

APPROVED

BY GENERAL MEETING OF SHAREHOLDERS  
OF MOBILE TELESYSTEMS  
PUBLIC JOINT STOCK COMPANY

JANUARY 31, 2025, MINUTES NO.57

**Mobile TeleSystems  
Public Joint Stock Company**

**COMPANY CHARTER**

**(Rev. 18)**

**MOSCOW  
2025**

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## PART I. THE COMPANY

### 1. GENERAL PROVISIONS

- 1.1. Mobile TeleSystems Public Joint Stock Company (hereinafter the "Company") was registered with the State Registration Chamber under the Ministry of Justice of the Russian Federation on March 1, 2000 under registration number R-7882.16.
  - 1.2. On September 2, 2002, the Company was entered into the Unified State Register of Legal Entities of the Russian Federation (RF) as an entity having been registered prior to July 1, 2002, under Primary State Registration Number (PSRN) 1027700149124.
  - 1.3. The Company is incorporated and operates under the Civil Code of the Russian Federation, the Federal Law "On Joint Stock Companies", other regulatory legal acts of the Russian Federation and hereunder.
  - 1.4. The Company's trade name:  
The Company's full trade name in the Russian language shall be:  
**Публичное акционерное общество «Мобильные ТелеСистемы».**  
The Company's short trade name in the Russian language shall be: **ПАО «МТС».**  
The Company's full trade name in the English language shall be:  
**Mobile TeleSystems Public Joint Stock Company.**  
The Company's short trade name in the English language shall be: **MTS PJSC.**
  - 1.5. The Company's trade name before June 25, 2015 (the trade name was changed by the Decision of the General Meeting of Shareholders dated June 25, 2015, Minutes No. 35):  
The Company's full trade name in the Russian language was: Открытое акционерное общество «Мобильные ТелеСистемы»; the Company's short trade name in the Russian language was: ОАО «МТС» or ОАО «Мобильные ТелеСистемы»; the Company's full trade name in the English language was: Mobile TeleSystems Open Joint Stock Company; the Company's short trade name in the English language was: MTS OJSC.
  - 1.6. Location of the Company shall be: **Moscow, Russian Federation.**
  - 1.7. The Company has been established in perpetuity.
  - 1.8. Information about the Company's reorganization and legal successions:
    - (1) The Company was established by way of reorganization in a form of merger of Mobile TeleSystems Closed Joint Stock Company (registered on October 28, 1993 with the Moscow Registration Chamber, under registration number 027.941, and on September 21, 1994, with the State Registration Chamber under registration number R-3566.16) and Russian Telephone Company Closed Joint Stock Company (registered on July 21, 1995 with the Moscow Registration Chamber under registration number 634.535, and on August 19, 1996, with the State Registration Chamber under registration number R-6068.16).
    - (2) The Company is a full legal successor of all rights and obligations of Mobile TeleSystems Closed Joint Stock Company (registered on October 28, 1993 with the Moscow Registration Chamber, under registration number 027.941, and on September 21, 1994, with the State Registration Chamber under registration number R-3566.16) and Russian Telephone Company Closed Joint Stock Company (registered on July 21, 1995 with the Moscow Registration Chamber under registration number 634.535, and on August 19, 1996, with the State Registration Chamber under registration number R-6068.16).
    - (3) The Company is a full legal successor of all rights and obligations of Rosico Closed Joint Stock Company (registered with the Moscow Registration Chamber under the Moscow Government on March 4, 1994 under No. 005.821 and entered into the Unified State Register of Legal Entities on December 18, 2002 by the Moscow Department of the Russian Ministry for Taxes and Levies under Primary State Registration Number 1027700547126), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company on June 9, 2003.
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- (4) The Company is a full legal successor of all rights and obligations of Amur Cellular Communications Closed Joint Stock Company (registered with the Administration of Blagoveshchensk city on April 11, 1996 under No. 189P and entered into the Unified State Register of Legal Entities on August 27, 2002 by the Russian Ministry for Taxes and Levies Interdistrict Inspectorate No. 1 for the Amur Region under Primary State Registration Number 1022800511810), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (5) The Company is a full legal successor of all rights and obligations of Dontelecom Closed Joint Stock Company (registered with the Administration of the Rostov Region on April 14, 1994 under No. СП-1160/231 and entered into the Unified State Register of Legal Entities on October 25, 2002 by the Russian Ministry for Taxes and Levies Inspectorate for the Proletarsky District of Rostov-on-Don under Primary State Registration Number 1026104143944), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (6) The Company is a full legal successor of all rights and obligations of Kuban-GSM Closed Joint Stock Company (registered with the Krasnodar Registration Chamber on May 15, 1997 under No. 6948 and entered into the Unified State Register of Legal Entities on July 30, 2002 by the Russian Ministry for Taxes and Levies Inspectorate for Krasnodar city under Primary State Registration Number 1022301190779), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (7) The Company is a full legal successor of all rights and obligations of Mobile TeleSystems-Barnaul Closed Joint Stock Company (registered under the Order of the Administration of the Ochyabrsky District of Barnaul city on April 25, 2000 under No. 1287 and entered into the Unified State Register of Legal Entities on September 30, 2002 by the Russian Ministry for Taxes and Levies Inspectorate for the Ochyabrsky District of Barnaul city, Altai Territory under Primary State Registration Number 102201506854), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (8) The Company is a full legal successor of all rights and obligations of Mobile TeleSystems-Nizhny Novgorod Closed Joint Stock Company (registered with the Nizhny Novgorod Registration Chamber on January 22, 2001 under No. 4583 and entered into the Unified State Register of Legal Entities on August 14, 2002 by the Russian Ministry for Taxes and Levies Inspectorate for the Sovetskiy District of Nizhny Novgorod city under Primary State Registration Number 1025203721168), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (9) The Company is a full legal successor of all rights and obligations of Telecom-900 Closed Joint Stock Company (registered with the Moscow Registration Chamber on September 2, 1999 under No. 001.455.369 and entered into the Unified State Register of Legal Entities on September 11, 2002 by the Russian Ministry for Taxes and Levies Interdistrict Inspectorate No. 39 for Moscow city under Primary State Registration Number 1027739174682), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (10) The Company is a full legal successor of all rights and obligations of Telecom-XXI Open Joint Stock Company (registered by the Resolution of the Saint-Petersburg Registration Chamber on April 4, 1997 under No. 68581 and entered into the Unified State Register of Legal Entities on August 21, 2002 by the Russian Ministry for Taxes and Levies Inspectorate for the Central District of Saint-Petersburg city under Primary State Registration Number 1027809176031), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (11) The Company is a full legal successor of all rights and obligations of Udmurt Digital Networks-900 Closed Joint Stock Company (registered with the Administration of the Ochyabrsky District of Izhevsk city, the Republic of Udmurtia, on May 21, 1996 under No. 598/1 and entered into the Unified State Register of Legal Entities on December 10, 2002 by the Russian Ministry for Taxes and Levies Inspectorate for the Ochyabrsky District of Izhevsk city, the Republic of Udmurtia, under Primary State Registration Number 1021801168058), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.

- (12) The Company is a full legal successor of all rights and obligations of Horizon-RT Open Joint Stock Company (registered with the Russian Ministry for Taxes and Levies Inspectorate for Yakutsk, the Republic of Sakha (Yakutia) on September 26, 2003 and entered into the Unified State Register of Legal Entities on September 26, 2003 by the Russian Ministry for Taxes and Levies Inspectorate for Yakutsk, the Republic of Sakha (Yakutia) under Primary State Registration Number 1031402065419), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (13) The Company is a full legal successor of all rights and obligations of Uraltel Closed Joint Stock Company (registered with the Government of the Sverdlovsk Region on July 23, 1993 under No. P-2417.16 and entered into the Unified State Register of Legal Entities on October 7, 2002 by the Russian Ministry for Taxes and Levies Inspectorate for the Verkh-Issetskiy District of Yekaterinburg city under Primary State Registration Number 1026602321206), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (14) The Company is a full legal successor of all rights and obligations of Far East Cellular Systems-900 Closed Joint Stock Company (registered with the Administration of Khabarovsk city on July 17, 1996 under No. 002753-AГ and entered into the Unified State Register of Legal Entities on July 30, 2002 by the Russian Ministry for Taxes and Levies Inspectorate for the Central District of Khabarovsk city under the Primary State Registration Number 1022700911122), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (15) The Company is a full legal successor of all rights and obligations of Siberian Cellular Systems-900 Closed Joint Stock Company (registered with the Novosibirsk Municipal Registration Chamber on November 29, 1996 under No. 7816 and entered into the Unified State Register of Legal Entities on November 23, 2002 by the Russian Ministry for Taxes and Levies Inspectorate for the Central District of Novosibirsk city under Primary State Registration Number 1025402480102), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (16) The Company is a full legal successor of all rights and obligations of TAIF-TELCOM Open Joint Stock Company (registered with the State Registration Chamber under the Ministry of Justice of the Republic of Tatarstan on April 4, 2000 under No. 1213/к-1(50-02) and entered into the Unified State Register of Legal Entities on July 23, 2002 by the Russian Ministry for Taxes and Levies Interdistrict Inspectorate No. 14 for the Republic of Tatarstan under Primary State Registration Number 1021602825397), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (17) The Company is a full legal successor of all rights and obligations of Tomsk Cellular Communications Closed Joint Stock Company (registered with the Federal Tax Service Inspectorate for Tomsk city on September 30, 2005 and entered into the Unified State Register of Legal Entities on September 30, 2005 by the Federal Tax Service Inspectorate for Tomsk city under Primary State Registration Number 1057002621280), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (18) The Company is a full legal successor of all rights and obligations of SibChallenge Closed Joint Stock Company (registered with the Federal Tax Service Inspectorate for the Central District of Krasnoyarsk on October 3, 2005 and entered into the Unified State Register of Legal Entities on October 3, 2005 by the Federal Tax Service Inspectorate for the Central District of Krasnoyarsk city under Primary State Registration Number 1052466370648), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (19) The Company is a full legal successor of all rights and obligations of BM Telecom Closed Joint Stock Company (registered with the Federal Tax Service Inspectorate for the Octyabrsky District of Ufa city on October 3, 2005 and entered into the Unified State Register of Legal Entities on October 3, 2005 by the Federal Tax Service Inspectorate for the Octyabrsky District of Ufa city under Primary State Registration Number 1050204327557), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.

- (20) The Company is a full legal successor of all rights and obligations of MTS-RTK Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city on October 4, 2005 and entered into the Unified State Register of Legal Entities on October 4, 2005 by the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city under Primary State Registration Number 1057748460660), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (21) The Company is a full legal successor of all rights and obligations of ReCom Open Joint Stock Company (registered with the Orel Registration Chamber on February 26, 1998 under No. 1244-C and entered into Unified State Register of Legal Entities on August 7, 2002 by the Ministry for Taxes and Levies Inspectorate for the Sovetskiy district of Orel city under Primary State Registration Number 1025700824544), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (22) The Company is a full legal successor of all rights and obligations of Telesot-Alania Closed Joint Stock Company (registered with the Local Administration of the Promyshlenny District of Vladikavkaz city on May 14, 1997 under No. 1893 and entered into Unified State Register of Legal Entities on December 30, 2002 by the Federal Tax Service Inspectorate for the North-West Municipality District of Vladikavkaz city of the Republic of North Ossetia/Alania under Primary State Registration Number 1021500773546), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (23) The Company is a full legal successor of all rights and obligations of Astrakhan Mobile Closed Joint Stock Company (registered with the International and External Economic Relations Department of the Astrakhan Region Administration on January 17, 1995 under No. 1112/081 and entered into the Unified State Register of Legal Entities on August 26, 2002 by the Russian Ministry for Taxes and Levies Inspectorate for the Kirov Municipal District of Astrakhan city under Primary State Registration Number 1023000819401), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (24) The Company is a full legal successor of all rights and obligations of Mar Mobile GSM Closed Joint Stock Company (registered with the State Registration Chamber under the Ministry of Justice of the Mari El Republic on November 15, 2000 under No. 4097 and entered into the Unified State Register of Legal Entities on July 17, 2002 by the Russian Ministry for Taxes and Levies Inspectorate for Ioshkar Ola city under Primary State Registration Number 1021200750702), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (25) The Company is a full legal successor of all rights and obligations of Volgograd Mobile Closed Joint Stock Company (registered with the State Registration Chamber under the Ministry of Economy of the Russian Federation on June 23, 1995 under No. P-5193.16 and entered into the Unified State Register of Legal Entities on November 14, 2002 by Russian Ministry for Taxes and Levies Inspectorate for the Central Municipal District of Volgograd city under Primary State Registration Number 1023403440147), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (26) The Company is a full legal successor of all rights and obligations of PRIMTELEFON Closed Joint Stock Company (registered with the State Registration Chamber under the Ministry of Justice of the Russian Federation on August 2, 2001 under No. P-877.16.6 and entered into the Unified State Register of Legal Entities on October 31, 2002 by the Russian Federal Tax Service Inspectorate for the Lenin Municipal District of Vladivostok city under Primary State Registration Number 1022501282671), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (27) The Company is a full legal successor of all rights and obligations of Mobile Communication Systems Open Joint Stock Company (registered with the Omsk City Registration Chamber on September 17, 1996 under No. 38608040 and entered into the Unified State Register of Legal Entities on September 2, 2002 by the Russian Ministry for Taxes and Levies Inspectorate No. 2 for the Central Municipal District of Omsk city under Primary State Registration Number 1025500973728), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.

- (28) The Company is a full legal successor of all rights and obligations of BashCEL Closed Joint Stock Company (registered with the State Registration Chamber under the Ministry of Foreign Relations of the Bashkortostan Republic on November 28, 1997 under No. 80/083-ю and entered into the Unified State Register of Legal Entities on June 28, 2002 by the Russian Ministry for Taxes and Levies Inspectorate for Agidel city of the Bashkortostan Republic under Primary State Registration Number 1020201436639), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (29) The Company is a full legal successor of all rights and obligations of Mobile TeleSystems Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city on July 1, 2010 and entered into the Unified State Register of Legal Entities on July 1, 2010 by the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city under Primary State Registration Number 1107746526733), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (30) The Company is a full legal successor of all rights and obligations of Capital Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city on July 1, 2010 and entered into the Unified State Register of Legal Entities on July 1, 2010 by the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city under Primary State Registration Number 1107746523521), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (31) The Company is a full legal successor of all rights and obligations of Telecom Operator Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city on July 1, 2010 and entered into the Unified State Register of Legal Entities on July 1, 2010 by the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city under Primary State Registration Number 1107746523543), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (32) The Company is a full legal successor of all rights and obligations of United TeleSystems Closed Joint Stock Company (registered with the Russian Ministry for Taxes and Levies Interdistrict Inspectorate No. 46 for Moscow city on October 15, 2004 and entered into the Unified State Register of Legal Entities on October 15, 2004 by the Russian Ministry for Taxes and Levies Interdistrict Inspectorate No. 46 for Moscow city under Primary State Registration Number 1047796779535), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (33) The Company is a full legal successor of all rights and obligations of COMSTAR United TeleSystems Open Joint Stock Company (initially incorporated as COMSTAR Joint Venture, entered on June 14, 1989 into the Register of the USSR Ministry of Finance under No. 598, then reregistered as COMSTAR Russian-British Limited Liability Partnership and reorganized into COMSTAR Closed Joint Stock Company (The State Registration Chamber Certificate No. P-7644.16 of Registration and Entering into the Unified State Register of Legal Entities of the Amendments to the Foundation Documents of May 11, 1999, the Certificate of the Moscow State Registration Chamber No. 040.347 of June 15, 1999) entered into the Unified State Register of Legal Entities on July 4, 2002 by the Russian Ministry for Taxes and Levies Directorate for Moscow city under Primary State Registration Number 1027700003946), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (34) The Company is a full legal successor of all rights and obligations of COMSTAR-Direct Closed Joint Stock Company (formerly named MTU-Intel Closed Joint Stock Company, registered with the Moscow Registration Chamber on March 1, 1993 under No. 474.640 and entered into the Unified State Register of Legal Entities on October 7, 2002 by the Russian Ministry for Taxes and Levies Interdistrict Inspectorate No. 39 for Moscow city under Primary State Registration Number 1027700288076), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (35) The Company is a full legal successor of all rights and obligations of Dagtelecom Closed Joint Stock Company (registered with the Russian Federal Tax Service Inspectorate for the Sovetskiy District of Makhachkala city, the Republic of Dagestan, on December 4,

- 2009 and entered into the Unified State Register of Legal Entities on December 4, 2009 by the Russian Federal Tax Service Inspectorate for the Sovetskiy District of Makhachkala city, Republic of Dagestan, under Primary State Registration Number 1090562002552), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (36) The Company is a full legal successor of all rights and obligations of Eurotel Open Joint Stock Company (formerly named ENIFCOM Open Joint Stock Company, registered with the Moscow Registration Chamber on August 19, 1997 under No. 056.414 and entered into the Unified State Register of Legal Entities on August 14, 2002 by the Russian Ministry for Taxes and Levies Interdistrict Inspectorate No. 39 for Moscow city under Primary State Registration Number 1027739071854), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (37) The Company is a full legal successor of all rights and obligations of SWIT-COM Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city on September 23, 2011 and entered into the Unified State Register of Legal Entities on September 23, 2011 by the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city under Primary State Registration Number 1117746753475), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (38) The Company is a full legal successor of all rights and obligations of Universal TV Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 10 for the Tula region on June 28, 2012 and entered into the Unified State Register of Legal Entities on June 28, 2012 by the Federal Tax Service Interdistrict Inspectorate No. 10 for the Tula region under Primary State Registration Number 1127154020080), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (39) The Company is a full legal successor of all rights and obligations of Altair-Tula Management Company Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 10 for the Tula region on July 9, 2012 and entered into the Unified State Register of Legal Entities on July 9, 2012 by the Federal Tax Service Interdistrict Inspectorate No. 10 for the Tula region under Primary State Registration Number 1127154021345), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (40) The Company is a full legal successor of all rights and obligations of Altair Telecompany Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 10 for the Tula region on June 28, 2012 and entered into the Unified State Register of Legal Entities on June 28, 2012 by the Federal Tax Service Interdistrict Inspectorate No. 10 for the Tula region under Primary State Registration Number 1127154020036), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (41) The Company is a full legal successor of all rights and obligations of Altair-Tula Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 10 for the Tula region on June 28, 2012 and entered into the Unified State Register of Legal Entities on June 28, 2012 by the Federal Tax Service Interdistrict Inspectorate No. 10 for the Tula region under Primary State Registration Number 1127154020003), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (42) The Company is a full legal successor of all rights and obligations of Tambov MultiCable Networks Closed Joint Stock Company (registered with the Federal Tax Service Inspectorate for Tambov city on September 3, 2012 and entered into the Unified State Register of Legal Entities on September 3, 2012 by the Federal Tax Service Inspectorate for Tambov city under Primary State Registration Number 1126829006446), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (43) The Company is a full legal successor of all rights and obligations of Infocenter Closed Joint Stock Company (registered with the Federal Tax Service Inspectorate for Kurgan city on September 3, 2012 and entered into the Unified State Register of Legal Entities on September 3, 2012 by the Federal Tax Service Inspectorate for Kurgan city under

