

---

**APPROVED**

by the decision of the Extraordinary General Shareholders Meeting  
of JSC “INK-Capital”

July 28, 2017

Minutes No. 38

Chairman of the Meeting

---

Buynov N.M.

**CHARTER**

**OF JOINT STOCK COMPANY**

**“INK-Capital”**

(NEW EDITION)

**Irkutsk**

**2017**

## Article 1. GENERAL PROVISIONS

1.1. Joint Stock Company "INK-Capital", OGRN (Primary State Registration Number) 1083808004004, INN (Individual Taxpayer Number) 3808175078 (the "**Company**") is incorporated in accordance with decision No.1 of the sole founder dated March 11, 2008, and the laws of the Russian Federation.

1.2. The Company is governed by the Civil Code of the Russian Federation, the Federal Law "On Joint Stock Companies", other applicable laws of the Russian Federation, and this Charter.

1.3. The registered name of the Company.

The full registered name of the Company  
in Russian is: Акционерное общество «ИНК-Капитал»,  
in English is: Joint Stock Company "INK-Capital".

The abbreviated registered name of the Company  
in Russian is: АО «ИНК – Капитал»,  
in English is: JSC "INK-Capital".

1.4. The Company's location is Russian Federation, Irkutsk.

1.5. The duration of the Company shall be unlimited.

## Article 2. PURPOSE OF INCORPORATION AND ACTIVITIES OF THE COMPANY

2.1. The basic purpose of the Company's incorporation is commercial activity for making a profit.

2.2. The Company's activities are:

- Management of holding companies;
- Development of hydrocarbon fields;
- Processing of hydrocarbons;
- Rendering well-drilling services;
- Wholesale and retail trade in crude oil and petroleum products;
- Storage of crude oil and petroleum products;
- Construction and operation of hydrocarbon processing facilities;
- Construction and operation of pipelines and transportation of hydrocarbons by pipelines;
- Arranging transportation of crude oil and petroleum products;
- Harvesting and processing of wood;
- Wholesale trade in wood products;
- Operation of petrol stations;
- Foreign economic and foreign trade activity, export-import operations;

- Design and construction of residential and non-residential building and premises;
- Sales, business and agency activity;
- Rendering legal, information, audit, distributive, brokerage, marketing, advertising, advisory, leasing, factoring, trust-managing, agency, dealer, consignment, storage, representation (including commercial representation) and other services to domestic and foreign legal entities and physical persons;
- Rendering services as management company;
- Conducting research and development, technological, adjustment, expert, innovation, implementation, repair and design works; arranging implementation of high-performance equipment and technologies, patenting and other works;
- Operation of own and chartered transport;
- Rendering services on customs clearance of goods;
- Rendering advisory services on organization and operation of business entities, making and registering issue prospectuses;
- Transport-expediting activity;
- Maintenance and operation of motor roads;
- Property trust management;
- Other activities not prohibited by law.

2.3. All the above activities are conducted in accordance with applicable laws of the Russian Federation. Certain activities determined by special federal laws can be carried out by the Company only on the basis of a special permission (license), membership in a self-regulatory organization or competency certificate for certain type of works issued by a self-regulatory organization.

In case a special permission (license) for certain activity requires to carry out such activity only, the Company shall not conduct other activities during the term of validity of such permission (license) except for the activity stipulated in a special permission (license) and associated activities.

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

3.1. The Company as a non-public joint stock company is a legal entity under the laws of the Russian Federation and shall be deemed incorporated as a legal entity from the date of its state registration in the manner prescribed by the federal laws. The Company has settlement and other accounts in credit institutions, stamp and seal containing its name, standard forms, trade mark and service marks.

3.2. The Company owns property as included in its independent balance sheet, and may, in its own name, acquire and exercise property and personal non-property rights, assume responsibilities, and sue and be sued in court.

3.3. The Company has civil rights and incurs obligations required to carry out any activities not prohibited by federal laws in accordance with the purpose and types of activities indicated in Article 2 of this Charter.

3.4. The Company shall be liable for its obligations with all its property.

3.5. The Company shall not be liable for the obligations of its shareholders.

3.6. The shareholders of the Company shall not be liable for its obligations and shall bear the risk of losses related to the Company's activity to the extent of value of their shareholding.

The shareholders who have not paid for their shares in full shall be jointly liable for the Company's obligations to the extent of the value of their unpaid shares.

