

APPROVED BY
GENERAL MEETING OF SHAREHOLDERS
OF MTS PJSC
(MINUTES NO. ___ DATED __ ____, 20__)

**CHARTER
LIMITED LIABILITY COMPANY
Tower Infrastructure Company**

(Version 1)

Moscow, 2021

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§ 1. GENERAL PROVISIONS

- 1.1. **Tower Infrastructure Company Limited Liability Company** (hereinafter referred to as the **Company**) is the business entity the authorized capital of which is broken down into stakes certifying liability rights and property responsibility of the Company Participants towards the Company.
- 1.2. The Company is a legal entity established in accordance with the law of the Russian Federation as a result of the reorganization of Mobile TeleSystems Public Joint Stock Company (PSRN 1027700149124, MTS PJSC) in the form of spin-off based on the resolution passed by the General Meeting of Shareholders of Mobile TeleSystems Public Joint Stock Company (Minutes No. __ dated __ ____, 2021).
- 1.3. Over the course of its business, the Company shall rely on the applicable law of the Russian Federation, the Company Charter (hereinafter also referred to as **the Charter**, this **Charter**) and resolutions of its bodies adopted within the scope of their competence in pursuance of the established procedure.
- 1.4. Requirements stipulated by the Company Charter shall be binding upon all bodies and Participants of the Company. The Company Charter may be amended upon resolution of the General Meeting of its members except for the cases as provided for by the law of the Russian Federation.

§ 2. COMPANY NAME AND LOCATION

- 2.1. Full trade name of the Company:
 - (1) in Russian — **Общество с ограниченной ответственностью «Башенная инфраструктурная компания»**
 - (2) in English — **Limited liability company “Tower infrastructure company”**
- 2.2. Short trade name of the Company:
 - (1) in Russian — **ООО «БИК»**
 - (2) in English — **“TIC” LLC**
- 2.3. Location of the Company: Russian Federation, Moscow.

§ 3. LEGAL POSITION OF THE COMPANY

- 3.1. **Legal Status of the Company**
 - 3.1.1. The Company is a legal entity established and acting in accordance with the Civil Code of the Russian Federation, Federal Law on Limited Liability Companies, other laws and regulation of the Russian Federation (hereinafter referred to as the law of the Russian Federation) and the Company Charter.
 - 3.1.2. The Company shall be deemed incorporated as legal entity upon its state registration in the manner provided for by the law of the Russian Federation.
 - 3.1.3. The Company may acquire and exercise civil rights and incur civil obligations, as well as sue and be sued, on its own behalf.
 - 3.1.4. The Company may be a member of and establish commercial organizations both in the Russian Federation and abroad, as well as voluntarily join unions and associations, establish and be a member of non-commercial organizations both in the Russian Federation and abroad.
 - 3.1.5. The Company shall have civil rights and bear civil duties as required for any type of activity not prohibited by the law of the Russian Federation. The Company may engage in some types of activities as determined by the law of the Russian Federation only subject to a special permit (license) pursuant to the requirements of the law of the Russian Federation.
 - 3.1.6. The Company has segregated property accounted for in its own balance sheet.
 - 3.1.7. The Company shall be entitled to open bank accounts under an established procedure both in the Russian Federation and abroad.
 - 3.1.8. The Company shall have an official round seal specifying its full trade name in Russian language and its location. The seal may also specify the trade name of the Company in any foreign language or language of any nation of the Russian Federation.
 - 3.1.9. The Company shall be entitled to have stamps and letterheads specifying its trade name, its own logo, as well as a trademark registered in due course and other means of identification.
- 3.2. **Scope and Objectives of the Company’s Activity**

- 3.2.1. The Company is established for an unlimited period.
- 3.2.2. Pursuant to this Charter, the Company may carry out any activity not contrary to the requirements of the applicable law of the Russian Federation for achieving its objectives.
- 3.2.3. The objective of establishment and activities of the Company is to make profit by entrepreneurial activities.
- 3.2.4. Types of activities carried out by the Company:
- (1) construction of new facilities, reconstruction, major repairs, current repairs and additional work;
 - (2) construction of civil engineering structures, such as long-distance and urban electricity distribution lines and communication lines, communication facilities, including line cable and antenna mast structures;
 - (3) installation of metal building structures, all types of prefabricated structures, engineering equipment of buildings and structures, technological equipment, commissioning; installation, repair and maintenance of electrical equipment;
 - (4) construction of electricity distribution lines, as well as buildings and structures that are an integral part of these systems, electrical fitting works;
 - (5) activities in the field of engineering surveys, design and engineering, construction project management, construction supervision;
 - (6) activities of the construction manager, general contractor, including the organization of the investment project implementation (pre-design preparation, analysis of the capabilities of the participants in the investment and construction process, construction planning), as well as design, survey and construction and installation work;
 - (7) activity in the field of electric communication;
 - (8) ensuring the operation of the distribution system (i.e. a system consisting of lines, poles, meters and electrical wires) transferring electricity received from a generating facility or electricity transmission system to the end user;
 - (9) sale of electricity to the user, control over the electricity supply and throughput;
 - (10) buying and selling own real estate;
 - (11) leasing and management of personal or rented non-residential real estate;
 - (12) transactions with real estate, including, but not limited to, sale, preparation for sale, purchase and sale of own real estate, rent, lease of own real estate, provision of intermediary services (including as an agency) related to real estate, real estate management, including managing real estate operation, real estate accounting and technical inventory;
 - (13) advertising, rendering of marketing services and services related to promotion in the market;
 - (14) Other activities not prohibited by the law of the Russian Federation.
- 3.2.5. In cases stipulated by law, the Company may engage in certain types of activities only on the basis of a special permit (license), membership in a self-regulatory organization or a certificate of admission to a certain type of work issued by a self-regulatory organization.

§ 4. LIABILITY OF THE COMPANY

- 4.1. The Company shall be liable for its obligations with all its assets and shall not be liable for the obligations of its members. The Company shall be liable for the obligations of its founders related to the Company founding only subject to subsequent approval of their actions by the General Meeting of the Company Participants. In any case the extent of the Company's liability shall not exceed one fifth of the paid-up authorized capital of the Company.
- 4.2. The Russian Federation, constituent entities and municipalities of the Russian Federation shall not be liable for the Company's obligations, the same as the Company shall not be liable for the obligations of the Russian Federation, constituent entities and municipalities of the Russian Federation.

§ 5. BRANCHES AND REPRESENTATIVE OFFICES OF THE COMPANY

- 5.1. The Company may establish branches and representative offices in the Russian Federation in accordance with the applicable law of the Russian Federation, and abroad in accordance with the law of the foreign state where branches and representative offices are located, unless otherwise provided for by the international treaties with the Russian Federation.
- 5.2. Branches and representative offices of the Company are established upon the resolution adopted by the Board of Directors. If the Board of Directors is not created in the Company, the decision on

the establishment of branches and the opening of representative offices shall be made by the General Meeting of Participants, adopted by a majority of not less than two thirds of the total number of votes of the Company Participants.

- 5.3. The branches and representative offices shall not be deemed separate legal entities, and their activity shall be governed by the regulations approved by the Company. The branches and representative offices shall be provided with the assets owned by the Company.
- 5.4. Executive managers of the branches or representative offices shall be appointed by the Company and shall act based on the powers of attorney issued by the Company.
- 5.5. The branches and representative offices shall act in the name of the Company. The Company shall be responsible for the activities of its branches and representative offices.

§ 6. SUBSIDIARIES

- 6.1. The Company may have subsidiary business entities holding the rights of a legal entity within the Russian Federation established in accordance with the law of the Russian Federation. The Company may also have subsidiary business entities outside the Russian Federation in accordance with the law of the foreign state where the subsidiary business entity is established, unless otherwise provided for by the international treaties of the Russian Federation.

§ 7. ACCOUNTING AND REPORTING IN THE COMPANY. DOCUMENTS OF THE COMPANY

7.1. Accounting Records and Financial Reporting of the Company

- 7.1.1. The Company shall keep accounting records and submit financial reporting under the procedure as established by the law of the Russian Federation.
- 7.1.2. Responsibility for arranging accounting processes, condition and accuracy of the Company records, timely submission of annual report and other financial reporting to the respective authorities along with the information on the Company activities provided to the member, creditors and mass media shall be imposed on the sole executive body of the Company pursuant to the law of the Russian Federation.

7.2. Documents of the Company

- 7.2.1. The Company shall keep the following documents at the location of its sole executive body in the manner and within the time period as established by the law of the Russian Federation:
 - (1) Resolution on the Company Incorporation;
 - (2) Charter of the Company and amendments thereto registered in due course;
 - (3) Minutes of General Meeting of the Company founders containing resolution on the Company establishment and any other resolutions connected with the establishment of the Company;
 - (4) Document certifying state registration of the Company;
 - (5) Document certifying the rights of the Company to the property recorded in its balance sheet;
 - (6) Internal documents of the Company;
 - (7) Regulations on the Branches and Representative Offices of the Company;
 - (8) Documents connected with the emission of bonds and other equity securities of the Company;
 - (9) Minutes of General Meetings of the Company Participants, meeting of the Board of Directors of the Company;
 - (10) Lists of the Company's affiliates;
 - (11) Reports of the auditor and rulings of state and municipal financial supervision authorities;
 - (12) Other documents as required by the law of the Russian Federation, Company Charter, internal documents of the Company, resolutions of the General Meeting of the Company Participants, Company's Board of Directors and executive bodies of the Company.

§ 8. INFORMATION ABOUT THE COMPANY

- 8.1. Information about the Company shall be provided by the Company pursuant to the requirements of the law of the Russian Federation.
- 8.2. Upon request of a Company participant, auditor or any interested party, the Company shall provide the requesting party with a possibility to get familiarized with the Company Charter, including amendments thereto, within a reasonable time. Upon request of a Company participant, the Company shall provide to this member a copy of the valid Company Charter. Payment charged by the Company for the copies provided shall not exceed the costs incurred for their production.
- 8.3. The Company shall provide to the Company Participants access to the court rulings on the disputes related to the establishment, management of the Company or membership therein, including orders on initiation of proceedings by the court of arbitration on the case and acceptance of a claim or a

motion to change the subject matter or cause of action. This requirement also applies to decisions and resolutions of the arbitral tribunal on disputes related to the creation of a company, its management or participation in it.

- 8.4. The Company upon request of its member shall provide to this member an access to the documents as stipulated in clause 7.2.1 hereof. Within three days from the date of the request of the Company participant the aforesaid documents shall be provided by the Company for review in the premises of the executive body of the Company. The Company upon request of the Company participant shall provide to this member copies of the aforesaid documents. Payment charged by the Company for such copies shall not exceed the costs incurred for their production.
- 8.5. The Company shall not publish reports on its activity except for cases as provided for by the law of the Russian Federation.
- 8.6. In case of public placing of bonds and other equity securities the Company shall publish annual reports and balance sheets and disclose any other information about its activities as required by the law of the Russian Federation.

§ 9. REORGANIZATION AND LIQUIDATION OF THE COMPANY

9.1. Reorganization of the Company

- 9.1.1. The Company may be voluntarily reorganized in accordance with the procedure as set forth in the law of the Russian Federation.
- 9.1.2. The Company reorganization may be carried out in the form of (1) merger, (2) acquisition, (3) split-off, (4) spin-off and (5) transformation, as well as by simultaneous combination of various reorganization forms.
- 9.1.3. The Company shall be deemed reorganized, except for the cases of reorganization through consolidation, upon state registration of legal entities as established in the course of reorganization, in the manner and under conditions as set forth by the law of the Russian Federation. Upon reorganization of the Company through consolidation with the other company the first company shall be deemed reorganized as from the date when the entry is made in the Unified State Register of Legal Entities on the termination of activity of the company acquired.
- 9.1.4. In case of reorganization after an entry is made in the state register of legal entities on commencement of reorganization, the Company shall make two announcements of its reorganization with the interval of a month in mass media publishing information about the state registration of legal entities. If two or more companies take part in reorganization, the announcement of reorganization shall be published in the name of all companies involved in the reorganization by the company which last made a decision of reorganization or appointed for that by the Merger or Consolidation Agreement. Therewith the creditors of the Company not later than within 30 days from the date of last announcement of the Company reorganization shall be entitled to request in a judicial proceeding the premature execution of a certain obligation by the debtor, and should such execution be impossible — its termination and compensation of losses incurred.

9.2. Liquidation of the Company

- 9.2.1. The company may be liquidated voluntarily through the procedure as established by the Civil Code of the Russian Federation with account of requirements of the Federal Law on Limited Liability Companies and the Company Charter. The Company may also be liquidated upon the court ruling on the grounds set forth in the Civil Code of the Russian Federation.
- 9.2.2. In case of a voluntarily liquidation of the company the General Meeting of Participants of the Company shall make a decision on the Company liquidation and appoint a liquidation committee. Upon appointment of a liquidation commission, the latter shall be authorized to manage the Company's activities. The liquidation committee shall appear before the court on behalf of the Company being liquidated.
- 9.2.3. The property of the liquidated Company shall be distributed between the Company Participants by the liquidation company after settlements with the creditors under the procedure and in the order of priority as established by the law of the Russian Federation.
- 9.2.4. The liquidation of the Company shall be deemed completed and the Company no longer existing after a corresponding entry is made by the state registrar into the Unified State Register of Legal Entities of the Russian Federation.

§ 10. TRANSACTIONS OF THE COMPANY

10.1. Transactions with Special Execution Procedure

- 10.1.1. Transactions with special execution procedure as listed in sub-clauses (12) – (18) of clause 31.2.1

hereof shall be approved prior to execution thereof in the order as set forth herein.

- 10.1.2. If a transaction with special execution procedure is concurrently a major transaction, the procedure of its execution shall be regulated by corresponding provisions on approval of major transaction.