- Primary State Registration Number 1124501007718), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (44) The Company is a full legal successor of all rights and obligations of SibGroupInvest Company Closed Joint Stock Company (registered with the Russian Federal Tax Service Interdistrict Inspectorate No. 14 for the Altai Krai city on September 4, 2012 and entered into the Unified State Register of Legal Entities on September 4, 2012 by the Russian Federal Tax Service Interdistrict Inspectorate No. 14 for the Altai Krai under Primary State Registration Number 1122223011107), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (45) The Company is a full legal successor of all rights and obligations of Skif-Line Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city on October 17, 2012 and entered into the Unified State Register of Legal Entities on October 17, 2012 by the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city under Primary State Registration Number 1127747055336), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (46) The Company is a full legal successor of all rights and obligations of SKIF-OREL Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city on October 17, 2012 and entered into the Unified State Register of Legal Entities on October 17, 2012 by the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city under Primary State Registration Number 1127747055314), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (47) The Company is a full legal successor of all rights and obligations of SKIF-TAMBOV Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city on October 17, 2012 and entered into the Unified State Register of Legal Entities on October 17, 2012 by the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city under Primary State Registration Number 1127747055325), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (48) The Company is a full legal successor of all rights and obligations of Spektr Telecompany Open Joint Stock Company (registered with the Sosnovy Bor Department of the Agency of Justice of the Leningrad Regional Registration Chamber on August 21, 2000 (State Registration Certificate series ЛО-001 No. 56713) and entered into the Unified State Register of Legal Entities on September 19, 2002 by the Federal Tax Service Inspectorate for Sosnovy Bor city of the Leningrad region under Primary State Registration Number 1024701760016), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (49) The Company is a full legal successor of KR-1 Closed Joint Stock Company with respect to all rights and obligations transferred to KR-1 Closed Joint Stock Company under the spin-off balance sheet of COMSTAR-Regions Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city on August 3, 2009 and entered into the Unified State Register of Legal Entities on August 3, 2009 by the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city under Primary State Registration Number 1097746419913), reorganized by way of spin-off of KR-1 Closed Joint Stock Company simultaneously with the merger of spinned-off KR-1 Closed Joint Stock Company into Mobile TeleSystems Open Joint Stock Company.
- (50) The Company is a full legal successor of all rights and obligations of Elf Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate for Belgorod city on December 27, 2013 and entered into the Unified State Register of Legal Entities on December 27, 2013 by the Federal Tax Service Interdistrict Inspectorate for Belgorod city under Primary State Registration Number 1133123025310), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (51) The Company is a full legal successor of all rights and obligations of EFKOM Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate for Belgorod city on December 27, 2013 and entered into the Unified State Register of
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- Legal Entities on December 27, 2013 by the Federal Tax Service Interdistrict Inspectorate for Belgorod city under Primary State Registration Number 1133123025309), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (52) The Company is a full legal successor of all rights and obligations of Pilot Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 5 for Kursk Oblast on December 30, 2013 and entered into the Unified State Register of Legal Entities on December 30, 2013 by the Federal Tax Service Interdistrict Inspectorate No. 5 for Kursk Oblast under Primary State Registration Number 1134611001249), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (53) The Company is a full legal successor of all rights and obligations of TVK & K Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 5 for Kursk Oblast on December 30, 2013 and entered into the Unified State Register of Legal Entities on December 30, 2013 by the Federal Tax Service Interdistrict Inspectorate No. 5 for Kursk Oblast under Primary State Registration Number 1134611001250), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (54) The Company is a full legal successor of all rights and obligations of Zheleznogorsk City Telephone Communications Closed Joint Stock Company (registered with the Ministry of Taxation Interdistrict Inspectorate No. 3 for Kursk Oblast on February 18, 2004 and entered into the Unified State Register of Legal Entities on February 18, 2004 by the Ministry of Taxation Interdistrict Inspectorate No. 3 for Kursk Oblast under Primary State Registration Number 1044677000587), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (55) The Company is a full legal successor of all rights and obligations of Intercom Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 4 for the Mari El Republic on January 27, 2014 and entered into the Unified State Register of Legal Entities on January 27, 2014 by the Federal Tax Service Interdistrict Inspectorate No. 4 for the Mari El Republic under Primary State Registration Number 1141224000114), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (56) The Company is a full legal successor of all rights and obligations of Teleradiokompaniya "TVT" Open Joint Stock Company (registered with Kazan Branch No. 1 of the State Registration Chamber under the Ministry of Justice of the Republic of Tatarstan on September 24, 1999 and entered into the Unified State Register of Legal Entities on November 30, 2002 by the Ministry of Taxation Inspectorate for Sovetskiy district of Kazan city, Republic of Tatarstan under Primary State Registration Number 1021603629838), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (57) The Company is a full legal successor of all rights and obligations of Cascade-TV Closed Joint Stock Company (registered by State Enterprise Saratov Regional Registration Center on November 9, 1999 and entered into the Unified State Register of Legal Entities on August 6, 2002 by the Ministry of Taxation Inspectorate for Oktyabrskiy district of Saratov city under Primary State Registration Number 1026403340050), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (58) The Company is a full legal successor of all rights and obligations of Kuznetsktelemost Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate for Central district of Novokuznetsk city, Kemerovo Oblast on June 18, 2012 and entered into the Unified State Register of Legal Entities by the Federal Tax Service Interdistrict Inspectorate for Central district of Novokuznetsk city, Kemerovo Oblast on June 18, 2012 under Primary State Registration Number 1124217005021), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (59) The Company is a full legal successor of all rights and obligations of Telecommunications, Informatics and Communication System Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 46 for
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- Moscow city on January 20, 2014 and entered into the Unified State Register of Legal Entities on January 20, 2014 by the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city under Primary State Registration Number 1147746024799), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company.
- (60) The Company is a full legal successor of all rights and obligations of Tovarnye Znaki Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city on March 25, 2014 and entered into the Unified State Register of Legal Entities on March 25, 2014 by the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city under Primary State Registration Number 1147746322690), reorganized by way of merger into Mobile TeleSystems Open Joint Stock Company;
- (61) The Company is a full legal successor of all rights and obligations of COMSTAR-Regions Closed Joint Stock Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city on August 3, 2009 and entered into the Unified State Register of Legal Entities on August 3, 2009 by the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city under Primary State Registration Number 1097746419913), reorganized by way of merger into Mobile TeleSystems Public Joint Stock Company;
- (62) The Company is a full legal successor of all rights and obligations of Penza-GSM Joint Stock Company (registered with the Administration of the Oktiabrskii District of Penza city on June 27, 1997 under No. 116 and entered into the Unified State Register of Legal Entities on August 12, 2002 by the Russian Federal Tax Service Inspectorate for the Oktiabrskii District of Penza city under Primary State Registration Number 1025801201062), reorganized by way of merger into Mobile TeleSystems Public Joint Stock Company;
- (63) The Company is a full legal successor of all rights and obligations of SMARTS-Ivanovo Joint Stock Company (registered with the Federal Tax Service Inspectorate for the Leninskii District of Samara city on August 24, 2012 and entered into the Unified State Register of Legal Entities on August 24, 2012 by the Federal Tax Service Inspectorate for the Leninskii District of Samara city under Primary State Registration Number 1126315004694), reorganized by way of merger into Mobile TeleSystems Public Joint Stock Company;
- (64) The Company is a full legal successor of all rights and obligations of SMARTS-Ufa Joint Stock Company (registered with the Federal Tax Service Inspectorate for the Leninskii District of Samara city on August 24, 2012 and entered into the Unified State Register of Legal Entities on August 24, 2012 by the Federal Tax Service Inspectorate for the Leninskii District of Samara city under Primary State Registration Number 1126315004727), reorganized by way of merger into Mobile TeleSystems Public Joint Stock Company;
- (65) The Company is a full legal successor of all rights and obligations to Sistema-Inventure Joint Stock Company (registered with the Moscow Registration Chamber on December 24, 2001 and entered into the Unified State Register of Legal Entities on October 7, 2002 by the TSM Interdistrict Inspectorate No. 39 for Moscow city under Primary State Registration Number 1027700287757), reorganized by way of merger into Mobile TeleSystems Public Joint Stock Company.
- (66) The Company is a full legal successor of all rights and obligations of SMARTS-Yoshkar Ola Joint Stock Company (registered with the Federal Tax Service Inspectorate for Yoshkar Ola on January 27, 2015 and entered into the Unified State Register of Legal Entities on January 27, 2015 by the Federal Tax Service Inspectorate for Ioshkar Ola under Primary State Registration Number 1156315000467), reorganized by way of merger into Mobile TeleSystems Public Joint Stock Company.
- (67) The Company is a full legal successor of all rights and obligations of COMSTAR-KhMAO Joint Stock Company (registered with the Federal Tax Service Inspectorate for the Surgut Region of the Khanty-Mansiysk Autonomous District – Yugra on August 20, 2015 and entered into the Unified State Register of Legal Entities on August 20, 2015 by the Federal Tax Service Inspectorate for the Surgut Region of the Khanty-Mansiysk

- Autonomous District – Yugra under Primary State Registration Number 1157746769971), reorganized by way of merger into Mobile TeleSystems Public Joint Stock Company.
- (68) The Company is a legal successor of all rights and obligations of Telecom Povolzhye Limited Liability Company (registered with the Federal Tax Service Interdistrict Inspectorate No. 46 for Moscow city on May 15, 2014 and entered into the Unified State Register of Legal Entities on May 15, 2014 by the Federal Tax Service Interdistrict Inspectorate No. 46 under Primary State Registration Number 1147746543779), reorganized by way of merger into Mobile TeleSystems Public Joint Stock Company.
- (69) The Company is a full legal successor in respect of all rights and obligations of Limited Liability Company Avantage (registered by the Interdistrict Inspectorate of the Federal Tax Service No. 17 for Moscow region on January 12, 2011, a registration entry made by the Interdistrict Inspectorate of the Federal Tax Service No. 17 for Moscow region into the Unified State Register of Legal Entities under the Primary State Registration Number 1115027000142 on January 12, 2011), reorganized via incorporation into Public Joint-Stock Company Mobile TeleSystems.
- (70) The Company is a full legal successor in respect of all rights and obligations of Limited Liability Company Progtech-Yug (registered by the Inspectorate of the Federal Tax Service for resort town Anapa, Krasnodar Krai, on November 16, 2010, a registration entry made by the Inspectorate of the Federal Tax Service for resort town Anapa, Krasnodar Krai, into the Unified State Register of Legal Entities under the Primary State Registration Number 1102301003530 on November 16, 2010), reorganized via incorporation into Public Joint-Stock Company Mobile TeleSystems.
- (71) The Company is a full legal successor in respect of all rights and obligations of Limited Liability Company NVision – Consulting (registered by the Interdistrict Inspectorate of the Federal Tax Service No. 46 for Moscow on November 21, 2011, a registration entry made by the Interdistrict Inspectorate of the Federal Tax Service No. 46 for Moscow into the Unified State Register of Legal Entities under the Primary State Registration Number 1117746938374 on November 21, 2011), reorganized via incorporation into Public Joint-Stock Company Mobile TeleSystems.
- (72) The Company is a full legal successor in respect of all rights and obligations of Joint-Stock Company Teleservis (registered by the State Registration Chamber under the Ministry of Justice of the Russian Federation on July 8, 1999, a registration entry made by the Interdistrict Inspectorate of the Ministry of the Russian Federation for Taxes and Levies for the major taxpayers of Voronezh region into the Unified State Register of Legal Entities under the Primary State Registration Number 1023601530270 on August 19, 2002), reorganized via incorporation into Public Joint-Stock Company Mobile TeleSystems.
- (73) The Company is a full legal successor in respect of all rights and obligations of Joint-Stock Company RIKT (registered by the State Registration Chamber under the Ministry of Justice of the Russian Federation on May 31, 1994, a registration entry made by the Interdistrict Inspectorate of the Federal Tax Service No. 8 for Kemerovo region into the Unified State Register of Legal Entities under the Primary State Registration Number 1034214000215 on January 17, 2003), reorganized via incorporation into Public Joint-Stock Company Mobile TeleSystems.
- (74) The Company is a legal successor of all rights and obligations of Joint-Stock Company SIBINTERTELECOM (registered by the Administration of the Municipal Entity “Chitinskiy district” of Chita region on February 25, 1994, and entered into Unified State Register of Legal Entities on October 15, 2002 by the Inspectorate of the Ministry of the Russian Federation for Taxes and Levies for the Ingodinskiy administrative district of Chita, Chita region, under Primary State Registration Number 1027501155032), reorganized via incorporation into Public Joint-Stock Company Mobile TeleSystems.
- (75) The Company is a full legal successor in respect of all rights and obligations of Cellular Communication of Bashkortostan Joint-Stock Company (registered by the Administration of Kirovsky district of Ufa of the Republic of Bashkortostan on December 23, 1993, a registration entry made by the Interdistrict Inspectorate of the Federal Tax Service No. 39 for the Republic of Bashkortostan into the Unified State Register of Legal Entities
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- under the Primary State Registration Number 1020202562160 on December 11, 2002), reorganized via incorporation into Mobile TeleSystems Public Joint-Stock Company.
- (76) The Company is the universal legal successor in respect of all rights and obligations of Limited Liability Company “MultiCable Networks of Balashikha” (registered by the Inspectorate of the Federal Tax Service for Balashikha, Moscow Region on October 21, 2016 and entered by the Inspectorate of the Federal Tax Service for Balashikha, Moscow Region into the Unified State Register of Legal Entities under the Primary State Registration Number 1165001054261 on October 21, 2016), which was reorganized through merger into Mobile TeleSystems Public Joint Stock Company.
- (77) The Company is the universal legal successor in respect of all rights and obligations of Joint Stock Company “research and production association “Progressive Technologies” (registered by the Department of the Moscow Regional Registration Chamber in Zhukovsky on December 06, 1991 and entered by the Inspectorate of the Federal Tax Service for Zhukovsky, Moscow Region into the Unified State Register of Legal Entities under the Primary State Registration Number 1025001631137 on November 28, 2002), which was reorganized through merger into Mobile TeleSystems Public Joint Stock Company.
- (78) The Company is the universal legal successor in respect of all rights and obligations of Sputnikovoe TV Limited Liability Company (registered by Interdistrict Inspectorate of the Federal Tax Service No. 46 for Moscow on August 15, 2012 and entered by Interdistrict Inspectorate of the Federal Tax Service No. 46 for Moscow into the Unified State Register of Legal Entities under the Primary State Registration Number 1127746631495 on August 15, 2012), which was reorganized through merger into Mobile TeleSystems Public Joint Stock Company.
- (79) The Company is the universal legal successor in respect of all rights and obligations of Oblachny Retail Limited Liability Company (registered by the Inspectorate of the Federal Tax Service of Russia for the Oktyabrsky District of Samara on October 06, 2014 and entered by the Inspectorate of the Federal Tax Service of Russia for the Oktyabrsky District of Samara into the Unified State Register of Legal Entities under the Primary State Registration Number 1146316008618 on October 06, 2014), which was reorganized through merger into Mobile TeleSystems Public Joint Stock Company.
- (80) The Company is the universal legal successor in respect of all rights and obligations of Oblachny Retail Plus Limited Liability Company (registered by the Inspectorate of the Federal Tax Service for the Leninsky District of Ulyanovsk on April 29, 2015 and entered by the Inspectorate of the Federal Tax Service for the Leninsky District of Ulyanovsk into the Unified State Register of Legal Entities under the Primary State Registration Number 1157325002669 on April 29, 2015), which was reorganized through merger into Mobile TeleSystems Public Joint Stock Company.

## **2. OBJECTIVES, SCOPE AND TYPES OF COMPANY’S ACTIVITIES**

- 2.1. The Company’s economic activity aims to make profit by planning, marketing, establishing and operating communication networks and facilities, to provide access to Internet and to render communications services in the regions specified in the licenses issued to the Company by an authorized public agency.
- 2.2. To achieve the above objective, the Company’s activities shall include the telecommunications activities, in particular:
- (1) mobile telecommunications activities;
  - (2) fixed-line telephony activities;
  - (3) data transmission activities;
  - (4) telematic services;
  - (5) cable television and radio services;
  - (6) cooperation with the national and/or international GSM operators in the Russian Federation and abroad to ensure proper servicing of the Company’s customers;

- (7) cooperation with certain telephone operators in Moscow and the Russian Federation as well as with international telecom operators;
  - (8) settlement of accounts with customers, commercial and financial management of the network in accordance with accepted international practices;
  - (9) delivery and marketing of value added mobile telecom services;
  - (10) import, sales, leasing, installation and maintenance of terminals and related accessories;
  - (11) operation and maintenance of monitoring equipment for GSM networks;
  - (12) protection of state secret data in compliance with the laws of the Russian Federation;
  - (13) carrying out the works using the state secret data, conducting the activities and/or providing the services related to state secret protection;
  - (14) conducting any other activities following decisions of the Board of Directors aimed to achieve the Company's principal objectives.
- 2.3. The Company may carry out any other types of activity to the extent not prohibited by the laws of the Russian Federation.
- 2.4. The Company has the right to carry out activities related to the storage of archival documents.
- 2.5. The licensable types of activity shall be carried out on the basis of corresponding licenses.

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

- 3.1. The Company is a legal entity under the Russian laws with its own separate property booked on the Company's standalone balance sheet, may acquire and exercise civil rights in its own name, assume civil obligations, sue and be sued in a court.
- 3.2. The Company has a round seal bearing the Company's full name in the Russian language and the Primary State Registration Number, letterheads with the Company's full name, as well as the trademarks registered under the laws. The Company may have a seal, stamps and letterheads with the Company's full name in the Russian and English languages, as well as an emblem and other means of visual identification.
- 3.3. The Company is entitled to participate in accordance with the established procedure in the establishment of other entities both in the Russian Federation and abroad, to have subsidiaries in the Russian Federation and abroad, to acquire shares (equities) in authorized capitals thereof, buildings, structures, land plots and other immovable property, securities, as well as any other property, to which property right may apply to in accordance with applicable laws.
- 3.4. In order to raise additional funds, the Company shall be entitled to issue securities of various classes permitted by the laws of the Russian Federation, including shares, bonds and other securities, and to independently set out the conditions of their issue and placement according to the laws of the Russian Federation and hereto.
- 3.5. The Company shall be entitled to participate in holding companies, financial/industrial groups, associations and other associations of business entities on the terms that do not contradict the laws of the Russian Federation and this Charter.
- 3.6. The Company shall be entitled to participate in unions, associations and other groupings of organizations on the terms that do not contradict the laws of the Russian Federation and this Charter. The Company shall be entitled to cooperate with international financial organizations in any form not prohibited by law.
- 3.7. The Company shall acquire civil rights and assume liabilities through its bodies, acting in conformity with the laws and herewith.
- 3.8. The Company shall not be liable for the obligations of its shareholders, and the shareholders shall not be liable for the obligations of the Company and shall bear the risk of damages, associated with its activities, to the extent of the shares held by them. The Company shall not be liable for the obligations of the state and its agencies, and the state and its agencies shall not be liable for the Company's obligations.
- 3.9. The Company shall be responsible for safekeeping and usage of internal documents (administrative, financial and economic, accounting, etc.), personnel documents. The
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- Company shall ensure the transfer of the documents of scientific and historical importance for the state custody in the manner established by laws in force in Russia.
- 3.10. The Company conducts mobilization training according to the laws of the Russian Federation and the regulatory documents of the Moscow Government.
  - 3.11. The Company undertakes to comply with the laws of the Russian Federation as far as the state secret is concerned.