3.7. Should the insolvency (bankruptcy) of the Company be caused by actions (inactions) of its shareholders or other persons entitled to give obligatory instructions to the Company or can otherwise determine its actions, these shareholders or other persons shall be jointly liable for the Company's obligations in case of the lack of Company's property.

3.8. The state and its bodies shall not be liable for Company's obligations; likewise, the Company shall not be liable for the obligations of the state and its bodies.

3.9. The Company shall ensure its economic security, determine the content, volume and procedure for protecting confidential information, carry out works connected with usage of information classified as state secret, demand that its employees (staff) ensure economic security and protection of confidential information, and supervise the compliance with economic security and confidential information protection measures.

3.10. The Company shall carry out works and render services at prices fixed at its own discretion under concluded contracts. State controlled prices shall be applied by the Company only in cases provided by federal laws.

3.11. To conduct its business, the Company shall also be entitled to:

- Participate and create business entities, partnerships and other legal entities in the Russian Federation and other countries in accordance with the procedure established by laws;
- Participate in associations and other types of business combinations;
- Arrange and participate in specialized exhibitions and fairs;
- Hold auctions and contests;
- Conduct transactions on its own behalf, including sales and purchase contracts, construction contracts, rent contracts, insurance contracts, contracts of employment, contracts for transportation, commission contracts, contracts for storage, exchange contracts, sponsorship contracts, credit contracts, contracts of pledge, bank account agreements (administer funds of bank accounts), bank deposit and other contracts;
- Conduct transactions in foreign currency;
- Attract credits both in rubles and foreign currency;
- Independently determine wage forms and systems, labor management and internal labor regulations;
- Issue, sell and purchase equity securities in accordance with laws; conduct other equity securities transactions to the extent established by laws of the Russian Federation, including conclusion of sales and purchase contracts and exchange

contracts etc. for bills of any issuers without a license with the right of endorsement;

- Use buildings, premises, transportation and other property; purchase and dispose of property; transfer assets;
- Exercise other rights in accordance with the purposes as described in the present Charter and applicable laws of the Russian Federation.

#### **Article 4. BRANCHES AND REPRESENTATIVE OFFICES OF THE COMPANY**

4.1. The Company may establish branches and representative offices in compliance with the requirements of applicable laws of the Russian Federation and this Charter, and outside the Russian Federation – in compliance with the laws of a foreign state where branches and representative offices are established, unless otherwise provided by international treaties of the Russian Federation.

#### **Article 5. CHARTER CAPITAL, COMPANY'S SHARES AND CONTRIBUTIONS TO THE PROPERTY OF THE COMPANY**

5.1. The charter capital of the Company amounts to 30,000,000 (Thirty million) rubles.

5.2. The charter capital is divided into 30,000 (Thirty thousand) common registered shares, each share having a nominal value of 1,000 (One thousand) rubles, purchased by shareholders (outstanding shares).

5.3. All Company's shares are non-documentary.

5.4. In addition to the outstanding shares, the Company is entitled to issue 3,334 (Three thousand three hundred thirty-four) ordinary registered shares, each share having a nominal value of 1,000 (One thousand) rubles (Declared shares). At placement, the Declared shares will provide the same scope of rights as previously distributed ordinary shares of the Company do.

5.5. Shareholders shall pay for the shares in accordance with the schedule and procedure provided for by the Civil Code of the Russian Federation, Federal Law "On Joint Stock Companies" and the Company's Charter.

5.6. Number of votes at the disposal of each shareholder shall be equal to the number of ordinary shares paid by this shareholder in full.

5.7. Increase of the charter capital by increasing the nominal value of shares or placement of additional shares within the limits of declared shares, and making the corresponding amendments to this Charter shall be made based on the decision of the General Shareholders Meeting of the Company.

5.8. Increase of the Company's charter capital by placement of additional shares may be made at the expense of the Company's property. Increase of the Company's charter capital by increasing the nominal value of shares shall be made at the expense of the Company's property only.

The amount of increase of the Company's charter capital at the expense of its

property shall not exceed the difference between the value of the Company's net assets and the sum of the charter capital and reserve fund of the Company.

At increasing the Company's charter capital at the expense of its property by placement of additional shares, these shares shall be distributed between all the shareholders. In this respect, each shareholder shall be provided with shares of the same category (type) as those shares he already owns, and in proportion to the number of his shares. Increase of the Company's charter capital at the expense of its property by placement of additional shares as a results of which fractional shares are created shall not be allowed.

