authorized Shares) in one or several emissions.

8.2.3. The increase in the Company's Share Capital by placing additional shares may be carried out of the Company's property. The increase in the Company's Share Capital by increasing the par value of shares may be carried out only out of the Company's property.

The amount the Company's Share Capital is increased by out of the Company's property shall not exceed the difference between the Company's net assets and the amount of the Share Capital and the Company's reserve fund.

When the Company's Share Capital is increased out of its property by placing additional shares, these shares shall be placed amount all the shareholders. In this case, each shareholder shall be issued the shares of the same category (type) as the shares they own in proportion to the numbers of the shares they own. The increase in the Company's Share Capital out of its property by placing additional shares that results in fractional shares shall be inadmissible.

***Article 8.3. Decrease in Share Capital***

8.1.3. The Company shall have the right and in the cases prescribed by the Federal Law "On Joint Stock Companies" shall be obliged to decrease its share capital by decreasing the par value of shares or by reducing their number, including by purchasing and redemption of a portion of shares.

8.2.3. The Company shall be obliged to reduce its Share Capital in the following cases:

* if the shares transferred to the Company due to the buyer's failure to perform their obligations in respect of share purchase were not sold within one year after the date they are purchased by the Company;
* if the shares that have been bought out by the Company after a decision is made on its restructuring have not been sold;
* if it is impossible to sell the voting shares purchased out by the Company upon request of their owners within one year;
* if the value of the Company's net assets in the end of a financial year is less than its Share Capital.

8.3.3. The Company shall not have the right to reduce its Share Capital:

* if as a result of such reduction its value will be less than the minimum value of the Company's share capital set out in accordance with the Federal Law "On Joint Stock Company" at the date when the documents are submitted for the state registration of relevant changes in the Company's Articles of Association and in case if the Company is obliged to reduce its Share Capital pursuant to the Federal Law "On Joint Stock Companies" at the date of the Company's state registration;
* if as a result of redemption of the Company's ordinary shares the nominal value of the preferred shares shall exceed twenty five percent (25%) of its Share Capital.

8.3.4. Within three business days after the Company has passed the resolution on reduction of its share capital, it shall notify the agency that performs state registration of legal entities of such resolution and publish the notice of the reduction of its share capital in the mass media publishing information on state registration of legal entities twice at monthly intervals.

# Section 9. COMPANY SHARES

***Article 9.1. Types of Shares Issued by the Company. General Rights and Obligations of Shareholders***

9.1.1. The Company shall place ordinary shares and shall have the right to place one or more types of preferred shares.

2.1.9. The nominal value of the preferred shares so placed shall not exceed twenty five percent (25%) of the Company's Share Capital.

9.1.3. All the Company's shares shall be registered.

9.1.4. The shareholders shall not be liable for the Company's obligations and shall not bear the downside risk related to the Company's operations within the limits of the shares owned by them.

9.1.5. The Shareholders who have not paid for the shares in full shall be jointly liable for the Company's obligations within the limits of that part of the shares owned by them which has not been paid for.

9.1.6. The Company's shareholder shall:

* assist the Company in performing of its operations;
* make contributions in accordance with the procedure and in the amount provided for herein;
* perform the requirements of the Company's Articles of Association and the resolutions passed by its bodies;
* keep confidential the issues related to the Company's operations;
* perform any other duties provided for in these Articles of Association, legislation as well as the resolutions of the Company's shareholders' meeting passed in accordance with its competence.

9.1.7. The Company's shareholders shall have the right to:

1. Participate in managing the Company's activities in accordance with the procedure set out in these Articles of Association.
2. pre-emptive purchase of the shares sold by other shareholders of this Company in the cases provided for in these Articles of Association and legislation of the Russian Federation.
3. Receive a share of net profit (dividends) subject to distribution between the shareholders in accordance with the procedure set out in these Articles of Association depending on the category (type) of the shares owned by them.
4. Receive the portion of the value of the Company's property (liquidation value) remaining after the Company's liquidation in proportion to the number of shares of the relevant category (type) owned by them.
5. Obtain information on the Company and its operations in accordance with Section 22 of the Articles of Association.
6. Alienate shares owned by them without consent of other shareholders of this Company in favour of any persons with due consideration of the right to pre-emptive purchase of shares.
7. Demand that the Company buy out all of the shares owned by them or a part thereof in case of:
* reorganization of the Company or entering into a major transaction the resolution to approve which is passed by the General Shareholders' Meeting in accordance with Section 20 of these Articles of Association if they voted against adoption of the resolution on its reorganization or approval of the said transaction or did not participate in voting on these issues. In this case the shares bought out by the Company shall be redeemed at the time they are bought out;
* introduction of amendments and additions to the Company's Articles of Association or approval of a new version of the Company's Articles of Association which restrict their rights if they voted against adoption of the corresponding decision or did not participate in voting.

8. Exercise any other rights provided for in these Articles of Association, legislation as well as the resolutions of the Company's shareholders' meeting passed in accordance with its competence.

***Article 9.2. Ordinary Shares***

9.1.2. All the Company's ordinary shares shall have the same par value, shall be registered and shall grant the same scope of rights to their holders.

9.2.2. Conversion of ordinary shares into preferred shares and other securities shall be prohibited.

9.2.3. The shareholders who own ordinary shares may participate in the General Shareholders' Meeting with a right to vote on any issued within its competence as provided for in the Articles of Association and the Federal Law "On Joint Stock Companies".

9.2.4. The shareholders who own ordinary shares shall have the right to receive dividends only after the owners of preferred shares.

9.2.5. The shareholders who own ordinary shares shall participate in distribution of the Company's property in case of its liquidation.

9.2.6. The shareholders who own ordinary shares shall also have other rights in accordance with current legislation of the Russian Federation and these Articles of Association.

***Article 9.3. Preferred Shares***

9.1.3. The Company's preferred shares of the same type shall have the same par value and shall grant the same scope of rights to their owners.

9.2.3. The shareholders who own preferred shares shall not have the right to vote at the Company's General Meetings unless otherwise provided for in current legislation of the Russian Federation.

9.3.3. The amount of the dividend and/or the value paid in case of liquidation of the Company (liquidation value) in respect of the preferred shares shall be defined as a fixed amount of money or as a percentage to the par value of the preferred shares based on the resolution of the General Shareholders' Meeting.

9.3.4. Preferred shares may not be converted to obligations or any securities other than shares.

***Article 9.4. Share Consolidation and Split-Up***

9.1.4. Upon a resolution of the General Shareholders' Meeting the Company shall have the right to consolidate placed shares which result into two or more Company's shares being converted into a new single share of the same category (type). In this Case, the Company's Articles of Association shall be amended accordingly with respect to the par value and number of the placed and authorized Company shares of the relevant category (type).

9.2.4. Upon a resolution of the General Shareholders' Meeting the Company shall have the right to split up placed shares which result into one Company share being converted into two or more Company shares of the same category (type). In this Case, the Company's Articles of Association shall be amended accordingly with respect to the par value and number of the placed and authorized Company shares of the relevant category (type).

# Section 10. PLACEMENT OF COMPANY SHARES AND OTHER SECURITIES

Article 10.1. The procedure and the ways of placing shares and other equity securities

10.1.1. The Company shall have the right to place additional shares and other equity securities by way of a closed subscription and conversion. In case if the Company's Share Capital is increased on account of its assets, the Company shall place the additional shares by their distribution among the shareholders.