#### **4. THE COMPANY'S PROPERTY**

- 4.1. The Company owns its property, including the property, transferred to the Company by its shareholders. The Company's shareholders have no right of ownership to the property introduced into the Company's authorized capital.
- 4.2. The Company shall exercise its right to free possession, use and disposal of property in its ownership in compliance with applicable laws.
- 4.3. Major transactions to be effected by the Company require the obtaining of consent (subsequent approval) of the General Meeting of Shareholders or the Board of Directors in accordance with sub-clauses 27.1(23), 27.1(29), 32.2(16) hereof, as prescribed by the Federal Law "On Joint Stock Companies".
- 4.4. Interested-party transactions shall be effected by the Company as prescribed by the Federal Law "On Joint Stock Companies". It is not required to obtain the consent of the General Meeting of Shareholders or the Board of Directors for such transactions, except in cases when the Company has received a request from the General Director of the Company, a member of the Management Board of the Company, a member of the Board of Directors of the Company to obtain such consent. The Company notifies the members of the Company's management bodies of the planned transaction in which there is an interest no later than 5 (five) calendar days before the date of the transaction.
- 4.5. The Company's property consists of the fixed assets and working capital, and other property, the cost of which is recorded in the Company's standalone balance sheet. The sources of the Company's assets formations, income, balance and net profit are formed in accordance with the procedure prescribed by the laws of the Russian Federation.

#### **5. THE COMPANY'S BRANCHES AND REPRESENTATIVE OFFICES**

- 5.1. The Company may, in accordance with the established procedure, establish branches and representative offices in the Russian Federation and abroad that shall operate on the basis of relevant provisions thereon. The branches and representative offices shall not be deemed legal entities, the heads thereof shall be appointed by the General Director and act within the powers vested in them by a power of attorney issued to them.
- 5.2. The list of branches and representative offices of the Company is included in the Unified State Register of Legal Entities.

#### **6. DIVIDENDS**

- 6.1. Based on the results of the first quarter, six months and nine months of the reporting year and/or based on the results of a reporting year, the Company may decide on the payment of (declare) the dividends on the placed shares.
- 6.2. Decision on payment (declaration) of dividends following on the results of the first quarter, six months and nine months of the reporting year may be made by an extraordinary General Meeting of Shareholders within the period prescribed by the Russian laws. The annual General Meeting of Shareholders shall decide on the distribution of profit (including payment (declaration) of dividends, except for the profit distributed as dividends following the results of the first quarter, six months and nine months of the reporting year) and losses for the reporting year.
- 6.3. Decision to pay dividends, the amount of dividend and the form of payment, as well as on the date on which the persons entitled to dividends are determined shall be taken

- based on the proposal of the Board of Directors. The amount of dividend shall not exceed the value recommended by the Board of Directors.
- 6.4. The time period for payment of dividends shall not exceed the time limits prescribed by the Russian laws.
  - 6.5. The Company is obliged to pay the declared dividends on the shares of each category (type).
  - 6.6. The amount of dividend is declared as a percentage of the par value of a share, or in rubles per one share.
  - 6.7. The dividend may be paid in cash and, if the General Meeting of Shareholders so decided, in kind – in shares, bonds, commodities or other property.
  - 6.8. The Russian laws provide for the restrictions in respect of the declaration and payment of dividends.
  - 6.9. The Company shall not have the right to give any privileges in terms of dividend payment period to the owners of the shares of a certain category (type). A person who has not received the declared dividends due to the fact that the Company or the registrar does not have accurate and appropriate address or bank details required, or due to any other delay by the creditor may claim such dividends (unclaimed dividends) within 3 (three) years from the date of the decision on dividend payment. The time period prescribed for the request for payment of declared dividends shall, if missed, not be subject to renewal except for cases when a person entitled to dividends failed to request the payment of dividends under threat or by force. Upon the expiry of the time period as stipulated in this article, the declared and unclaimed dividends shall be attributed to the Company's undistributed profits.

## **7. THE COMPANY'S FUNDS AND NET ASSETS**

- 7.1. The Company shall establish a reserve fund by an annually allocation amounting to not less than 5% (five percent) of the Company's net profit, until the reserve fund achieves 15% (fifteen percent) of the Company's authorized capital. This reserve fund is designated to cover the Company's losses, as well as to redeem the Company's bonds and to redeem the Company's shares should other funds be unavailable. The reserve fund may not be used for any other purpose. The assets of the reserve fund may be used on the basis of the Board of Directors decision in accordance with the procedure established thereby.
- 7.2. The Company shall be entitled to establish other funds.
- 7.3. The Company's net assets value shall be evaluated based on the accounting data under the procedure stipulated by the laws of the Russian Federation.
- 7.4. In case the Company's net assets value becomes less than the amount of the Company's authorized capital, the Company shall take actions stipulated by the laws of the Russian Federation.

## **8. ACCOUNTING AND REPORTING IN THE COMPANY**

- 8.1. The Company shall organize accounting and take measures to ensure that the Company's bookkeeping practice provides a trustworthy and complete reflection of the information concerning all transactions and other facts of economic activity.
- 8.2. The Company shall keep the documents provided for by the laws of the Russian Federation.
- 8.3. The Company shall disclose its financial statements according to the procedure established by applicable laws and the Company's internal documents.
- 8.4. The General Director shall be liable, to the extent set out in applicable laws, for organization, status and reliability of the Company's accounting records, for a timely submission of accounting (financial) statements to the regulatory agencies, and for the trustworthiness of information about the Company's activities submitted to the Company's shareholders, creditors and other persons.

- 8.5. The Company's annual accounting (financial) statements, supported by the Auditor organization's and the Auditing Commission's report, shall be submitted by the General Director to the Board of Directors and the Annual General Meeting of Shareholders.
- 8.6. The Company's annual report is subject to preliminary approval by the Board of Directors not later than 30 (thirty) days prior to the Annual General Meeting of Shareholders.
- 8.7. The Auditing Commission shall certify the trustworthiness of data contained in the Company's annual report and accounting (financial) statements.

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

- 9.1. Information about the Company shall be submitted to the shareholders in accordance with applicable laws of the Russian Federation and other legal acts.
- 9.2. The Company shall ensure the shareholders' access to the documents that should be kept and provided by the Company according hereto and the laws of the Russian Federation. Information about the Company and the copies of the corresponding documents shall be made available in accordance with the procedure set forth by the laws of the Russian Federation.
- 9.3. The shareholders and the Company shall make all reasonable efforts to prevent an unauthorized disclosure and a leak of such information. The members of the Board of Directors, having access to the Company's confidential information, may neither disclose such information to any persons, who have no access to such information, nor use it in their own interests or interests of other persons.
- 9.4. If necessary, the Company may enter into confidentiality agreements with its employees, the members of the Board of Directors and the shareholders, while these persons shall enter into confidentiality agreements with each other.
- 9.5. Compulsory disclosure of the information shall be undertaken by the Company to the extent and in the manner stipulated by the Company's internal documents and the laws of the Russian Federation.
- 9.6. The foreign persons are prohibited to access the data constituting the state secret.

## **10. REORGANIZATION AND LIQUIDATION OF THE COMPANY**

- 10.1. The Company may be voluntarily reorganized in accordance with the procedure set forth in the laws of the Russian Federation. As stipulated by the laws of the Russian Federation, the reorganization of the Company shall entail the transfer of the Company's rights and obligations to its legal successors.
  - 10.2. The reorganization of the Company may be undertaken in the form of merger, acquisition, demerger, spin-off and transformation, as well as through combination of various reorganization forms.
  - 10.3. The Company shall be deemed reorganized, except for the cases of reorganization in the form of acquisition, from the date of state registration of the newly established legal entities.
  - 10.4. In the case of reorganization by way of merger into it of another company, the Company shall be deemed reorganized from the date an entry is made in the Unified State Register of Legal Entities on cessation of activities of the acquired company.
  - 10.5. The Company may be liquidated voluntarily in accordance with the procedure established by the laws of the Russian Federation, or by court decision in cases envisaged by the laws of the Russian Federation.
  - 10.6. The liquidation of the Company entails its dissolution without transfer of rights and obligations to other persons by way of legal succession.
  - 10.7. Upon appointment of the liquidation commission, the latter shall be authorized to manage the Company's activities. The liquidation commission shall appear in the court on behalf of the Company being liquidated.
  - 10.8. The liquidation commission shall publish a notice on the liquidation of the Company, on the procedure for and time period of the creditors' claims in the mass media publishing information about state registration of legal entities. The period for the creditors' claims
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- shall be not less than 2 (two) months from the date of publishing the Company liquidation notice.
- 10.9. Upon expiration of the period for the creditors' claims, the liquidation commission shall draw up an interim liquidation balance sheet containing the data on the assets of the Company being liquidated, the creditors' claims, the results of consideration thereof as well as the list of claims satisfied by a legally effective court decision, regardless of whether such requirements were agreed by the liquidation commission. The interim liquidation balance sheet shall be approved by the General Meeting of Shareholders.
- 10.10. Upon completion of settlements with creditors, the liquidation commission shall draw up a liquidation balance sheet subject to approval by the General Meeting of Shareholders.
- 10.11. The Company's property that survived the settlement of accounts with the creditors shall be distributed by the liquidation commission among the shareholders as follows:
- firstly, payments shall be made on the shares, which the Company is obliged to redeem from the shareholders pursuant to the laws of the Russian Federation;
  - secondly, payments shall be made on the accrued, but unpaid dividends on the preferred shares and of a liquidation value of the preferred shares as prescribed hereby;
  - thirdly, the Company's property shall be distributed among the shareholders owning the ordinary shares and all classes of the preferred shares.
- 10.12. Allocation of the property at each stage shall be performed after the property allocation of the previous stage has been fully completed.
- 10.13. The liquidation of the Company shall be deemed completed and the Company no longer existing after a corresponding entry is made in the Unified State Register of Legal Entities.
- 10.14. Upon reorganization (liquidation) of the Company, as well as after the cessation of the activities involving the use of data containing the state secrets, the Company shall ensure the protection of such data and data media through development and implementation of information security procedures, information protection, counterintelligence, safety guard and fire safety.

## **11. COMPANY CHARTER**

- 11.1. This Charter is a constituent document of the Company. The requirements hereof are binding upon the Company's management and controlling bodies and the Company's shareholders. This Charter enters into force following its registration in compliance with the procedure established by the laws of the Russian Federation.
- 11.2. Decisions on amendments and supplements hereto shall be made by the General Meeting of Shareholders or by the Board of Directors according to the procedure established by law and hereby. The amendments and supplements hereto shall come into force after the state registration thereof.
- 11.3. The provisions hereof shall be applicable to the extent that they do not contradict the laws of the Russian Federation. Should the legislative amendments entail the conflict between certain clauses and provisions hereof and the legal acts, such clauses and provisions shall be invalidated until corresponding amendments are introduced hereto.

## **PART II. THE COMPANY'S AUTHORIZED CAPITAL**

### **12. AUTHORIZED CAPITAL, GENERAL PROVISIONS**

- 12.1. The Company's authorized capital determines the minimal size of the Company's property that ensures the interests of its creditors.
- 12.2. The Company's authorized capital amounts to RUB 199,838,157.50 (one hundred ninety-nine million eight hundred thirty-eight thousand one hundred fifty seven rubles and fifty kopecks), divided into 1,998,381,575 (one billion nine hundred ninety-eight million three hundred eighty-one thousand five hundred seventy-five) placed ordinary shares of the

Company with a par value of 0.1 (one-tenth) ruble (or 10 (ten) kopecks) each. The Company's authorized capital has been fully paid.

- 12.3. In addition to the placed ordinary shares, the Company declares (shall have the right to place) 100,000,000 (one hundred million) ordinary shares with a par value of 0.1 (one-tenth) ruble each and a total amount of 10,000,000 rubles (ten million rubles) (declared shares).

Upon placement, the declared shares shall grant the same rights as the Company's placed ordinary shares.

### **13. INCREASE OF THE COMPANY'S AUTHORIZED CAPITAL**

- 13.1. The Company's authorized capital may be increased by increasing the par value of the Company's shares or by placing additional shares by decision of a General Meeting of Shareholders according to the sub-clauses 27.1(6) – 27.1(10) hereof or by decision of the Board of Directors according to sub-clauses 32.2(30) and 32.2(31) hereof.
- 13.2. The Company's authorized capital may be increased by increasing the par value of the shares only out of the Company's property. The Company's authorized capital may be increased via the placement of additional shares out of the Company's property.
- 13.3. Should the Company's authorized capital be increased via placement of additional shares, the number of such additional shares shall not exceed the number of the declared shares, provided for hereby. Thus, if the number of the Company's declared shares is not sufficient for the placement of the expected number of the Company's additional shares, then, in accordance with the procedure and on the terms established by the laws of the Russian Federation and hereby, the decision to increase the Company's authorized capital may be made simultaneously with the decision on amending this Charter with respect to the number of the Company's declared shares as may be required to take the decision on the increase of the authorized capital.
- 13.4. The Company's additional shares may be placed by subscription or conversion, as well as by distribution among all the Company's shareholders in the case the Company's authorized capital is increased out of its property.
- 13.5. The Company shall be entitled to place additional shares by either public or private subscription.
- 13.6. The price of placing the additional shares for the persons enjoying a preemptive right to the shares can be lower than the price of placing for other persons, but not more than by 10% (ten percent). Herewith, the price of placing the additional shares cannot be lower than their par value.
- 13.7. The Company's additional shares, placed by subscription, can be paid in cash, securities, other commodities, property rights or other rights having a monetary valuation.
- 13.8. The Company's additional shares, placed by subscription, shall be deemed placed upon full payment thereof.
- 13.9. In the case where the Company's authorized capital is increased out of the Company's property by placing additional shares, such shares shall be distributed among all shareholders. In doing so, each shareholder shall be offered the shares of the same category (type), as it owns, on pro rata basis.
- 13.10. The amount, by which the Company's authorized capital is increased out of the Company's property, shall not exceed the difference between the net Company's asset value and the amount of the Company's authorized capital and reserve fund.

### **14. DECREASE OF THE COMPANY'S AUTHORIZED CAPITAL**

- 14.1. The Company shall be entitled, and in the cases stipulated by the laws of the Russian Federation obliged, to decrease its authorized capital by reducing the par value of the shares or by reducing the total number thereof, including by acquisition of a part of the shares in the cases stipulated by the laws of the Russian Federation and hereby.
- 14.2. The decision to decrease the Company's authorized capital by reducing the par value of the shares or by acquisition of a part of the shares with a view to reduce the total number

- thereof, shall be made by the General Meeting of Shareholders according to sub-clauses 27.1(11) and 27.1(12) hereof.
- 14.3. The decision to decrease the Company's authorized capital by reducing the par value of the shares may provide for the payment of monetary funds to the Company's shareholders and/or the transfer to them of equity securities, owned by the Company and placed by other legal entity.
- 14.4. The Company's authorized capital may be decreased by reducing the total number of the placed shares, including the acquisition and retirement of some shares at the Company's disposal in the following cases:
- (1) in the case of retirement of some shares, acquired by the Company following the decision to decrease the Company's authorized capital by acquisition and retirement of some shares aimed to reduce the total number thereof;
  - (2) if the shares redeemed by the Company at the shareholders' request failed to be sold within one year from the date of redemption thereof (except for the case of redemption of shares following the decision to reorganize the Company);
  - (3) redemption of the Company's shares upon reorganization thereof;
  - (4) the reorganization of the Company by way of spin-off by the retirement of the converted shares;
  - (5) if the shares, acquired by the Company by decision of the Company's competent body, established by the Company Charter, failed to be sold within 1 (one) year from the date of acquisition thereof;
  - (6) in other cases provided for by the laws of the Russian Federation.
- 14.5. The decision to decrease the Company's authorized capital by acquiring some shares aimed to reduce the total number thereof shall be made by the General Meeting of Shareholders.
- 14.6. Within 3 (three) working days following the Company's decision to decrease its authorized capital, the Company shall notify of its decision the authority, that carries out state registration of legal entities, and publish twice (once a month) in printed media where the information on the state registration of legal entities is published a notice on reduction of the Company's authorized capital. The Company's creditor may, if its right of claim arose prior to publication of a notice on Company's authorized capital reduction, within 30 (thirty) days after the date of the last publication of the notice demand early performance of the Company's relevant obligations or, unless early performance of the obligations is possible, the termination of obligations and reimbursement of the respective costs.

### **PART III. SHARES AND OTHER EQUITY SECURITIES OF THE COMPANY**

#### **15. THE COMPANY'S SHARES**

- 15.1. The Company's ordinary share is an equity security granting its owner (shareholder) a specific scope of proprietary rights, including the right to participate in managing the Company, the right to receive a part of Company's profit in form of dividend, as well as the right to receive a part of the property after liquidation of the Company.
- 15.2. The Company's issued and placed shares are ordinary shares of the same par value. The par value of the shares is expressed in rubles, regardless of the form and the way they have been paid for.
- 15.3. The Company's shares are publicly traded on the terms established by the laws of the Russian Federation on securities.
- 15.4. The Company has a right to place one or more classes of the Company's preferred shares.
- 15.5. The par value of the shares of the same category (type) shall be the same.

- 15.6. The par value of the Company's placed preferred shares shall not be lower than the par value of ordinary shares and shall not exceed 25% (twenty five percent) of the Company's authorized capital.
- 15.7. The procedure of formation and floatation of the Company's fractional shares shall be set forth hereby and the laws of the Russian Federation.
- 15.8. The scope of rights granted by the Company's share shall be defined by the laws of the Russian Federation and hereby.
- 15.9. The rights granted by the Company's share shall be transferred to the acquirer thereof at the time of rights to such security are transferred.

## **16. BONDS AND OTHER EQUITY SECURITIES OF THE COMPANY**

- 16.1. Apart from the Company's additional shares, the Company shall be entitled to place bonds, options and other equity securities according to the requirement of the laws of the Russian Federation.
- 16.2. The Company has no right to place the bonds and other equity securities, convertible into the Company's shares, if the number of the Company's declared shares of certain categories and types is less than the number of the shares of such categories and types, the right to purchase which is granted by such securities. In such cases, according to the procedure and on the terms, stipulated by the laws of the Russian Federation and hereby, the decision to place equity securities convertible into the Company's shares may be taken simultaneously with the decision to introduce the amendments hereto in respect of the number of the Company's declared shares as may be required to make such decision.
- 16.3. The placing price of the equity securities convertible into the Company's shares for the persons having a preemptive purchase right can be lower than the placing price for other persons, but not more than by 10% (ten percent). The placing price of the equity securities convertible into the Company's shares may not be lower than the par value of the shares, such equity securities are converted into.
- 16.4. The equity securities placed by the Company (except for the Company's additional shares placed by subscription) may be paid only in cash.
- 16.5. The Company's equity securities placed by subscription shall be deemed placed if paid for in full.
- 16.6. The Company's bonds may be redeemed in cash or in kind according to the decision on the issue thereof.
- 16.7. A bond shall attest the right of its owner to demand the redemption of a bond (payment of the par value, or the par value and interest) within the established period.
- 16.8. Placement of bonds and other equity securities (including bonds and other equity securities convertible into shares) shall be performed on the basis of the decision of the General Meeting of Shareholders or the Board of Directors.
- 16.9. The decision to issue bonds shall specify the form, period and other terms of bond redemption.
- 16.10. A bond shall have a par value. The bonds may be placed by the Company after its authorized capital is paid in full.
- 16.11. The Company may place bonds with flat maturity term or bonds redeemable by series on certain dates.
- 16.12. The Company shall provide for the possibility of early redemption of the bonds at request of bond owners. At the same time, the decision to issue bonds shall indicate the cost of the redemption and the earliest date when such bond may be presented for an early redemption.
- 16.13. The Company shall be entitled to place the bonds, including the bonds secured by pledge of certain property, or the bonds under security provided to the Company by a third party for the issue of bonds, and debenture bonds.
- 16.14. The procedure for issuing the securities, depending on the kind of securities and the manner of placement thereof, shall be set forth by the laws of the Russian Federation.