5.9. A share shall not give voting right until it is fully paid except for those shares purchased by the founders at the Company's establishment. Should shares be not fully paid by the date set forth in the Federal Law on "Joint Stock Companies", title to shares the placement price of which equals to unpaid amount (value of the property which was not transferred as payment for shares) shall be disposed by the Company, and this fact shall be recorded in the Company's shareholders' register.

The shares which title has been transferred to the Company shall not grant the voting right, be taken into account when determining the number of votes and yield dividends.

5.10. The payment for additional shares may be in cash, securities, other objects or property rights or other rights which have monetary value. The payment for the additional shares may be made in other manner provided by applicable laws of the Russian Federation. Form of payment for Company's shares shall be determined in the resolution on placement of such shares. In case of non-monetary payment for additional shares, monetary value of the property used to pay for shares shall be set by the Company's Board of Directors based on the appraiser's report, unless otherwise provided for by applicable laws of the Russian Federation.

5.11. At the decision of the Company's General Shareholders Meeting, the Company may decrease the charter capital by both decreasing the shares' nominal value and reducing their total number by means of acquisition and retirement of a part of shares.

5.12. The Company may decrease its charter capital only provided that as a result it will not be less than the minimum charter capital determined in accordance with the Federal Law "On Joint Stock Companies".

5.13. In cases directly provided for by the Federal Law "On Joint Stock Companies" the Company is obliged to decrease its charter capital.

5.14. Within 3 (Three) business days following the decision on reduction of the charter capital, the Company is obliged to inform an authority in charge of state registration of legal entities about such decision. The Company is also obliged to put two notifications on reduction of its charter capital, 1 (One) notification per month, to the media publishing data on state registration of legal entities.

5.15. The Company shall be entitled to purchase shares which it has placed upon the decision of the Company's General Shareholders Meeting on reduction of the Company's charter capital by purchasing a part of the placed shares in order to reduce its total amount.

5.16. The Company may not purchase shares which it has placed in cases prohibited by the laws of the Russian Federation.

5.17. In cases provided for by the laws of the Russian Federation, shareholders shall be entitled to demand full or partial repurchase of shareholding from the Company. The procedure for determination of the share market value is provided for by the laws of the Russian Federation and in the event of absence of such legal rules it shall be determined by usual business practice.

5.18. Company's shareholders are entitled to transfer their shares without consent from other shareholders of the Company and the Company itself to the third parties only with due account for Clauses 5.19-5.22 of this Charter.

Heirs of a shareholder of the Company or its assigns being a legal entity shall have the right for shares obtained through inheritance (succession) regardless of the consent from other shareholders of the Company.

5.19. Company's shareholders shall have a preemptive right to purchase shares transferred under the contracts executed on a payable basis (sale, exchange, termination etc.) by other Company's shareholders at a price proposed to a third party in proportion to the number of shares held by each of them. In case shares are transferred under contracts on a payable basis other than sale and purchase agreement, the price proposed to a third party shall be determined pursuant to the rules of share price determination specified in Clause 5.22 (i) hereof, and in case an independent appraiser is involved, such costs shall be borne by the shareholder intending to transfer the shares.

Company's shareholders possess a preemptive right to acquire the shares transferred by the other Company's shareholders to a third party under the contracts with no charge (gift etc.) at their nominal value and in proportion to the number of shares owned by each shareholder of the Company.

Should shareholders of the Company fail to use their preemptive right to purchase shares, the Company will gain the right to purchase shares.

5.20. A shareholder of the Company intending to transfer his shares to a third party is obliged to inform other shareholders of the Company and the Company itself thereof in writing. Such notification shall contain the price, the number of transferred shares and other conditions of such transfer of the title to the Company's shares. The Company's shareholders shall be notified through the Company at the expense of the shareholder intending to transfer his/her shares. Not later than 2 (Two) days following the receipt of the abovementioned notification, the Company shall inform its shareholders about the content of such notification pursuant to the procedure for notifying on the General Shareholders Meeting.

Upon receipt by the Company of the abovementioned notification, the Company's General Director shall immediately send the copy of the notification to the Chairman of the Board of Directors of the Company.

5.21. Company's shareholders and the Company itself shall be entitled to exercise their preemptive right to purchase all the shares transferred by the other shareholders of the Company to a third party within 20 (Twenty) days following the date of receipt of the notification by the Company as stipulated in Clause 5.20 of this

Charter.