The Company shall not have the right to arrange public subscription to its shares and other equity securities to be converted into shares or otherwise offer them to be purchased by an unlimited number of persons.

10.1.2. The additional shares may be placed by the Company only within the number of the authorized shares established in the Articles of Association.

10.1.3. The additional shares and other equity securities of the Company placed by subscription shall be place on condition of full payment for them.

10.1.4. The procedure and the terms of conversion of the Company's equity securities into shares shall be defined by relevant resolutions and contracts in accordance with the Federal Law "On Joint Stock Companies".

***Article 10.2. Price Of and Procedure of Payment For Shares and Other Equity Securities***

10.1.2. The shares distributed among Company founders at the time of Company foundation and additional shares placed by way of subscription shall be paid for:

* by money;
* by securities;
* by other things and property rights,
* by other rights having monetary value.

The form of payment for the Company shares at the time of Company foundation shall be defined in the company's deed of incorporation and for the additional shares in the resolution on their placement.

Other equity securities may only be paid for by money.

10.2.2. If the Company's additional shares are paid for otherwise than by money, then the monetary value of the property contributed as a payment for the shares shall be measured by the Company's Board of Directors in accordance with the procedure provided for in art. 77 of the Federal Law "On Joint Stock Companies".

10.2.3. The Company shares shall be paid for at the value equal of above their par value.

10.2.4. The shares are not paid in full within the period set out in the contract for their purchase, the title to the shares the placement price of which equals to the outstanding amount (the value of the property that was not transferred as a payment for the shares) shall be transferred to the Company. The company's deed of incorporation may provide for a forfeit (fine, penalty) for failure to perform the obligations of payment for the shares.

# Section 11. DIVIDENDS

11.1. The Company shall have the right to pass resolutions on (to declare) payment of dividends on the shares placed, based on the results of the first quarter, six months, nine months of a fiscal year and/or based on the results of a financial year, unless otherwise provided for in the Federal Law "On Joint Stock Companies". The resolution on payment (declaration) of dividends based on the results of the first quarter, six months and nine months of a fiscal year may be passed within three months from the end of the corresponding period.

11.2. The Company shall be obliged to pay dividends declared for each category (type) of shares. The dividends shall be paid in cash.

11.3. The Company's profit after tax (the Company's net profit) shall be the source of paying the dividends. The Company's net profit shall be calculated based on the Company's accounting records.

11.4. Resolutions on payment (declaration) of dividends, including the resolutions on the amount of dividend on each category (type) of shares, shall be passed the General Shareholders' Meeting. The amount of the dividends may not exceed the amount recommended by the Company's Board of Directors.

11.5. The time and procedure for dividend payment shall be defined in the resolution of the General Shareholders' Meeting regarding the payment of the dividend. The list of persons entitled to receive the dividends shall be prepared as at the date of the list of persons entitled to participate in the General Shareholders' Meeting where the resolution on payment of the relevant dividends is passed.

11.6. The Company shall not have the right to pass a resolution on (to declare) payment of dividends on the shares and equally shall not have the right to pay the dividends declared on the shares in the cases stipulated in the Federal Law "On Joint Stock Companies".

# Section 12. BONDS AND COMPANY'S OTHER EQUITY SECURITIES

12.1. The Company shall have the right to place bonds and other equity securities as provided for by the legal acts of the Russian Federation on securities.

12.2. The Company's placement of bonds and other equity securities is made based on a resolution of the Board of Directors.

12.3. A bond entitles its holder to require redemption of the bond (payment of its par value or the par value and interest) when due.

The resolution on issuing bonds shall define the form, the timeframe and other terms of redemption of the bonds.

12.4. A bond should have a par value. The par value of all the bonds issued by the Company shall not exceed the amount of the Share Capital of the Company or the value of the collateral furnished to the Company by third parties for the purpose of issuing bonds. The Company may issue bonds only after the Company's Share Capital is paid in full.

12.5. The Company may place bonds with a simultaneous maturity or bonds with a maturity by series within particular due dates.

Redemption of bonds may be made in monetary form or by other property in accordance to the resolution on their issue.

The Company may provide for a possibility of early redemption of bonds if so desired by their holders. In this case the resolution on issue of bonds should define the redemption value and maturity date prior to which they may not be presented for early redemption.

12.6. The Company may issue bonds secured by pledge of a particular property of the Bank or bonds against security granted to the Company by third parties for the purpose of issuing bonds and unsecured bonds.

12.7. Unsecured bonds may not be placed earlier than on the third year of existence of the Company and on condition that two Company annual balance sheets are approved by that time.

12.8. Bonds can be registered and unregistered.

When issuing registered bonds, the Company shall maintain the register of their holders.

A lost registered bond shall be renewed by the Company at a reasonable charge. The rights of the holder of the lost unregistered bond shall be restored by court in the procedure established by the procedural legislation of the Russian Federation.

12.9. The Company shall not have the right to place bonds and other equity securities convertible into Company shares if the number of authorized Company shares of specific categories and types is less than the number of shares of these categories and types the right to purchase which such securities provide.

# Section 13. PROCEDURE AND TIMEFRAME FOR EXERCISING PRE-EMPTIVE SHARE PURCHASE RIGHT

13.1. Shareholders shall have the right to alienate the shares held without requesting consent from other shareholders and the Company.

13.2. If shares are sold to a third party (other than a shareholder of this Company), the remaining shareholders and the Company shall enjoy a pre-emptive right to purchase the shares to be sold by other shareholders at a purchase price offered to the third party in proportion to the number of shares owned by each of them. The pre-emptive right of purchase may not be assigned to another person.

13.3. No later than 10 days before the official date of offering the shares for sale, a shareholder wishing to sell their shares to a third party shall notify the other shareholders and the Company thereof in writing. Company shareholders shall be notified via the Company at the expense of the shareholder so wishing to sell their shares.

The notice shall contain:

* the name, address and contact phone number of the shareholder;
* the category (type) and number of shares to be sold;
* the price per share of each category (type);
* official date of offering the shares for sale;
* other material conditions on which the shares are offered for sale.

If the initiative is coming from a corporate shareholder, the signature of the corporate representative acting in accordance with the Articles of Association without a power of attorney shall be authenticated by the corporate seal. If the offer is signed by a corporate representative acting on behalf of a corporation under its power of attorney, the power of attorney shall be enclosed to the offer. The notice shall be submitted to the Company by post or shall be delivered to the Company's secretariat.

13.4. The period of exercising the pre-emptive right to purchase shares by shareholders and the Company shall commence as soon as the shares are offered for sale and shall be 30 calendar days. The period of exercising the pre-emptive right shall terminate, if written statements on exercising or refusal to exercise the pre-emptive right are received from all the Company shareholders.

13.5. If several shareholders expressed their wish to purchase the shares and the number of shares they wish to purchase exceeds the number of shares to be sold, then the seller shall distribute the shares among the shareholders who so expressed their wish to purchase them in proportion to the number of shares held by each of the shareholders.

13.6. If none of the shareholders concluded a contract for the sale and purchase of the shares offered for sale or if they concluded contracts only for a portion of the shares offered for sale within the period set out in par. 13.4. of the Articles of Association, then the Company may conclude a contract for the sale and purchase of the remaining shares within 5 business days upon expiry of the said period.