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

- 17.1. By decision of the General Meeting of Shareholders, the Company shall be entitled to consolidate the Company's placed shares, which results in conversion of two or more shares into one new share of the same category (type). In this case, respective amendments shall be introduced hereto with respect to the share's par value and the number of the Company's placed and declared shares.
- 17.2. Unless the purchase of the whole number of the shares by a shareholder is possible during the consolidation, the parts of the shares (fractional shares) shall be formed.
- 17.3. By decision of the General Meeting of Shareholders, the Company shall be entitled to split the Company's placed shares, which results in conversion of one share into two or more shares of the same category (type). In this case, respective amendments shall be introduced hereto with respect to the share's par value and the number of the Company's placed and declared shares of the corresponding category (type).

## **18. PAYMENT FOR THE SHARES AND OTHER EQUITY SECURITIES UPON PLACEMENT THEREOF**

- 18.1. The Company's shares placed at the time of its establishment have been paid in full by the Company's founders following the decision on establishing the Company and the terms of agreement on the establishment of the Company.
- 18.2. Additional shares and equity securities of the Company, placed by subscription, shall be deemed placed if paid in full.
- 18.3. The Company's additional shares placed by subscription may be paid in cash, securities, other commodities or property rights or other rights, having a monetary valuation. The Company's additional shares may be paid by offsetting the Company's liabilities in case of private offering.
- 18.4. The form of payment for the Company's additional shares shall be defined by decision on placement thereof. The payment for other equity securities of the Company shall be made only in cash.
- 18.5. In the case of in-kind payment for the additional shares of the Company, the property used to pay for the shares shall be valued according to article 77 of Federal Law "On Joint Stock Companies".
- 18.6. In the case of in-kind payment for the Company's shares, an independent appraiser shall be engaged to evaluate the market value of such property, unless otherwise stipulated by the laws of the Russian Federation. The property's monetary value determined by the Board of Directors may not exceed the monetary value determined by an independent appraiser.

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

- 19.1. The Company shall be entitled to acquire the shares placed by it based on the decision of the General Meeting of Shareholders on decrease of the Company's authorized capital by acquiring a part of the placed shares in order to reduce the total number thereof. The decision to decrease the authorized capital in such a way may not be taken, if the nominal value of the shares remaining in circulation would be less than the minimal amount of the authorized capital stipulated by the laws of the Russian Federation. The shares acquired by decision of the General Meeting of Shareholders on decrease of the authorized capital shall be retired upon acquisition thereof.
- 19.2. The Company shall be entitled to acquire the placed shares by decision of the Board of Directors. Such a decision may be taken if the par value of the shares remaining in circulation makes up at least 90% (ninety percent) of the Company's authorized capital. The acquired shares do not grant the right of vote, are not taken into consideration when counting the votes, and no dividends are accrued on such shares. Such shares shall be sold at their market price no later than 1 (one) year from the date of acquisition thereof. Otherwise, the General Meeting of Shareholders shall take a decision to decrease the Company's authorized capital by retiring the mentioned shares.

## **20. REDEMPTION OF THE COMPANY'S SHARES AT THE SHAREHOLDERS' REQUEST**

- 20.1. The shareholders holding the voting shares of the Company shall be entitled to request the redemption of all or a part of the shares owned by them in the following cases:
- (1) making a decision by the General Meeting of Shareholders on the reorganization of the Company or on the consent to, or subsequent approval of a major transaction that involves a property with a value exceeding fifty percent (50%) of the book value of the Company's assets according to the Company's accounting (financial) statements as of the last reporting date (including that being at the same time an interested-party transaction);
  - (2) introduction of amendments to the Company's Charter (making a decision by the General Meeting of Shareholders, which serves the basis for amending and supplementing the Company's Charter) or approval of the revised Charter, resulting in restriction of their rights;
  - (3) decision made by the General Meeting of Shareholders on applying for the delisting of the Company's shares and/or equity securities convertible into the Company's shares.
  - (4) decision made by the General Meeting of Shareholders to terminate the Company's public status.
- 20.2. The request referred to above may be put forward by the shareholders, who voted against adoption of the respective decisions or who did not take part in the voting on such issues not later than 45 (forty five) days from the day of adoption of a respective decision by the General Meeting of Shareholders. The requests received by the keeper of the register of the Company's shareholders (registrar) after the aforesaid time or containing incomplete or unreliable information shall not be taken for consideration.
- 20.3. The redeemed shares shall be put at the Company's disposal and sold at the market price thereof within 1 (one) year of the date of redemption. Otherwise, the General Meeting of Shareholders shall make a decision to decrease the authorized capital of the Company by retiring the mentioned shares.

## **PART IV. THE COMPANY'S SHAREHOLDERS**

### **21. THE COMPANY'S SHAREHOLDERS**

- 21.1. Any individual, having exercised the ownership of the Company's shares according to the procedure established by the laws of the Russian Federation and hereby shall be deemed the Company's shareholder. The number of the Company's shareholders is unlimited.
- 21.2. Unless otherwise specified by the laws of the Russian Federation, in the case two or more persons have the legitimate common shared ownership right to one or more shares of the Company, such persons shall be recognized as one shareholder and shall exercise the rights of the Company's shareholder thus granted to them, including the right to vote at the General Meeting of Shareholders by one of them or by their common representative at their discretion. Powers of the mentioned persons shall be duly formalized. The co-owners of the share are jointly liable for all obligations assumed by the shareholders.
- 21.3. A person, having entered into ownership of the Company's fractional share on the grounds envisaged by the laws of the Russian Federation and hereby, shall be recognized as the Company's shareholder. The Company's fractional share grants to the shareholder holding it the rights granted by the Company's whole share, to the extent corresponding to such part of the whole share that this fractional share represents.
- 21.4. The shareholder's legal status is defined by the scope of rights granted to it and obligations assigned to it. The rights of the Company's shareholder(s) in relation to the Company and other shareholders are conditional on the category and type, as well as the number of the shares, owned by them.

- 21.5. Access to the state secret information shall be provided to the Company's shareholders under security clearance executed in compliance with the procedure stipulated by the laws of the Russian Federation.

## **22. THE REGISTER OF SHAREHOLDERS**

- 22.1. The rights of the Company's shareholders to the shares owned by them are attested in the system of registration – the registrar's records in the personal accounts – or, in the case of registration of the rights to the Company's shares in a depository, – the records in the custody accounts in depositories.
- 22.2. The right to the Company's share shall be transferred to the acquirer thereof after the registrar makes a record on the personal account of the acquirer in the registration system, or, in case of registration of the rights to the Company's shares in a depository – after a person, performing the depository activity, makes a record on the custody account of the acquirer.
- 22.3. The Register of Shareholders shall contain data on each registered person, the number and categories (types) of the shares recorded to the name of such persons, as well as other data stipulated by the current laws.
- 22.4. The Register of Shareholders of the Company shall be maintained by a registrar according to the laws of the Russian Federation.

## **23. SHAREHOLDERS' RIGHTS**

- 23.1. The shareholders (shareholder), holding in the aggregate 1 (one) whole ordinary share of the Company, shall have 1 (one) vote at the General Meeting of Shareholders. A fractional ordinary share shall grant its owner a proportional part of the vote.
- 23.2. Every ordinary share of the Company provides the shareholder holding it the same scope of rights, including:
- (1) the right to take part in governing the Company and to participate personally or via representative in the General Meeting of Shareholders with the right to vote on all the issues within its terms of reference with the number of votes, corresponding to the quantity of ordinary shares held by it;
  - (2) the right to receive dividend from the net profit of the Company;
  - (3) the right to receive a part of the Company's property in the case of its liquidation;
  - (4) the right to freely alienate all or a part of the shares owned by it without prior agreement of other shareholders or the Company;
  - (5) the right to demand the redemption of all or a part of the shares owned by it in cases and according to the procedure, established by law;
  - (6) the preemption right to acquire the shares placed by the Company through public subscription, as well as in the cases stipulated by the laws of the Russian Federation, through a private subscription of additional ordinary shares and equity securities, convertible into the ordinary shares, in proportion to the number of the shares of certain category, owned by such shareholder;
  - (7) when exercising the preemption right to acquire additional shares of the Company placed by the Company and other equity securities convertible into the shares of the Company, the right at their own discretion to pay for such placed equity shares in cash, in case the decision setting a basis for the placement of such equity securities, provides for in-kind payment thereof;
  - (8) the right to request, in the manner prescribed by law, from the Company's registrar to confirm the shareholder's rights to the Company's shares owned by such shareholder by issuing an extract from the register of the Company's shareholders, which shall not be regarded as a security;
  - (9) the right to request the Company to issue an extract from the list of persons entitled to participate in the General Meeting of Shareholders containing the data about the shareholder concerned, or a certificate, confirming that it is not included in the list of the persons entitled to participate in the General Meeting of Shareholders;
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- (10) the right to request the Company to issue an extract from the list of persons entitled to request the Company to redeem the shares held by them, containing the data about the shareholder concerned, or a certificate, confirming that such shareholder is not included in the list of the persons entitled to request the Company's redemption of shares;
  - (11) the right to request the Company to issue an extract from the list of the persons, having a preemptive right to acquire additional shares and other equity securities placed by the Company, containing the data about the shareholder concerned, or a certificate, confirming that such shareholder is not included in the list of such persons;
  - (12) the right of access to the Company's documents defined by the Federal Law "On Joint Stock Companies";
  - (13) upon preparation for the General Meeting of Shareholders, the right of free access to the information (materials) that shall be made available to the shareholder upon exercising the right to participate in the General Meeting of Shareholders;
  - (14) the right, where provided for by law, to file a claim in court to invalidate a transaction entered by the Company, and to claim the application of consequences of its invalidity, and consequences of invalidity of void transactions of the Company;
  - (15) according to the procedure established by the laws of the Russian Federation, the right to claim in the court against the decision passed by the General Meeting of Shareholders in violation of the laws of the Russian Federation and hereof (including any decision taken in violation hereof concerning convening and holding the annual and extraordinary General Meetings of Shareholders), in case the claimant did not participate in the General Meeting of Shareholders or voted against such decision, and that such decision violates its rights and legitimate interests;
  - (16) other rights, envisaged by the laws of the Russian Federation in effect.
- 23.3. The shareholders (shareholder), holding in the aggregate at least 1% (one percent) of the voting shares of the Company shall also have the right to:
- (1) request the Company to provide a list of persons entitled to participate in the General Meeting of Shareholders, except for information about their will, if they are included in such list;
  - (2) in accordance with the law, demand that consent to an interested-party transaction be obtained;
  - (3) request to provide information on the interested-party transaction that has been effected in the absence of consent to do so;
  - (4) file a claim in court to invalidate a major transaction that has been effected in violation of the procedure for obtaining consent to such transaction;
  - (5) where provided for by law, file a claim in court to invalidate an interested-party transaction;
  - (6) according to the procedure established by law, to put a claim against a member of the Board of Directors, a member of the Management Board and the General Director to reimburse the damages caused to the Company.
- 23.4. The shareholder registered in the share registry system with more than 1% (one percent) of the voting shares of the Company recorded on his personal account shall also have the right to request the Company's registrar to provide the information from the register on the names of the registered persons and the number of shares of each category (each type) recorded on their personal accounts.
- 23.5. The shareholder(s) holding in the aggregate at least 2% (two percent) of voting shares of the Company shall also have the right to:
- (1) submit issues to the agenda of an Annual General Meeting of Shareholders, as well as to propose the candidates (including self-nomination) for the Board of Directors, Auditing Commission and Counting Commission, and nominate the Auditor organization of the Company;
  - (2) nominate the candidates (including self-nomination) for the Board of Directors, if the proposed agenda of an Extraordinary General Meeting of Shareholders includes an issues of election of the Board of Directors;
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- (3) in case of approval by the Board of Directors of the resolution on refusal to include certain issues in the agenda of the General Meeting of Shareholders or certain candidate in the list of the candidates for election to a respective body of the Company or in case the Board of Directors evades taking a relevant decision, file a claim for compelling the Company to include the proposed issues in the agenda of the General Meeting of Shareholders or a candidate into the list of candidates for election to a respective body of the Company.
- 23.6. At the same time, the shareholder(s) holding in the aggregate at least 10% (ten percent) of the voting shares of the Company, shall also be entitled to:
  - (1) request a convening of an Extraordinary General Meeting of Shareholders on any of the issues within its terms of reference;
  - (2) in case the Board of Directors fails to approve within the period provided for in clause 28.9 hereof the decision on holding an Extraordinary General Meeting of Shareholders or in case the decision to refuse holding an Extraordinary General Meeting of Shareholders, file a claim for compelling the Company to hold an Extraordinary General Meeting of Shareholders;
  - (3) request an interim inspection (revision) of the Company's financial and economic activities by the Auditing Commission;
  - (4) request an interim independent audit inspection of the Company's activities.
- 23.7. At the same time, the Shareholder(s) holding in the aggregate at least 25% (twenty-five percent) of the Company's voting shares shall also be entitled to a free access to the accounting documents and the minutes of meetings of the Management Board.

## **24. SHAREHOLDERS' OBLIGATIONS**

- 24.1. The obligations of the shareholders are determined by the laws of the Russian Federation and hereby. The shareholders of the Company are particularly obliged to:
  - (1) observe the provisions hereof and the Company's internal documents, respect the will of the other shareholders expressed in the decisions of the General Meeting of Shareholders;
  - (2) timely and following other terms and procedures envisaged by the laws of the Russian Federation, hereby and internal documents of the Company, make payments for the shares and other equity securities placed by the Company;
  - (3) under the existing laws, notify the Company of their possible interest in conducting transactions by the Company, and communicate to the Company any other statutorily required information.
  - (4) not to disclose confidential information on the Company's activity.
- 24.2. The Company's shareholders shall have no right to act on behalf of the Company without special powers vested in accordance with procedure established by the laws of the Russian Federation.

## **PART V. THE COMPANY'S MANAGEMENT BODIES**

### **25. THE STRUCTURE OF THE COMPANY'S MANAGEMENT BODIES**

- 25.1. The Company shall be managed through the Company's management bodies.
- 25.2. The Company's management bodies include the General Meeting of Shareholders, the Board of Directors, the Management Board (collective executive body of the Company) and the General Director (sole executive body of the Company).
- 25.3. Additional internal structural subdivisions (including counsels, committees and commissions) may be established at the corresponding body of the Company.

## **26. GENERAL MEETING OF THE COMPANY'S SHAREHOLDERS**

- 26.1. The General Meeting of Shareholders shall be the superior management body of the Company.
- 26.2. The General Meeting of Shareholders shall perform its activity according to the provisions hereof, the Company's internal documents approved by decision of the General Meeting of Shareholders, and the requirements of the laws of the Russian Federation.
- 26.3. The General Meeting of Shareholders of MTS PJSC shall be held in Moscow or in the settlement of Novoivanovskoye (Moscow Region, Odintsovo City District).
- 26.4. The Company is obliged to conduct annual General Meeting of Shareholders every year.
- 26.5. The Annual General Meeting of Shareholders shall consider the issues related to the election of the Board of Directors, Auditing Commission, appointment of the Auditor organization, the issues referred to in sub-clause 27.1(19) hereof, and other issues within the terms of reference of the General Meeting of Shareholders.
- 26.6. The General Meetings of Shareholders held in addition to the annual meeting shall be deemed extraordinary. An Extraordinary General Meeting of Shareholders may decide on the issues concerning an early termination of the powers of the members of the Board of Directors and concerning the election of the Board of Directors, concerning an early termination of the powers of the Auditing Commission members and concerning the election of the Auditing Commission, appointment of the Auditor organization, and other issues, stipulated by the laws of the Russian Federation.

## **27. TERMS OF REFERENCE OF THE GENERAL MEETING OF SHAREHOLDERS**

- 27.1. The following matters shall fall within the terms of reference of the General Meeting of Shareholders:
  - (1) **amendment of the Charter (except when a respect decision is referred to the terms of reference of the Board of Directors), as well as the approval of the Company's Charter as restated;**
    - (decision shall be made by qualified majority (three fourth) of votes of shareholders holding the Company's voting shares and participating in the General Meeting of Shareholders)
    - (decision on making amendments to the Charter excluding the indication that the company is public, shall be made by the General Shareholders Meeting by a majority of 95 % (ninety five percent) of votes of all shareholders holding all categories (types) of shares of the Company).
  - (2) **reorganization of the Company;**
    - (decision to reorganize the Company shall be made only at the request of the Board of Directors by qualified majority (three fourth) of votes of shareholders holding the Company' voting shares, who participate in the General Meeting of Shareholders)
  - (3) **liquidation of the Company, appointment of liquidation commission and approval of interim and final liquidation balance sheet;**
    - (decision shall be made by qualified majority (three fourth) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
  - (4) **determining the number of members of the Board of Directors, election of the members and making decisions concerning the early termination of the powers of the members of the Board of Directors, as well as making decision on remuneration and/or compensation to the members of the Board of Directors during the execution of their obligations;**
    - (decision on election of the Board members shall be made by cumulative voting. Upon the cumulative voting, the number of the votes that belong to each shareholder is multiplied by the number of the individuals to be elected in the Board of Directors, and a shareholder has a right to give the votes, received in such manner, to one candidate or to distribute them among two or more candidates. The candidates who received the largest number of the votes shall be deemed elected to the Board of Directors);

- (decisions on all other issues shall be made by simple majority (more than a half) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
- (5) **determining the number, par value and category (type) of the Company's authorized shares and the rights granted by such shares;**
  - (decision shall be made by qualified majority (three fourth) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
- (6) **increase of the Company's authorized capital by increasing the par value of the Company's shares;**
  - (decision shall be made only at the request of the Board of Directors by simple majority (more than a half) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
- (7) **increase of the Company's authorized capital by placing additional shares only among the shareholders of the Company, in case of the Company's authorized capital is increased out of its property;**
  - (decision shall be made only at the request of the Board of Directors by simple majority (more than a half) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
- (8) **increase of the Company's authorized capital by placing additional shares by way of private subscription;**
  - (decision shall be made only at the request of the Board of Directors by qualified majority (three fourth) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
- (9) **increase of the Company's authorized capital by placing by way of public subscription the ordinary shares, constituting more than 25% (twenty-five percent) of the previously placed ordinary shares of the Company;**
  - (decision shall be made only at the request of the Board of Directors by qualified majority (three fourth) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
- (10) **if the Company receives a voluntary or mandatory offer to acquire the shares, as well as other equity securities convertible into the Company's shares – increase of the Company's authorized capital by placing additional shares not exceeding the number and the categories (types) of authorized shares, according to the procedure stipulated by the laws;**
  - (decision shall be made by simple majority (more than a half) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders, except for the cases prescribed by sub-clauses 27.1(8) and 27.1(9) hereof)
- (11) **decrease of the Company's authorized capital by reducing the par value of the Company's shares;**
  - (decision shall be made only at the request of the Board of Directors by qualified majority (three fourth) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
- (12) **decrease of the Company's authorized capital by acquisition by the Company of a part of the shares for the purpose of reducing the total number thereof, as well as by redemption of the acquired or redeemed shares of the Company;**
  - (decision shall be made by simple majority (more than a half) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
- (13) **placement of equity securities convertible into the Company's ordinary shares by private subscription;**