Each Company's shareholder is entitled to transfer his/her shares to a third party provided that the other shareholders of the Company and (or) the Company itself do not execute their preemptive right of acquiring all the transferred shares within 20 (Twenty) days following the date of receipt of notification by the Company as stipulated in Clause 5.20 of this Charter.

In case if the shares are transferred under the sales and purchase agreement, such transfer of shares shall be carried out at the price and under the conditions indicated in the notification sent to the Company.

If the Company receives written notices from each Company's shareholder and the Company itself in which they indicate their proper intention to execute or refuse to execute the preemptive right prior to the expiry of the period granted to the Company's shareholders and the Company itself for execution of the preemptive right, such period is terminated.

Statement of the Company declaring decision to execute the preemptive right or refuse it shall be signed by the General Director of the Company strictly based on the corresponding decision of the Company's Board of Directors.

5.22. If the shares are transferred through violation of the preemptive right, the shareholders possessing such preemptive right or the Company itself within three months following the date when a Company's shareholder or the Company itself became aware of or were to become aware of such violation, are entitled to petition to court in order to require that the rights and obligations of the acquirer be returned to them and (or) the transferred shares be returned to the shareholder and the acquirer is to receive the money in the amount equivalent to the price indicated in the sales and purchase agreement; in case the shares were transferred under the contracts other than sales and purchase agreement, the transferred shares shall be returned to them and the acquirer shall receive the money in the following amount:

(i) in case the shares were transferred under the contract on a payable basis, the amount of money should be equal to the price of shares determined in the proposal/contract/agreement, or in accordance with the procedure for determination of price of shares stipulated in the proposal/contract/agreement, or in cases the proposal/contract/agreement of transfer of shares doesn't stipulate the price of shares or the procedure for determination of price of shares, the amount of money should be equal to the market price of such shares defined by an independent appraiser. In this regard an independent appraiser shall be selected only from the companies of Big Four (KPMG, PwC, Ernst&Young, Deloitte or their affiliates) or invited by a court. The shareholder transferring its shares to a third party and the acquirer of such shares shall equally (a) bear all costs for such appraisal and (b) be responsible for compensation of cost to a person incurred such costs (in case the appraisal is cancelled at own initiative);

(ii) in case the shares were transferred under the contracts with no charge, the price should be equal to the nominal value of such shares.

5.23. The Company shall be entitled to issue preferred shares whose number shall not exceed 25 (Twenty-five) per cent of the total charter capital.



5.24. The Company shall be entitled to place bonds and other securities provided for by the laws of the Russian Federation on securities.

5.25. Based on the agreement with the Company, the Company's shareholders are entitled at any time to make voluntary contributions to the property of the Company in order to finance and support the Company's activities. Such voluntary contributions may be done in monetary or non-monetary form, shall not increase the charter capital of the Company and shall not alter the nominal value of shares (hereinafter – Contributions to the property of the Company).

The property provided by the Company's shareholders as the Contribution to the property of the Company under the contract concluded with the Company shall be of certain types as specified in Clause 1 of Article 66.1 of the Civil Code of the Russian Federation.

The contracts regulating the Contributions to the property of the Company are not governed by the provisions of the Civil Code of the Russian Federation regarding deed of gift.

The contract regulating the Contribution of the shareholder to the property of the Company shall be preliminarily approved by the Company's Board of Directors, except for the Contributions to the property of the Company specified in Clause 5.26 of this Charter.

5.26. By resolution of the Company's General Shareholders Meeting unanimously passed by all the Company's shareholders, the shareholders of the Company may be assigned with a duty to make Contributions to the property of the Company.

The General Shareholders Meeting of the Company may resolve to assign a duty to make Contributions to the property of the Company only to the Company's shareholders owning the shares of certain category (type). In such case the decision to assign the shareholders with a duty to make Contributions to the property of the Company shall be made by the majority vote (3/4) of the shareholders participating in the General Shareholders Meeting of the Company provided that all the shareholders owning the shares of each category (type) assigned with the duty to make contributions to the property of the Company unanimously approve such decision.

As stipulated in this Clause, Contributions to the property of the Company are made in proportion to the quantity of shares in the charter capital of the Company owned by a shareholder of the Company.