13.7. If Company shareholders and/or the Company fail to exercise their pre-emptive right to purchase all the shares offered for sale within the period set out in par. 13.4. and par. 13.6. of the Articles of Association, the shares may be sold to a third party at a price and on terms that shall be notified to the Company and its shareholders.

13.8. If shares are sold in violation of the pre-emptive right of purchase, any Company shareholder or the Company shall have the right to seek in court that the rights and obligations of the buyer be transferred to them within three months after the shareholder or the Company became aware or should have become aware of such violation.

# Section 14. THE STRUCTURE OF MANAGEMENT AND CONTROL BODIES

14.1. The management bodies of the Company shall be:

**GENERAL SHAREHOLDERS' MEETING;**

**BOARD OF DIRECTORS;**

**CHIEF EXECUTIVE OFFICER.**

14.2. Control over the Company's financial and business operations shall be exercised by:

**AUDITOR**

**AUDITING COMMISSION (INTERNAL AUDITOR)**

# Section 15. GENERAL SHAREHOLDERS' MEETING

15.1. The General Shareholders' Meeting of the Company shall be the supreme management body of the Company.

The Company shall hold the Annual General Shareholders' Meeting on an annual basis. The Annual General Shareholders' Meeting shall be held once a year, not earlier than two months and not later than four months following the end of a financial year.

15.2. General Shareholders' Meetings held in addition to the annual one shall be deemed extraordinary.

15.3. If all the voting shares in the Company are held by one shareholder, the provisions of Section 15 of the Articles of Association defining the procedure and the period of preparing for, convening and holding the General Shareholders' Meeting shall not apply except for the periods of holding the Annual General Shareholders' Meeting.

15.4. The resolutions passed by the General Shareholders' Meeting shall be binding on all the shareholders, both attending and absent from the relevant meeting.

15.5. The shareholder shall have the right to challenge in court a resolution passed by the General Shareholders' Meeting in violation of the requirements of the Federal Law "On Joint Stock Companies", other legal acts of the Russian Federation or the Company's Articles of Association, if he did not participate in the General Shareholders' Meeting or voted against the resolution so passed and if the said resolution violates their rights and lawful interests. Such legal statement may be submitted to court within three months following the date when the shareholder became or should have become aware of the resolution passed and of the circumstances that give rise to it being held invalid. The court shall have the right to let the challenged resolution stand with due consideration of all the facts of the case, if the vote of this shareholder could not have affected the voting results, if the relevant violations are not material and if the resolution did not entail any damages to this shareholder.

***Article 15.1. Competence of the General Shareholders' Meeting***

15.1.1. The scope of competence of the General Shareholders' Meeting shall include:

1. introduction of amendments and addenda to the Articles of Association of the Company or approval of a new edition of Articles of Association of the Company;
2. Company restructuring;
3. liquidation of the Company, appointment of a liquidation committee and approval of an interim and closing liquidation balance sheets;
4. determination of the number, par value, category (type) of the Declared Shares and rights granted by these shares;
5. increasing the Company Share Capital by way of increasing the par value of shares or by way of Company's placing additional shares within the number and categories (types) of authorized shares;
6. reduction of the Company Share Capital by way of reduction of the par value of shares, by way of the Company's purchasing a portion of shares in order to reduce their number as well as by way of redemption of shares purchased or bought out by the Company;
7. determination of the quantitative composition of the Company's Board of Directors, election of members of the Board of Directors, early termination of their powers and determination of the amount of the remuneration to be paid to them, if any;
8. election of members of the Company's Auditing Commission (Internal Auditor) and early termination of their powers;
9. approval of the Company's auditor;
10. payment (declaration) of dividends based on results of the first quarter, six months, nine months of a fiscal year;
11. approval of annual reports, annual accounting statements including the Company's profit and loss statement (profit and loss account), as well as distribution of profits (including payment (declaration) of dividends, exclusive of the profit distributed as dividends based on results of the first quarter, six months, nine months of a fiscal year) and losses gained and incurred by the Company based on the results of the financial year;
12. determination of the procedure for a General Meeting of Shareholders;
13. splitting and consolidation of shares;
14. passing resolutions on approval of transactions in the cases provided for by Chapter XI of the Federal Law "On Joint Stock Companies";
15. passing resolutions on approval of major transactions pursuant to Chapter X of the Federal Law "On Joint Stock Companies";
16. acquisition by the Company of placed shares in the cases provided for by the Federal Law "On Joint Stock Companies" and the Company's Articles of Association;
17. passing a resolution on participation in holding companies, financial and industrial groups, associations and other alliances of business entities;
18. approval of internal documents governing the activities of the Company's management bodies;
19. resolution of other issues provided for in the Federal Law "On Joint Stock Companies".

15.1.2. The issues referred to the competence of the General Shareholders' Meeting may not be submitted for resolution by the Board of Directors and the Company's executive body.

15.1.3. The General Shareholders' Meeting may not pass resolutions on the issues not included in the agenda of the meeting and to change the agenda approved by the Company's Board of Directors.

15.1.4. A resolution of the General Shareholders' Meeting on an item put to vote shall be passed by the majority of votes of the shareholders holding the Company's voting shares and participating in the meeting.

A resolution on the items indicated in subparagraphs 1 to 6 and 16 of par. 15.1.1. of the Articles of Association shall be passed by the General Shareholders' Meeting by a majority representing three fourths of the votes of the shareholders holding the voting shares and participating in the General Shareholders' Meeting.

A resolution on the items indicated in subparagraphs 2, 5, 10, 11, 13 to 18 of paragraph 15.1.1. of the Articles of Association shall be passed by the Company by a shareholders' meeting only upon a proposal of the Company's Board of Directors.

***Article 15.2. Formats of the General Shareholders' Meeting***

15.2.1. The General Shareholders' Meeting may be held as a meeting and as an absentee voting.

15.2.2. Absentee voting means passing resolutions by the General Shareholders' Meeting without holding a meeting (joint attendance of shareholders for discussion of agenda items and passing resolutions on the items put to vote).

15.2.3. The General Shareholders' Meeting the agenda of which includes items related to election of members to the Board of Directors, the Company's Auditing Commission (Internal Auditor), approval of the Company's auditor as well as the items provided for in subparagraph 11 of paragraph 15.1.1 of the Articles of Association may not be held in the form of absentee voting.

15.2.4. Entitled to attend the General Shareholders' Meeting shall be the shareholders included in the list of persons entitled to participate in the General Shareholders' Meeting, their authorized representatives, members of the Board of Directors, the Company's auditor, Chief Executive Officer, members of the Auditing Commission (Internal Auditor) as well as the nominees included in the voting ballots for the election of the Company's management bodies and control bodies.

15.2.5. Notification of the General Shareholders' Meeting shall take place no later than 20 days, and the notification of the General Shareholders' Meeting the agenda of which includes an item related to the Company's restructuring, no later than 30 days before the date of the meeting.

In the cases when the proposed agenda of the Extraordinary General Shareholders' Meeting includes items related to election of members to the Company's Board of Directors, restructuring in the form of a merger, spin-off or split-up and the item related to election of the Board of Directors of the Company to be established through restructuring in the form of merger, spin-off or split-up, the notification of the Extraordinary General Shareholders' Meeting shall take place no later than 70 days before the meeting.