10.2. **Major Transactions**

- 10.2.1. Transactions classified as major transactions in accordance with Article 46 of Federal Law on Limited Liability Companies are subject to prior approval pursuant to the procedure as established by law.

10.3. **Interested Party Transactions**

- 10.3.1. The provisions of Article 45 of the Federal Law on Limited Liability Companies on transactions of interest shall not be applied to the Company, except for cases when the transaction is of interest of the sole executive body of the Company. Interested party transactions of the sole executive body of the Company provided for in sub-clause (26) of clause 30.2 and sub-clause (19) of clause 31.2.1 of this Charter require prior consent to be executed in accordance with the procedure provided for by this Charter.
- 10.3.2. For the purpose of applying clause 10.3.1 hereof, transactions with the MTS PJSC Group companies, in which the sole executive body of the Company holds positions in management bodies, in the absence of other grounds for the interest of the sole executive body, are not deemed transactions of interest of the sole executive body of the Company. Such transactions do not require obtaining consent for their execution in accordance with sub-clause (26) of clause 30.2 and sub-clause (19) of clause 31.2.1 hereof.

§ 11. FUNDS AND NET ASSETS OF THE COMPANY

11.1. **Reserve Fund of the Company**

- 11.1.1. Reserve Fund of the Company is reserved to address its losses, redeem bonds of the Company and purchase stakes of its members.
- 11.1.2. The Company shall maintain a contingency fund equal to 5% of the authorized capital of the Company created through mandatory annual contributions paid in until the needed amount is reached. Size of mandatory annual contributions cannot be less than 5% of the net income of the Company. Contributions to the reserve fund shall not be subject to a decision on net income distribution.

11.2. **Net Assets of the Company**

- 11.2.1. The cost of the net assets of the Company shall be determined under the procedure as established by the law of the Russian Federation and regulations implemented in accordance therewith.
- 11.2.2. If in the end of the second and each subsequent financial year the cost of the net assets of the Company becomes less than its authorized capital, the Company shall under the procedures and within the time period as established by the law of the Russian Federation increase the cost of the net assets up to the size of the authorized capital or register reduction in the authorized capital in accordance with standard procedure. If cost of the aforesaid assets of the Company becomes less than the size of the authorized capital required by law, the Company shall be subject to liquidation.
- 11.2.3. The Company shall provide to any stakeholder access to information on the cost of the net assets in the order as established by the law of the Russian Federation.

§ 12. AUTHORIZED CAPITAL OF THE COMPANY

- 12.1. The authorized capital of the Company comprises **RUB 25 000 000 (Twenty five million)** and is an aggregate of par values of stakes held by its members.
- 12.2. The authorized capital of the Company shall not be less than the minimum amount required by the law of the Russian Federation.
- 12.3. The authorized capital of the Company and par value of stakes held by the Company shall be established in rubles.
- 12.4. The authorized capital of the Company shall determine the minimal size of its property securing the interests of its creditors.
- 12.5. The size of stake of the Company participant in the authorized capital of the Company shall be established as a percentage or a fraction. The size of stake of the Company participant shall

- correspond to the stake par value to the authorized capital ratio.
- 12.6. The actual value of the Company participant 's stake shall correspond to the cost of net assets of the Company proportional to the size of the member's stake.
 - 12.7. Payment for the stake in the authorized capital of the Company can be made in cash, securities, other belongings or property rights or any other rights with a monetary value.
 - 12.8. Monetary valuation of non-cash contribution to the authorized capital of the Company shall be made by an independent appraiser. The Company Participants cannot set the monetary value of non-cash contribution higher than that determined by an independent appraiser.
 - 12.9. If the stake in the authorized capital of the Company is paid for using non-cash means the Company Participants and an independent appraiser in the event of the Company's property insufficiency shall be severally and subsidiary liable for its obligations to the extent to which the value of the property contributed to the authorized capital have been overstated within five years as from the state registration of the Company or introduction of respective amendments to the Charter of the Company.
 - 12.10. In case if the Company's right for the use of property terminates prior to the expiry of a time period for the length of which such property was transferred to the Company for use as a payment for the stake, the Company participant which transferred the property shall upon request of the Company provide the monetary compensation equal to the payment for the use of similar property under similar terms within the remaining period of the property use. The monetary compensation shall be paid as a lump sum within reasonable time after the Company's claim for such compensation, unless other payment procedure for monetary compensation has been established by the General Meeting decision of the Company Participants. Such resolution shall be adopted by the General Meeting of the Company Participants without account of the votes of the Company participant who transferred to the Company as a payment for its stake its right for the use of property which was terminated prematurely.
 - 12.11. In case of a failure to pay compensation by the due date a stake or part of a stake in the authorized capital of the Company proportional to the unpaid amount (value) of compensation shall pass to the Company. Such a stake or part of a stake shall be sold by the Company observing the procedure and timing as established by the law of the Russian Federation.
 - 12.12. The property transferred by the Company participant to the Company as a payment for its stake, in case of withdrawal or expulsion of this member from the Company, shall continue to be used by the Company within the time period for the length of which such property has been transferred to the Company.
 - 12.13. Each founder of the Company shall pay in full for its stake in the authorized capital of the Company within the time period as stipulated in the Company Incorporation Agreement or if the Company was established by a sole founder as stipulated in the Resolution on the Establishment of the Company, though not exceeding four months after state registration of the Company. The stake of each founder of the Company shall be paid for at price not lower than its par value.
 - 12.14. The Company founder cannot be relieved of its obligation to pay for the stake in the authorized capital of the Company including through the offset of its claims to the Company.
 - 12.15. In case of a failure to pay for the stake in the authorized capital in full within the time period as established in clause 12.12 hereof, the unpaid part of stake shall pass to the Company. Such part of stake shall be sold by the Company observing the procedure and timing as stipulated in Article 23 hereof. The Company Incorporation Agreement may provide for charging of a penalty (a fine) for a failure under an obligation to pay for the stake in the authorized capital of the Company.
 - 12.16. The stake of the Company founder gives a voting right only to the extent of the paid portion of stake held by the founder.

§ 13. INCREASE IN THE AUTHORIZED CAPITAL OF THE COMPANY

13.1. General Provisions

- 13.1.1. The Company may increase its authorized capital only after it is paid for in full pursuant to the requirements of the law of the Russian Federation.
- 13.1.2. The authorized capital of the Company may be increased: (1) through the assets of the Company, and (or) (2) by additional contributions from the Company Participants, and (or) (3) by contributions to the Company from the third parties, accepted by the Company.
- 13.1.3. If the authorized capital has not been increased, the company shall within the reasonable time return to the Company Participants and third parties their cash contributions, and in case of a failure to return contributions within the stated time period also pay interest in the order and within the period as provided for by Article 395 of the Civil Code of the Russian Federation.

- 13.1.4. The Company shall return to the Company Participants and third parties their non-cash contributions within the reasonable time, and in case of a failure to do so compensate for the opportunities lost due to impossibility to use the property transferred as a contribution.
- 13.2. Increase in the Authorized Capital through the Assets of the Company**
- 13.2.1. The authorized capital of the Company may be increased through its assets upon a decision of the General Meeting of Participants supported by at least two thirds of the votes cast.
- 13.2.2. Decision on increase of the authorized capital of the Company through the Company assets shall be made only based on the Company accounting statements for a year preceding the year when such decision was made.
- 13.2.3. The amount, by which the Company's authorized capital is increased on account of the Company's property, shall not exceed the difference between the value of the Company's net assets and the Company's reserve fund.
- 13.2.4. In case of increase in the authorized capital of the Company through the assets of the Company the par values of stakes held by its members shall be increased proportionally without any changes in the size of the stakes.
- 13.2.5. Application for state registration of amendments to the Charter of the Company due to increase in the authorized capital of the Company and other documents for state registration of amendments to the Charter of the Company due to increase in the authorized capital of the Company and of changes in the par value of the stakes of the Company Participants shall be submitted to the state registrar of legal entities within one month after a decision on the increase in the authorized capital of the Company through its assets has been made.
- 13.2.6. Such amendments shall take effect on the third parties upon their state registration.
- 13.3. Increase in the Authorized Capital by Additional Contributions from the Participants of the Company**
- 13.3.1. General Meeting of the Company Participants by the majority of votes not less than two thirds of the total votes cast may make a decision on the increase in the authorized capital of the Company by additional contributions from the Participants of the Company. The adopted resolution shall specify an aggregate value of additional contributions and establish one for all members ratio between the aggregate value of additional contribution made by the Company participant and increase in the par value of stake held by this member. This ratio shall be determined based on assumption that the par value of the stake held by the Company participant may be increased by an amount equal to or less than the value of its additional contribution.
- 13.3.2. Each member of the Company shall be entitled to make an additional contribution not exceeding the part of aggregate additional contributions proportional to the size of the stake held by this member in the authorized capital of the Company. Additional contributions can be made by the Company Participants within two months from the date when the General Meeting of Participants made a decision to increase the authorized capital of the Company by additional contributions from the Company Participants, unless the General Meeting of the Company Participants decided on a different time period.
- 13.3.3. Not later than within a month after an expiry of the time period for additional contributions the General Meeting of the Company Participants shall decide on approval of the results of additional contributions making by the Company Participants and on amendments to the Company Charter related to the increase in the authorized capital of the Company. Therewith the par value of the stake held by each Company participant who made an additional contribution, shall be increased based on the established ratio.
- 13.3.4. Amendments to the Company Charter shall become effective for the Company Participants and the third parties as from their state registration in the order as established by the law of the Russian Federation. In case of a failure to observe the timing as required by the law of the Russian Federation, increase in the authorized capital shall be declared void.
- 13.4. Increase in the Authorized Capital based on Application from the Company's Member or from the Third Party**
- 13.4.1. General Meeting of the Company Participants may decide on increase in the authorized capital based on an application from the Company participant (applications from the Company Participants) for making an additional contribution and (or) an application from the third party (applications from the third parties) for membership in the Company and for making an additional contribution. Such decision shall be made unanimously by all Company Participants.

- 13.4.2. The application from the Company participant and the application from the third party shall specify size and composition of the contribution, procedure and timing for its making, along with the size of stake which the Company participant or the third party wants to hold in the authorized capital of the Company. The application may also specify any other conditions for making contributions and becoming a member of the Company.
- 13.4.3. Concurrently with the decision to increase an authorized capital of the Company based on an application from the Company participant or applications from the Company Participants for making an additional contribution a decision shall be made on amending the Company Charter accordingly due to the increase in the authorized capital of the Company and a decision on the increase of the par value of the stake held by the Company participant or stakes held by the Company Participants who applied for making an additional contribution and if required a decision on changes in the size of stakes held by the Company Participants. Such decisions shall be made unanimously by all Company Participants. Therewith the par value of the stake held by each member applying for making an additional contribution shall be increased by an amount equal to or less than the additional contribution made by this member.
- 13.4.4. Concurrently with the decision to increase an authorized capital of the Company based on an application from the third party or applications from the third parties for membership in the Company and for making an additional contribution decisions shall be made on admission of the third party or parties to membership in the company, on amending the Company Charter accordingly due to the increase in the authorized capital of the Company, on par value and size of a stake or stakes of the third party or parties and on changes in the size of stakes held by the Company Participants. Such decisions shall be made unanimously by all Company Participants. Par value of the stake purchased by any third party admitted to the membership in the Company shall not exceed the value of its contribution.
- 13.4.5. Additional contributions shall be made by the Company Participants or by the third parties not later than within six months after the date when the General Meeting of the Company Participants decides on the issues as specified in this clause.
- 13.4.6. Amendments to the Company Charter shall become effective for the Company Participants and the third parties as from their state registration in the order as established by the law of the Russian Federation. In case of a failure to observe the timing as required by the law of the Russian Federation, increase in the authorized capital shall be declared void.

§ 14. REDUCTION IN THE AUTHORIZED CAPITAL

14.1. General Provisions

- 14.1.1. The Company shall be entitled and in cases as provided for by the law of the Russian Federation shall be obliged to reduce the authorized capital through (1) reduction in the par value of stakes held by all Company Participants in the authorized capital of the Company and (or) (2) redemption of stakes held by the Company.
- 14.1.2. The Company shall not be entitled to reduce its authorized capital if such a reduction makes the authorized capital less than the minimum amount required by the law of the Russian Federation as of the date of documents submission for state registration of corresponding amendments to the Company Charter, and in cases when the Company is obliged to reduce its authorized capital pursuant to the requirements of the law of the Russian Federation as of the date of state registration of the Company.
- 14.1.3. If the amount of the authorized capital is changed downwards through reduction in the par value of stakes held by all Company Participants, sizes of stakes held by the Company Participants shall remain unchanged.
- 14.1.4. Within three business days following the Company's decision to decrease its authorized capital, the Company shall give a notice thereof to the state registrar of legal entities, and make two announcements of reduction in its authorized capital with the interval of a month in the print media publishing information about the state registration of legal entities observing the procedure as established by the law of the Russian Federation. Therewith within 30 (Thirty) days from the date of such announcement the creditors of the Company shall be entitled to request in writing the premature execution of respective obligations by the Company if their rights of claim arose prior to the announcement on reduction in the authorized capital of the Company, and should such execution be impossible claim its termination and compensation of losses incurred.

§ 15. PARTICIPANTS OF THE COMPANY

15.1. General Provisions

- 15.1.1. Both individual and legal entities may become the Participants of the Company. A business entity consisting of one person cannot be a sole member of the Company unless otherwise provided for by law.
- 15.1.2. The number of the Company Participants shall not exceed fifty. In case if the number of the Company Participants exceeds the limit established herein, the Company shall be transformed into a joint-stock company or a production cooperative within one year. If within this time period the Company is not reorganized or the number of the Company Participants is not reduced to the limit as established herein, it shall be liquidated through a judicial procedure in compliance with the law of the Russian Federation.