As stipulated in this Clause, Contributions to the property of the Company are made in monetary form. Upon the resolution of the General Shareholders meeting of the Company, the Contribution to the property of the Company may be done in the form of objects, participatory interest (shares) in the charter (joint) capital of other business partnerships and companies, state or municipal bonds, and exclusive or other intellectual rights and the rights under the licensing agreements with their monetary value to be assessed unless otherwise prescribed by applicable laws of the Russian Federation.

The duty to make Contributions to the property of the Company is assigned to

the persons who were the shareholders of the Company as of the date on which such duty was assigned.

**Article 6. RIGHTS AND OBLIGATIONS OF COMPANY'S SHAREHOLDERS. SHAREHOLDERS' REGISTER**

6.1. Each ordinary share shall give its holder an equal scope of rights.

6.2. A shareholder is entitled:

- To participate in the Company's management including General Shareholders Meetings in person or by proxy; to elect and be elected to elective offices in the Company;
- To receive information on Company's activities and review accounting and other documents in accordance with the procedure provided for by the laws of the Russian Federation and this Charter;
- To participate in distribution of profit;
- To receive a part of profit (dividend) to be distributed between shareholders in proportion to the number of shares held;
- To receive a part of property (or its cash equivalent) in proportion to the number of shares held in case of Company's liquidation;
- To demand in court the expulsion of a Company's shareholder with payment of actual value of the owned shares to such shareholder, in case actions or omissions of this shareholder did substantial harm to the Company or somehow substantially hindered Company's activities and achievement of the objectives for which the Company was established, especially by gross breach of his/her obligations provided for by applicable laws or this Charter.
- To demand and receive copies (extracts) from Minutes and resolutions of the General Shareholders Meeting of the Company, as well as copies of resolutions of other management bodies of the Company.
- To appeal against resolutions of the Company's bodies causing civil law consequences in cases and pursuant to the procedure stipulated by the laws of the Russian Federation;
- Acting on behalf of the Company, to demand compensation of the losses sustained by the Company;
- Acting on behalf of the Company, to challenge the contracts executed by the Company on the grounds envisaged in the laws of the Russian Federation, demand the enforcement of the consequences resulting from their invalidity, and demand the enforcement of the consequences resulting from the Company's void contracts.

6.3. A shareholder is obliged:

- To participate in procurement of Company's property to the extent required according to the procedure, manner and within the time period provided for by applicable laws of the Russian Federation or this Charter;
- To participate in corporate decision-making required for the Company to continue its activities in accordance with applicable laws of the Russian

- Federation, in case its participation is required for such decisions to be taken;
- Not to perform acts intending to do harm to the Company;
  - Not to perform acts (omission) significantly hindering or making impossible achievement of the objectives the Company was established for;
  - To pay for purchased shares pursuant to the schedule and procedure provided for by this Charter and applicable laws of the Russian Federation
- General Shareholders Meeting shall be entitled to pass resolution on payment of dividends to a shareholder only from the date of full payment for all placed shares ;
- To observe requirements of this Charter and implement resolutions of Company's management bodies passed within their competence;
  - To disclose no confidential information related to the Company's activities. The shareholders of the Company shall not undertake actions (omissions) which may result in disclosure to the third persons of the confidential information in any form (oral, written, any other form, including the use of technical devices) without a preliminary written consent thereto by the Company;
  - To make Contributions to the property of the Company in cases specified in Clause 5.25 and Clause 5.26 of this Charter.

6.4. Shareholder may have other rights and obligations provided for by this Charter or applicable laws of the Russian Federation.

6.5. The holder of the shareholders' register is the registrar (entity which holds the license provided for by applicable laws of the Russian Federation). The Company is entitled to maintain and keep the Company's shareholders' register by itself, in case such right is provided by applicable laws of the Russian Federation.

## **Article 7. ADMINISTRATION OF THE COMPANY**

7.1. Management bodies of the Company are:

- General Shareholders Meeting;
- Board of Directors; and
- sole executive body (General Director).

In case a liquidation commission or a liquidator is appointed, administration of all daily operations of the Company shall be transferred to him/her.

7.2. The body supervising financial and economic activity of the Company shall be Internal Audit Committee (Internal Auditor).

The Internal Audit Committee (Internal Auditor) shall be elected by the Board of Directors.