Within the above timeframes, a notice of the General Shareholders' Meeting shall be sent to each person indicated in the list of persons who have the right to participate in the General Shareholders' Meeting by registered mail or served to each of the indicated persons against a signature.

The Company shall have the right to further inform shareholders of the General Shareholders' Meeting through other mass media (television, radio).

15.2.6. A notice of the General Shareholders' Meeting shall include:

the Company's full corporate name and place of business;

the format of the General Shareholders' Meeting (meeting or absentee voting);

date, venue and time of the General Shareholders' Meeting and in case if completed ballots may be submitted to the Company pursuant to the Federal Law "On Joint Stock Companies", the postal address to which the completed ballots may be sent, or in case if the General Shareholders' Meeting is held in the form of absentee voting, the deadline for submitting the voting ballots and the postal address to which the completed ballots shall be sent;

date of compilation of the list of persons entitled to participate in the General Shareholders' Meeting;

agenda of the General Shareholders' Meeting;

the procedure for reviewing the information (materials) to be submitted in preparation to the General Shareholders' Meeting and the address (addresses) where it may be reviewed.

Opening time for registration of the persons entitled to participate in the General Shareholders' Meeting.

15.2.7. The information (materials) to be submitted to the persons entitled to participate in the General Shareholders' Meeting in preparation for the General Shareholders' Meeting shall include annual accounting statements, including the auditor's report, report of the Company's Auditing Commission (Internal Auditor) based on the results of audit of the annual financial statements, information on a candidate (candidates) the the Company's Board of Directors, the Company's Auditing Commission (Internal Auditor), draft amendments and supplements to be introduced into the Company's Articles of Association or a draft new version of the Company's Articles of Association, draft Company's internal documents, draft resolutions of the General Shareholders' Meeting as well as other information (materials) provided for in the Company's Articles of Association.

The list of additional information (materials) which must be submitted to the persons entitled to participate in the General Shareholders' Meeting in preparation for the General Shareholders' Meeting may be established by the federal executive body in charge of securities market.

Within 20 days, and in case if the General Shareholders' Meeting the agenda of which includes an item related to Company's restructuring within 30 days, before the General Shareholders' Meeting the above information (materials) shall be available to the persons entitled to participate in the General Shareholders' Meeting for reviewing in the office of the Company's sole executive body and other places the addresses of which are indicated in the notice of the General Shareholders' Meeting. The said information (materials) shall be available to the persons participating in the General Shareholders' Meeting during the meeting.

Upon request of a person entitled to participate in the General Shareholders' Meeting, the Company shall provide them with copies of the above documents. The fee charged by the Company for the provision of such copies may not exceed the cost of their production.

***Article 15.3. Extraordinary General Shareholders' Meeting***

15.3.1. The Extraordinary General Shareholders' Meeting shall be held upon the resolution of the Company's Board of Directors as well as upon request of:

* the Company's auditing commission (internal auditor);
* auditor;
* shareholders (shareholder) holding at least ten (10) percent of the Company's voting shares as at the date of the request.

The Extraordinary General Shareholders' Meeting requested by the Company's Auditing Commission (Internal Auditor), the Company's auditor or shareholders (shareholder) holding at least ten (10) percent of the Company's voting shares shall be convened by the Company's Board of Directors.

15.3.2. The Extraordinary General Shareholders' Meeting to be convened upon request of the Company's Auditing Commission (Internal Auditor), the Company's auditor or shareholders (shareholder) holding at least ten (10) percent of the Company's voting shares shall be held within 40 days of the request of the Extraordinary General Shareholders' Meeting.

15.3.3. The request for holding the Extraordinary General Shareholders' Meeting shall formulate the items to be entered in the agenda of the meeting. The request for holding the Extraordinary General Shareholders' Meeting may include the wordings of the resolutions on each of these items as well as the proposal on the format of the General Shareholders' meeting.

The Company's Board of Directors shall not have the right to amend the wordings of the agenda items, the wordings of the resolutions in respect of such items or to change the proposed format of the Extraordinary General Shareholders' meeting to be convened upon request of the Company's Auditing Commission (Internal Auditor), the Company's auditor or shareholders (shareholder) holding at least ten (10) percent of the Company's voting shares.

15.3.4. In case if convocation of the Extraordinary General Shareholders' Meeting is requested by shareholders (a shareholder), it shall include the names of the shareholders (the shareholder) requesting convocation of such meeting and indicate the number, the categories (types) of shares owned by them.

A request for convocation of the Extraordinary General Shareholders' Meeting shall be signed by the persons (a person) requesting convocation of the Extraordinary General Shareholders' Meeting.

15.3.5. Within five days after the Auditing Commission (Internal Auditor), the Company's auditor or shareholders (shareholder) holding at least ten (10) percent of the Company's voting shares have requested convocation of the Extraordinary General Shareholders' Meeting, the Company's Board of Directors shall pass a resolution on convocation of the Extraordinary General Shareholders' Meeting or on denial to convene it.

A resolution on denial to convene the Extraordinary General Shareholders' Meeting requested by the Company's Auditing Commission (Internal Auditor), the Company's auditor or shareholders (shareholder) holding at least ten (10) percent of the Company's voting shares may be passed in case if:

* the procedure for submitting a request on convocation of the Extraordinary General Shareholders' Meeting established in current legislation of the Russian Federation has not been complied with;
* the shareholders (shareholder) requesting convocation of the Extraordinary General Shareholders' Meeting do not own the required number of the Company's voting shares;
* none of the issues proposed for the agenda of the Extraordinary General Shareholders' Meeting falls within its competence and/or meets the requirements of the Federal Law "On Joint Stock Companies" or other legal acts of the Russian Federation.

15.3.6. The resolution of the Company's Board of Directors on convocation of the Extraordinary General Shareholders' Meeting or a well-grounded resolution to deny its convocation shall be sent to the persons requesting its convocation no later than three business days after such resolution is passed.

The resolution of the Company's Board of Directors to deny convocation of the Extraordinary General Shareholders' Meeting of Shareholders may be challenged in court.

15.3.7. In case if the Company's Board of Directors fails to pass the resolution on convocation of the Extraordinary General Shareholders' Meeting or passes a resolution to deny its convocation within the period set out in par. 15.3.5. of the Articles of Association, the Extraordinary General Shareholders' Meeting may be convened by the bodies and persons requesting its convocation. In this case, the bodies or the persons convening the Extraordinary General Shareholders' Meeting shall have the powers provided for in art. 15.3. of the Articles of Association and required to convene and hold the General Shareholders' Meeting.

In this case, the cost of preparation for and holding of the General Shareholders' Meeting may be reimbursed based on the resolution of the General Shareholders' Meeting out of the Company's expense.

***Article 15.4. The Right to Participate In and the Forms of Shareholders' Participation in the General Shareholders' Meeting***

15.4.1. The list of persons entitled to participate in the General Shareholders' Meeting shall be prepared based on the data contained in the Company's register of shareholders.

15.4.2. The date of preparing the list of persons entitled to participate in the General Shareholders' Meeting may not be appointed before the date of passing a resolution on holding the General Shareholders' Meeting as well as more than 50 calendar days before the date of the General Meeting, unless other date is set out in current legislation of the Russian Federation.