§ 16. RIGHTS OF THE COMPANY PARTICIPANTS

- 16.1. The Company Participants shall have the following rights which may be exercised pursuant to the provisions of the Company Charter and the law of the Russian Federation:
- (1) a right to participate in the management of the Company's affairs;
 - (2) a right to participate in the General Meeting of Participants including discussion of and voting on all or certain issues as falling within its responsibility;
 - (3) a right to receive information on the Company activities, review its accounting records and other documents;
 - (4) a right to participate in the Company's profit distribution;
 - (5) a right to sell or otherwise dispose of its stake or part of stake in the authorized capital of the Company to one or several members of this Company or to a third party;
 - (6) a right to withdraw from the Company by disposing its stake to the Company or to claim the purchase of stake by the Company in cases as provided for by the law of the Russian Federation;
 - (7) a right to get upon the Company liquidation a part of property remaining after settlements with creditors or its cost;
 - (8) a right to claim exclusion of the other member from the Company;
 - (9) a right to claim conduction of an audit for inspection and verification of annual reports and balance sheets of the Company as well as for checking the current state of the Company's affairs;
 - (10) a right to claim in court compensation for losses incurred by the Company through the fault of the members of Company's management bodies or a managing company (or an executive manager);
 - (11) claim against resolutions of the Company resulting in civil and legal consequences in cases and under the procedure as provided for by law;
 - (12) acting in the name of the Company challenge transactions executed by the Company based on the grounds as set forth in Article 174 of the Civil Code or Federal Law on Limited Liability Companies, and claim application of consequences of their invalidity and invalidity of void transactions if the Company;
 - (13) other rights as provided for by the Company Charter, resolutions of the competent management bodies of the Company and the law of the Russian Federation.
- 16.2. The founders (members) of the Company shall be entitled to enter into an agreement on implementation of the Company Participants' rights under which they undertake to exercise their rights in a predetermined manner and (or) refrain therefrom, including voting in a predetermined manner at the General Meeting of the Company Participants, agree the voting options with other members, sell a stake or part of a stake at the price as established by this agreement and (or) upon occurrence of certain circumstances refrain from disposal of a stake or part of a stake until the occurrence of certain circumstances, and carry out any other actions connected with the Company management, establishment, activities, reorganization or liquidation. Such agreement shall be executed in writing by issuance of a document signed by the parties.

§ 17. RESPONSIBILITIES OF THE COMPANY PARTICIPANTS

- 17.1. In pursuance of the requirements of this Charter and the law of the Russian Federation, the Company Participants shall be obliged to:
- (1) pay for the stakes in the authorized capital of the Company in the order, size and time period as provided for by the law of the Russian Federation and the Company Incorporation Agreement;
 - (2) notify in writing other Company Participants and/or the Company of the projected sale and/or encumbrance of a stake or part of stake in the authorized capital of the Company;
 - (3) not disclose confidential information on the Company's activity.
 - (4) participate in corporate decision-making, without which the Company cannot continue its activities in accordance with the law, if their participation is necessary for making such decisions;

- (5) not perform any acts deliberately aimed at causing harm to the Company;
- (6) not commit actions (inaction), which make it essentially difficult or impossible to achieve the objectives of the Company;
- (7) take reasonable measures for the early notification of other members and, where appropriate, of the Company of the intention to claim in court compensation for damages caused to the Company, or recognition of the transaction entered into by the Company as invalid, or application of consequences of transaction invalidity or provision to them of any other information related to the case;
- (8) other responsibilities as provided for by this Charter, resolutions of the competent Company's management bodies and the law of the Russian Federation.

§ 18. ADDITIONAL RIGHTS AND RESPONSIBILITIES OF THE COMPANY PARTICIPANTS

- 18.1. This Charter and (or) the resolution passed at the General Meeting of the Company Participants may grant other rights to and (or) impose other responsibilities (additional rights and (or) responsibilities) on the Company participant (members).
- 18.2. Additional rights granted to and responsibilities imposed on the certain member of the Company in case of disposal of its stake or part of the stake shall not pass to the purchaser of this stake of part of the stake.
- 18.3. Additional rights to a member (members) of the Company and additional responsibilities for all Participants of the Company may be granted (imposed) upon a resolution of the General Meeting of the Company Participants adopted unanimously by all Participants of the Company.
- 18.4. Additional responsibilities may be imposed on a certain member of the Company by a resolution of the General Meeting of the Company Participants adopted by the majority of votes not less than two thirds of the total votes cast, provided that the Company participant imposed with additional responsibilities votes for such resolution and gives its written consent.
- 18.5. Termination or restriction of additional rights granted to all Company Participants and termination of additional responsibilities shall be effected upon resolution of the General Meeting of the Company Participants adopted unanimously by all Company Participants.
- 18.6. Termination or restriction of additional rights granted to a certain Company participant shall be effected upon resolution of the General Meeting of the Company Participants adopted by the majority of votes not less than two thirds of the total votes cast, provided that the Company participant enjoying such additional rights votes for such resolution and gives its written consent.
- 18.7. The Company participant granted with additional rights may refuse from exercising the granted additional rights giving a written notice thereof to the Company. Upon receipt of the aforesaid notice by the Company additional rights of the Company participant shall be terminated.

§ 19. LIABILITY OF THE COMPANY PARTICIPANTS

- 19.1. The Company Participants shall not be liable for the Company's obligations and shall bear the risk of loss associated with the Company's activities only to the extent of the value of contributions made by them.
- 19.2. The Company Participants the stakes of which have not been paid for in full shall be severally liable for the Company's obligations to the extent of the unpaid value of stakes held by them in the authorized capital of the Company.
- 19.3. In case of insolvency (bankruptcy) of the Company through the fault of its members or the third parties empowered to give instructions binding for the Company or otherwise determine its course of action, the aforesaid members or the third parties may be charged with subsidiary liability for the Company's obligations in the event of its property insufficiency.

§ 20. WITHDRAWAL FROM THE COMPANY

- 20.1. The Company participant shall be entitled to withdraw from the Company by disposing of its stake to the Company regardless of the consent of other Company Participants or the Company.
- 20.2. Withdrawal of all Company Participants or of a sole member from the Company is not allowed.
- 20.3. Withdrawal of the Company participant from the Company shall not relieve this member of its obligation to the Company on making a contribution to the Company assets which arose prior to submission of an application for withdrawal from the Company.
- 20.4. The Company participant shall submit to the Company a certified application for withdrawal from the Company.

§ 21. TRANSFER OF THE MEMBER'S STAKE IN THE AUTHORIZED CAPITAL OF THE COMPANY

21.1. Rights of the Members and the Company in the Process of Stake Disposal

- 21.1.1. Transfer of a stake or part of a stake in the authorized capital of the Company to one or several Participants of the Company or to the third parties shall be made in a transaction, by way of succession or based on any other legal grounds.
- 21.1.2. The Company participant shall be entitled to sell or otherwise dispose of its stake or part of stake in the authorized capital of the Company to one or several members of this Company. Consent of the Company Participants or of the Company shall not be required.
- 21.1.3. Sale or any other disposal of the stake or part of the stake in the authorized capital of the Company to the third parties is allowed subject to the requirements of the law of the Russian Federation.
- 21.1.4. The stake of the Company participant may be disposed of before it is paid for in full only to the extent that it was paid for.
- 21.1.5. The Company Participants shall have a preemption right over the purchase of a stake or part of a stake of the Company participant at the price of offer to the third parties proportionate to the size of the stakes hold.
- 21.1.6. The Company shall have a preemption right over the purchase of a stake or part of a stake of the Company participant at the price of offer to the third parties if other Company Participants have not used their preemption right over the purchase of a stake or part of a stake of the Company participant .
- 21.1.7. Provisions establishing a preemptive right over the purchase of a stake or part of a stake in the authorized capital by the Company Participants or by the Company at the price as set forth in the Charter, including changes of such price and procedure for its determination may be introduced into the Company Charter as resolved unanimously by all Company Participants at the General Meeting of the Company Participants. Provisions establishing a preemptive right over the purchase of a stake or part of a stake in the authorized capital by the Company Participants or by the Company at the price as predetermined in the Charter may be excluded from the Company Charter upon General Meeting decision of the Company Participants adopted by two thirds of the total votes cast.
- 21.1.8. Provisions establishing a procedure for execution of the preemptive right over the purchase of a stake or part of a stake in the authorized capital by the Company Participants non-proportionally to the size of stake held by the Company Participants may be introduced into the Company Charter upon General Meeting decision of the Company Participants adopted unanimously by all Company Participants. The aforesaid provisions may be excluded from the Company Charter upon decision of the General Meeting of Participants supported by the majority of votes not less than two thirds of the total votes cast by the Company Participants.
- 21.1.9. Granting of a preemption right over the purchase of a stake or part of a stake of the Company participant both at the price of offer to the third parties and at the price as predetermined in the Charter shall not be allowed. The establishment of a preemption right over the purchase at the price as predetermined in the Charter for a certain member of the Company or for a certain stake or a certain part of stake in the authorized capital of the Company shall not be allowed.
- 21.1.10. The assignment of the aforesaid preemptive right over the purchase of a stake or part of a stake in the authorized capital of the Company shall not be allowed.

21.2. Procedure for Stake Assignment in the Authorized Capital of the Company

- 21.2.1. The Company participant intending to sell its stake or part of stake in the authorized capital of the Company to the third party shall notify the other Company Participants and the Company thereof in writing by forwarding at its own expense a certified offer addressed to them and specifying the price and other essential terms of the sale. The sale offer for a stake of part of a stake in the authorized capital of the Company shall be deemed received by all Company Participants at the time of its receipt by the Company. Upon that it may be accepted by a person being a member of the Company at the time of acceptance and by the Company in cases as provided for by the law of the Russian Federation. The offer shall be deemed unreceived if not later than within 1 day after its receipt by the Company the Company participant is forwarded a notice of its withdrawal. Withdrawal of the sale offer for a stake or part of a stake after its receipt by the Company shall be allowed only subject to consent of all Company Participants.
- 21.2.2. The Company Participants shall be entitled to use the preemptive right over the purchase of a stake or part of a stake in the authorized capital of the Company within thirty days after the offer receipt by the Company.
- 21.2.3. The Company shall be entitled to use the preemptive right over the purchase of a stake or part of a stake in the authorized capital of the Company within thirty days after expiry the preemptive

- right over the purchase of a stake or part of a stake granted to the Company Participants.
- 21.2.4. Should certain Participants of the Company refuse to use the preemptive right over the purchase of a stake or part of a stake in the authorized capital of the Company or use it not for the entire stake or part thereof offered for sale the other Company Participants may use the preemptive right over the purchase of a stake or part of a stake in the authorized capital of the Company with respect to the remaining part proportionally to the size of their stake within the time period as left for the use of preemptive right for the purchase of a stake or a part thereof.
- 21.2.5. The preemptive right over the purchase of a stake or part of a stake in the authorized capital of the Company for the member and for the Company shall expire upon:
- submission of a written application of refusal to use this preemption right in the order as set forth in clause 21.2.4;
 - the lapse of the time period for the use of this preemption right.
- 21.2.6. Applications of refusal to use the preemption right over the purchase of a stake or part of a stake shall be submitted by the Company Participants to the Company before the lapse of time period for the use of the said preemption right as specified in clause 21.2.2 hereof. The Company's application of refusal to use the preemptive right over the purchase of a stake or part of a stake in the authorized capital of the Company shall be submitted within the established time period to the Company participant which forwarded the sale offer for a stake or part of a stake by the sole executive body of the Company. The authenticity of signature on an application of refusal of the Company participant or of the Company to use the preemptive right over the purchase of a stake or part of a stake in the authorized capital of the Company shall be notarized.
- 21.2.7. In case if within thirty days after the offer receipt by the Company provided that the Company Participants or the Company do not use the preemptive right over the purchase of a stake or part of a stake in the authorized capital of the Company offered for sale, including those remaining after the exercise of the preemptive right over the purchase of only a part of the stake in the authorized capital offered for sale and the refuse of some Company Participants and the Company from the preemptive right over the purchase of a stake or part of a stake in the authorized capital of the Company, the remaining stake or part of stake may be sold to the third party at the price not lower than that specified in the offer for the Company and its participants and under the terms and conditions as communicated to the Company and its participants.
- 21.2.8. The shares in the Company's authorized capital shall be transferred to the heirs of citizens and successors of legal entities that were Participants of the Company, to the founders (members) of the liquidated legal entity that have real rights to its property or liability rights with respect to this legal entity, upon consent of the other Participants of the Company only. Before the inheritance of a stake of the deceased in the authorized capital by its heir, the control over this stake shall be exercised in the order as set forth by the law of the Russian Federation.
- 21.2.9. Should a stake or part of a stake in the authorized capital of the Company be sold by public auction the rights and responsibilities of the Company participant in respect of such stake or part of such stake shall be assigned subject to consent of the Company Participants.
- 21.2.10. A transaction aimed at the alienation of a stake or part thereof in the authorized capital of the Company shall be notarized by drafting one document signed by the parties, unless otherwise provided by the current legislation. A failure to observe notarial certification requirement in respect of the transaction shall entail invalidity of such a transaction. Notarial certification of the transaction is not required in case if stake or its part is transferred to the Company under circumstances as set forth in clause 18 of Article 21 and clauses 4 – 6 of Article 23 of the Federal Law on Limited Liability Companies, distributed between the Company Participants or sold to all or certain Company Participants or to third parties pursuant to Article 24 of the Federal Law on Limited Liability Companies.
- 21.2.11. If the Company participant being a party to an agreement imposing an obligation to execute transaction involving disposal of a stake or part of a stake in the authorized capital of the Company upon occurrence of certain circumstances or fulfillment by the other party of a counter obligation, is illegally evading notarial certification of a transaction involving disposal of a stake or part of a stake in the authorized capital of the Company, the purchaser of a stake or part of a stake having committed actions to perform under the aforesaid agreement, shall be entitled to claim in court the transfer of a stake or part of a stake in the authorized capital of the Company. In such a case the ruling of the court of arbitration on transfer of stake or part of stake in the authorized capital of the Company shall become the grounds for state registration of the corresponding changes entered into the Unified State Register of Legal Entities.
- 21.2.12. Participation interest in the authorized capital of the Company or a part thereof is transferred to

its transferee upon the relevant entry in the Unified State Register of Legal Entities, except for the cases stipulated by cl.7 Art. 23 of the Federal Law on Limited Liability Companies.