- (decision shall be made by qualified majority (three fourth) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
  - (14) **placement of equity securities convertible into the Company's ordinary shares by public subscription, in the case of placement of equity securities convertible into the Company's ordinary shares, constituting more than 25% (twenty-five percent) of the previously placed ordinary shares;**
    - (decision shall be made only at the request of the Board of Directors by qualified majority (three fourth) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
  - (15) **placement of the securities convertible into shares, including the Company's options, if the Company receives a voluntary or mandatory offer to acquire the shares, as well as other equity securities convertible into the Company's shares, according to the procedure stipulated by the laws;**
    - (decision shall be made by simple majority (more than a half) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders, except for the cases, prescribed by sub-clauses 27.1(13) and 27.1(14) hereof)
  - (16) **determining the number of members of the Auditing Commission, election of its members and making decision concerning an early termination of the powers of the Auditing Commission members, as well as making decision to remunerate and/or compensate the Auditing Commission members during the execution of their duties;**
    - (decision of election of the Auditing Commission members shall be made by simple majority (more than a half) of votes of shareholders holding the Company's voting shares, not being the members of the Board of Directors or the individuals, holding positions in the Company's management bodies, participating in the General Meeting of Shareholders);
    - (decisions on other issues shall be made by simple majority (more than a half) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
  - (17) **appointment of the Auditor organization;**
    - (decision shall be made by a simple majority (more than a half) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
  - (18) **payment (declaration) of dividend based on the results of the first quarter, six months, nine months of a reporting year;**
    - (decision shall be made by a simple majority (more than a half) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
  - (19) **approval of the annual reports, annual accounting (financial) statement of the Company, as well as profit distribution (including dividend payment (declaration), except for the Company's profit distributed as dividends based on the results of the first quarter, six months, nine months of a reporting year) and losses based on the results of a reporting year;**
    - (decision is made by a simple majority (more than a half) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
  - (20) **determining the procedure for conducting the General Meeting of Shareholders;**
    - (decision is made by a simple majority (more than a half) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
  - (21) **determining the number of members of the Counting Committee, electing the members of the Counting Committee and early termination of their power;**
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- (decision is made by a simple majority (more than a half) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
- (22) **consolidation and splitting of shares;**
- (decision is made only at the request of the Board of Directors by a simple majority (more than a half) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
- (23) **making decisions on the consent to, or subsequent approval of interested-party transactions in accordance with the procedure stipulated by the laws and hereby, when the amount of a transaction or of several interrelated transactions or the book cost of the property with the acquisition, alienation or the possibility of alienation of which such transactions are related is equal to 10% (ten percent) or more of the Company's assets book cost according to its accounting (financial) statement as at the last reporting date, except for the transactions referred to in sub-clauses 27.1(24) and 27.1(25) hereof;**
- (24) **making decisions on the consent to, or subsequent approval of interested-party transactions in accordance with the procedure stipulated by the laws and hereby, when the subject of a transaction or of several interrelated transactions are the sale of the shares exceeding 2% (two percent) of the previously placed ordinary shares of the Company and ordinary shares, to which the previously placed securities and equity securities may be converted;**
- (25) **making decisions on the consent to, or subsequent approval of interest-party transactions in accordance with the procedure stipulated by the laws and hereby, when the subject of a transaction or of several interrelated transactions involve the sale of preferred shares of the Company amounting to over 2% (two percent) of the previously placed shares of the Company and shares, to which the previously placed equity securities convertible into shares may be converted;**
- (26) **making decisions on the consent to, or subsequent approval of interest-party transactions in accordance with the procedure stipulated by the laws and hereby, if the number of directors who are disinterested in the transaction and meet the requirements established by clause 3, Article 83 of the Federal Law "On Joint Stock Companies" becomes less than two;**
- (27) **if the Company receives a voluntary or compulsory offer to purchase the shares, as well as any other equity securities, convertible into the Company's shares, the General Meeting of Shareholders shall make a decision on the consent to, or subsequent approval of interested-party transactions according to the procedure prescribed by the legislation of the RF;**
- (decisions on the approval of interested-party transactions in all cases referred to in sub-clauses 27.1(23) – 27.1(26) above shall be taken only at the request of the Board of Directors by a simple majority (more than a half) of the votes of all shareholders holding the Company's voting shares, who participate in the General Meeting and are either not interested in the transaction, or controlled by those interested in the transaction);
  - (decision on the approval of interested-party transactions in the case referred to in sub-clause 27.1(27) above shall be taken by a simple majority (more than a half) of the votes of all shareholders holding the Company's voting shares, who participate in the General Meeting and are either not interested in the transaction, or controlled by those interested in the transaction)
- (28) **making decisions on the consent to, or subsequent approval of major transactions in accordance with the procedure stipulated by the laws and hereby in the case when the subjects of the transaction is a property the value of which exceeds 50% (fifty percent) of the Company's assets book cost defined according to its accounting (financial) statement as at the last reporting date;**
- (decision is made only at the request of the Board of Directors by a qualified majority (three quarters) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders);
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- (if a major transaction is at the same time an interested-party transaction and if the issue on the consent to its settlement is put before the General Meeting of Shareholders for consideration in accordance with Chapter XI of the Federal Law “On Joint Stock Companies”, the decision shall be deemed made if  $\frac{3}{4}$  (three quarters) of votes of shareholders holding the Company’s voting shares, who participate in the General Meeting of Shareholders, and the majority of votes of all disinterested shareholders holding voting shares, who participated in the General Meeting of Shareholders, cast in favour of the decision);
- (29) **making decisions on the consent to, or subsequent approval of major transactions in accordance with the procedure stipulated by laws and hereby in the case, when the members of the Board of Directors fail to reach unanimous decision on the obtaining a consent to, or subsequent approval of such major transaction, as requested by sub-clause 32.2(16) hereof, and the relevant issue has been put by the Board of Directors to the General Meeting of Shareholders for resolution;**
- (decision is made only at the request of the Board of Directors by a simple majority (more than a half) of votes of shareholders holding the Company’s voting shares, who participate in the General Meeting of Shareholders);
  - (if a major transaction is at the same time an interested-party transaction and if the issue on the consent to its settlement is put before the General Meeting of Shareholders for consideration in accordance with Chapter XI of the Federal Law “On Joint Stock Companies”, the decision shall be deemed made by a simple majority (more than a half) of votes of all disinterested shareholders holding voting shares, who participated in the General Meeting of Shareholders cast in favour of the decision).
- (30) **making a decision on participation in financial and industrial groups, associations and other unions of commercial organizations;**
- (decision is made only at the request of the Board of Directors by a simple majority (more than a half) of votes of shareholders holding the Company’s voting shares, who participate in the General Meeting of Shareholders)
- (31) **approval of internal documents regulating the activities of the Company’s bodies;**
- (decision is made only at the request of the Board of Directors by a simple majority (more than a half) of votes of shareholders holding the Company’s voting shares, who participate in the General Meeting of Shareholders)
- (32) **if the Company receives a voluntary or compulsory offer to acquire shares, as well as any other equity securities convertible into the Company’s shares, making decision on the consent to, or subsequent approval of the transaction or several interrelated transactions connected with the acquisition, alienation or an opportunity of alienation by the Company, directly or indirectly, of any property amounting to 10% (ten percent) or more of Company’s assets book cost, defined based on its accounting statement as at the last reporting date, unless such transactions are entered into in the course of the Company’s regular business activities or have been made before the Company received such voluntary or compulsory offers;**
- (decision shall be made by simple majority (more than a half) of votes of shareholders holding the Company’s voting shares, who participate in the General Meeting of Shareholders)
- (33) **if the Company receives a voluntary or compulsory offer to acquire the shares, as well as any other equity securities convertible into the Company’s shares, taking a decision on increasing the remuneration for the persons holding positions in the Company’s management bodies, setting the terms of termination of their powers and increase of compensations paid to such persons in the case of termination of their powers;**
- (decision shall be made by simple majority (more than a half) of votes of shareholders holding the Company’s voting shares, who participate in the General Meeting of Shareholders)
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- (34) **if the Company receives a voluntary or compulsory offer to acquire the shares, as well as any other equity securities convertible into the Company's shares – approval of acquisition by the Company of outstanding shares;**
- (decision is made only at the request of the Board of Directors by a qualified majority (three quarters) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders);
- (35) **making a decision on applying for delisting of the Company's shares and/or equity securities, convertible into the Company's shares;**
- (decision is made by a qualified majority (three quarters) of votes of shareholders holding the Company's voting shares, who participate in the General Meeting of Shareholders)
- (36) **other issues stipulated by the laws of the Russian Federation and hereby.**
- 27.2. The issues falling within the terms of reference of the General Meeting of Shareholders may not be referred to the Board of Directors or Executive Bodies of the Company.
- 27.3. The General Meeting of Shareholders shall not be entitled to consider the issues falling beyond its terms of reference and to take decisions on these issues.
- 27.4. The decisions of the General Meeting of Shareholders on the issues not included in the agenda of the General Meeting of Shareholders (unless all the shareholders of Company participated in the meeting) or approved in violation of the terms of reference of the General Meeting of Shareholders or approved in the absence of quorum for holding the General Meeting of Shareholders or approved without majority of the shareholders' votes required for approval of the decisions shall be null and void regardless of appeal of such decisions.

## **28. PREPARATION AND CONVOCAION OF THE GENERAL MEETING OF SHAREHOLDERS**

- 28.1. An annual General Meeting of Shareholders shall be held not earlier than 2 (two) months prior to and not later than 6 (six) months after the end of the reporting year. An annual General Meeting of Shareholders shall be convened by the Board of Directors. The date of an annual General Meeting of Shareholders shall be defined by the Board of Directors.
- 28.2. An extraordinary General Meeting of Shareholders shall be held following a decision of the Board of Directors on its own initiative, at the request of the Auditing Commission, Auditor organization and the shareholders (shareholder), holding in the aggregate at least 10% (ten percent) of the Company's voting shares as at the date of the request or on other grounds provided for by the laws of the Russian Federation. An extraordinary General Meeting of Shareholders shall be convened by the Board of Directors or otherwise in cases provided for by the laws of the Russian Federation. In case the Board of Directors fails to make a decision on convocation of an extraordinary General Meeting of Shareholders within the period provided for in clause 28.9 hereof, or decides to refuse the convocation thereof, the Company's body or persons requesting a meeting shall be entitled to file a claim for compelling the Company to hold an extraordinary General Meeting of Shareholders.
- 28.3. The request for convening an annual General Meeting of Shareholders shall contain the issues to be included in the agenda. The request for an extraordinary General Meeting of Shareholders may contain the draft decisions on each of the issues under consideration, as well as the proposal on the form of the meeting.
- 28.4. The decision of the Board of Directors that initiates the convocation of an extraordinary General Meeting of Shareholders shall be adopted by a simple majority of members of the Board of Directors participating in the meeting. This decision shall include the approval of: (1) the wording of the agenda issues; (2) the form of the meeting. The Minutes of the meeting of the Board of Directors where such decision has been made shall contain the names of the members of the Board of Directors who voted in favour of the decision, against it or abstained.
- 28.5. The decision of the Auditing Commission to convene an extraordinary General Meeting of Shareholders shall be passed by a simple majority of the members of the Auditing

- Commission participating in the meeting and shall be submitted to the Board of Directors. The said request shall be signed by the members of the Auditing Commission who voted for passing this decision.
- 28.6. The request of the Auditor organization initiating the convocation of an extraordinary General Meeting shall be signed by it and submitted to the Board of Directors.
- 28.7. The shareholder(s) holding in the aggregate at least 10% (ten percent) of the Company's voting shares who initiate the convocation of an extraordinary General Meeting of Shareholders shall submit to the Board of Directors a written request specifying, in addition to the information indicated in clause 28.3 hereof, the following information: (1) the full name and/or the trade name of the shareholders, (2) information about the voting shares held by them. Such request shall be signed by the shareholder or its authorized representative. If the request is signed by a representative acting on behalf of the shareholder by proxy, the power of attorney shall be attached. Shareholder(s) of the Company not entered in the register of Company's shareholders may send a demand to convene the Extraordinary General Meeting of Shareholders also by giving appropriate orders (instructions) to a person registering their rights to shares. These orders (instructions) comply with the Russian Law on securities.
- 28.8. A request of the persons initiating the convocation of an extraordinary General Meeting of Shareholders shall be submitted in writing by sending to the Company's address of a registered letter or a registered letter with delivery confirmation, or by sending by a courier, or delivered to the secretary of the Board of Directors against the signature or to the Company's clerical office or any other department empowered to receive the correspondence addressed to the Company. The request to convene an extraordinary General Meeting of Shareholders may be sent as an electronic document signed by a qualified electronic signature, obtained in accordance with Federal Law No. 63-FZ "On Electronic Signature" of April 6, 2011, to the e-mail address of the Company: shareholder@mts.ru. Demands of shareholder(s) not entered in the register of Company's shareholders and having given order (instruction) to a person registering their rights to shares, shall be made in accordance with the Russian Law on securities.
- 28.9. Within 5 (five) days of the date of such request, the Board of Directors shall pass a decision to convene or refuse the convocation of an extraordinary General Meeting of Shareholders. The decision to convene or refuse the convocation of an extraordinary General Meeting of Shareholders shall be sent to the persons requesting the meeting within 3 (three) days upon making this decision.
- 28.10. The list of the persons entitled to participate in the General Meeting of Shareholders is compiled by the Company's registrar in accordance with the Russian Law on securities as at a certain date, set by the Board of Directors in compliance with the laws of the Russian Federation and herewith.
- 28.11. The Board of Directors, while preparing for holding the General Meeting of Shareholders, shall define:
- form of the General Meeting of Shareholders (joint attendance or absentee voting);
  - the date, place and time of the meeting and/or the deadline for accepting the voting ballots and the mailing address, to which the filled in ballots shall be sent;
  - the date, place and time of registration of the persons entitled to participate in the General Meeting of Shareholders held in a form of joint attendance;
  - deadline for determination (setting) the persons entitled to participate in the General Meeting of Shareholders;
  - the deadline for receipt of proposals of shareholders to nominate the candidates for the Board of Directors of the Company, if the proposed agenda of the extraordinary General Meeting of Shareholders includes an issue of election of members for the Board of Directors;
  - agenda of the General Meeting of Shareholders;
  - the way in which the shareholders shall be notified of the General Meeting of Shareholders;
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- a list of information (materials) to be transferred to the shareholders upon preparing to hold the General Meeting of Shareholders and procedure for delivery of such materials;
- form and text of the voting ballots as well as the wording of resolutions on the agenda of the General Meeting of Shareholders, which shall be sent in electronic form (as electronic documents) to the nominee shareholders entered in the register of Company's shareholders.

In preparation for the General Meeting of Shareholders, the Board of Directors by its decision may provide for filling out voting ballots in electronic form on the site in the "Internet" data telecommunications network. In this case, the Board of Directors determines the address of the site, on which the persons entitled to attend the General Meeting of Shareholders can fill out ballots in electronic form.

- 28.12. The agenda of an annual General Meeting of Shareholders shall include the issues relating to the election of members of the Board of Directors, Auditing Commission, appointment of the Auditor organization, and to the approval of the Company's annual reports, annual or accounting statements, profits and losses distribution.
- 28.13. The Board of Directors shall not be entitled to amend the wordings of the issues to be included in the agenda of the General Meeting of Shareholders, and the wordings of decisions on such issues.
- 28.14. Voting at the General Meeting of Shareholders shall be carried out by voting ballots. If the General Meeting of Shareholders is held in form of joint attendance or in form of absentee voting, the voting ballot shall be sent by registered mail or by courier or delivered against signature to each person, entered in the Register of Shareholders and entitled to participate in the General Meeting of Shareholders not later than 20 (twenty) days before the date of the General Meeting of Shareholders.
- 28.15. Those shareholders shall be deemed to have taken part in the General Meeting of Shareholders in form of joint attendance, who have registered for participation in this meeting, as well as the shareholders whose ballots have been received at least 2 (two) days before the date of the General Meeting of Shareholders. Those shareholders shall be deemed to have taken part in the General Meeting of Shareholders in form of absentee voting, whose ballots have been received before the deadline for accepting the ballots. Shareholders are considered attending the general meeting of shareholders if, in accordance with the Russian Law on securities, they have given order (instruction) on voting to persons registering their rights to shares, provided that the statements of their will are received no later than 2 (two) days prior to the General Meeting of Shareholders or before the deadline for receipt of ballots in case the General Meeting of Shareholders is conducted in the form of absentee voting.
- 28.16. The notice of the General Meeting of Shareholders shall be posted on the official website of the Company ([www.mts.ru](http://www.mts.ru)) not less than 30 (thirty) calendar days prior to the date of the General Meeting of Shareholders, unless the laws provide for a longer period.
- 28.17. The notice of the General Meeting of Shareholders may additionally be delivered to the persons entitled to participate in the General Meeting of Shareholders and entered in the Register of Shareholders by registered post at the addresses referred to in the Register of Shareholders, or delivered to those persons against signature simultaneously with sending or delivery of the ballots for voting in order provided in sub-clause 28.14 hereof.
- 28.18. The date of shareholders' notification of the General Meeting of Shareholders shall be determined by the date of posting of the text of the notice on the website of the Company specified in sub-clause **Ошибка! Источник ссылки не найден.** hereof.
- 28.19. The text of the notice on the General Meeting of Shareholders may, by decision of the Board of Directors, be sent also in electronic form to those Company's shareholders who have communicated to the Company or the registrar their electronic addresses for such notices.
- 28.20. The information and files on the agenda of the General Meeting of Shareholders are provided to persons registering their rights to Company's shares in a depository by providing them to the Company's registrar for direction to a nominee holder entered in the Register of Shareholders in accordance with the Russian Law on securities.
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- 28.21. Additional requirements for the procedure for convening and holding the General Meeting of Shareholders are stipulated by the laws of the Russian Federation and the Company's internal documents.
- 28.22. The list of information and materials concerning the agenda to be provided to the shareholders and the procedure thereof are set forth by the laws of the Russian Federation. By decision of the Board of Directors, the information that shall be made available to the persons entitled to participate in the General Meeting of Shareholders, unless it is confidential or constitutes a trade secret, may be partially or fully disclosed on the website of the Company.
- 28.23. The proposals on inclusion of the issues in the agenda of an annual General Meeting and the proposals on nominating the candidates for the Company's bodies elected by the General Meeting of Shareholders shall be submitted to the Company by the Company's shareholders holding at least 2 (two) percent of the voting shares of the Company within **100 (one hundred) days** after the end of the reporting year. The proposals on the agenda and the candidates to the Company's bodies shall be sent to the Company's address by registered mail with delivery confirmation or by courier, or delivered to the Company's secretary against signature or to the Company's clerical office or any other department empowered to receive the correspondence addressed to the Company. Proposals shall be signed by the shareholder or his proxy (representative). If the proposal is signed by proxy (representative), the power of attorney shall be attached to the proposal. The proposals on the agenda and proposals on nominating the candidates for the Company's bodies may be sent as an electronic document signed by a qualified electronic signature, obtained in accordance with Federal Law No. 63-FZ "On Electronic Signature" of April 6, 2011, to the e-mail address of the Company: [shareholder@mts.ru](mailto:shareholder@mts.ru). Shareholders not entered in the register of Company's shareholders may make proposals for the agenda and proposals for nomination of candidates to the Company bodies also by issuing orders (instructions) to a person registering their rights to shares, in the manner prescribed by the Russian Law on securities.