When holding a General Shareholders' Meeting where the ballots received by the Company in accordance with item 2 of par. 15.5.1. of the Articles of Association participate in defining the quorum and in voting, the date of compilation of the list of persons entitled to participate in the General Shareholders' Meeting shall be appointed at least 35 calendar days before the date of the General Shareholders' Meeting.

15.4.3. In order to prepare the list of persons entitled to participate in the General Meeting, the nominal holder of shares shall submit information on the persons for whose benefit they own the shares as at the date of the list.

15.4.4. Amendments to the list of persons entitled to participate in the General Shareholders' Meeting may be introduced only in case of restoration of the rights of the individuals not included in the said list as at the date of its compilation or in case of correction of mistakes made in compiling the list.

15.4.5. Upon request of any interested party, the Company shall within three days provide them with an extract from the list of persons entitled to participate in the General Shareholders' Meeting containing the information on that person or a statement to the effect that they are not included in the list of persons entitled to participate in the General Shareholders' Meeting.

15.4.6. Should the shares be transferred after the date of compilation of the list of persons entitled to participate in the General Shareholders' Meeting and before the date of the General Shareholders' Meeting, the person included in this list must issue a voting proxy to the Buyer or vote on the General Shareholders' Meeting in accordance with the instructions of the buyer of the shares. The said rule shall also apply to each subsequent event of share transfer.

15.4.7. The right to participate in the General Shareholders' Meeting shall be exercised by the shareholder both in person and by proxy.

15.4.8. Transfer of rights (powers) by the shareholder to the representative is effected by way of proxy.

A voting proxy shall include the information on the represented and the representative (name, place of residence or place of business, passport details).

A voting proxy shall be prepared in accordance with the requirements of par. 4 and par. 5 of Art. 185 of the Civil Code of the Russian Federation or notarized.

15.4.9. A shareholder shall have the right at any time to replace its authorized representative or personally attend the General Shareholders' Meeting.

***Article 15.5. Quorum of the General Meeting.***

15.5.1 The General Shareholders' Meeting shall be legally competent (shall have the quorum), if it is attended by the shareholders who jointly hold more than half of the votes of the Company's placed voting shares.

Deemed as having attended the General Shareholders' Meeting shall be the shareholders who have registered to participate in it and the shareholders whose ballots have been received no later than two days before the date of the General Shareholders' Meeting. Deemed as having attended the General Shareholders' Meeting held in the form of absentee voting shall be the shareholders whose ballots have been received before the closing date for submitting the ballots.

15.5.2. If the agenda of the General Shareholders' Meeting includes issues voting on which is exercised by different voters, the quorum for passing resolutions on these agenda items shall be defined individually. In this case, absence of quorum for passing a resolution on the items voting on which is performed by one group of voters does not preclude passing resolutions on agenda items voting on which is exercised by other group of voters for passing of which the quorum is present.

***Article 15.6. Voting on the General Shareholders' Meeting***

15.6.1. Voting on the General Shareholders' Meeting shall be exercised based on the principle “one voting share, one vote,” save for the cases of cumulative voting in the cases stipulated by the Federal Law “On Joint Stock Companies”.

A voting share of the Company shall represent an ordinary share or a preferred share that provides a voting right to the shareholder who owns it in resolving the agenda item put to vote.

15.6.2. Voting on the agenda items of the General Shareholders’ Meeting shall be exercised by voting ballots.

Voting on the agenda items of the General Shareholders’ Meeting held in the form of absentee voting shall be exercised only by voting ballots.

15.6.3. A voting ballot shall be served against a signature to the person indicated in the list of persons entitled to participate in the General Shareholders' Meeting (or their proxy) who has registered to participate in the General Shareholders' Meeting.

A ballot for voting on the agenda items of the General Shareholders' Meeting to be held as absentee voting shall be sent by registered mail no later than 20 days before the date of the General Shareholders' Meeting.

15.6.4. In case of a General Shareholders' Meeting, except for the General Shareholders' Meeting held in the form of absentee voting, the persons included in the list of persons entitled to participate in the General Shareholders' Meeting (their proxies) shall have the right to attend this meeting or send completed voting ballots to the Company. In this case, the votes cast by voting ballots received by the Company no later than two days before the date of the General Shareholders' Meeting shall be considered in defining the quorum and counting voting results.

15.6.5. In case of voting exercised by voting ballots, only the votes on the agenda items where only one voting option is left shall be considered. The voting ballots executed in violation of the above requirements shall be recognized as invalid and votes on the issues included therein shall not be counted

In the event that a voting ballot contains several issues put to vote, violation of the above requirements in respect of one or several issues shall not result in recognizing the voting ballot as entirely invalid.

15.6.6. No later than 3 business days after the General Shareholders' Meeting is closed or after the deadline for submitting voting ballots in case if the General Shareholders' Meeting is held as absentee voting, a protocol on voting results shall be prepared and executed in accordance with Article 62 of the Federal Law "On Joint Stock Companies".

15.6.7. Following the drawing up of the protocol on voting results and the signing of the minutes of the General Shareholders’ Meeting, the voting ballots shall be sealed and transferred for retention to the Company’s archive. A protocol on voting results shall be enclosed to the minutes of the General Shareholders’ Meeting.

15.6.8. The resolutions passed by the General Shareholders’ Meeting as well as the voting results shall be announced at the General Shareholders’ Meeting at which the voting took place, or be communicated to the persons included in the list of persons entitled to participate in the General Shareholders’ Meeting following the procedure established for notification of the General Shareholders' Meeting no later than ten (10) business days following the date of the drawing up of the protocol.

***Article 15.7. Minutes of the General Shareholders' Meeting***

15.7.1. The minutes of the General Shareholders’ Meeting shall be drawn up no later than three (3) business days following the closing of the General Shareholders’ Meeting. The minutes shall be drawn up in duplicate, with both copies being signed by the person presiding at the meeting and by the secretary of the General Meeting.

15.7.2. The minutes of the General Shareholders' Meeting shall specify:

* the Company's full corporate name and place of business;
* type of the General Shareholders' Meeting (annual or extraordinary);
* the format of the General Shareholders' Meeting (meeting or absentee voting);
* date of the General Shareholders' Meeting;
* venue of the General Shareholders' Meeting to be held as a joint attendance (address of the place where the meeting was held);
* agenda of the General Shareholders' Meeting;
* opening and closing time for registration of the persons entitled to participate in the General Shareholders' Meeting held in the form a meeting;
* opening and closing time of the General Shareholders' Meeting held in the form of a meeting, and in case if the resolutions passed by the General Shareholders' Meeting and the voting results in respect of them were announced at the General Shareholders' Meeting, the starting time of counting votes;
* postal address (addresses) to which the completed voting ballots were sent if the General Shareholders' Meeting was held as absentee voting as well as if the General Shareholders' Meeting was held in the form of joint attendance and the voting on the agenda items of the General Shareholders' Meeting could be exercised by submitting completed voting ballots to the Company;
* the number of votes held by the persons included in the list of persons entitled to participate in the General Shareholders' Meeting for each agenda item of the General Shareholders' Meeting;
* the number of votes held by the persons who participated in the General Shareholders' Meeting for each agenda item of the General Shareholders' Meeting with the indication of whether the quorum was present for each of the agenda items;
* the number of votes cast for each of the voting options ("for", "against", "abstain") per each of the agenda items of the General Shareholders' Meeting for which quorum was present;
* wordings of the resolutions passed by the General Shareholders' Meeting for each agenda item of the General Shareholders' Meeting;
* key points of the speeches and names of the speakers for each agenda item of the General Shareholders' Meeting held in the form of joint attendance;
* the chairman (presidium) and the secretary of the General Shareholders' Meeting;
* date of the minutes of the General Shareholders' Meeting.