- 21.2.13. The purchaser of a stake or part of a stake in the authorized capital of the Company shall be transferred all rights and responsibilities of the Company participant which have arisen prior to transaction involving disposal of a stake or part of a stake in the authorized capital of the Company or prior to the emergence of any other grounds for its transfer, except for the rights and responsibilities as provided for by the law of the Russian Federation. The Company participant having disposed of its stake or part of its stake in the authorized capital of the Company shall have a several responsibility with its purchaser towards the Company for making contribution to the Company assets which have arisen prior to the transaction involving disposal of the stake or part of the stake in the authorized capital of the Company.
- 21.2.14. Upon notarial certification of a transaction involving disposal of a stake or part of a stake in the authorized capital of the Company, or in cases when notarial certification is not required, upon introduction of corresponding changes in the Unified State Register of Legal Entities transfer of a stake or part of a stake may be disputed only through judicial procedure by filing a claim to the court of arbitration.

§ 22. PLEDGE OF STAKES IN THE AUTHORIZED CAPITAL OF THE COMPANY

- 22.1. The Company participant may transfer its stake or part of stake in the authorized capital of the Company as a pledge to the other Company participant or subject to approval by the General Meeting of the Company Participants to the third party. General Meeting's decision of the Company Participants on approval of a stake or part of a stake held by the Company participant pledging shall be adopted by the majority of votes. The vote of the Company participant having an intention to transfer its stake or part of its stake as a pledge shall not be counted when summing-up the voting results.
- 22.2. Pledge agreement for a stake or part of a stake in the authorized capital of the Company is subject to notarial certification. A failure to observe notarial certification requirement in respect of the transaction shall entail invalidity of such a transaction. Pledging of a stake or part of a stake in the authorized capital of the Company is subject to state registration under the procedure as established by the law of the Russian Federation and shall become effective upon such state registration.

The rules provided for by clauses 13 and 13.1 of Article 21 of the Federal Law On Limited Liability Companies shall apply to notarial certification of a pledge agreement for a stake or part of a stake in the Company's authorized capital, except for cases when, at the time of notarization of the pledge agreement, the stake or part of the stake does not yet belong to the pledgor.

- 22.3. Within two (2) working days from the date of notarial certification of the pledge agreement for a stake or part of the stake in the Company's authorized capital, except for cases when, in accordance with civil legislation or the pledge agreement for a stake or part of the stake in the Company's authorized capital, a pledge will arise in the future, notary, who has notarized the pledge agreement, submits an application to the body that is carrying out state registration of legal entities to make appropriate amendments to the unified state register of legal entities. The application is sent to the body that carries out the state registration of legal entities in the form of an electronic document signed by an encrypted digital signature of a notary notarized the pledge of a stake or part of a stake in the authorized capital of the Company.

If a pledge of a stake or part of a stake in the Company's authorized capital in accordance with civil legislation or a pledge agreement for a stake or part of a stake will arise in the future, an application for making appropriate amendments to the unified state register of legal entities shall be signed and sent to the body that carries out state registration of legal entities by the pledgor within a period not later than within 3 (three) days from the date of fulfillment of all terms and conditions and the occurrence of all terms necessary for the pledge incurrence.

In the application for making appropriate amendments to the unified state register of legal entities, information on the pledgee and the pledge agreement shall be indicated.

Entry in the Unified State Register of Legal Entities on pledge of stake or part of stake in the Unified State Register of Legal Entities shall be cancelled based on the request of a pledge holder or based on a court ruling that has entered into legal force.

Not later than in 2 (Two) working days after notarial certification of a pledge agreement for stake or part of stake in the authorized capital of the Company, the notary that have notarized the pledge agreement shall transfer a copy of the aforesaid application to the Company, the stake of part of stake in the authorized capital of which is pledged. By agreement of the parties to the pledge

agreement, a company whose stake or part of the stake in the authorized capital of which is pledged may be notified on this by one of the persons entered into the pledge agreement. In this case, the notary shall not be responsible for not notifying the company about the conclusion of the pledge agreement.

§ 23. STAKES IN OWNERSHIP OF THE COMPANY

- 23.1. Company's Purchase of Participation Interest or a Portion Thereof in Its Charter Capital**
- 23.1.1. The Company shall not be entitled to purchase stake or part of stake in its authorized capital except for cases as provided for by the law of the Russian Federation.
- 23.1.2. The Company shall purchase, upon the request from the Company participant, the stake or part of the stake held by this member in case if other Company Participants have refused to purchase it or consent for disposal of the stake or part of the stake to the Company participant or to the third party has not been given.
- 23.1.3. The Company upon request of the Company participant that did not vote or voted against General Meeting decision of the Company Participants on the major transaction or on increase in the authorized capital of the Company by additional contributions to the Company, shall purchase the stake held by this member in the authorized capital of the Company. Such request shall be notarized and can be made by the Company participant within forty five days after the day when the Company participant learned about the adopted resolution or was supposed to learn about it. If the Company participant took part in the General Meeting of the Company Participants which adopted such resolution, the request can be made within forty five days after resolution adoption.
- 23.1.4. In the cases as provided for by clauses 23.1.2. and 23.1.3 hereof, within three months after the date when the respective obligation arose, the Company shall pay the Company participant the actual value of its stake in the authorized capital of the Company, determined based on the accounting statements of the Company for the last reporting period preceding the day of corresponding request from the Company participant, or, subject to consent of the Company participant, transfer assets of the same value to this member. Provisions establishing different time period for execution of the said obligation may be introduced into the Company Charter upon decision of the General Meeting of the Company Participants made unanimously by all Company Participants. The aforesaid provisions may be excluded from the Articles of Association upon a decision of the General Meeting of the members supported by at least two thirds of the total votes cast.
- 23.1.5. Stake of the Company participant excluded from the Company shall pass to the Company. Thereupon the Company shall pay to the excluded Company participant the actual cost of its stake determined based on the accounting statements of the Company for the last reporting period preceding the date when the court ruling on exclusion of the member from the Company entered into force or subject to consent of the excluded member transfer to this member the property of the same value.
- 23.1.6. Should the consent be not given by the Company Participants for the transfer of stake or part of stake to the heirs of individuals or successor of legal entities being the Company Participants, to the founders (members) of the liquidated Company participant or to the third parties in case of stake or part of stake selling through public auction, a stake or part of a stake shall be transferred to the Company on the day following the date when time period established by the law of the Russian Federation or by these Articles of Association for getting consent of the Company Participants expires. In such a case the Company shall pay to the heirs of the deceased Company participant, to the successors of reorganized legal entity being the Company participant or to the members of the liquidated legal entity being the Company participant, to the owner of the property of liquidated entity, to the state and municipal unitary enterprise being the Company participant or to an individual that acquired a stake or part of a stake in the authorized capital of the Company at public auction the actual cost of stake or part of stake determined based on the accounting statements of the Company for the last reporting period, preceding the day of death of the Company participant, the last day of legal entity reorganization or liquidation, the day of stake or part of stake acquisition at public auction or subject to their consent transfer to them the property of the same value.
- 23.1.7. If the Company pays out the actual cost of stake or part of stake upon the claim of the creditors, the part of stake which was not paid for by other Company Participants, shall pass to the Company and the remaining part of stake shall be distributed between the Company Participants in proportion to the payments made by them.
- 23.1.8. In case of withdrawal of the Company participant from the Company the stake of this member

shall pass to the Company. The Company shall pay to the Company participant that applied for withdrawal from the Company, the actual cost of its stake in the authorized capital of the Company determined based on the accounting statements of the Company for the last reporting period preceding the date of application for withdrawal from the Company or subject to consent of this Company participant transfer to this member the property of the same value or if the member's stake in the authorized capital of the Company has not been paid for in full, pay the actual cost of the part of stake which has been paid for. The Company shall pay to the Company participant the actual cost of this member's stake or part of stake in the authorized capital or transfer to this member the property of the same value within three month after receipt of the member's application for withdrawal from the Company.

23.1.9. The stake or part of the stake shall pass to the Company upon:

- (1) receipt by the Company of a Company participant 's request for its purchase;
- (2) receipt by the company of the Company participant 's application for withdrawal from the Company if the right for withdrawal is stipulated in this Charter;
- (3) expiry of the term for payment for a stake in the authorized capital of the Company or for monetary compensation due in case of termination of the Company's right for using the property before expiry of a period for the length of which such property has been transferred to the Company as a payment for the stake in its authorized capital;
- (4) entry into legal force of a court ruling on member's exclusion from the Company or a court ruling on transfer of a stake or part of a stake to the Company pursuant to the provisions of Article 21 hereof;
- (5) refusal of any Company participant to give its consent for transfer of the stake or part of the stake in the authorized capital of the Company to the heirs of individuals or successors of legal entities, being the Company Participants or for transfer of such stake or a part thereof to the founders (members) of the liquidated legal entity being the Company participant , to the owner of property of the liquidated company, state or municipal unitary enterprise being the Company participant or to a person that purchased stake or a part thereof through the public auction;
- (6) payment by the Company of an actual cost of stake or part of stake owned by the Company participant upon a claim from the creditors.

23.1.10. Documents for state registration of corresponding changes shall be submitted to the state registrar of legal entities within one month after transfer of the stake of part of the stake to the Company. The aforesaid changes shall become effective for the third parties upon their state registration.

23.2. Payment of Actual Cost of a Stake or Part of a Stake in the Authorized Capital of the Company

23.2.1. The Company shall pay the actual cost of stake or part of stake in the authorized capital of the Company or transfer the property of the same value within one year after transfer of the stake of part of the stake to the Company unless a shorter period is provided for by the law of the Russian Federation.

23.2.2. The actual cost of stake or part of stake in the authorized capital of the Company shall be paid from the difference between the cost of the net assets of the Company and the size of its authorized capital. If this difference is insufficient the Company shall reduce its authorized capital by the shortfall amount.

23.2.3. If reduction in the authorized capital of the Company may result in the authorized capital less than the minimum amount established by the law of the Russian Federation as of the date of state registration of the Company, the actual cost of stake or part of stake in the authorized capital of the Company shall be paid from the difference between the cost of net assets of the Company and the minimum amount of the authorized capital of the Company as established by law. In such a case the actual cost of stake or part of stake in the authorized capital of the Company can be paid not earlier than in three months after the emergence of grounds for such payment.

23.2.4. If within the stated time period the Company incurs an obligation to pay the actual cost of another stake or a part thereof or another stakes or parts thereof belonging to several Company Participants, the actual cost of such stakes or parts thereof shall be paid from the difference between the cost of net assets of the Company and the established minimum amount of its authorized capital in proportion to sizes of stakes of parts thereof held by the Company Participants.

23.2.5. The Company shall not be entitled to pay the actual cost of stake or part of stake in the authorized

capital of the Company or transfer the property of the same value if at the time of such payment or property transfer it has the signs of insolvency (bankruptcy) in accordance with the law of the Russian Federation on Insolvency (Bankruptcy) or the aforesaid signs would appear as a result of such payment or property transfer.

- 23.2.6. If pursuant to the requirements of the Federal Law on Limited Liability Companies the Company has no right to pay the actual cost of the stake in the authorized capital or transfer the property of the same value, the Company based on a written application submitted not later than within 3 months after expiry of a payment term for actual cost of stake by a person whose stake was transferred to the Company, shall restore membership of this person in the Company and transfer to such person the respective stake in the authorized capital of the Company.

23.3. **Stakes in Ownership of the Company**

- 23.3.1. Stakes in ownership of the Company shall not be accounted for when summing-up the voting results at the General Meeting of the Company Participants for distribution of the Company's profit and of the Company's property in case of its liquidation.
- 23.3.2. Within one year after transfer of a stake or part of a stake in the authorized capital of the Company to the Company the aforesaid stakes upon General Meeting decision of the Company Participants shall be distributed between all Company Participants proportionally to their stakes in the authorized capital of the Company or offered for acquisition to all or some Company Participants and (or) to the third parties.
- 23.3.3. Distribution of a stake or part of a stake between the Company Participants shall be allowed only provided that prior to the transfer of a stake or a part thereof it was paid for or compensation for it was received which is due in case of termination of the Company's right for using the property before expiry of a period for the length of which such property has been transferred to the Company as a payment for the stake in its authorized capital.
- 23.3.4. The unpaid stake or part of the stake in the authorized capital of the Company or the stake or part of the stake held by the Company participant that failed to provide monetary or any other compensation due in case of termination of the Company's right for using the property before expiry of a period for the length of which such property has been transferred to the Company as a payment for the stake in its authorized capital, shall be sold at the price not lower than the par value of this stake or a part thereof. Stakes or parts of stakes acquired by the Company in compliance with the law of the Russian Federation including stakes of the members withdrawn from the Company shall be sold at the price not lower than the price which was paid by the Company for the stake or part of the stake transferred to it unless other price has been set by the General Meeting decision of the Company Participants.
- 23.3.5. Sale of a stake or part of a stake to the Company Participants leading to changes in the size of the stakes held by the Company Participants, and sale of a stake or part of a stake to the third parties and establishment of a different price to the stake under sale shall be effected upon resolution of the General Meeting of the Company Participants adopted unanimously by all Company Participants.
- 23.3.6. A stake or part of a stake in the authorized capital of the Company not distributed or not sold within the established time period shall be discharged, and the size of the authorized capital of the Company shall be reduced by the par value of this stake or part of this stake.
- 23.3.7. State registrar of legal entities shall be notified of the actual transfer of a stake or part of a stake in the authorized capital of the Company to the Company not later than within a month after the date of transfer of a stake or part of a stake to the Company by submission of an application for introduction of corresponding changes into the Unified State Register of Legal Entities and of a document providing the legal grounds for a stake or part of a stake transferring to the Company. If within the specified time period a stake or part of a stake is distributed, sold or discharged, the state registrar of legal entities shall be notified thereof by submission by the Company of an application for introduction of corresponding changes into the Unified State Register of Legal Entities and of a document providing the legal grounds for a stake or part of a stake transferring to the Company and its further distribution, sale or discharge. Documents for state registration of changes as stipulated in clause 23.3 hereof and in case of sale of a stake or part of a stake also documents confirming payment for a stake or part of a stake in the authorized capital of Company shall be submitted to the state registrar of legal entities within one month after adoption of resolution on distribution of stake or part of stake between all Company Participants, on payment for it by the purchaser or on its discharge. The aforesaid changes shall become effective for the third parties upon their state registration.