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

- 29.1. Decisions of the General Meeting of Shareholders may be taken by holding a meeting (joint attendance of the Company's shareholders for discussing the agenda issues and passing the decisions on the issues put to vote).
- 29.2. Decision of the General Meeting of Shareholders may also be taken without holding a meeting, by way of absentee voting.
- 29.3. The General Meeting of Shareholders, the agenda of which includes such issues as election of the Board of Directors, Auditing Commission, appointment of the Auditor organization and the issues referred to in sub-clause 27.1(19) hereof may not be held in form of absentee voting (unless otherwise provided by the current legislation of the Russian Federation).
- 29.4. The persons included in the list of persons, entitled to participate in the General Meeting of Shareholders, as well as the persons, to whom the rights for the shares of the aforesaid persons have been transferred by way of legal succession or reorganization, or their representatives acting by proxy or by virtue of law may participate in the General Meeting of Shareholders. If the General Meeting of Shareholders is held in a form of joint attendance, the persons included in the list of persons entitled to participate in the General Meeting of Shareholders (or their representatives) shall be entitled to participate in such meeting or to mail the filled-in voting ballots to the Company, or fill out an online ballot form on the website in the "Internet" data telecommunications network at the address specified in the notice on convening the General Meeting of Shareholders, if this is provided by the decision to convene the General Meeting of Shareholders.
- 29.5. Registration of the persons participating in the General Meeting of Shareholders held in a form of a joint attendance shall be carried out by the Counting Commission of the Company. The Counting Commission shall be elected by the General Meeting of Shareholders and shall include at least 3 (three) persons. Unless the Counting Commission has been established, its functions shall be performed by the secretary of

by the Board of Directors or by any other person designated by the Board of Directors. The functions of the Counting Commission may be performed by the Company's registrar. In the case where the number of the shareholders holding the voting shares of the Company exceeds 500 (five hundred), the functions of the Counting Commission shall be performed by the Company's registrar. So far as it relates to the functions of the Counting Commission, the latter shall be an independent permanent body of the General Meeting of Shareholders. Its functions shall be to: (1) verify the powers of the persons registered for participation in the General Meeting of Shareholders, (2) verify the power of attorney of the shareholders' representatives for compliance thereof with the laws of the Russian Federation, (3) keep records of the powers of attorney and the rights granted thereby, recording these in a corresponding log, (4) hand out and send the voting ballots and other information (materials) relating to the General Meeting of Shareholders and to maintain a log of issued (sent) voting ballots, (5) determine a quorum of the General Meeting of Shareholders, (6) count the votes and tally voting results, (7) execute the Minutes containing the voting results, (8) perform other functions stipulated by the laws of the Russian Federation, by the Company's internal documents relating to the activity of the Counting Commission or by an agreement between the Company and the person acting as Counting Commission.

- 29.6. Transfer of the rights (powers) to a representative of a person entitled to participate in the General Meeting of Shareholders shall be in a form of a power of attorney issued following the requirements of the laws of the Russian Federation. Sample power of attorney for voting is available on the official website of the Company ([www.mts.ru](http://www.mts.ru)). Any shareholder may at any time replace its representative and personally exercise the rights granted by the share by canceling the power of attorney in accordance with the procedure prescribed by the laws. In the cases where the share is jointly owned by several persons, the voting right at the General Meeting of Shareholder shall be exercised, on their discretion, by any joint holder of such share or by the representative of the joint shareholders. The powers of each of the aforesaid persons shall be duly formalized.
- 29.7. The General Meeting of Shareholders held in form of joint attendance is declared open if by the time of its holding there is a quorum with respect to at least one issue on the agenda of this General Meeting of Shareholders. Registration of the persons entitled to participate in the General Meeting of Shareholders, who failed to register before its opening, shall finish after the last issue on the agenda of the General Meeting (the last issue on the agenda of the General Meeting in respect of which the quorum is present) is discussed and prior to the time provided for the voting to the persons who have failed to vote so far.
- 29.8. If the agenda of the General Meeting of Shareholders includes the issues to be voted upon by different voters, a quorum necessary to take decisions on these issues shall be defined separately for each such issue. The absence of quorum for the decisions to be taken on the issues that require a presence of certain voters shall not impede the decision-making on the issues to be voted upon by different voters, for which a quorum is present.
- 29.9. A quorum of the General Meeting of Shareholders is defined depending on the composition of the voters with respect to the issues included in the agenda of the General Meeting of Shareholders.
- 29.10. All shareholders holding the Company's ordinary shares shall be counted as voters on any issue included in agenda of the General Meeting of Shareholders, except for the following issues:
- regarding approval of interested-party transactions (sub-clauses 27.1(23) – 27.1(27) hereof) – the Company's shareholders who, in the manner prescribed by the law of the Russian Federation, are recognized as an interested persons with respect to such transaction, as well as controlled by those interested persons, shall be excluded from the voters;
  - regarding election of members of the Auditing Commission – the Company's shareholders, being members of the Board of Directors and persons holding positions in the Company's management bodies, shall be excluded from the voters.

- 29.11. A quorum of the General Meeting of Shareholders on any issue included in the agenda of the General Meeting of Shareholders is defined as a simple majority (more than a half) of the shareholders entitled to vote on the relevant issue, unless otherwise stipulated by the applicable laws.
- 29.12. If a quorum is present, the number of votes necessary to take a corresponding decision at the General Meeting of Shareholders, stated in clause 27.1 hereof, is defined according to the total number of the votes of the shareholders participating in the General Meeting of Shareholders, except for voting on the consent to, or subsequent approval of an interested-party transaction (sub-clauses 27.1(23) – 27.1(27) hereof). In the above stated case, the number of votes required to make a corresponding decision at the General Meeting of Shareholders is determined based on the total number of votes of shareholders holding the Company's voting shares who are not interested in the transaction or controlled by the persons interested in the transaction and participate in the voting.
- 29.13. If by the time of the beginning of the General Meeting of Shareholders quorum is not satisfied for all the issues included in agenda of the General Meeting of Shareholders, the General Meeting of Shareholders may be postponed for not more than 2 (two) hours.
- 29.14. In the absence of quorum for an annual General Meeting of Shareholders, the General Meeting of Shareholders shall be held once again with the same agenda. In the absence of quorum for an extraordinary General Meeting of Shareholders, the General Meeting of Shareholders shall be held once again with the same agenda.
- 29.15. The repeated General Meeting of Shareholders is valid (has quorum), if the shareholders participating therein hold in the aggregate not less than 30% (thirty percent) of the votes of the Company's outstanding voting shares.
- 29.16. Upon convening the repeated General Meeting of Shareholders instead of the meeting that failed to take place, the procedure for convocation thereof is defined following the provisions of article 28 hereof relating to the convocation and holding an extraordinary General Meeting of Shareholders, as well as following the provisions of the laws on joint stock companies. The notice of holding the repeated General Meeting of Shareholders shall be distributed following the sub-clause **Ошибка! Источник ссылки не найден.** hereof. The ballots for voting at the repeated meeting shall be sent in accordance with the procedure provided for by the laws of the Russian Federation.
- 29.17. In the absence of quorum for an annual General Meeting of Shareholders, the repeated General Meeting of Shareholders with the same agenda shall be held within 60 (sixty) days at the latest pursuant to a court ruling. No additional claim is required. The repeated General Meeting of Shareholders shall be convened and held by a person or the Company's body specified in the court ruling and, if the said person or the Company's fail to hold an annual General Meeting of Shareholders within the period prescribed by the court, the repeated General Meeting of Shareholders shall be convened and held by other persons or the Company's body having appealed to court provided that such persons or the Company's body were specified in the court ruling.
- 29.18. If the repeated General Meeting of Shareholders is held less than in 40 (forty) days after the General Meeting of Shareholders which has not been held, the persons entitled to participate in the General Meeting of Shareholders are defined (recorded) as of the date on which the persons, who were entitled to participate in that General Meeting of Shareholders which has not been held, were defined (recorded).
- 29.19. Voting at the General Meeting of Shareholders is held under the principle "one voting share– one vote", except for cumulative voting in cases, stipulated by the laws of the RF and hereby.
- 29.20. Voting on all the issues on the agenda at the General Meeting of Shareholders shall be conducted only by voting ballots. The Board of Directors shall approve the ballot form and wording. Voting by ballots is equal to receiving by the Company's registrar of statements of will made by the persons entitled to attend the general meeting of shareholders, not entered in the register of Company's shareholders of the Company and, in accordance with the requirements of the Russian Law on securities, having given an order (instruction) on voting to persons registering their rights to shares.

- 29.21. A voting ballot shall be deemed invalid with respect to the agenda issue specified thereon if:
- (1) there are corrections in the ballots' details;
  - (2) there are discrepancies between the ballot submitted to the Counting Committee and the ballot approved by the Board of Directors;
  - (3) more than one voting option is left in the voting ballot; unless the vote is taken in accordance with instructions of the persons who have acquired the shares after the date of a list of the persons entitled to participate in the General Meeting of Shareholders, or in compliance with instructions of the owners of depositary securities;
  - (4) no voting option is left in the ballot;
  - (5) all voting options have been crossed out;
  - (6) the ballot has no signature of the shareholder;
  - (7) the Company, after having received the voting ballots signed by a representative acting by proxy, was notified, not later than 2 (two) days prior to the date of the General Meeting of Shareholders, that this representative has been replaced (recalled);
  - (8) in the course of counting the votes, 2 (two) or more filled-in voting ballots of one person, with different voting options on the same issue have been discovered. This rule shall not apply to the ballots signed by a person having issued a proxy for voting with respect to the shares that have been transferred after the date of making up a list of the persons entitled to participate in the General Meeting of Shareholders and/or by the persons acting on the basis of such proxy, where in the boxes used for indicating a number of votes given for each voting option the number of votes cast for the respective option is indicated and appropriate marks are available as stipulated by the regulatory legal acts of the Russian Federation;
  - (9) in the ballot for voting on the issue of election of the of the Auditing Commission or the members of the Counting Committee more candidates than the number of persons that shall be elected to the Company's respective body are voted for. This rule shall not apply to the voting ballots that have been signed by a person voting on the shares that have been transferred after the date of making up a list of the persons entitled to participate in the General Meeting of Shareholders, in accordance with the instructions received from the persons who acquired such shares, and/or by a person voting on the shares circulating outside the Russian Federation in the form of depositary securities, that contain appropriate marks stipulated by the regulatory legal acts of the Russian Federation;
  - (10) the ballot has affirmative votes for alternative versions of decisions;
  - (11) in the course of cumulative voting, a shareholder has distributed between the candidates to the Board of Directors a number of votes that exceeds the numbers of votes possessed by such shareholder;
  - (12) the ballots were submitted to the Counting Committee after the counting of votes started. The votes represented by the invalid ballots shall not be counted when tabulating the voting results.
- 29.22. Additional requirements to conducting of the General Meeting of Shareholders are set forth in the laws of the Russian Federation and in the Company's internal documents.

### **30. DOCUMENTS OF THE GENERAL MEETING OF THE COMPANY'S SHAREHOLDERS**

- 30.1. According to results of voting, the Counting Committee executes the Minutes containing the voting results, which shall be signed by members of the Counting Committee or by a person, who performs its functions. The Minutes of the voting results shall be executed not later than 3 (three) working days after the General Meeting of Shareholders or the deadline for accepting the voting ballots if the General Meeting of Shareholders is held in a form of absentee voting.
- 30.2. Decisions made at the General Meeting of Shareholders and voting results shall be disclosed at the General Meeting of Shareholders, during which the voting was held, as well as shall be delivered not later than 4 (four) working days after the closing date of the

General Meeting of Shareholders or, if the General Meeting of Shareholders was held in form of absentee voting, the deadline for receipt of ballots in the form of the Report on the voting results to the persons, included in the list of the persons entitled to participate in the General Meeting of Shareholders, in accordance with the procedure, stipulated in respect of notification about the General Meeting of Shareholders. If on the date of determination (setting) the persons entitled to attend the General Meeting of Shareholders the person entered in the register of Company's shareholders is a nominee shareholder, the information contained in the Report on the voting results shall be provided to the nominee shareholder in accordance with the Russian Law on securities to provide information and files to persons exercising rights relating to the Company's shares.

- 30.3. The Report on the voting results at the General Meeting of Shareholders shall be signed by a person, presiding at the General Meeting of Shareholders and by the secretary of the General Meeting of Shareholders. The results of the voting on electing the Board of Directors and the Auditing Commission shall be disclosed at the General Meeting of Shareholders and take effect after being disclosed.
- 30.4. A Chairman of the General Meeting of Shareholders shall be the Board of Directors Chairman or other person authorized by the Board of Directors at the time of preparation for conducting of the General Meeting of Shareholders. The Chairman shall perform the following functions: (1) conducts the General Meeting of Shareholders, (2) observes the compliance with the regulations of the General Meeting of Shareholders, and (3) signs the minutes of the General Meeting of Shareholders.
- 30.5. Report on the voting results shall be attached to the Minutes of the General Meeting of Shareholders.
- 30.6. The Minutes of the General Meeting of Shareholders shall be executed within 3 (three) working days of the General Meeting of Shareholders in two original copies. Both copies are signed by the chairman and by secretary of the General Meeting of Shareholders. The extracts from the Minutes of the General Meeting of Shareholders shall be signed by the secretary of the General Meeting of Shareholders.
- 30.7. After the Report on results of the voting is executed and the Minutes of the General Meeting of Shareholders are signed, the voting ballots shall be sealed up by the Counting Commission and handed over for custody in the Company's archives.
- 30.8. Additional requirements to the form of and the procedure for executing the documents of the General Meeting of Shareholders are set forth by the laws of the Russian Federation and internal documents of the Company.

## **31. THE COMPANY'S BOARD OF DIRECTORS**

- 31.1. The Board of Directors exercises overall management of the Company's activities, except for resolving the issues, referred by law and hereby to the terms of reference of the General Meeting of Shareholders.
- 31.2. Only an individual is allowed to be a member of the Board of Directors. The persons elected in the Board of Directors may be re-elected unlimited number of times. A person holding no shares of the Company may become a member of the Board of Directors. Recommended criteria for selecting candidates to become members of the Board of Directors may be established by the Regulations on the Board of Directors.
- 31.3. The General Director, as well as members of the Management Board are not allowed to simultaneously hold the position of the Chairman of the Board of Directors.
- 31.4. The members of the Board of Directors are elected by the General Meeting of Shareholders in accordance with the procedure, stipulated by the laws of the Russian Federation and hereby for the period till the next annual General Meeting of Shareholders. If an annual General Meeting of Shareholders failed to be held within a stated period, the powers of the Board of Directors shall terminate, except for the powers to prepare, convene and hold an annual General Meeting of Shareholders.
- 31.5. Number of members of the Board of Directors is defined by decision of the General Meeting of Shareholders and may not be less than 9 (nine). Until a decision is taken

- setting other number of members of the Board of Directors, the shareholders, while nominating the candidates for the positions of the members of the Board of Directors, shall be guided by the existing number of members of the Board of Directors defined by the General Meeting of the Shareholders as at the time of such nomination.
- 31.6. The Chairman of the Board of Directors shall organize and manage the activities of the Board of Directors. The Chairman of the Board of Directors presides at the meetings of the Board of Directors and ensures that minutes are maintained at the meetings.
- 31.7. The Chairman of the Board of Directors and the Deputy Chairmen of the Board of Directors shall be elected by the members of the Board of Directors from among the members of the Board of Directors by a simple majority of votes, present at the meeting. The Board of Directors is entitled to reelect at any time the Chairman of the Board of Directors and the Deputy Chairmen of the Board of Directors by a simple majority of votes from the total votes of the members of the Board of Directors.
- 31.8. The Board of Directors shall pass decisions and organize work in accordance with the Regulations on the Board of Directors approved by the General Meeting of Shareholders.
- 31.9. The members of the Board of Directors shall perform their duties reasonably and in good faith with due care and diligence to the benefit of the Company and its shareholders, to achieve sustainable and successful development of the Company.
- 31.10. The Board of Directors shall annually report on its activity to the General Meeting of Shareholders.
- 31.11. The duties of the members of the Board of Directors shall be defined by the laws of the Russian Federation, hereby and by internal documents of the Company. The members of the Board of Directors shall, in particular:
- (1) comply with the requirements hereof and of the decisions of the General Meeting of Shareholders;
  - (2) provide information to the Company, in a timely manner, about themselves, their possible interest in conducting transactions by the Company and any other information provided for by the legislation of the RF and by the internal documents of the Company, notify the Company of any changes in such information in accordance with the procedure prescribed by the legislation of the RF and by the internal documents of the Company.
- 31.12. By decision of the General Meeting of Shareholders, the members of the Board of Directors shall, in the period of performing their duties, receive remuneration and compensation for their expenses connected with performing their functions as members of the Board of Directors. The amounts of such remunerations and compensation shall be established by the decision of the General Meeting of Shareholders. The liability of the members of the Board of Directors during the performance of their duties may be insured if the Company's management bodies so decide.