7.3. The Board of Directors shall be elected by the General Shareholders Meeting.

7.4. The General Director shall be elected by the Board of Directors.

7.5. The Board of Directors shall appoint the Corporate Secretary.

7.6. Functions of the secretary of the General Shareholders Meeting shall be carried out by the Corporate Secretary.

In the absence of the Corporate Secretary, the functions of the secretary of the General Shareholders Meeting shall be performed by the person authorized by the Chairman of the Board of Directors.

7.7. Functions of the Ballot Committee of the General Shareholders Meeting shall be performed by (i) the registrar (person holding the license required by applicable laws of the Russian Federation) or (ii) notary (including the notary authorized to perform the activities within the territory of the United Kingdom of Great Britain and Northern Ireland) if provided for in the laws of the Russian Federation or any other applicable laws or (iii) other person having the right to confirm decision-making of the General Shareholders Meeting and the Company's shareholders present at such decision-making, in accordance with applicable laws of the Russian Federation.

In addition, functions of the Ballot Committee of the General Shareholders Meeting may be performed by the Corporate Secretary whenever possible under applicable laws of the Russian Federation.

Election (appointment or selection) of a person performing functions of the Ballot Committee of the General Shareholders Meeting shall be carried out in accordance with applicable laws and this Charter.

7.8. There may be additional internal structures (including boards, committees and commissions) subordinating to some management body created in the Company.

7.9. The liquidation commission (liquidator) at voluntary liquidation of the Company shall be elected by the General Shareholders Meeting, while in case of forced liquidation it shall be appointed by court.

## **Article 8. GENERAL SHAREHOLDERS MEEETING**

8.1. The supreme management body of the Company is the General Shareholders Meeting.

The General Shareholders Meeting may be held in the form of physical meeting (by joint presence of shareholders who convene to discuss agenda items and pass resolutions on voting issues) or by absentee voting.

Information and communication technologies may be utilized during the General Shareholders Meeting. Such technologies ensure (i) participation of the shareholders in the General Shareholders Meeting through remote attendance, discussion of the agenda and passing resolutions on the issues put to vote without a need for the shareholders to be physically present at the General Shareholders Meeting and/or (ii) filling-in digital voting ballots.

Participation in the General Shareholders Meeting through remote attendance and/or filling-in digital ballots for voting is possible only if a person attending the General Shareholders Meeting is uniquely identified (authenticated).

During preparation for the General Shareholders Meeting, given the technical capability, the Board of Directors may determine the procedure and conditions of participating in the General Shareholders Meeting through remote attendance and/or

filling-in digital voting ballots. Such procedure and conditions of participating in the General Shareholders Meeting through remote attendance and/or filling-in digital voting ballots shall be listed in the notification on the General Shareholders Meeting.

Digital ballots for voting may be filled in by the Company's shareholders during the General Shareholders Meeting in case if they did not otherwise execute their right to participate in such Meeting. Upon filling-in the digital voting ballots, date and time of completing the ballots shall be indicated on a mandatory basis.

The Company is obliged to hold Annual General Shareholders Meeting every year not earlier than 2 (Two) months and not later than 6 (Six) months following the end of a reported year. A reported year shall be equal to the calendar year.

The General Shareholders Meeting maybe held (i) at the place of state registration of the Company (Russia, Irkutsk), (ii) in Moscow (the Russian Federation) or in London (the United Kingdom of Great Britain and Northern Ireland).

8.2. The competence of the General Shareholders Meeting includes the following issues:

1) amendments and additions to the Company's Charter or approval of new edition of the Company's Charter (except for the cases provided for by the Federal Law "On Joint Stock Companies");

2) reorganization of the Company;

3) liquidation of the Company, appointment of the liquidation commission (liquidator) and approval of interim and final liquidating balances;

4) election of members of the Board of Directors and early termination of their powers;

5) establishment of the executive body of the Company and early termination of its powers in cases provided for by Clauses 6 and 7 of Article 69 of the Federal Law "On Joint Stock Companies";

5.1.) passing resolution on delegating the powers of the sole executive body of the Company to another business entity (managing company) or individual entrepreneur (administrator), and approving such managing company or administrator, terms and conditions of the contract with such managing organization or administrator;

6) approval of the Company's auditor;

7) determination of number, nominal value and category (type) of declared shares and rights given by these shares;

8) increase of the charter capital by increasing the nominal value of shares and placing additional shares within the limits of declared shares;

9) increase of the charter capital by way of placing additional shares (issued equity securities of the Company converted into shares) by closed subscription;