§ 24. MAINTENANCE OF THE LIST OF THE COMPANY PARTICIPANTS

- 24.1. The Company shall have a list of members containing information on every Company participant, their participation interest in the authorized capital of the Company and payment thereof, the size of the participation interests belonging the Company, date of their transfer to or acquisition by the Company.
- 24.2. The Company shall make all necessary arrangements to maintain and keep the list of the Company Participants pursuant to the requirements of the law of the Russian Federation.
- 24.3. A person functioning as a sole executive body of the Company shall ensure the compliance of information about the Company Participants and their stakes or part of stakes in the authorized capital of the Company, about stakes or parts of stakes held by the Company with the information contained in the Unified State Register of Legal Entities and notarized transactions involving transfer of stakes in the authorized capital of the Company, which became known to the Company.
- 24.4. Each Company participant shall in due time inform the Company of any changes concerning its name, place of residence or location, and information about the stakes held in the authorized capital of the Company. In case of a failure of the Company participant to inform the Company of changes in its information the Company shall not be liable for losses incurred in connection therewith.
- 24.5. The Company and the Company Participants that failed to inform the Company of changes in their details cannot rely on any incompliance between information in the list of the Company Participants and information contained in the Unified State Register of Legal Entities in their relations with the third parties that acted only with account of data as specified in the list of the Company Participants.
- 24.6. In case of any disputes regarding inconsistencies between the information contained in the list of the Company Participants and the information contained in the Unified State Register of Legal Entities, the right for a stake or part of a stake in the authorized capital of the Company shall be determined based on the information contained in the Unified State Register of Legal Entities.
- 24.7. In case of any disputes regarding unreliability of data about the legal holder of a stake or part of a stake contained in the Unified State Register of Legal Entities the right for a stake or part of a stake shall be determined based on the agreement or any other document confirming the founder's or member's right to a stake or part of a stake.

§ 25. CONTRIBUTIONS TO THE COMPANY ASSETS

- 25.1. The Company Participants shall upon General Meeting decision of the Company Participants make contributions to the Company assets.
- 25.2. General Meeting decision of members on contributions to the Company assets shall be adopted by majority of at least two thirds of the total votes cast.
- 25.3. Contributions to the Company assets shall be made in cash unless otherwise specified in the resolution of the General Meeting of the Company Participants.
- 25.4. Contributions to the Company assets shall no change the size and par value of the stakes held by the Company Participants in the authorized capital of the Company.
- 25.5. Provisions establishing procedure for determining size of contribution to the Company assets not proportionate to the size of stakes held by the Company Participants and provisions establishing restrictions concerning contributions to the Company assets may be introduced into the Company Charter upon resolution of the General Meeting of the Company Participants adopted unanimously by all Company Participants.
- 25.6. Provisions establishing procedure for determining size of contribution to the Company assets not proportionate to the size of stakes held by the Company Participants and restrictions concerning contributions to the Company assets binding for all Company Participants may be changed or excluded from the Company Charter upon resolution of the General Meeting of the Company Participants adopted unanimously by all Company Participants.
- 25.7. Provisions imposing restrictions on a certain member of the Company may be changed or excluded from the Company Charter by a General Meeting decision of the Company Participants adopted by the majority of votes not less than two thirds of the total votes cast, provided that the Company participant in respect of whom such restrictions are imposed votes for such resolution and gives its written consent.

§ 26. DISTRIBUTION OF THE COMPANY PROFIT

- 26.1. The Company shall be entitled to make a decision on distribution of its net income between the Company Participants once every quarter, every half year or every year. Decision on determining a portion of the net profit of the Company to be distributed between the Company Participants shall

be made by the General Meeting of Participants.

- 26.2. A portion of the Company profit to be distributed between its members shall be distributed proportionate to their stakes in the authorized capital of the Company under procedure and within time period as established by the law of the Russian Federation or by resolution on the profit distribution between the Company Participants.
- 26.3. Changes concerning procedure for profit distribution between the Company Participants may be introduced into the Company Charter upon resolution of the General Meeting of Participants adopted unanimously by all Company Participants.
- 26.4. The Company shall not be entitled to make a decision on distribution of its profit between the Company Participants and to pay to the Company Participants profit a decision on distribution of which has been made in the instances as follows:
- (1) before the authorized capital is paid for in full;
 - (2) before payment of actual cost of a stake or part of a stake of the Company participant in cases as provided for by the law of the Russian Federation;
 - (3) if at the time of such decision (payment on basis of the adopted resolution) the Company has the signs of insolvency (bankruptcy) as set forth in the law of the Russian Federation or if the said signs would appear as a consequence of such decision;
 - (4) if at the time of such decision (payment on basis of the adopted resolution) the value of the net assets of the Company is less than its authorized capital and reserve fund or would become less as a consequence of such decision;
 - (5) in other cases as provided for by the law of the Russian Federation.
- 26.5. When the above circumstances cease to exist the Company shall pay to the Company Participants profit a decision on distribution of which has been made.
- 26.6. Time period and procedure for payment of a portion of distributed Company profit shall be determined by the General Meeting of the Company Participants in resolution on the profit distribution between them. Time period for payment of a portion of distributed Company profit shall not exceed sixty days as from the date when a decision has been made on profit distribution between the Company Participants. In case if the time period for payment of a portion of distributed Company profit is not specified in the General Meeting decision of the Company Participants on distribution of profit between them, such time period shall be considered equal to sixty days as from the date when a decision has been made on profit distribution between the Company Participants.
- 26.7. If within the time period as established for payment of a portion of distributed Company profit in pursuance of clause 26.5 hereof, a portion of the distributed profit has not been paid to the Company participant, this Company participant shall be entitled to claim payment of its portion of distributed profit from the Company within three years after the lapse of the indicated time period.
- 26.8. Upon expiration of the specified time period, a portion of profit distributed but not claimed by the member shall be restored to the undistributed profit of the Company.

§ 27. EQUITY SECURITIES OF THE COMPANY

- 27.1. The Company shall be entitled to publicly offer bonds and other equity securities in the order as established by the law of the Russian Federation on securities.
- 27.2. The Company after full payment for the authorized capital shall be entitled to publicly offer bonds of par value not exceeding the size of its authorized capital and the security provided to the Company for these purposes by the third parties.
- 27.3. Should no security be provided to the Company by the third parties in order to guarantee the fulfillment of obligations towards the holders of the bonds, the public offering of bonds by the Company shall be allowed not earlier than after three years of the Company's existence provided that the annual accounting statements for the two closed financial years have been properly approved. The mentioned restrictions shall not apply to the mortgage-backed bond issues and in other cases as provided for by the federal laws on securities.

§ 28. FORFEITURE OF STAKE HELD BY THE COMPANY PARTICIPANT

- 28.1. Forfeiture of stake or part of stake held by the Company participant in the authorized capital of the Company upon claim of the creditors for the debts of the Company participant shall be allowed only based on the court ruling in case of insufficiency of other property of the Company participant to cover debts of this member.
- 28.2. In case of a forfeiture of a stake or part of a stake of the Company participant in the authorized capital of the Company for the debts of the Company participant, the Company shall pay to the creditors the actual cost of the stake or part of the stake of the Company participant.

- 28.3. Upon resolution of the General Meeting of the Company Participants adopted unanimously by all Company Participants, the actual cost of a stake or part of a stake of the Company participant the property of which is under forfeiture, may be paid to the creditors by other Company Participants proportionate to their stakes in the authorized capital of the Company, unless other procedure for determining the size of payment is specified in the resolution of the General Meeting of the Company Participants.
- 28.4. The actual cost of a stake or part of a stake in the authorized capital of the Company shall be determined based on the accounting statements of the Company for the last reporting period preceding the day of a corresponding claim for the forfeiture of a stake or part of a stake held by the Company participant to cover the debts of this member.
- 28.5. The provisions of clauses 28.2 – 28.4 hereof shall not apply to the companies with a sole member.
- 28.6. If within three months after the creditors' claim the Company or its members fail to pay actual cost of the member's stake or part of the stake under forfeiture, the stake or part of the stake held by the Company participant shall be forfeited through public auction.

§ 29. STRUCTURE OF MANAGEMENT AND SUPERVISORY BODIES OF THE COMPANY

- 29.1. The Company's **management bodies include:**
- (1) General Meeting of Participants;
 - (2) Board of Directors;
 - (3) Sole executive body (Director General).
- 29.2. The Board of Directors is formed in accordance with the decision made by the General Meeting of Participants of the Company. If the General Meeting of Participants has not resolved on the formation of the Board of Directors, the functions of the Board of Directors shall be carried out by the General Meeting of Participants. Should this be the case, the powers to prepare, approve the agenda, convene and hold the General Meeting of Participants, as well as the powers that, in accordance with the current law of the Russian Federation, cannot be exercised by the General Meeting of Participants of the Company, shall be conferred to the Director General of the Company.
- 29.3. No Auditing Commission is formed at the Company. No Auditor is elected.

§ 30. GENERAL MEETING OF THE COMPANY PARTICIPANTS

30.1. General Provisions

- 30.1.1. The General Meeting of Participants is the supreme management body of the Company.
- 30.1.2. The General Meeting of Participants shall perform its activities relying on the provisions hereof, the Company's internal documents and the law of the Russian Federation.

30.2. Scope of Competence of the General Meeting:

- (1) amendments to the Company Charter or approval of a new revision thereof;**
(decisions on amending the Company Charter in the part as concerns change (exclusion) of the procedure for determining size of contributions to the Company assets disproportionate to the stake held by the Company Participants, as well as change (exclusion) of restrictions concerning contributions to the Company assets imposed on a certain member of the Company, shall be made by the General Meeting of the Company Participants by a majority of at least two thirds of votes from the total votes cast, provided that the Company participant in respect of whom such restrictions are imposed votes for such decision and gives its written consent. In all other cases decisions on amending the Company Charter shall be made by the General Meeting of the Company Participants by majority of at least three quarters of votes from the total votes cast)
- (2) increase in the authorized capital of the Company;**
(decision on increase in the authorized capital based on an application from the Company participant (applications from the Company Participants) for making an additional contribution and (or) an application from the third party (applications from the third parties) for membership in the Company and for making an additional contribution shall be made by the General Meeting unanimously by all Company Participants;
 - *through the assets of the Company; decision shall be made by the General Meeting of Participants by a majority of votes of at least two thirds of the total votes cast;*
 - *by additional contributions from the Participants of the Company proportionate to their stakes in the authorized capital of the Company, decision shall be made by the General Meeting of the Company Participants by a majority of votes of at least two thirds of the total votes cast)*

- (3) approval of results of additional contributions made by the Company Participants;**
(decision shall be made by the General Meeting of Participants by a majority of votes not less than two thirds of the total votes cast)
- (4) decrease in the authorized capital of the Company;**
(decision shall be made by the General Meeting of the Company Participants unanimously by all Company Participants)
- (5) determination of the quantitative composition of the Board of Directors of the Company, election of the board members and making a decision on the early termination of powers of the board members,**
(decision shall be made by the General Meeting of Participants by simple majority of votes from the total votes cast;
decision on election of Board of Directors members shall be made by cumulative voting. During cumulative voting the number of votes belonging to each Company participant shall be multiplied by the number of persons to be elected to the Company body, and the member shall be entitled to cast all the assigned votes for one candidate or distribute them between two or more candidates. Candidates who receive the highest number of votes shall be deemed elected)
- (6) approval of annual reports and annual accounting balance sheets;**
(decision shall be made by the General Meeting of Participants by simple majority of votes from the total votes cast)
- (7) making a decision on the Company net profit distribution to the Participants of the Company;**
(decision shall be made by the General Meeting of Participants by a majority of votes not less than three quarters of the total votes cast)
- (8) approval of internal documents regulating activities of the Company's bodies;**
(decision shall be made by the General Meeting of Participants by simple majority of votes from the total votes cast)
- (9) decision on public offering of bonds and other equity securities of the Company;**
(decision shall be made by the General Meeting of Participants by simple majority of votes from the total votes cast)
- (10) appointment of audit, approval of the Company's auditor;**
(decision shall be made by the General Meeting of Participants by simple majority of votes from the total votes cast)
- (11) decision on reorganization and liquidation of the Company;**
(decision shall be made by the General Meeting of the Company Participants unanimously by all Company Participants)
- (12) appointment of liquidation commission and approval of liquidation balances;**
(decision shall be made by the General Meeting of Participants by simple majority of votes from the total votes cast)
- (13) granting to the Company participant (members) alongside the rights as stipulated herein additional rights of a member (members) of the Company;**
(decision shall be made by the General Meeting of the Company Participants unanimously by all Company Participants)
- (14) termination and restriction of additional rights granted to all Company Participants;**
(decision shall be made by the General Meeting of the Company Participants unanimously by all Company Participants)
- (15) termination and restriction of additional rights granted to a certain Company participant ;**
(decision shall be made by the General Meeting of the Company Participants by the majority of votes not less than two thirds of the total votes cast, provided that the Company participant enjoying such additional rights votes for such resolution and gives its written consent)
- (16) imposition on all Company participant of additional responsibilities alongside responsibilities as stipulated herein;**
(decision shall be made by the General Meeting of the Company Participants unanimously by all Company Participants)
- (17) imposition on a certain Company participant of additional responsibilities alongside responsibilities as stipulated herein;**
(decision shall be made by the General Meeting of the Company Participants by the majority of votes not less than two thirds of the total votes cast, provided that the Company participant imposed with additional responsibilities votes for such resolution and gives its written consent)
- (18) monetary valuation of non-cash contributions to the authorized capital of the Company**