The minutes of the General Shareholders' Meeting shall include the key points of the speeches, the items put to vote and voting results thereon, as well as the resolutions passed by the meeting.

# Section 16. BOARD OF DIRECTORS AND THE COMPANY'S EXECUTIVE BODIES

#### Article 16.1. The Company’s Board of Directors

16.1.1. The Company’s Board of Directors shall carry out the overall
management of the Company’s operations, except for the resolution of the issues referred to the competence of the General Shareholders’ Meeting by legislation of the Russian Federation and these Articles of Association.

16.1.2. The Company's Board of Directors shall be elected by the Company's General Shareholders' Meeting. The number of members of the Board of Directors shall be determined by the Company's General Shareholders' Meeting and may not exceed five (5) persons. The members of the Board of Directors shall be elected through cumulative voting. The Company's Director General shall be notified of the meetings of the Board of Directors and shall have the right to attend them and participate in discussions by virtue of his position but shall not have a voting right.

16.1.3. Members of the Company's Board of Directors shall be elected for a period before the next annual General Shareholders' Meeting and may be re-elected to the Company's Board of Directors for an unlimited number of times.

The authority of all the members of the Company's Board of Directors may be terminated ahead of time upon resolution of the Company's General Shareholders' Meeting.

16.1.4. The competence of the Company's Board of Directors shall include the following issues:

1) defining the priority area of the Company's operations;

2) convening annual and extraordinary General Shareholders' Meetings, defining the date, venue and time for holding such meetings, except for the cases provided for in par. 8 of Art. 55 of the Federal Law "On Joint Stock Companies" ;

3) approval of the agenda of the General Shareholders' Meeting;

4) appointing the date of preparing the list of persons entitled to participate in the General Shareholders' Meeting and other issued referred to the competence of the Company's Board of Directors pursuant to the provisions of chapter VII of the Federal Law "On Joint Stock Companies" and related to preparation and holding of the General Shareholders' Meeting;

5) placement of bonds and other equity securities by the Company;

6) defining the price (monetary value) of the property, the price of placement and purchase of equity securities in the cases contemplated by the Federal Law "On Joint Stock Companies";

7) purchasing bonds and other securities placed by the Company in the cases contemplated by the Federal Law "On Joint Stock Companies";

8) appointing the Company's Director General or Acting Director General and early termination of authority of Director General or Acting Director General;

9) recommendations on the amount of remuneration and compensations payable to the Company's Auditing Commission (Internal Auditor) and defining the fee for the services of the auditor;

10) recommendations to the General Shareholders' Meeting regarding the amount of the dividend on the Company's shares and their payment procedure;

11) utilization of the reserve fund and other Company's funds;

12) approval of the Company's internal documents, except for the documents to be approved by the General Shareholders' Meeting;

13) establishing Company branches and representative offices and approval of Regulations thereon;

14) approval of transactions provided for in Section 20 of the Articles of Association;

15) approval of the Company's Registrar and the terms and conditions of the contract with the Registrar, as well as termination of the contract with the Registrar;

16) passing resolutions on the Company's participation and termination of participation in other entities (except for the entities participation/termination of participation in which is referred to the competence of the General Shareholders' Meeting).

17) other issues provided for in the Federal Law "On the Joint Stock Companies" and the Company's Articles of Association.

The issues referred to the competence of the Company's Board of Directors may not be submitted for resolution by the Company's Director General/Acting Director General.

16.1.5. The Chairman of the Company's Board of Directors shall be elected by and out of members of the Company's Board of Directors. The Company's Board of Directors shall have the right to re-elects its Chairman at any time by majority of votes of the total number of members of the Company's Board of Directors.

The Chairman of the Company's Board of Directors shall arrange its activities, convene and preside at meetings of the Company's Board of Directors. In the absence of the Chairman of the Company's Board of Directors his/her functions are performed by the eldest of the members of the Company's Board of Directors.

16.1.6. Meetings of the Company's Board of Directors shall be convened by the Chairman of the Company's Board of Directors on his/her own initiative, upon request of a member of the Company's Board of Directors, Auditing Commission (Internal Auditor) or the Company's auditor, the Company's Director General.

The procedure for convening and holding the meetings shall be set out in the Regulations on the Company's Board of Directors approved by the Company's General Shareholders' Meeting with due consideration of the provisions of these Articles of Association.

16.1.7. The Company's Board of Director shall have the power to resolve the issues submitted for its consideration if at least half of its members is present at the meeting.

If the number of members of the Board of Directors becomes less than half of the number established in the latest resolution of the Company's General Shareholders' Meeting related to this issue, then the remaining members of the Board of Directors must convene an extraordinary General Shareholders' Meeting of the Company in order to elect new members to the Board of Directors.

16.1.8. Resolutions of the Company's Board of Directors on the issues laid out in items 1, 7 and 8 of par. 16.1.4. of these Articles of Association shall be passed by the majority representing seventy five percent (75%) of votes of the members of the Board of Directors attending the respective meeting. The resolution of the Board of Directors on the issues laid out in item 14 of par. 16.1.4. hereof (in terms of approval of related-party transactions) shall be passed unanimously by members of the Company's Board of Directors attending the lawfully convened meeting.

Resolutions on other issues shall be passed by a simple majority of votes of members of the Company's Board of Directors present at the meeting.

Each member of the Company's Board of Directors shall have one vote. Transfer of the voting right by one member of the Company's Board of Directors to another person, including other members of the Company's Board of Directors, shall be prohibited.

16.1.9. The Company's Board of Directors may pass a resolution by absentee voting of its members without holding a meeting of the Company's Board of Directors.

16.1.10. Minutes shall be maintained at the meeting of the Company's Board of Directors in accordance with par. 4 art. 68 of the Federal Law "On Joint Stock Companies". Minutes of the meetings of the Company's Board of Directors shall be drawn up in Russian and in English in accordance with the procedure set out in the Regulations on the Company's Board of Directors and shall be signed by the person chairing the meeting of the Company's Board of Directors who will be responsible for the accuracy of drawing up of the minutes.

#### Article 16.2. The Company’s Director General

16.2.1. Current operations of the Company shall be managed by the Company's sole executive body, i.e. Director General. The sole executive body shall report to the Board of Directors and the Company's General Shareholders' Meeting.

16.2.2. The competence of the Company's sole executive body shall cover all the aspects of managing the Company's current operations, except for the issues referred to the competence of the Board of Directors and the General Shareholders' Meeting. The Company's sole executive body shall organize performance of resolutions of the Board of Directors and the Company's General Shareholders' Meeting.

16.2.3. Establishing and early termination of the Company's sole executive body shall be performed based on a resolution of the Company's Board of Directors.

Labour legislation of the Russian Federation shall cover the relationship between the Company and Director General to the extent it is not in conflict with the provisions of the Federal Law "On Joint Stock Companies".

16.2.4. The rights and obligations, the dates and the amount of remuneration of the Director General shall be set out in the contract concluded with the Company. On behalf of the Company the contract shall be signed by the chairman of the Board of Directors on which the Director General was elected.