10) decrease of the Company's charter capital by reducing the nominal value of shares through purchase of a part of shares by the Company in order to reduce their total number, as well as by retirement of shares purchased and repurchased by the Company (shares at the disposal of the Company);

11) approval of annual reports, annual accounting (financial) statements

including profit and loss statements (income and expenditures statements) of the Company;

11.1. profit distribution, including payment (declaration) of dividends except for payment (declaration) of dividends accrued based on the results of the first quarter, six months, nine months of a reported year;

12) determination of the procedure for holding the General Shareholders Meeting;

13) split and consolidation of shares;

14) passing resolutions on consent to execution or further approval) of transactions in cases provided for by Article 83 of the Federal Law "On Joint Stock Companies";

15) passing resolutions on consent to execution or further approval) of major transactions in cases provided for by Article 79 of the Federal Law "On Joint Stock Companies";

16) passing resolution on participation in holding companies, financial and industrial groups, associations and other unions of commercial organizations;

17) approval of internal documents governing the activity of Company's bodies (including Regulation on the General Shareholders Meeting, Regulation on the Board of Directors, Regulation on the Internal Audit Committee (Internal Auditor), Regulation on Remuneration and Compensation, Corporate Governance Code of the Company and other internal documents which approval shall fall within the competence of the General Shareholders Meeting in accordance with the laws of the Russian Federation;

18) passing resolution on remuneration and (or) compensation for expenses to the Board members related to execution of their duties as Board members during the period of their duties; determining amounts of such remuneration and compensation;

19) passing resolution on compensation, at the Company's account, for expenses related to preparation and holding of the Extraordinary General Shareholders Meeting to persons and bodies who initiated such Meeting;

20) determination of the list of additional documents to be stored by the Company;

21) payment (declaration) of dividends subsequent to the results of the first quarter, six months and nine months of a reported year;

22) passing resolution on making a Contribution to the property of the Company in cases specified in Clause 5.26 of this Charter; and

23) settlement of other issues provided for by this Charter and the Federal Law "On Joint Stock Companies".

8.3. Unless otherwise provided for by applicable laws of the Russian Federation, the General Shareholders Meeting may not discuss and pass resolutions on issues not falling into its competence as per the Federal Law "On Joint Stock Companies".

8.4. The General Shareholders Meeting may not pass resolutions on issues not included into the agenda of a Meeting, nor change the agenda except for the cases when all the Company's shareholders were present while resolving on the issue

not included in the agenda of the General Shareholders Meeting or changing the agenda of the General Shareholders Meeting.

8.5. A resolution of the General Shareholders Meeting on the voting issue shall be passed by the majority of votes of the shareholders who are the owners of the voting shares of the Company participating in the Meeting, unless the Federal Law "On Joint Stock Companies" or this Charter provides otherwise.

8.6. Registration of persons entitled to participate in the General Shareholders Meeting and not registered for participation in the General Shareholders Meeting before it is open, closes after completion of the discussion of the last agenda item at the General Shareholders Meeting (the last agenda item which is quorate at the General Shareholders Meeting) and before the time provided to persons, who failed to vote until that time, for voting.

8.7. Resolutions passed by the General Shareholders Meeting and voting results shall be announced at the General Shareholders Meeting, where the voting took place, as well as brought to the notice of persons included into the list of persons entitled to participate in the General Shareholders Meeting, no later than 10 (Ten) business days following the day of the General Shareholders Meeting or the deadline for receipt of voting ballots for the absentee General Shareholders Meeting by sending them a copy of the Minutes of the General Shareholders Meeting in accordance with the procedure specified for sending the notification on the General Shareholders Meeting.

Written Minutes of the General Shareholders Meetings shall be prepared by the secretary of the General Shareholders Meeting within 5 (Five) business days following each General Shareholders Meeting, in 2 (Two) original copies in Russian and in English languages. Such Minutes shall contain the information required by applicable laws of the Russian Federation and be deemed the official Minutes of the General Shareholders Meeting when signed by the Chairman and the secretary of the General Shareholders Meeting.

In case of discrepancies between the English and the Russian versions of the Minutes, the Russian version shall prevail.

Decision-making by the General Shareholders Meeting and composition of the Company's shareholders present at such decision-making, shall be confirmed by (i) signing of the Minutes of the General Shareholders Meeting by the person(s) carrying out functions of the Ballot Committee or other person determined by the laws of the Russian Federation or this Charter, or (ii) in any other way established by applicable laws of the Russian Federation.