- made by the Company Participants and the third parties admitted as members to the Company;**
(decision shall be made by the General Meeting of the Company Participants unanimously by all Company Participants)
- (19) determination (change) of a procedure for providing and a size of compensation due in case of termination of the Company's right for using the property before expiry of a period for the length of which such property has been transferred to the Company as a payment for the stake in its authorized capital;**
(decision shall be made by the General Meeting of the Company Participants by a majority of votes not less than the half of the total votes cast without account of the votes of the Company participant who transferred to the Company as a contribution to the authorized capital its right for the use of property which was terminated prematurely)
- (20) consent for a pledge by the Company participant of a stake or stakes held by this member in the authorized capital of the Company to the other Company participant or to the third party;**
(decision shall be made by the General Meeting of the Company Participants by a simple majority of the total votes cast, while votes of the Company participant having intention to pledge its stake or part of its stake shall not be counted when summing-up the voting results)
- (21) distribution or sale of a stake owned by the Company between the Company Participants proportionate to their stakes in the authorized capital of the Company;**
(decision shall be made by the General Meeting of Participants by simple majority of votes from the total votes cast)
- (22) sale of a stake owned by the Company to the Company Participants leading to changes in the size of the stakes held by the Company Participants, sale of a stake to the third parties;**
(decision shall be made by the General Meeting of the Company Participants unanimously by all Company Participants)
- (23) approval of results of payment by the Company Participants for the stakes acquired from the Company;**
(decision shall be made by the General Meeting of the Company Participants unanimously by all Company Participants)
- (24) determination of a size of and payment by the Company Participants of actual cost of a stake or part of a stake of the Company participant whose property is under forfeiture to the creditors of this member;**
(decision shall be made by the General Meeting of the Company Participants unanimously by all Company Participants)
- (25) contributions by the Company Participants to the assets of the Company;**
(decision shall be made by the General Meeting of Participants by a majority of votes not less than two thirds of the total votes cast)
- (26) making, in accordance with the procedure established by law, a decision on consent to or further approval of the interested party transactions, if the transaction price or the value of the property being the subject thereof exceeds 10 percent of the company's book value determined on the basis of its accounting statements for the last accounting period;**
(decision shall be made by the General Meeting of Participants by simple majority of votes from the total votes cast by the Company Participants not interested in the transaction)
- (27) decision on pre-approval of a major transaction before its execution or further approval of a major transaction (including approval of essential terms of such transaction) or several linked transactions involving acquisition, disposal or possible disposal by the Company, either directly or indirectly, of the property accounting for 50 percent or more of the Company's assets;**
(decision shall be made by the General Meeting of the Company Participants unanimously by all Company Participants)
- (28) decision on pre-approval of a major transaction before its execution or further approval of a major transaction (including approval of essential terms of such transaction) or several linked transactions involving acquisition, disposal or possible disposal by the Company, either directly or indirectly, of the property accounting for 25 to 50 percent of the Company's assets if the Board of Directors fails to reach unanimity on this matter;**
(decision shall be made by the General Meeting of Participants by all Participants of the Company by a majority of votes of at least two thirds of the total votes cast by the Company Participants)
- (29) resolution of other issues as provided for by the Company Charter and the law of the**

Russian Federation.

- 30.2.1. Issues referred by the law of the Russian Federation to the exclusive competence of the General Meeting of Participants cannot be directed for resolution to any other Company's management bodies.
- 30.2.2. The General Meeting shall not be entitled to consider and decide on the issues falling beyond its responsibility.
- 30.2.3. The General Meeting shall not be entitled to change agenda except for cases when all Company Participants take part in this General Meeting. Decisions of the General Meeting of the Company Participants made on the issues not included in agenda of this meeting (except for cases when all Company Participants take part in this General Meeting) or without the majority of votes required to approve the decision, shall be deemed void irrespective of judicial appeals against that.
- 30.2.4. Decisions made by the General Meeting of Participants shall be binding for all management bodies and officials of the Company as from their approval and through to their declaration as partially or completely void by court or their cancellation or changing by the General Meeting of Participants.
- 30.2.5. Decisions of the General Meeting of Participants shall be approved by open voting or by absentee voting (by circulation).

30.3. Ordinary General Meeting

- 30.3.1. The Company shall annually hold an ordinary General Meeting of Participants not earlier than in 2 months and not later than in 4 months after the end of the fiscal year.
- 30.3.2. The ordinary General Meeting shall be convened by the Board of Directors of the Company.
- 30.3.3. The ordinary General Meeting of Participants shall be conducted at the location of the Company. Other venue for the General Meeting of Participants shall be agreed in writing by all Company Participants.
- 30.3.4. The ordinary General Meeting of Participants shall address issues of approval of annual reports and annual accounting statements along with profits and losses distribution of the Company upon results of the financial year and other issues referred by the law of the Russian Federation to the competence of the General Meeting of Participants may be resolved.

30.4. Extraordinary General Meeting

- 30.4.1. The General Meeting of Participants held in addition to the ordinary General Meeting shall be deemed extraordinary. The extraordinary General Meeting of Participants shall be conducted in cases as set forth in the Company Charter and in any other cases should such General Meeting be required for the benefit of the Company and its members.
- 30.4.2. The extraordinary General Meeting of Participants shall be convened by the Board of Directors at its own discretion, upon request of the Director General, auditor of the Company or upon request of the Company Participants jointly holding not less than 10% of the total number of votes of the Company Participants.
- 30.4.3. The Company's body or persons responsible for convening and conducting the extraordinary General Meeting of Participants shall within five days after receiving a request on conduction of the extraordinary General Meeting review this request and make a decision on conduction of the extraordinary General Meeting of Participants or refusal from its conduction.
- 30.4.4. Decision on refusal from conduction of the extraordinary General Meeting of the Company Participants can be made only in cases as follows:
 - (1) if procedure for making a request for conduction of an extraordinary General Meeting of member is not observed;
 - (2) if neither issue offered for the agenda of the extraordinary General Meeting falls within its responsibility or complies with the requirements of the law of the Russian Federation.
- 30.4.5. If one or several issues offered for the agenda of the extraordinary General Meeting falls outside its responsibility or does not comply with the requirements of the current law of the Russian Federation, such issues shall not be put on the agenda.
- 30.4.6. Bodies or persons responsible for convening and holding the extraordinary General Meeting of Participants shall not be entitled to change the wording of issues offered for the agenda of the extraordinary General Meeting of Participants or change the proposed form of conduction of the extraordinary General Meeting of Participants.

- 30.4.7. Along with the issues offered for the agenda of the extraordinary General Meeting of Participants, the bodies or persons responsible for convening and conducting the extraordinary General Meeting of Participants shall be entitled to put additional issues on the agenda at their own discretion.
- 30.4.8. If a decision is made on conduction of the extraordinary General Meeting of Participants the said General Meeting shall be conducted not later than in forty five days after receipt of the request about its conduction.
- 30.4.9. If within the established time period decision on conduction of the extraordinary General Meeting of Participants is not made or it is decided to refuse from its conduction, the extraordinary General Meeting of Participants may be convened by the persons requesting its conduction. In such a case the body responsible for convening and conducting the extraordinary General Meeting of Participants shall provide to the requesting persons the list of the Company Participants with their addresses. Expenses for preparing, convening and conducting such General Meeting may be reimbursed upon General Meeting decision of members from the Company's funds.

30.5. Procedure for Convening the General Meeting

- 30.5.1. The body or the persons convening the General Meeting of Participants shall, not later than **in thirty (30) calendar days** prior to its date, notify each Company participant of its convention by registered letter delivered to the address as specified in the list of the Company Participants or by physical delivery of the notice of convention of the General Meeting. The notice shall specify time and venue of the General Meeting of Participants and the proposed agenda.
- 30.5.2. Any Company participant shall be entitled to propose additional items for inclusion into the agenda of the General Meeting of Participants not later than fifteen days prior to such meeting. Additional issues, except for issues falling outside the responsibility of the General Meeting of Participants or non-compliant with the requirements of the federal laws, shall be put on the agenda of the General Meeting of Participants.
- 30.5.3. Proposals on inclusion of issues in the agenda of the General Meeting of Participants and on nominations shall be made in writing and shall contain the name of the member making a proposal. Proposal on inclusion of issues in the agenda shall contain clear and express wording for each proposed matter, it may also contain the proposed wording for resolution on each matter. Proposal on nominations to the respective bodies of the Company shall contain details of the nominated candidates (full name, year of birth, education background and job title; full postal address and contact telephone/fax number).
The aforesaid proposals shall be signed by the Company participant and forwarded to the Company by post with the list of enclosures and handed to the Director General of the Company.
- 30.5.4. The body or persons convening the General Meeting of Participants shall not be entitled to change the wording of additional issues proposed for the agenda of the General Meeting of Participants.
- 30.5.5. If upon proposal of the Company Participants the initial agenda of the General Meeting of Participants is changed, the bodies or the persons convening the General Meeting of the Company Participants shall not later than in 10 days prior to its date notify all the Company Participants of changes introduced into the agenda using communication method as set forth in the Company Charter for informing the Company Participants of convention of the General Meeting.
- 30.5.6. The information and materials to be provided to the Company Participants in preparation for the General Meeting include the following:
- (1) annual report of the Company;
 - (2) report of the auditor of the Company following audit of the annual reports and annual balance sheets of the Company;
 - (3) details of candidate (candidates) to positions in the Company's management bodies;
 - (4) draft changes and additions to the Company Charter or draft Company Charter in new revision, drafts of internal documents of the Company;
 - (5) report on the interested party transactions executed by the Company in the reporting year;
 - (6) other information (materials) as provided for by the Company Charter and the law of the Russian Federation.
- 30.5.7. The body or persons convening the General Meeting of Participants shall forward or hand to all Company Participants information and materials together with notice of the General Meeting of the Company Participants and in case of changes in the agenda the relevant information and materials shall be forwarded together with a notice of such changes.

- 30.5.8. The mentioned information and materials within thirty days prior to the date of the General Meeting shall be provided to all the Company Participants for review in the premises of the executive body of the Company. The Company shall upon request of the Company participant provide to this member copies of the aforesaid documents. Payment charged by the Company for such copies shall not exceed the costs incurred for their production.
- 30.5.9. In case of violation of a convening procedure for the General Meeting of Participants such General Meeting shall be deemed legally competent if all Company Participants take part therein.

30.6. Procedure for Conducting the General Meeting

- 30.6.1. The General Meeting of Participants shall be conducted in pursuance of the procedure as established by the law of the Russian Federation, the Company Charter and its internal documents. In the part not regulated by the law of the Russian Federation, the Company Charter or internal documents of the Company, the procedure for conducting the General Meeting of Participants shall be established by a resolution of the General Meeting of Participants.
- 30.6.2. Prior to the opening of the General Meeting of Participants the present Company Participants shall be registered.
- 30.6.3. Company Participants shall be entitled to take part in the General Meeting in person or through their representatives. Representatives of the Company Participants shall present documents confirming their due authorization. Power of Attorney issued to the representative of the Company participant shall include information on a represented person and a representative (name or company name, place of residence or location, passport data), shall be completed in compliance with requirements of Clauses 3 and 4 of Article 185.1 of the Civil Code of the Russian Federation and notarized. Unregistered member of the Company (its representative) has no right to vote.
- 30.6.4. The General Meeting of Participants shall be opened at the time as indicated in the notice of the General Meeting or if all Company Participants have been registered it may be opened earlier.
- 30.6.5. The General Meeting of Participants shall be opened by a person functioning as a sole executive body of the Company. The General Meeting of Participants convened by the Company auditor or the Company Participants shall be opened by the Company auditor or one of the Company Participants who convened this General Meeting.
- 30.6.6. A person opening the General Meeting of Participants shall conduct an election of the chairman from among the Company Participants. When voting on the election of the Chairman, each member of the General Meeting of Participants will have the number of votes pro rata its stake in the authorized capital, and the resolution on this matter will be adopted by the majority of votes from the total votes held by the Company Participants entitled to vote at such General Meeting.
- 30.6.7. The executive body of the Company shall make necessary arrangements for minutes to be taken at the General Meeting of Participants.
- 30.6.8. Not later than **within ten (10) days** after issuance of the minutes of the General Meeting of the Company Participants, the executive body of the Company shall send a copy of the minutes of the General Meeting of the Company Participants to all Participants of the Company observing the procedure for informing the Company Participants of the results of conducted General Meeting.
- 30.6.9. Minutes of all General Meetings of Members shall be filed to the minutes-book, which shall be available at any time for any member of the Company for information. Upon request the Participants of the Company may get any extract from the minutes-book authenticated by the executive body of the Company.
- 30.6.10. The General Meeting of the Company Participants is entitled to make decisions only on those items of the agenda, which were communicated to the Company Participants, unless such General Meeting is attended by all Participants of the Company.
- 30.6.11. Adoption of resolutions by the General Meeting and composition of the Company Participants present at such meeting shall be certified by signatures of the Chairperson taking part in the General Meeting of the Company Participants and of the Secretary of the General Meeting of the Company Participants. Upon decision of the body convening the meeting or upon request of the Company Participants holding the majority of votes, adoption of resolutions by the General Meeting of the Company Participants and composition of the Company Participants present at such meeting shall be certified by notary certification.
- 30.6.12. If the Company consists of one member, adoption of decisions by the sole member of the Company shall be confirmed by signing the decisions with the handwritten signature of the person entitled to act without a power of attorney on behalf of a legal entity being the sole member of the Company, or with the handwritten signature of an individual being the sole member of the

Company, or when the decision is signed by a person authorized by a power of attorney issued in compliance with the requirements of the Civil Code of the Russian Federation.