16.2.5. The Director General Shall act on behalf of the Company without a power of attorney, and among others shall

1. have the right of the first signature on financial and other documents;
2. dispose of the Company's property in order to ensure its current operations within the limits established in the Articles of Association and the Regulations on Director General;
3. represent the Company's interest both in the Russian Federation and abroad, among others, in foreign states;
4. conclude employment contracts with Company employees, provide intensives to and impose penalties on such employees;
5. perform transactions on the Company's behalf, except for the cases provided for by the Federal Law "On Joint Stock Companies" and the Company's Articles of Association;
6. issue powers of attorney on the Company's behalf;
7. open/close Company accounts with banks;
8. arrange maintaining Company accounting and reporting;
9. issue orders and provide instructions binding on all Company employees;
10. ensure control of the Company's compliance with legislative requirements of the Russian Federation;
11. define the procedure for labour management, number of employees in the Company, the form, the procedure and the amount of remuneration in the Company;
12. consider and approve draft resolutions on the Company's structural units;
13. consider and approve reports on operation of the Company's structural units;
14. define the procedure for document management in the Company;
15. pursuant to current legislation of the Russian Federation define the content of the information that represents the Company's trade secret and ensure its safe-keeping, perform other functions required to achieve the objectives of the Company's activities in ensure its regular operation in accordance with current legislation and the Company's Articles of Association, except for the functions allocated to other management bodies of the Company pursuant to the Federal Law "On Joint Stock Companies" and the Company's Articles of Association.

If he/she is temporary unable to perform its duties (vacation, illness etc.), assign obligations of Director General who has the right to act on behalf of the Company without a power of attorney based on an order. The Acting Director General shall have all the powers of Director General.

The provisions of these Articles of Association governing the obligations and liability of the Director General shall cover the Acting Director General.

# Section 17. LIABILITY OF MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY'S DIRECTOR GENERAL

17.1. In exercising their rights and performing obligations, members of the Board of Directors and Director General shall act in the interest of the Company, exercise their rights and perform their obligations to the Company reasonably and in good faith.

17.2. The Director General and members of the Board of Directors shall be liable to the Company for the losses inflicted on the Company by their wrongdoings (omissions), unless other basis and extent of liability is set out in federal laws.

17.3. The members of the Company's Board of Directors who voted against the resolution that entailed inflicting damages on the Company or a shareholder or did not participate in the voting shall not be liable.

17.4. In establishing the basis and the scope of liability of the Director General and members of the Board of Directors, the regular business terms and conditions of doing business and other circumstances relevant for the issue shall be taken into account.

17.5. If several persons share liability pursuant to the provisions of this article of the Articles of Association, their liability to the Company shall be joint.

17.6. The Company or the shareholder (shareholders) jointly holding at least one (1) percent of the Company's place ordinary shares shall have the right to file a claim in court against the Director General or members of the Board of Directors seeking recovery of losses inflicted on the Company.

# Section 18. CONTROL BODIES

***Article 18.1. AUDITING COMMISSION (INTERNAL AUDITOR)***

18.1.1. Control over the Company's financial and business operations shall be exercised by the Auditing Commission (Internal Auditor). The procedure for operation of the Auditing Commission (Internal Auditor) shall be defined in the Regulations on the Auditing Commission (Internal Auditor) approved by the General Shareholders' Meeting.

18.1.2. The Auditing Commission (Internal Auditor) shall be elected at the annual General Shareholders' Meeting in accordance with the procedure set out in the Regulations on the Auditing Commission (Internal Auditor) for a period of two (2) years.

The term of office of the Auditing Commission (Internal Auditor)shall commence starting from its election by the General Meeting and expire after the election (re-election) of the Auditing Commission (Internal Auditor) by the annual General Meeting held in two years.

18.1.3. Members of the Company's Auditing Commission (Internal Auditor) may not at the same time be members of the Board of Director or Director General.

18.1.4. The Company's financial and business operations shall be audited (inspected) based on the Company's operational results for a year. The Company's financial and business operations shall be audited (inspected) at any time upon the initiative of:

1. the Company's Auditing Commission (Internal Auditor);
2. the General Shareholders' Meeting
3. Director General;
4. upon request of the shareholders (shareholder) jointly holding at least 10% of voting shares.

18.1.5. At the request of the Company’s Auditing Commission (Internal Auditor), the persons holding positions in the Company’s management bodies shall be obliged to provide the documents on the Company’s financial and business operations.

18.1.6. Based on the audit of the Company's financial and business operations, the Company's Auditing Commission (Internal Auditor) shall prepare an opinion that shall include:

* confirmation of the accuracy of the information contained in the reports and other Company's financial documents;
* the information on violations of the procedure for maintenance of accounting records and provision of financial reports established by legal acts of the Russian Federation as well as of the legal acts of the Russian Federation in the course of financial and business operations.

***Article 18.1. Auditor***

18.1.2. The Company's Auditor (a citizen or an audit company) shall audit the Company's financial and business operations in accordance with the laws and regulations of the
Russian Federation, pursuant to the contract concluded with him/her/it

18.2.2. The General Shareholders’ Meeting shall approve the Company’s Auditor. The Auditor’s fee shall be established by the Company’s Board of Directors.

18.2.3. Based on the audit of the Company's financial and business operations, the Auditor shall prepare an opinion that shall include:

* confirmation of the accuracy of the information contained in the reports and other Company's financial documents;
* the information on violations of the procedure for maintenance of accounting records and provision of financial reports established by legal acts of the Russian Federation as well as of the legal acts of the Russian Federation in the course of financial and business operations.

18.2.4. The Company's operations shall be audited at any time at the request of the shareholders (shareholder) jointly holding at least ten percent of the Company's voting shares.

# Section 19. SHAREHOLDER REGISTER

19.1. In accordance with the procedure provided for in current legislation of the Russian federation, the Company shall either maintain the shareholders' register itself or commission a specialized registrar to maintain and retain the shareholders' register.

19.2. The Company's shareholders' register shall record information on each person (shareholder or nominee shareholder) registered, number and categories (types) of shares recorded in the name of each registered person and other information prescribed by laws and regulations of the Russian Federation.

19.3. The Company that commissioned maintaining and keeping the Company's shareholders' register to a specialized registrar shall not be relieved from responsibility for its maintenance and keeping.

19.4. A person registered in the Company’s shareholders’ register shall be obliged to timely notify the holder of the Company’s shareholders’ register of any changes in his/her data. In case of failure to provide the information on changes in his/her data, neither the Company nor the registrar shall be liable for any losses incurred in this connection.

19.5. The holder of the Company’s shareholders’ register shall be obliged, at the request of a shareholder or a nominal holder of shares, to confirm his/her rights to shares by issuing an extract from the Company’s shareholders’ register which is is not a security

# Section 20. MAJOR TRANSACTIONS AND RELATED PARTY TRANSACTIONS

20.1. A major transaction shall be a transaction (including a loan, credit, pledge, surety) or several related transactions involving the purchase, disposal or potential disposal by the Company, directly or indirectly, of the property valuated at 25 and
more percent of the book value of the Company’s assets, based on its accounting statements as of the most recent reporting date, except for the transactions entered into in the ordinary course of the Company’s business, the transactions related to the Company’s ordinary share placement by subscription (sales), and the transactions related to the placement of securities convertible into the Company’s ordinary shares.