## **32. TERMS OF REFERENCE OF THE COMPANY'S BOARD OF DIRECTORS**

- 32.1. In order to maintain a stable financial status and competitiveness of the Company, the Board of Directors shall establish an effective organizational structure and a management system for the Company, develop basic strategic and tactical goals, and enforce the implementation thereof by the Company.
- 32.2. The following matters shall fall within the terms of reference of the Board of Directors:
- (1) **identifying the guidelines of the Company's activity, defining the Company's development strategy, working out the Company's investment policy, defining new types of the Company's activity, approving the Company's annual budgets (finance plans), examining the principal directions of activity, budgets and development strategy of the subsidiaries included in the list to be approved by the Board of Directors;**
    - (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
  - (2) **approving the Company's organizational structure (in the form of a list containing the positions in the Company and the Company's structural subdivisions directly reporting to the General Director);**
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- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
  - (3) **examining the results of the financial and economic activity of the Company and its subsidiaries included in the list to be approved by the Board of Directors; preliminary examination of the Company's annual reports and annual accounting statements;**
    - (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
  - (4) **convocation of annual and extraordinary General Meetings of Shareholders, except for cases stipulated in sub-clause 23.6(2) hereof;**
    - (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
  - (5) **approval of the agenda of the General Meeting of Shareholders;**
    - (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
  - (6) **setting the date for compiling the list of persons entitled to participate in the General Meeting of Shareholders, and other issues, related to preparation and holding the General Meeting of Shareholders and meetings of the Board of Directors and falling within the terms of reference of the Board of Directors pursuant to the law of the Russian Federation and hereto;**
    - (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
  - (7) **placing bonds or other equity securities by the Company (including equity securities convertible into the Company's shares), except for cases when the relevant decision falls within the terms of reference of the General Meeting of Shareholders;**
    - (decision on placing of equity securities convertible into the Company's shares shall be unanimously taken by all members of the Board of Directors exclusive of the retired members of the Board of Directors);
    - (decision on placing of bonds or other equity securities shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
  - (8) **determining, in cases stipulated by law, the price (monetary value) of the property that is the subject of the transactions conducted by the Company, as well as the placing price or the procedure for determining thereof and repurchasing of the Company's equity securities;**
    - (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting. If a person interested in one or several transactions, where the property price (monetary value) is determined by the Board of Directors, is member of the Board of Directors, the decision shall be made by a simple majority (more than a half) of votes of directors who are not interested in the transaction and meet the requirements set forth in clause 3, Article 83 of the Federal Law "On Joint Stock Companies". If the number of such directors is less than a half (1/2) of the elected members of the Board of Directors, a decision shall be made unanimously by all members of the Board of Directors, herewith votes of the retired members of the Board of Directors shall not be taken into account)
  - (9) **purchasing the shares, bonds and other securities paced by the Company in cases and in the manner stipulated by the laws of the Russian Federation, except for the cases where the purchase is connected with decrease of the Company's authorized capital;**
    - (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
  - (10) **appointing the General Director; defining the number of the Management Board members, electing the Management Board members; approving the terms of labor, civil and any other types of agreements concluded with the General Director and**
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- the Management Board members, amendments thereto and termination thereof; early termination of the powers of the General Director and the Management Board members;**
- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (11) **transfer of powers of the sole executive body of the Company to a commercial organization (managing organization) or an individual entrepreneur (manager) under agreement; approval of the terms of civil and any other types of agreements concluded with the managing organization (manager), amendments thereto and termination thereof; early termination of powers of the managing organization (manager);**
- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (12) **recommendations to the General Meeting of Shareholders regarding the amount of the remuneration to be paid and/or the procedure of compensating for the members of the Auditing Commission, as well as determining the remuneration for the Auditor organization;**
- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (13) **recommendations to the General Meeting of Shareholders regarding the amount of dividend on the shares and the procedure for paying the dividends;**
- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (14) **use of the Company's reserve fund and other funds, and the approval of internal documents regulating the procedure for formation and using the Company's funds;**
- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (15) **approval of the Company's internal documents, except for the internal documents, the approval of which falls within the terms of reference of the General Meeting of Shareholders, the Management Board and the General Director, namely the internal documents regulating the Company's business principles relating to the strategy, investments, new types of the Company's activity, human resource management policy, personnel motivation and loyalty system, risk management and internal control, corporate management;**
- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (16) **making decisions on the consent to, or subsequent approval of transactions involving the property valued at 25% (twenty five percent) to 50% (fifty percent) of the book value of the Company's assets determined according to its accounting (financial) statements as of the last reporting date, including making decisions on the consent to, or subsequent approval of transactions recognized as major transactions in accordance with the Federal Law "On Joint Stock Companies";**
- (decision on approval of transactions, referred to herein, shall be made unanimously by all members of the Board of Directors with exception of the retired members of the Board of Directors)
- (17) **making decisions on the consent to, or subsequent approval in the manner stipulated by law of interested-party transactions, except for the cases where the relevant decision-making falls within the terms of reference of the General Meeting of Shareholders under clauses 27.1(23) – 27.1(27) hereof;**
- (decision shall be made by a simple majority (more than a half) of votes of all directors who are not interested in the transaction and meet the requirements set forth in clause 3, Article 83 of the Federal Law "On Joint Stock Companies");
- (18) **approval of the Company's registrar and the terms of his assignment, and termination of this assignment;**
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- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (19) **taking a decision on selling the Company's shares that have been redeemed and acquired for other reasons and are in the Company's possession in compliance with the requirements of the laws of the Russian Federation and hereof;**
- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (20) **approval of the decisions on issuing, prospectus, reports on the results of acquiring the Company's securities by the Company, unless otherwise provided for by existing laws of the Russian Federation;**
- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (21) **including in the agenda of the General Meeting of Shareholders the issues in the cases, stipulated by the laws of the Russian Federation and hereby;**
- (decisions on including all mentioned issues in agenda of the General Meeting of shareholders shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (22) **making decision on the Company's participation, changing the interest and dissociation of the Company on business entities (except for the cases where such decision falls within the competence of the General Meeting of Shareholders in compliance with sub-clause 27.1(30) of the Charter or of the Company Management Board pursuant to sub-clause 35.1(23) and sub-clause 35.1(25) of the Charter), including those on establishing the Company's subsidiaries. Determination of criteria for the entity classification as startup. Approval of budget for transactions made on accordance with sub-clauses 35.1(23), 35.1(24) of the Charter;**
- (the resolution shall be made by a simple majority (more than ½ (a half)) of the votes of members of the Board of Directors participating in the meeting)
- (23) **approval of holding by the General Director and the Management Board members the positions in management bodies of other organizations, entering into the labor relations with other employers (except for the scientific, teaching and creative activities);**
- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (24) **adopting recommendations in relation to the voluntary or compulsory offer received by the Company, in compliance with Chapter XI.1 of the Federal Law "On Joint Stock Companies", which include the assessment of the offer price of the securities to be purchased and probable change of their market price after the purchase thereof, assessment of plans of the person who has made such voluntary or compulsory offer, in relation to the Company, including in relation to its personnel;**
- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (25) **approval of candidates for the position of the Company's Corporate Secretary (the Head of the special unit acting as the Corporate Secretary) and approval of the decision on termination of its office; the approval of the principles of his remuneration system; approval of the Regulations on the Corporate Secretary (the special unit acting as the Corporate Secretary); assessment of work of the Corporate Secretary (the Head of the special unit acting as the Corporate Secretary) and approval of reports on its work;**
- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (26) **appointment of the secretary of the Board of Directors and termination of its powers, and the approval of the principles for assessing its work and remuneration system;**
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- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
  - (27) **approving the specimen of the trademark, as well as the emblems and other means of visual identification of the Company;**
    - (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
  - (28) **establishing the committees, commissions and other internal structural subdivisions under the Board of Directors, defining their powers and approving the personnel thereof, reviewing and approving the reports on the results of their activities;**
    - (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
  - (29) **approval of the transactions connected with alienation or possible alienation of the land plots, buildings (including those under construction), residential and non-residential premises (in respect of the facilities with the total area in excess of 1,000 (one thousand) square meters);**
    - (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
  - (30) **increase of the Company's authorized capital by placing the Company's additional shares by way of an public subscription, except for the cases set forth in sub-clause 27.1(9) hereof;**
    - (decision shall be made unanimously by all members of the Board of Directors, except for the votes of the retired members of the Board of Directors)
  - (31) **increase of the Company's authorized capital by placing the Company's additional shares by converting into these shares of the previously issued equity securities convertible into the Company's shares;**
    - (decision shall be made unanimously by all members of the Board of Directors, except for the votes of the retired members of the Board of Directors)
  - (32) **approval of the transactions involving a property costing more than 10,000,000,000 (ten billion) rubles as at the date of the decision, but not exceeding 25% (twenty five percent) of the Company's assets book cost defined according to its accounting (financial) statement as at the last reporting date;**
    - (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
  - (33) **formulating the Company's position with respect to the corporate conflicts among the Company's shareholders, among shareholders and bodies of the Company and among the Company's shareholders and the Company;**
    - (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
  - (34) **approval of a) candidates to be nominated to boards of directors (supervisory boards) of the Company's subsidiaries included in the list to be approved by the Board of Directors b) candidates for the sole executive bodies of such subsidiaries of the Company, c) approval of the amount of remuneration of members of the boards of directors (supervisory boards) and sole executive bodies of the Company's subsidiaries included in such list, and also d) approval of the general principles of the work appraisal and remuneration and motivation system for the sole executive bodies of the Company's subsidiaries included in such list;**
    - (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
  - (35) **approval of the candidates to fill the vacancies of the Company's top officials, who report directly to the General Director;**
    - (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
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- (36) **approval of the general principles of the work appraisal and remuneration and motivation system for the Company's top officials, who report directly to the General Director;**
- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (37) **approval of the decisions on appointment of the head of internal audit department of the Company and his dismissal as well as determining the amount of his remuneration;**
- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (38) **approval of transactions involving purchase, alienation and encumbrance of shares and stakes in the authorized capitals of other entities, inter alia approval of substantial terms of such transactions, including, but not limited to terms on quantity of purchased, alienated or encumbered shares, or the size of purchased, alienated or encumbered stake, or the transaction value except for transactions falling within the competence of the Company Management Board in accordance with sub-clause 35.1(23) and sub-clause 35.1(26) of the Charter;**
- (decision shall be made by a simple majority (more than ½ (a half)) of the votes of members of the Board of Directors participating in the meeting)
- (39) **determination of the Company (Company representatives) stance on participation (non-participation) of the Company (Company representatives) in voting on draft resolutions "for", "against" or "abstained" during (a) General Meeting of Shareholders (participants), (b) meetings of the Boards of Directors, (c) meetings of collective executive management bodies as well as (d) when decisions are made by sole executive management bodies of subsidiary business entities of the Company as well as by business entities, directly or indirectly, owned by the Company and (or) such subsidiary business entities of the Company, on following issues:**
- on concluding the shareholder agreements (participation agreements), simple partnership agreements, trust management agreements (if the business entities mentioned in this sub-clause 32.2(39) act as trustors),
- on participation of the Company's subsidiaries in investment funds and business entities and/or on participation of the entities, directly or indirectly, owned by the Company and (or) such a subsidiary, in investment funds and business entities (on membership as a participant (shareholder) in an existing entity or establishment of a new entity),
- on change in interest of participation or on dissociation thereof, including on transactions made involving purchase, alienation and encumbrance of shares and stakes in the authorized capitals of entities, inter alia approval of substantial terms of such transactions, including, but not limited to, terms on quantity of purchased, alienated or encumbered shares, or the size of purchased, alienated or encumbered stake, or the transaction value.
- HOWEVER, requirements of this sub-clause 32.2(39) shall not apply to:
- (a) cases when making relevant decision falls within competence of the Company Management Board in accordance with sub-clause 35.1(24) and sub-clause 35.1(28) of the Charter;
- (b) with respect to the subsidiaries referred to in this subparagraph 32.2(39), which are public joint-stock companies, which are public joint-stock companies, securities of which are eligible for on-exchange trading, as well as corporations:
- a) which are directly and/or indirectly controlled by such public joint-stock company, and in case of absence of control b) in the authorized capital of which such public joint-stock company directly and/or indirectly participate, if, the Company indirectly participate in authorized capital of those corporations exceptionally through such public joint-stock company;
- (decision shall be made by a simple majority (more than ½ (a half)) of the votes of members of the Board of Directors participating in the meeting).
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- (40) **consideration of the information and reports of the General Director and the Management Board on the following issues:**
- a) Company's activities;**
  - b) performance by the General Director and the Management Board of their duties and responsibilities;**
  - c) performance by the Company's top officials, who report directly to the General Director, of their duties and responsibilities;**
  - d) implementation of the decisions of the General Meetings of Shareholders and the Board of Directors;**
    - (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (41) **approval of reports of the Company's executive bodies on effectiveness of the risk management system (process) and internal control system (process) of the Company, including compliance systems;**
- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (42) **decision-making on the issues falling within the terms of reference of the Board of Directors pursuant to the rules and recommendations of security exchanges, security trading organizers, public organizations and state authorities regulating the circulation and listing of securities (including bonds, depositary receipts, other equity securities convertible into shares) and derivative securities (including promissory notes and other derivative instruments) of issuers, applicable to the Company's activity;**
- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (43) **decision-making on applying for listing the Company's shares and/or equity securities convertible into the Company's shares;**
- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (44) **consideration of the results of assessment of performance of the Board of Directors;**
- (decision shall be made by a simple majority (more than a half) of votes of members of the Board of Directors participating in the meeting)
- (45) **decision-making on other issues falling within the terms of reference of the Board of Directors pursuant to the laws of the Russian Federation, hereto, and to the Company's contractual obligations, as well as pursuant to the foreign laws applicable to the Company as an issuer of the securities placed outside the Russian Federation.**
- 32.3. The Board of Directors shall play a key role in major corporate actions taken by the Company.
- 32.4. Major corporate actions include: reorganization of the Company, acquisition of thirty (30) or more percent of the Company's voting shares (merger), settlement of major transactions by the Company, as well as transactions provided for by sub-clauses 32.2(29), 32.2(32) and 32.2(38) hereof, increase or decrease of the authorized capital of the Company, listing or delisting of the Company shares.
- 32.5. With respect to major corporate actions, the Board of Directors shall take decisions on the performance of such actions in accordance with sub-clauses 32.2(16), 32.2(29), 32.2(30), 32.2(31), 32.2(32), 32.2(38), 32.2(43) hereof, or develop recommendations for the General Meeting of Shareholders on the matters provided for by sub-clauses 27.1(2), 27.1(6), 27.1(7), 27.1(8), 27.1(9), 27.1(10), 27.1(11), 27.1(12), 27.1(28), 27.1(29), 27.1(35) thereof.
- 32.6. Issues referred by the law of the Russian Federation and this Charter to the terms of reference of the Board of Directors may not be delegated to the Executive Body of the Company.
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### **33. MEETINGS OF THE BOARD OF DIRECTORS**

- 33.1. The Board of Directors shall organize its activity in accordance with the Regulations on the Board of Directors in the form of joint attendance meetings of the members of the Board of Directors based on free discussions of agenda issues for the purpose of making the decisions within the terms of reference of the Board of Directors. If the meetings are held in the form of the joint attendance, the written opinions of the absent members of the Board of Directors shall be taken into account. The Board of Directors may hold the meetings by means of electronic (telephone) communication facilities. In such a case, a magnetic (electronic) tape recording of the meeting of the Board of Directors may be kept upon consent of the Chairman 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. If necessary, the Board of Directors may take decisions by absentee voting (questionnaire) pursuant to the Regulations on the Board of Directors. The decision to hold the meeting of the Board of Directors in the form of absentee voting shall be taken by the Chairman of the Board of Directors.
- 33.2. The meetings of the Board of Directors shall be convened as necessary, but at least twice a quarter, and shall be convened by the Chairman of the Board of Directors on his own initiative, at the request of the member of the Board of Directors, the Auditing Commission, the Head of the Internal Audit department of the Company or the Auditor organization, as well as at the request of any of the Company's Executive Bodies.
- 33.3. Not later than 30 (thirty) days before the annual General Meeting of Shareholders, the meeting of the Board of Directors shall be held in order to approve preliminary the Company's annual report and to preliminary consider the annual accounting (financial) statement, the Auditor's report, report of the Auditing Commission following the results of examination of the annual accounting (financial) statement. At the meeting of the Board of Directors, the Chairman of the Board of Directors shall submit to the Board of Directors complete current financial information, as well as complete report on the current state of the Company and on basic results of the Company's business activity and plans.
- 33.4. The meetings of the Board of Directors shall be held at the location of the Company or at any other place, defined by the Board of Directors.
- 33.5. The members of the Board of Directors shall be notified of the coming meeting of the Board of Directors in advance. Such a notice shall include the meeting agenda.
- 33.6. A quorum required to hold the meetings of the Board of Directors shall make up a half of the elected members of the Board of Directors. Should the number of the members of the Board of Directors become less than a number constituting such quorum, the Board of Directors shall make a decision to hold an extraordinary General Meeting of Shareholders in order to elect new members of the Board of Directors. In this case, the powers of the Board of Directors shall terminate, except for the powers related to preparation, convening and holding such extraordinary General Meeting of Shareholders.
- 33.7. When taking decisions at the meetings of the Board of Directors, each member of the Board of Directors shall have 1 (one) vote.
- 33.8. Unless otherwise specified by the laws of the Russian Federation or hereby, the decision of the Board of Directors shall be deemed passed, if a simple majority (more than a half) of the members of the Board of Directors participating in the meeting have casted a positive vote. Should the votes be equally split, the Chairman of the Board of Directors shall have a casting vote.
- 33.9. 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 meeting.
- 33.10. In the cases, stipulated by the Federal Law "On Joint Stock Companies", when voting on the relevant issues, the votes of the retired members of the Board of Directors shall be disregarded. The following members of the Board of Directors shall be referred to the retired:

- (1) a member of the Board of Directors who has submitted to the Company a notice of voluntary resignation, addressed to the Chairman of the Board of Directors and to the General Director of the Company through the Corporate Secretary of the Company;
- (2) a member of the Board of Directors disqualified by a court ruling;
- (3) a member of the Board of Directors who is limited in legal capacity or declared incapacitated by a court decision;
- (4) a deceased Board member.

A member of the Board of Directors who has submitted an application for voluntary resignation of a member of the Board of Directors shall be deemed to have resigned from the date of receipt of such application by the Company or from a later date specified in such application.

- 33.11. No transfer of the voting right from one member of the Board of Directors to another shall be permitted.
- 33.12. The casting vote of the Chairman of the Board of Directors shall not be used by the Deputy Chairman of the Board of Directors or any other member of the Board of Directors, who performs the Chairman's functions in the absence of the Chairman of the Board of Directors.
- 33.13. The minutes of the meetings of the Board of Directors shall be maintained by the secretary of the Board of Directors. The minutes of the meetings of the Board of Directors shall be executed within 3 (three) days after the meeting date. The minutes of the meetings of the Board of Directors shall be signed by the secretary and the Chairman of the Board of Directors. The minutes shall be accompanied by the documents approved by the Board of Directors. Extracts from the minutes of the meetings of the Board of Directors shall be signed by the secretary of the Board of Directors.
- 33.14. Additional requirements to the procedures of holding the meetings of the Board of Directors are set by the laws of the Russian Federation, by Regulations on the Board of Directors and by other internal documents of the Company.

#### **34. EXECUTIVE BODIES OF THE COMPANY**

- 34.1. The Executive bodies of the Company shall be the collective executive body (the Management Board) and the sole executive body (the General Director).
- 34.2. The Executive bodies shall manage current activities of the Company and report to the Board of Directors and to the General Meeting of Shareholders.
- 34.3. The terms of reference of the Executive Bodies of the Company shall include addressing the issues of the Company's current activities, except for those issues, referred to the terms of reference of the General Meeting of Shareholders and the Board of Directors.
- 34.4. The Executive Bodies of the Company shall be established by the Board of Directors.
- 34.5. The rights and obligations of executive bodies shall be regulated by the laws of the Russian Federation, hereby and by internal documents of the Company.
- 34.6. The Executive Bodies of the Company shall organize the Company's activities and be responsible for results of these activities, ensure the enforcement of decisions taken by the General Meetings of Shareholders and by the Board of Directors.
- 34.7. The Executive Bodies shall ensure creation and maintenance of an effective risk management and internal control system in the Company, and are responsible for implementation of the decisions of the Board of Directors related to organization of risk management and internal control system.
- 34.8. The Executive Bodies of the Company shall be responsible for effective economic, financial, scientific and technical and social policies of the Company.
- 34.9. The General Director and the Management Board members shall be permitted to hold concurrently the positions in management bodies of other organizations, to enter into the labor relations with other employers (except for the scientific, teaching and creative activities) with the Board of Directors' consent.
- 34.10. The Board of Directors shall be entitled to take decision on an early termination of the General Director's powers, as well as powers of certain Management Board member or

all Management Board members and on establishing new Executive Bodies of the Company.