30.7. Voting at the General Meeting

- 30.7.1. At the General Meeting of Participants, each Company participant shall have the number of votes proportionate to its stake in the authorized capital of the Company except for cases as provided for by the Company Charter and the law of the Russian Federation.
- 30.7.2. A different procedure for determining the number of votes held by the Company Participants may be established by the resolution of the General Meeting of Participants adopted unanimously by all Company Participants or through amendments to this Company Charter (if any). Provisions of the Company Charter establishing the said procedure may be amended or excluded upon resolution of the General Meeting of Participants adopted unanimously by all Company Participants.
- 30.7.3. During cumulative voting the number of votes belonging to each Company participant shall be multiplied by the number of persons to be elected to the Company body, and the member shall be entitled to cast all the assigned votes for one candidate or distribute them between two or more candidates. Candidates that get the highest number of votes shall be deemed elected.

30.8. Resolution of the General Meeting of Participants Adopted by Absentee Voting (by Circulation)

- 30.8.1. Resolution of the General Meeting of Participants may be adopted without conduction of a meeting (gathering of the Company participants in one place for discussing the agenda issues and making the decisions on the issues put to vote) by absentee voting (by circulation). Such voting can be held by exchange of documents via post, telegraph, teletype, telephone, electronic or any other communication, ensuring authenticity of messages sent and received and documentary confirmation thereof.
- 30.8.2. Resolution of the General Meeting of Participants on the approval of annual reports and balance sheets cannot be adopted by absentee voting (by circulation).
- 30.8.3. For adoption of resolution of the General Meeting by absentee vote (by circulation) voting ballots shall be used.
- 30.8.4. If the General Meeting is held in absentia, information (materials) to be provided to the Company Participants in preparation for the General Meeting of Participants shall be forwarded to the members together with the voting ballots.
- 30.8.5. Voting ballot shall contain:
- (1) Company name;
 - (2) date and time of the General Meeting;
 - (3) indication that the General Meeting is held in absentia;
 - (4) issues proposed for the agenda and specific solutions for each issue proposed;
 - (5) voting options for each solution proposed to the agenda issues (FOR, AGAINST, ABSTAIN);
 - (6) ballot filling requirements and indication that the voting ballot shall be duly signed by the Company participant ;
 - (7) address, e-mail address and fax whereto the Company Participants shall send the voting ballots;
 - (8) closing date for acceptance of voting ballots;
 - (9) other information as required by the law of the Russian Federation, this Charter and internal documents of the Company.
- 30.8.6. In voting through voting ballots the votes are counted only for those issues for which the voter have chosen only one voting option. Voting ballots filled in violation of this requirement shall be deemed void and votes for issues included therein shall not be counted.
- 30.8.7. If the voting ballots are received from all Company Participants before the closing date for acceptance of voting ballots, the results of the General Meeting by the body or persons that convened the General Meeting of the Company Participants may be summarized before this date. Voting ballots shall be filed with the respective minutes of the General Meeting of Participants and shall be kept in the archive of the Company.

§ 31. BOARD OF DIRECTORS OF THE COMPANY

31.1. General Provisions

- 31.1.1. The Board of Directors exercises overall management of the Company's activities, except for resolving the issues referred by the Russian Federation law and hereby to the competence of the

General Meeting of Participants. If no Board of Directors was formed in the Company, the functions of the Board of Directors of the Company shall be carried out by the General Meeting of Participants, except for the decision to convene the General Meeting of Participants and the approval of its agenda.

- 31.1.2. The Board of Directors shall not be entitled to delegate its powers to other persons or bodies outside the Company.
- 31.1.3. The decisions made by the Board of Directors within its responsibility are binding for the executive bodies of the Company.
- 31.1.4. The main task of the Board of Directors is the development of the strategic and general economic policy of the Company with a purpose to increase revenues, profitability, meet public needs for products, works and services of the Company.
- 31.1.5. The main tasks of the Board of Directors are: to create an effective organizational structure and management system of the Company; to ensure a stable financial position of the Company; to define perspective and priority directions of the Company's activity; to develop and implement tactical and strategic tasks facing the Company; to achieve and preserve the Company's competitiveness, to control the activities of the Company's executive bodies.
- 31.1.6. The Board of Directors is guided in its activity by the current law of the Russian Federation, the Company Charter, other internal regulations of the Company, decisions of the General Meetings of Participants.
- 31.1.7. The activities of the Board of Directors are based on the panel free discussion and resolution of issues that determine the main priorities of the Board's work, transparency, responsibility and accountability to the Company's General Meeting of Participants.

31.2. **Scope of Competence of the Board of Directors of the Company**

31.2.1. The following matters shall fall within the exclusive competence of the Board of Directors:

- (1) **determination of the main business areas, determination of the strategy for developing the Company and its subsidiaries, development of the investment policy of the Company, determination of new types of activities for the Company;**
(decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (2) **determination of functional strategies of the Company;**
(decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (3) **approval of business plan and budget (finance plan) of the Company;**
(decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (4) **examination of the results of the financial and economic activities of the Company and its subsidiaries; preliminary examination of the Company's annual statements and annual balance sheets;**
(decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (5) **establishment of executive bodies of the Company and early termination of their powers and decision on transfer of powers of the sole executive body of the Company to a commercial organization or an individual entrepreneur (hereinafter referred to as the Executive Manager) and approval of a nomination of the Executive Manager and his employment terms.**
(decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (6) **determination of the size of remuneration and monetary compensations to the sole executive body of the Company, to the manager;**
(decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (7) **approval of the Company's organizational structure reflecting the Company's structural divisions and senior executives reporting directly to the Director General of the Company;**
(decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (8) **approval of candidates to fill in positions of Company employees reporting directly to the General Director of the Company as well as approval of conditions of labor (including recruitment, change of position, termination of labor relations), civil and any other types**

- of contracts with Company officials reporting directly to the General Director of the Company;
(decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (9) **approval of the performance assessment principles and remuneration system, key performance indicators (KPIs) for the Director General and the officials reporting directly to the Director General of the Company (including target values of KPIs and reports on the status of their implementation based on the results of reporting periods), as well as implementation control over their activities;**
(decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (10) **setting the amount of payment for the services of the Company auditor;**
(decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (11) **approval of the Company's internal documents, except for the Company's internal documents which approval falls within the competence of the General Meeting of Participants and the General Director of the Company, including review of the implementation reports, regulating the principles of the Company's operation in the following areas:**
- **strategy, investments, mergers and acquisitions new types of activity;**
 - **system of personnel management, system of motivation and remuneration of employees, including issues of provision the Director General of the Company with payments, benefits, compensations, guarantees;**
 - **issues of (a) the alienation of property (exclusive) rights to intellectual property belonging to the Company, (b) the use by the Company of its trademarks, emblems, commercial designations, symbols, logos, brands and other means of visual identification of the Company, as well as trademarks, emblems, commercial designations, symbols, logos, brands and other means of visual identification of (i) MTS PJSC, (ii) containing elements used by MTS PJSC, or (iii) similar to them, including registration of new or changed existing trademarks, emblems, symbols, logos, brands and other means of visual identification (c) granting an exclusive license for trademarks, emblems, commercial designations, symbols, logos, brands and other means of visual identification of the Company, computer programs, patents, know-how belonging to the company, with the exception of the alienation of exclusive rights and the provision of an exclusive licenses under contracts for the creation and / or processing of computer programs, according to which the Company is the executor**
 - **participation in subsidiaries, establishment and operation of branches and representative offices;**
 - **corporate governance;**
 - **internal control system;**
 - **risk management;**
 - **anti-corruption legislation.**
- (the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)*
- (12) **approval of transactions involving acquisition, disposal of or encumbrance over the immovable property of the Company irrespective of the transaction amount except for the mentioned property leasing for a period of less than one year;**
(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (13) **approval of transactions related to the issuance and receipt of loans, credit facilities, independent guarantees and sureties, regardless of the amount of the loan, credit facility, independent guarantee and (or) surety by the Company (the restriction does not apply to transactions entered into by the Company with MTS PJSC Group companies);**
(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (14) **approval of transactions making the Company a party to the bill transactions (namely, issuance, acceptance, endorsement, avalizing of bills and acceptance thereof through the intermediation);**

- (the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)*
- (15) **approval of transactions involving acquisition, disposal or possible disposal by the Company of or encumbrance over the shares (equity interest, stakes in the authorized capital) of other commercial companies in possession of the Company;**
(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (16) **approval of (a) transactions for the alienation of property (exclusive) rights to intellectual property belonging to the Company, (b) principles and rules of the use by the Company of its trademarks, emblems, commercial designations, symbols, logos, brands and other means of visual identification of the Company, including registration of new and changed existing trademarks, emblems, commercial designations, symbols, logos, brands and other means of visual identification of the Company (c) transactions for the use of trademarks, emblems, commercial designations, symbols, logos, brands and other means of visual identification of (i) MTS PJSC, (ii) containing elements used by MTS PJSC, or (iii) similar to them, (d) transactions for granting an exclusive license for trademarks, emblems, commercial designations, symbols, logos, brands and other means of visual identification of the Company, computer programs, patents, know-how belonging to the company, with the exception of the alienation of exclusive rights and the provision of an exclusive licenses under contracts for the creation and / or processing of computer programs, according to which the Company is the executor ;**
(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (17) **approval of transactions related to the participation of the Company in any non-profit organizations, transactions for gratuitous transfer of property, including participation in any charitable actions (contributions, donations);**
(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (18) **approval of transactions, the subject matter of which is property, which value constitutes (a) over 300 000 000 (three hundred million) rubles as of the date of the decision, (b) or 25% (twenty five) or more percent of the book value of the Company's assets, determined according to its data of accounting (financial) statements as of the last reporting date (for the purposes of applying the rule of this clause, the value of the lower of the two values (a) or (b) as of the date of the decision by the Board of Directors is taken into account).**
(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (19) **in the manner stipulated by law, making decisions on the consent to, or subsequent approval of interested-party transactions, except for the cases where the relevant decision-making falls within the competence of the General Meeting of Participants as per this Charter;**
(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors who are not interested in the transaction)
- (20) **making a decision on pre-approval of a major transaction before its execution or further approval of a major transaction involving acquisition, disposal or possible disposal by the Company, either directly or indirectly, of the property accounting for 25 to 50 percent of the book value of the Company's assets;**
(the decision shall be made unanimously by all Board of Directors members, except for retired Board of Directors members)
- (21) **making decisions on participation and termination of the Company participation in non-profit organizations;** *(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)*
- (22) **approval of the report on the interested party transactions concluded by the Company in the reporting year;**
(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (23) **convening of ordinary and extraordinary General Meetings of Members, except for cases when convening is conducted in addition to the General Meetings of Board of Directors;**
(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)

- (24) **approval of the agenda of the General Meeting of Participants;**
(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (25) **preparation of recommendations on the amount of dividends on bonds and other equity securities of the Company and the procedure for their payment;**
(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (26) **Use of the reserve fund and other funds of the Company;**
(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (27) **establishing the Company's branches and opening representative offices, as well as deciding on liquidation thereof; approval of the Regulations on branches and representative offices;**
(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (28) **decision-making on participation, change in the membership stake and termination of the Company's membership in other organizations, including the creation of a subsidiary company (hereinafter referred to as "SC"). Approval of the terms of agreements on the establishment of SCs, agreements of shareholders (members) and other documents regulating the issues of exercising by the Company of its corporate rights as a shareholder (member) of other organizations;**
(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (29) **approval of design of trademarks, emblems and other means of visual identification of the Company;**
(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (30) **approval of the Company's address specified in the Unified State Register of Legal Entities;**
(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)
- (31) **formulating the Company's position with respect to:**
 - **the corporate conflicts arising, inter alia, in relation to participation agreements and other corporate documents;**
 - **the procedure and methods to resolve the conflict of interest in activities of the Director General of the Company;**
 - **the sufficiency of measures taken by the Company to ensure compliance with the anticorruption legislation and following the consideration of information on compliance incidents.***(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the Board of Directors members participating in the meeting)*
- (32) **resolution of other issues referred to the competence of the Board of Directors by this Charter and the law and related to the preparation and conduction of the General Meetings of Participants.**

31.2.2. The matters referred to the competence of the Company's Board of Directors may not be delegated to the executive bodies of the Company.

31.3. Procedure for establishing the Board of Directors

31.3.1. The Board of Directors members shall be elected by the General Meeting of the Company Participants by cumulative vote for a term until the next ordinary General Meeting of the Company Participants. During cumulative voting the number of votes belonging to each Company participant shall be multiplied by the number of persons to be elected to the Company body, and the member shall be entitled to cast all the assigned votes for one candidate or distribute them between two or more candidates. Fractional part of the vote obtained by multiplying the fractional number of votes held by the member by the number of persons to be elected to the Board of Directors may be given only for one candidate. Candidates that get the highest number of votes shall be deemed elected.