20.2. A major transaction shall be approved by the Company’s Board of Directors or the General Shareholders’ Meeting in accordance with art. 79 of the Federal Law "On Joint Stock Companies".

20.3. Transactions deemed as related-party transactions pursuant to art. 81 of the Federal Law "On Joint Stock Companies" shall be performed by the Company in accordance with the provisions of Chapter XI of the said Law.

# Section 21. ACCOUNTING AND REPORTING. COMPANY FUNDS

21.1. The profit (income) retained by the Company after payment of taxes and other levies and charges to the budget and non-budgetary funds shall be at its the sole disposal and shall be used by the Company at its own discretion.

21.2. The Company shall establish a reserve fund constituting five (5) percent of the Company's Share Capital.

The Company's reserve fund shall be generated through mandatory annual contributions.

The amount of the annual contributions may not be less than five (5) percent of the net profit until the amount established in the Company's Articles of Association is reached.

The Company's reserve fund is designed to to cover the Company's losses, as well as to redeem the Company's bonds and purchase Company's shares if other funds are unavailable.

The reserve funds may not be used for other purposes.

21.3. The Company shall keep accounting records and file financial
statements in the manner established in the Federal Law "On Joint Stock Companies" and other laws and regulations of the Russian Federation.

21.4. The Company’s Director General shall be responsible for the establishment, state and reliability of the Company’s accounting, for the timely filing of the annual report and other financial statements to the relevant authorities, as well as of the information on the Company’s operations, to shareholders, creditors and to mass media, in accordance with the Federal Law "On Joint Stock Companies", other laws and regulations of the Russian Federation and the Company's Articles of Association.

21.5. A financial year shall be established as starting from January 1 and ending on December 31.

21.6. The reliability of data in the Company’s annual report prepared for the General Shareholders' Meeting and the annual accounting statements shall be confirmed by the Company’s Auditing Commission (Internal Auditor).

21.7. The Company’s annual report shall be subject to preliminary approval by the Company’s Board of Directors at least 30 days prior to date of the annual General Shareholders’ Meeting.

# Section 22. INFORMATION ON THE COMPANY

22.1. The Company shall ensure that shareholders have access to the documents set out in par. 23.1. of the Articles of Association. The shareholders (shareholder) jointly holding at lease 25 percent of the Company's voting shares shall have the right to access accounting documents.

22.2. The documents provided for in par. 22.1. of the Articles of Association must be provided by the Company for review at the premises of the Company's executive bodies within seven days after the relevant request. At the request of the persons entitled to access the documents indicated in par. 22.1. of the Articles of Association, the Company shall provide them with copies of such documents.

# Section 23. COMPANY DOCUMENTS

23.1. The Company shall keep the following documents:

* the Company’s Articles of Association and any amendments and supplements thereto, which are registered in the established manner, the resolution to establish the Company, the Company’s state registration certificate;
* the documents evidencing the Company’s rights to the property recorded in its balance sheet;
* the Company’s internal documents;
* the regulations on the Company’s branch or representative office;
* annual reports;
* accounting records;
* accounting statements;
* minutes of the General Shareholders’ Meetings (resolutions of the shareholder holding all the Company's voting shares), meetings of the Company’s Board of Directors and Company’s Auditing Commission (Internal Auditor);
* powers of attorney (their copies) for participation in
the General Shareholders’ Meeting;
* independent appraisers’ reports;
* lists of the Company’s affiliates;
* lists of the persons entitled to attend the General Shareholders’ Meeting and the persons entitled to receive dividends as well as any other lists drafted by the Company to enable shareholders to exercise their rights according to the requirements contained in the Federal Law "On Joint Stock Companies";
* opinions of the Company’s auditing commission, the Company’s auditor, and federal and municipal financial control authorities;
* any other documents prescribed by the Federal Law "On Joint Stock Companies", the Company's Articles of Association, the Company’s internal documents, resolutions of the General Shareholders’ Meeting, the Company’s management bodies, as well as the documents prescribed by the laws and regulations of the Russian Federation.

23.2. The Company shall retain the documents provided for in paragraph 24.1 of the Articles of Association at the place where its executive bodies are located in the manner
and for the periods of time established by the federal executive body in charge of securities market.

# Section 24. REORGANIZATION AND LIQUIDATION OF THE COMPANY

24.1. The Company may be reorganized on a voluntary basis in the manner envisaged in the Federal Law "On Joint
Stock Companies".

Any other reasons and procedure for the Company’s reorganization shall be defined by the Civil Code of the Russian Federation and other federal laws.

24.2. The Company may be restructured in the for of a merger, takeover, separation, split-off and transformation.

24.3. The Company may be liquidated in the manner set out in par. 2 of art. 61 of the Civil Code of the Russian Federation, with due consideration of the requirements of the
Federal Law "On Joint Stock Companies" and the Company's Articles of Association. The Company may be liquidated pursuant to a court ruling for the reasons envisaged in par. 2 of art. 61 of the Civil Code of the Russian Federation. Liquidation of the Company shall result in termination of its operations without transfer of its rights and obligations to any other persons by way of succession.

24.4. The procedure and the terms of liquidation shall be set out in the Civil Code of the Russian Federation.

24.5. In the event of the Company's voluntary liquidation, the Company's Board of Directors shall submit the issue of the
Company's liquidation and appointment of a liquidation commission to the General Shareholders’ Meeting for
resolution.

24.6. The Company's General Shareholders’ Meeting shall pass a voluntary resolution on liquidation of the Company and appointment of the liquidation commission.

24.7. Upon appointment of the liquidation commission, all powers to manage the Company’s affairs shall pass to it. The liquidation commission shall represent the liquidated Company in court.

24.8. The liquidation commission shall publish an announcement of the Company's liquidation and the procedure and timeframe for the filing of any claims by its creditors in the mass media publishing information on the registration of legal entities. The period for the filing claims by creditors may not be less than two months from the date of publication of the announcement of the Company's liquidation.

24.9. The liquidation commission shall take steps to identify the creditors and recovering outstanding debts, and shall notify its creditors of the Company's liquidation in writing.

24.10. Upon expiry of the period for the creditors to file their claims, the liquidation commission shall draw up
an interim liquidation balance sheet, which shall contain information on composition of the property of the liquidated Company, the claims filed by creditors and results of their consideration. The interim liquidation balance sheet shall be approved by the General Shareholders’ Meeting

24.11. In the event that the funds available to the Company are insufficient to cover creditor claims, the liquidation commission shall sell other Company property through public sales in the manner established for enforcement of court judgements.

24.12. Cash payments to creditors of the liquidated Company shall be processed by the liquidation commission in the
order set out in the Civil Code of the Russian Federation based on the interim liquidation balance sheet.

24.13. Having completed settlements with the creditors, the liquidation commission shall draw up a liquidation balance sheet to be approved by the General Shareholders’ Meeting.

24.14. The Company’s property that is left after completion of settlements with the creditors shall be
distributed by the liquidation commission among the shareholders in the order of priority established in art. 23 of the Federal Law "On Joint Stock Companies".

24.15. The Company’s liquidation shall be deemed completed, and the Company terminated, from the time the appropriate entry is made to the Unified State Register of Legal Entities by the state registration body.

**Acting Director General XXX**