- 34.11. If the functions of the sole executive body are performed by a managing organization (the manager), then such managing organization (the manager) shall not be entitled to exercise similar functions in the organization competing with the Company.

### **35. MANAGEMENT BOARD OF THE COMPANY**

35.1. The Management Board shall, within its terms of reference, set forth hereby, by decisions of the General Meetings of Shareholders and of the Board of Directors, and by internal documents of the Company endorsed by the General Meetings of Shareholders, be responsible for the following issues:

- (1) organizing an efficient management of the Company's current operations;
- (2) developing basic principles for planning the Company's activity;
- (3) development and implementation of the Company's current economic policy with a view of increasing the Company's profitability and competitiveness;
- (4) drafting quarterly, annual and perspective plans of the Company's activity, budget and investment program and overseeing the execution thereof;
- (5) drafting and founding the proposals on improvement of internal organizational and managerial structure of the Company;
- (6) drafting and submitting for approval by the Board of Directors of the proposals on strategic organization and planning of the Company's overall activity;
- (7) development of financial and investment strategies and lists of specific tasks for the Company's daily operations;
- (8) drafting and submitting for approval by the Board of Directors the key standards of the corporate conduct, including those relating to confidentiality and information resources management;
- (9) developing and enhancing the Company employees' motivation system;
- (10) drafting the proposals to the General Director and the Board of Directors relative to the annual results to be achieved by the Company in pursuing the general goals of activity;
- (11) submitting the reports to the Board of Directors, the Auditing Commission and the Auditor organization;
- (12) by decision of the Management Board Chairman, a preliminary consideration of materials to be submitted to the members of the Board of Directors and the Company's shareholders upon preparation for the meetings of the Board of Directors and the General Meetings of Shareholders;
- (13) supporting the enforcement of the decisions taken by the General Meetings of Shareholders and the Board of Directors;
- (14) interaction with the Company's subsidiaries;
- (15) examination of activity results of the subsidiaries;
- (16) drafting proposals to the Board of Directors for approval of the Company's budget and the finance and economic activity plan, as well as for introducing the amendments to the previously approved budget of the Company;
- (17) approval of the internal documents submitted for the Management Board consideration by decision of the General Director;
- (18) participation in resolving labor disputes and appointment of a representative from among the Company's administration for an out-of-court settlement of disputes;
- (19) development and submission to the Board of Directors of proposals on the issues set forth in sub-clause 32.2(39) hereof and, in cases when decision-making by the Board of Directors on such decisions is not required for the issues specified in subparagraph 32.2(39) of this Charter;
- (20) taking decisions on the Company's participation and termination of participation in non-commercial organizations (except for cases when corresponding decision-making fall

- within the terms of reference of the General Meeting of shareholders according to sub-clause 27.1(30) hereof);
- (21) working out the position of the Company (Company's representatives) on participation (non-participation) in the voting, casting "for", "against" or "abstained" votes (a) at the general meetings of shareholders (participants), (b) at the meetings, (c) at the meetings of the collective executive bodies, and (d) upon decision-making by the sole executive management bodies of the subsidiaries of the Company, as well as business entities in which the Company and/or such subsidiaries of the Company participate, directly or indirectly, on the issue of participation or termination of participation of the Company's subsidiaries in non-commercial organizations, and/or on participation or termination of participation of business entities in which the Company and/or such subsidiaries of the Company participate, directly or indirectly, in non-commercial organizations;
  - (22) establishing the Company's subsidiaries and opening representative offices, as well as deciding on liquidation thereof; approval of the regulations on the subsidiaries and representative offices;
  - (23) making decisions on the participation, change in interest and dissociation of the Company in business entities (startups), if the size of purchased, alienated share in the relevant entity (startup) with consideration of the share in the organization (startup) which is already in the possession of the Company is less than 50 % of the authorized capital of the entity (startup), and the amount of transaction related to the purchase, alienation or possibility to purchase or alienate shares/stakes in the authorized capital of the relevant entity (startup) by the Company is not more than 500,000 (five hundred thousand) RUB as of the decision-making date, and transaction(s) is(are) concluded within the budget approved by the Company's Board of Directors for transactions made in accordance with this sub-clause 35.1 (23). Criteria for the entity classification as of "startup" category shall be defined by resolution of the Company's Board of Directors;
  - (24) determination of the Company (Company representatives) stance on participation (non-participation) of the Company (Company representatives) in voting on draft resolutions "for", "against" or "abstained" during (a) General Meeting of Shareholders (participants), (b) meetings of Boards of Directors, (c) meetings of collective executive management bodies as well as (d) when decisions are made by sole executive management bodies of subsidiary business entities of the Company as well as by business entities, directly or indirectly, owned by the Company and (or) such subsidiary business entities of the Company, with regard to participation, change in interest and dissociation of the Company subsidiaries in entities (startups) and (or) participation, change in interest and dissociation of entities, directly or indirectly, owned by the Company and (or) such a subsidiary, in entities (startups), if the size of purchased, alienated share in relevant entity (startup) is less than 50% of the authorized capital of the entity (startup), and the amount of transaction related to purchase, alienation or possibility to purchase or alienate shares/stakes in authorized capital of the relevant entity (startup) is not more than 500,000 (five hundred thousand) RUB as of the decision-making date, and transaction(s) is(are) concluded within the budget approved by the Company's Board of Directors for transactions made in accordance with this sub-clause 35.1 (24). Criteria for the entity classification as of "startup" category shall be defined by resolution of the Company's Board of Directors;
  - (25) making a decision on participation, change of the share of participation or termination of the Company's participation in the authorized capitals of commercial organizations, if a transaction related to participation, change of the share of participation or termination of participation is made between the Company and a subsidiary of the Company, the share of direct and/or indirect participation of the Company in the authorized capital of which is 100% (one hundred percent) and the total amount of such a transaction or several interrelated transactions is no more than 10,000,000,000 (ten billion) rubles at the date of the decision;
  - (26) approval of the Company's transactions for the acquisition, alienation and encumbrance of shares and shares in the authorized capitals of the Company's subsidiaries, the share of direct and/or indirect participation of the Company in the authorized capital of which is 100% (one hundred percent), including approval of the essential terms of such
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transactions, including, but not limited to, the conditions on the number of acquired, alienated or encumbered shares or the amount of the acquired, alienated or encumbered share, the transaction price, if the transaction is made between the Company and a subsidiary of the Company, the share of direct and/or indirect participation of the Company in the authorized capital of which is 100% (one hundred percent). In this case, the total amount of the transaction or several related transactions specified in this subparagraph 35.1 (27) is not more than 10,000,000,000 (ten billion) rubles as of the date of the decision;

- (27) determination of the Company's position (Company's representatives) on the issues of acceptance (non-acceptance) of the participation of the Company (representatives of the Company) in voting, voting on draft decisions "for", "against" or "abstained" during (a) general meetings of shareholders (participants), (b) meetings of the boards of directors, (c) meetings of collegial executive management bodies, as well as (d) when making decisions by the sole executive management bodies of the Company's subsidiaries, the share of direct and/or indirect participation of the Company in the authorized capital of which is 100% (one hundred percent), on the following issues:

on the conclusion of simple partnership agreements between such subsidiaries of the Company,

on the incorporation/reorganization/liquidation by such subsidiaries of the Company of subsidiaries with a share of direct and/or indirect participation of the subsidiary of the Company in the authorized capital of the subsidiary being incorporated/reorganized/liquidated 100% (one hundred percent) and at the same time, the total amount of assets of the subsidiary being incorporated/reorganized/liquidated is no more than 10,000,000,000 (ten billion) rubles as of the date of the decision,

on participation, change of the share of participation or termination of participation of such subsidiaries of the Company in the authorized capitals of commercial organizations, including transactions on the acquisition, alienation and encumbrance of shares and shares in the authorized capitals, including approval of the essential terms of such transactions, including, but not limited to, conditions on the number of acquired, alienated or encumbered shares or the amount of the acquired, alienated or encumbered share, the transaction price if transactions related to such participation, a change in the share of participation, encumbrance and termination of participation are performed between subsidiaries of the Company, the share of direct and/or indirect participation of the Company in the authorized capital of which is 100% (one hundred percent)

in this case, the total amount of a transaction or several related transactions specified in this subparagraph 35.1 (28) is not more than 10,000,000,000 (ten billion) rubles as of the date of the decision;

- (28) consideration of other items of current activities of the Company.

- 35.2. The General Director shall be entitled to submit to the Management Board for consideration any issue of the Company's current activity that does not fall within the terms of reference of the General Meeting of Shareholders or the Board of Directors.
- 35.3. Personal and quantitative membership of the Management Board shall be approved by the Board of Directors as advised by the General Director. The Management Board members shall be elected for a 3-year period. The Management Board members may be reelected for unlimited number of terms.
- 35.4. A contract with a Management Board member shall be signed on behalf of the Company by the Chairman of the Board of Directors or by a person authorized by the Board of Directors. Terms and conditions of such contract shall be approved by the Board of Directors. The Management Board members, who signed the contracts with the Company, are subject to specific labor regulations set forth in chapter 43 of the Labor Code of the Russian Federation.
- 35.5. The Board of Directors shall be entitled to terminate the powers of any Management Board member at any time.

- 35.6. When the powers of the Management Board member are terminated, such member shall, within the period defined by the contract, present a report on his/her activity to the Board of Directors.
- 35.7. The Management Board shall carry out its activities by holding meetings and taking decisions. The Management Board meetings shall be conducted according to a plan. The Management Board meetings shall be convened by the Management Board Chairman or at request of any member of the Management Board, the Board of Directors, the Auditing Commission or the Auditor organization. A decision of the Management Board on the issues falling within its terms of reference may be passed by absentee voting (questionnaire).
- 35.8. Agenda of a regular meeting of the Management Board is defined according to the plan of the Management Board activity, by proposals of the Chairman and members of the Management Board. At such meetings, a written opinion of an absent Management Board member shall be taken into account when defining a quorum and tabulating the voting results.
- 35.9. The Management Board shall be entitled to make decisions (has a quorum) if at least  $\frac{1}{2}$  (a half) of Management Board members participated therein. If the number of the present members of the Management Board is less than necessary for a quorum, the Board of Directors shall take a decision on establishing a new Management Board.
- 35.10. Decisions on the issues included in the agenda of the Management Board meetings shall be made by a simple majority of votes of the present Management Board members. Should the votes be split equally, the Management Board Chairman shall have a casting vote.
- 35.11. If the Management Board member disagrees with a decision taken, he/she may request that his/her special opinion be attached to the minutes of the Management Board meeting; within 2 (two) days after the date of the Management Board meeting, he/she shall submit such special opinion in writing to the secretary of the Management Board.
- 35.12. The Management Board members shall act within their terms of reference provided for herein, in the Company's internal documents, by decisions of the General Meetings of Shareholders, of the Board of Directors and/or based on the powers of attorney of the General Director.

## **36. THE GENERAL DIRECTOR OF THE COMPANY**

- 36.1. The General Director shall be vested with all necessary powers to execute an overall management the Company's activity and to resolve corresponding issues that do not fall within the terms of reference of the General Meeting of Shareholders, the Board of Directors and the Management Board.
  - 36.2. The General Director shall represent the viewpoint of the executive bodies at the meetings of the Board of Directors and at the General Meetings of Shareholders.
  - 36.3. The General Director shall head the Management Board and organize its work.
  - 36.4. The General Director shall act without power of attorney on behalf of the Company and represent it in relationships with any persons on any issues, including representing and defending the Company before state authorities and in court.
  - 36.5. Within his/her terms of reference, the General Director shall perform the following functions:
    - (1) to dispose, on behalf of the Company, of the Company's property and funds;
    - (2) to enter, on behalf of the Company, into transactions both in the Russian Federation and abroad, except for the cases provided for by the laws of the Russian Federation and hereby. However, the transactions involving property costing more than 10,000,000,000 (ten billion) rubles, as well as the transactions involving alienation/possible alienation of land plots or buildings (including facilities under construction), residential and non-residential premises (involving the facilities with the total area exceeding 1,000 (one thousand) square meters), shall be made in accordance with the requirements hereof;
    - (3) approve the list of the Company's personnel, hires and dismisses the Company's staff in compliance with the laws of the Russian Federation, approves the Company's internal
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- working rules and sets out the remuneration system, incentives for excelled employees, and applies disciplinary sanctions;
- (4) defines the detailed internal structural and functional division of the Company's main departments directly reporting to the General Director (blocks, business units and other subdivisions of the same status), as well as approves the organizational structure and the detailed internal structural and functional division of all other Company's structural elements including departments, divisions and other Company units of the same status;
  - (5) organizes financial and tax accounting and financial reporting, ensures safekeeping of the accounting documents, accounting registers and accounting statements;
  - (6) takes measures to ensure the confidentiality of state secrets through development and implementation of information security procedures, information protection, counterintelligence, safety guard and fire safety;
  - (7) determines the content and volume of the data constituting a trade secret or other confidential information of the Company, as well as security procedures in compliance with the laws of the Russian Federation;
  - (8) adopts the measures for ensuring the safety of commercial and confidential information, related to the Company;
  - (9) represents the Company in court and in arbitration court;
  - (10) issues the powers of attorney for performing any actions on behalf of the Company, including those with power of substitution;
  - (11) issues the orders, approves the internal documents of the Company regulating the Company's financial and economic activity, activity of internal structural subdivisions of the Company and other internal documents except for those documents, the approval or which falls within the terms of reference of the General Meeting of Shareholders and the Board of Directors;
  - (12) submits, at its discretion, the documents indicated in sub-clause 36.5(11) hereof for consideration by the Management Board;
  - (13) exercises any other powers required for everyday management of the Company's activity.
- 36.6. The General Director shall, within the powers vested in him/her, issue the orders and give written and verbal instructions that shall be binding upon the Company's employees.
- 36.7. The General Director shall be appointed by the Board of Directors for 3 (three) years, and may be re-elected for unlimited number of times.
- 36.8. The rights and obligations, terms and amount of remuneration to the General Director shall be set forth in the agreement entered into with the General Director. Such agreement shall be signed on behalf of the Company by the Chairman of the Board of Directors or by a person, authorized by the Board of Directors. Terms and conditions of such agreement shall be approved by the Board of Directors.
- 36.9. The requirements that shall be met by the persons elected for the position of the General Director may be set forth by the Regulations on the General Director and/or by a decision of the Board of Directors.
- 36.10. The General Director, in performing the functions vested in him/her, shall be governed by the laws of the Russian Federation, provisions hereof and internal documents of the Company.

## **PART VI. CONTROL OVER THE COMPANY'S FINANCIAL AND ECONOMIC ACTIVITIES**

### **37. THE COMPANY'S AUDITOR ORGANIZATION**

- 37.1. To audit and approve the annual financial statements of the Company the General Meeting of Shareholders shall appoint, on an annual basis, the Auditor organization.
  - 37.2. The agreement with the Auditor organization shall define the procedure for organizing and conducting the audit of the Company's financial and economic activity.
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### **38. THE COMPANY'S AUDITING COMMISSION**

- 38.1. Monitoring the financial and economic activities of the Company shall be carried out by the Auditing Commission constituted of 3 (three) persons.
- 38.2. Activity of the Auditing Commission shall be regulated by the laws of the Russian Federation, hereby and by the Regulations on the Auditing Commission adopted in accordance herewith.
- 38.3. The Auditing Commission shall be elected by the General Meeting of Shareholders from among the candidates, provided that they are not the members of the Board of Directors, do not hold any position in the Executive Bodies of the Company and do not perform functions of the Chief Accountant of the Company, for a period until the next annual General Meeting of Shareholders. The members of the Auditing Commission may be reelected for the next term. Powers of all or any member of the Auditing Commission may be terminated on reasonable grounds by decision of the General Meeting of Shareholders made by a simple majority of votes.
- 38.4. The Auditing Commission's activities shall be managed by its Chairman elected at the first meeting of the Auditing Commission.
- 38.5. The Auditing Commission shall carry out the audit on its own initiative, by instruction of General Meeting of Shareholders, of the Board of Directors or at the request of the shareholders owing in the aggregate not less than 10% (ten percent) of the Company's voting shares. Regular auditing shall be carried out at least once a year. During the auditing, the members of the Auditing Commission shall be entitled to request the Company's officials to make available all necessary documents and provide personal explanations. The Auditing Commission shall submit the auditing results to the General Meeting of Shareholders and the Board of Directors.
- 38.6. In addition to the annual audit stipulated by the laws of the Russian Federation, the Company may, at the request of the shareholders owing in the aggregate not less than 10% (ten percent) of the voting shares, undergo an additional audit at any time by any auditing firm chosen by the requesting shareholder. Such additional audit shall be undertaken on the account of the requesting shareholder. The Company's officials shall ensure the free access of the relevant auditing firm to the Company's accounting documents and to other documents required to perform such audit.
- 38.7. The Company's annual report and annual accounting (financial) statement shall be submitted to the General Meeting of Shareholders only if accompanied by an Auditing Commission's report.
- 38.8. The results of document auditing and audits carried out by the Auditing Commission shall be formalized in form of protocols signed by the Chairman and by those members of the Auditing Commission, who performed the auditing, and shall be discussed at the Auditing Commission meetings. Protocols of audit and examinations, as well as Auditing Commission reports on annual financial statements and accounting reports of the Company shall be submitted to the Board of Directors.
- 38.9. Auditing Commission shall be entitled, if necessary, to engage the experts and independent audit companies on a contractual basis. In this case, additional costs shall be approved by the Board of Directors. The Auditing Commission's evaluation of the costs shall be coordinated with the Board of Directors. The Auditing Commission shall be entitled to engage the Company's staff without damaging a regular working process of the Company.
- 38.10. The members of the Auditing Commission may be remunerated for performing their functions. The amount of such remuneration shall be established by decision of the General Meeting of Shareholders following a recommendation of the Board of Directors. Technical and financial support of the Auditing Commission's activities shall be vested in the General Director.
- 38.11. The following shall fall within the terms of reference of the Auditing Commission:
  - (1) carrying out documental auditing of financial and economic activity of the Company (comprehensive or selective), its trade, settling, foreign currency and other operations;
  - (2) checking the compliance with adopted cost evaluations, standards and limits;

- (3) checking the timeliness and correctness of payments to the suppliers of the goods and services, payments to the state budgets, accruing and paying dividends, redemption of other liabilities;
  - (4) checking the observance by the Company and its management bodies of normative and legal acts, as well as decisions of the General Meeting of Shareholders and of the Board of Directors;
  - (5) checking the reliability of everyday accounting, bookkeeping practice and statistical accounting and recording in the Company;
  - (6) checking the cash and property status of the Company;
  - (7) checking the observance of the rules of records management and keeping financial documentation;
  - (8) checking the observance of the recommendations issued based on the previous audits and checks.
  - (9) confirmation of integrity of data contained in the report on interested-party transactions concluded by the Company in the reporting year.
- 38.12. Members of the Auditing Commission shall be entitled to take part in meetings of the Board of Directors with a right of consultative vote.
- 38.13. The members of the Auditing Commission shall be responsible for negligent performance of duties vested in them in accordance with the laws of the Russian Federation and herewith.
- 38.14. The members of the Auditing Commission shall be financially liable to the Company for any damage incurred by their disclosure of information, constituting the trade secret of the Company.
- 38.15. Additional requirements with respect to the working procedure and rights and obligations of the Auditing Commission shall be set forth by the Regulations on the Auditing Commission.