The persons elected in the Board of Directors may be re-elected unlimited number of times. Members of the collective executive body can not constitute more than one-fourth of the Board of Directors of the Company.

Number of members of the Board of Directors is determined by decision of the General Meeting of Participants and may not be less than 5 (five).

- 31.3.2. Members of the Board of Directors elect the Chairman of the Board of Directors from among the directors. The Director General cannot be elected Chairman of the Board of Directors.
- 31.3.3. As resolved by the General Meeting of Participants, the powers of any member (all members) of the Board of Directors of the Company may be terminated prematurely.
- 31.3.4. Directors appoint a Secretary of the Board, which ensures the keeping of minutes of general meetings of members and meetings of the Board of Directors.
- 31.3.5. The Board of Directors may, if necessary, create committees from among the directors and other employees of the Company to resolve specific issues. Committees are headed by members of the Board of Directors.
- 31.3.6. The responsibility of the Board of Directors includes resolving all issues related to the activities of the Company and its internal affairs, except for those that are referred to the responsibility of the General Meeting of Participants by legislation or this Charter.
- 31.3.7. The issues referred hereby to the responsibility of the Board of Directors may not be delegated to the Company's executive body.

31.4. **Procedure for Conducting Meetings of the Board of Directors**

- 31.4.1. The Board of Directors of the Company makes decisions and organizes the work at meetings of the Board at its discretion within the framework of this Charter. To organize its work, the Board of Directors has the right to adopt separate rules and regulations for meeting of the Board of Directors.
- 31.4.2. Organization of the work of the Board of Directors of the Company is entrusted to the Chairman of the Board of Directors, who coordinates the activities of the members of the Board of Directors to fulfill the tasks assigned to the Board of Directors; convenes and conducts ordinary and extraordinary meetings of the Board of Directors, draws up the agenda; organizes the implementation of decisions of the Board of Directors; performs other actions required to achieve the Company goals.
- 31.4.3. The meetings of the Board of Directors shall be held as necessary and shall be convened by the Board of Directors Chairman on his own initiative, at the request of the Board of Directors member or the Auditor of the Company, the Company's executive body.
- 31.4.4. The Board of Directors of the Company shall organize its activity as joint attendance meetings of the Board of Directors members for discussing agenda issues in order to make decisions on the issues within its competence. If necessary, the Board of Directors of the Company may make decisions by absentee voting (by polling). The decision to hold the meeting of the Board of Directors in form of absentee voting shall be taken by the Chairperson of the Board of Directors.
- 31.4.5. The Board of Directors of the Company may hold the meetings by means of electronic (telephone) communication facilities. In such case, the Board of Directors secretary ensures the magnetic tape recording of the meeting of the Board of Directors. Participation in the meeting of the Board of Directors by means of electronic (telephone) communication facilities shall be deemed equal to the personal presence.
- 31.4.6. In the absence of the Board of Directors Chairman at the meeting, the Board of Directors members elect the chairman from among the directors present.
- 31.4.7. Not later than 30 (thirty) days before the ordinary General Meeting of Participants of the Company, the meeting of the Board of Directors of the Company shall be held in order to preliminarily approve the Company's annual reports, annual accounting statement, including Income and Loss Statements (Income and Loss accounts) of the Company, the Auditor's report, that shall be submitted for approval of the ordinary General Meeting of Participants. The Director General of the Company or another person, upon instructions from the Board of Directors, shall submit to the Board of Directors the complete and current financial information, as well as the complete report on the current position of the Company and key results of the Company's business activities and plans.
- 31.4.8. A quorum required to hold the meetings of the Board of Directors of the Company shall make up $\frac{1}{2}$ (a half) of the elected Board of Directors members. If the number of Company's Board of Directors members becomes less than the quorum for the meetings of the Board of Directors, the Company shall convene an extraordinary General Meeting of Participants to elect a new Board

of Directors. In this case, the powers of the Board of Directors of the Company shall terminate, except for the powers to prepare, convene and hold an extraordinary General Meeting of Participants.

- 31.4.9. For the purpose of defining a quorum and counting the voting results on the issues included in the agenda of the meeting of the Board of Directors, a written opinion of an absent member of the Board of Directors shall be taken into account. A written opinion of the member of the Board of Directors shall be attached to the Minutes of the Meetings of the Board of Directors.
- 31.4.10. All resolutions of the Board of Directors shall be adopted by a majority of the votes of the members present at the meeting of directors, with the exception of cases established by the legislation of the Russian Federation and this Charter.
- 31.4.11. At the meetings of the Board of Directors, each member of the Board of Directors has one vote.
- 31.4.12. A member of the Board of Directors of the Company may not transfer their vote to any other member of the Board of Directors of the Company.
- 31.4.13. On the agenda items, an open voting or a voting using voting ballots is held.
- 31.4.14. If the Board of Directors Chairman makes a decision on absentee voting, voting ballots are sent to the addresses of the Board of Directors members containing the full name of the director, the date of the meeting (the deadline for the receipt of ballots), the wording of each item put to a vote, and the procedure of its consideration, options for voting on each issue put to the vote, expressed as "FOR", "AGAINST" or "ABSTAINED", an indication that the voting ballot must be signed by a Board of Directors member.
- 31.4.15. The mailout is carried out no later than 5 calendar days before the deadline for the receipt of ballots. The mailout method (mail, courier, etc.) is determined by the Chairman of the Board of Directors.
- 31.4.16. The decision is deemed to be adopted if more than half of the members of the Board of Directors who submitted their ballots before the deadline for the receipt of ballots voted "for" it, if the need for a larger number of votes for the adoption of the relevant decision is not established by this Charter or the law of the Russian Federation.
- 31.4.17. At the meeting of the Company's Board of Directors a minutes is kept. The Minutes of the meetings of the Board of Directors of the Company shall be executed within 3 (three) days after the meeting date. The minutes of the meeting include:
 - (1) place and time of its holding;
 - (2) persons present at the meeting;
 - (3) meeting agenda;
 - (4) issues put to vote, and the results of voting;
 - (5) resolutions passed.
- 31.4.18. The minutes of the meeting of the Company's Board of Directors shall be signed by the chairman of the meeting who is responsible for the correctness of drawing up the minutes.
- 31.4.19. The members of the Board of Directors have the rights and bear the obligations established by the legislation of the Russian Federation, this Charter, internal regulations of the Company.
- 31.4.20. Members of the Board of Directors are obliged to perform their obligations in good faith and in a manner that they consider best for the benefit of the Company.
- 31.4.21. A member of the Board of Directors is obliged to observe loyalty to the Company. Members of the Board are not entitled to use the Company's opportunities for purposes other than those allowed by the Company Charter. The term "the Company's opportunities" shall mean the Company's assets, property and personal non-property rights belonging to the Company, information on the activities and plans of the Company.
- 31.4.22. Board of Directors members are obliged to:
 - (1) inform the Board of Directors of the Company and the General Meeting of Participants of its interest in the transaction by the Company with the provision of information on entities controlled by them, on legal entities in which they hold positions in management bodies, on the availability of relatives specified in the law, and on the controlled to the said relatives of persons (controlled organizations) (if such information exists), on the known transactions made or to be made, in which they may be deemed to have interest;
 - (2) provide the Company with other information, data and documents necessary for the Company to fulfill the requirements of the legislation and achieve the Company's goals.
- 31.4.23. Members of the Board of Directors have no right to speak on behalf of the Company, to execute transactions and other legal acts on behalf of the Company, except for cases when members of the Board of Directors are endowed with such powers on the basis of a power of attorney.
- 31.4.24. Members of the Board of Directors may be remunerated and paid compensation in the amount

established by the General Meeting of Participants of the Company for the period of their performance of their duties.

- 31.4.25. The Board of Directors shall annually report on its activity to the General Meeting of Participants.
- 31.4.26. The decisions of the General Meeting are mandatory for the Board of Directors.
- 31.4.27. At the General Meetings of Members, the Board of Directors' viewpoint is represented by the Chairman of the Board of Directors or a member of the Board of Directors specially appointed (for a specific issue, scope of activity).
- 31.4.28. A director having his/her own opinion has the right to state it at the General Meeting of Participants.
- 31.4.29. The General Meeting of Participants has the right to demand that Board of Directors members provide a report on their work and documents related to the activities of the Company.

§ 32. DIRECTOR GENERAL OF THE COMPANY

32.1. General Provisions

- 32.1.1. Day-to-day operations of the Company shall be managed by the sole executive body of the Company which is its Director General. The sole executive body of the Company shall report to the Board of Directors and General Meeting of the Company Participants.
- 32.1.2. The sole executive body shall perform its functions relying on the provisions hereof, the Company's internal documents and the law of the Russian Federation.
- 32.1.3. Director General is obliged to:
 - (1) inform the Board of Directors of the Company and the General Meeting of Participants of his/her interest in the transaction by the Company with the provision of information on entities controlled by him/her, on legal entities in which he/she holds positions in management bodies, on the availability of relatives specified in the law, and on the controlled to the said relatives of persons (controlled organizations) (if such information exists), on the known transactions made or to be made, in which he/she may be deemed to have interest;
 - (2) provide the Company with other information, data and documents necessary for the Company to fulfill the requirements of the legislation and achieve the Company's goals.

32.2. Scope of Competence of Director General

- 32.2.1. Within its scope of competence, the Director General shall:
 - (1) dispose of the Company's property and funds on behalf and for the benefit of the Company;
 - (2) engage in transactions both inside and outside the Russia Federation on behalf of the Company, except for the cases as established by the law of the Russian Federation and by the provisions hereof;
 - (3) approve staff lists of the Company, employ and dismiss the Company staff in compliance with the law of the Russian Federation, approve the Company's internal Code of Practice, establish remuneration systems, incentivize high performing employees and impose disciplinary sanctions;
 - (4) organize financial and tax accounting and reporting, ensure safekeeping of the accounting documents, accounting registers and accounting statements;
 - (5) adopt the measures for ensuring the safety of commercial and confidential information related to the Company;
 - (6) represent the Company in court, in arbitration court and mediation tribunal;
 - (7) issue the powers of attorney for performing any actions on behalf of the Company;
 - (8) issue the orders, approve the internal documents of the Company regulating the Company's financial and economic activities, activities of internal structural divisions of the Company and other internal documents except for those documents which approval falls within the competence of the General Meeting of Participants and the Board of Directors of the Company;
 - (9) convene ordinary and extraordinary General Meetings of the Company Participants, approve the agenda, decide on other issues related to the preparation and conduction of General Meetings of the Company Participants, in cases when the function of the Board of Directors is performed by the General Meeting of the Company Participants;
 - (10) exercise any other powers required for everyday management of the Company's activity.

32.3. Election (Appointment) of the Sole Executive Body

- 32.3.1. The Director General shall be appointed by the Board of Directors of the Company for a term of three (3) year, unless other term is determined by decision of the Board of Directors of the Company, and may be re-elected for unlimited number of time. The sole executive body of the

- Company may be elected from among those who are not the Company Participants.
- 32.3.2. The Company may transfer the powers of its sole executive body to the managing company (the manager) under the contract.
- 32.3.3. Rights and responsibilities of the sole executive body managing day-to-day operations of the Company shall be set out in the contract entered into with the Company. Terms and conditions of such an agreement shall be approved by the Board of Directors of the Company. The said agreement is signed on behalf of the Company by the Chairman of the Board of Directors of the Company or by a person authorized by the relevant resolution of the Board of Directors of the Company.
- 32.3.4. A person performing functions of the sole executive body may concurrently hold offices in management bodies of other companies only the Board of Directors of the Company.
- 32.3.5. The Board of Directors of the Company Participants shall be entitled to decide on the early termination of powers held by a person performing functions of a sole executive body.

§ 33. LIABILITY OF THE MEMBERS OF THE MANAGEMENT BODIES OF THE COMPANY

- 33.1. Members of the management bodies of the Company along with its executive manager when exercising their rights and fulfilling their responsibilities shall act in the best interest of the Company adopting a diligent and reasonable approach.
- 33.2. Members of the management bodies of the Company along with its executive manager shall be liable to the Company for any losses caused to the company through their faulty actions (or omission), unless other grounds or size of liability is established by the law of the Russian Federation. Herewith, the members of the management bodies of the Company who voted against the decision which resulted in losses for the Company or who did not take part in the vote acting in good faith, shall not be held liable.
- 33.3. The ordinary course of business and other circumstances relevant to the Company shall be taken into account when determining the grounds and extent of liability of the Members of the management bodies of the Company along with its executive manager.
- 33.4. If several persons shall be held liable in accordance herewith, their liability to the Company shall be joint and several.
- 33.5. Compensation for losses incurred by the Company through the fault of the members of the management bodies of the Company or the executive manager can be claimed in court by the Company or its member.

§ 34. AUDITOR OF THE COMPANY

- 34.1. In order to check and verify the accuracy of annual reports and accounting balance sheets of the Company and to inspect the current state of the Company's affairs the Company shall be entitled upon resolution of the General Meeting of Participants to engage a professional auditor having no common property interests with the Company, members of the management and supervisory bodies of the Company and the Company Participants.
- 34.2. Upon request of any member of the Company the audit check can be conducted by an appointed professional auditor that shall comply with the requirements of clause 35.1 hereof. If the audit is conducted upon request of the Company participant, services of an auditor shall be paid by this Company participant. The expenses incurred by the Company participant in connection with payment for the auditor's services may be reimbursed to this Company participant pursuant to the decision of the General Meeting of Participants at the Company's expense.
- 34.3. Engagement of an auditor to verify and validate the annual reports and balance sheets of the Company is mandatory in the cases stipulated by the legislation of the Russian Federation.