8.8. The written notification on the General Shareholders Meeting shall be provided not later than 20 (Twenty) days prior to the Meeting. In cases provided for by Items 2 and 8 of Article 53 of the Federal Law "On Joint Stock Companies" the notification on the General Shareholders Meeting shall be made not later than 50 (Fifty) days prior to the Meeting, unless otherwise stipulated by the laws of the Russian Federation.

The notification on the General Shareholders Meeting shall be prepared in Russian and English languages and handed over or sent to each person entitled to

participate in the General Shareholders Meeting and listed in the shareholders' register of the Company.

The notification on the General Shareholders Meeting may be sent to the persons entitled to participate in the General Shareholders Meeting and listed in the shareholders' register of the Company by one of the following means or their combination:

- sending telefax with return receipt;
- sending registered mail with delivery confirmation;
- sending by DHL, UPS mail services or other first class international express mail service;
- sending a scan copy of notification (with delivery and read receipt confirmation) to the e-mail address of a person specified in the shareholders' register of the Company.

Apart from the abovementioned, upon the resolution of the Chairman of the Company, information on the forthcoming General Shareholders Meeting may be communicated to the persons entitled to participate in the General Shareholders Meeting and listed in the shareholders' register by posting it at the Company's website ([www.irkutskoil.ru](http://www.irkutskoil.ru)).

At convening the General Shareholders Meeting to be held in physical form (by joint presence of shareholders for discussing agenda items and passing resolutions on voting issues) with preliminary submission (handing over) of voting ballots prior to the General Shareholders Meeting or by absentee voting, voting ballots shall be prepared in Russian and in English and sent or handed over against signature to each person indicated in the list of persons entitled to participate in the General Shareholders Meeting and listed in the shareholders' register not later than 20 (Twenty) days prior to the date of the General Shareholders Meeting unless other deadline is provided for by the laws of the Russian Federation. A voting ballot shall be sent through the means used for sending notification on holding the General Shareholders Meeting.

8.9. Information (materials) which shall be provided to persons entitled to participate in the General Shareholders Meeting to get prepared for the General Shareholders Meeting includes:

- annual accounting (financial) statements including the auditor's report, the report of the Internal Audit Committee (Internal Auditor) on the results of their verification;
- annual report and report of the Internal Audit Committee (Internal Auditor) issued subsequent to the results of its verification;
- information on a candidate (candidates) to the Board of Directors, including information sufficient to understand personal qualities and professional skills of the candidates as well as information about their experience and background, as well as information about their compliance with the requirements to the members of Company's management bodies, in case such requirements are provided for by applicable laws;



- information on a candidate (candidates) to the Company's auditors that is sufficient to understand their professional skills and independence, including name of the self-regulating organization of auditors, a member of which is the candidate to the Company's auditors, and information about the suggested auditor(s)' fee for audit and non-audit services (including information about compensatory payments and other expenses related to involvement of an auditor) and other material terms and conditions of the contracts to be concluded with the Company's auditor(s);
- draft of amendments and additions to the Company's Charter or draft of new edition of the Company's Charter, drafts of internal documents of the Company to be approved by the General Shareholders Meeting, and the tables where the introduced amendments are compared with the provisions of the current version, rationale for the resolutions and explanation of the consequences which the Company and its shareholders may experience in case if such resolutions are passed;
- drafts of resolutions of the General Shareholders Meeting;
- at resolving on increase or decrease of the charter capital, approval of major transactions or interested-party transactions, rationale for the need to make the corresponding resolutions, and the explanation of the consequences for the Company and its shareholders following such resolutions;
- at approval of interested-party transactions (consent to execution or further approval), list of persons deemed to be interested in the transaction with provision of the grounds on which such persons are deemed to be interested, report on the interested-party transactions executed in the reported year;
- at approval of major transactions (consent to execution or further approval), decision of the Board of Directors regarding such major transaction;
- rationale for the suggested distribution of net profit and assessment of its conformity to the dividend policy applied in the Company, with clarifications of the need to distribute a certain part of net profit for internal requirements;
- opinion of the Board of Directors regarding the agenda of the General Shareholders Meeting and special opinions of the Board members on each agenda item (if any);
- information on corporate activities impairing the dividend rights of the shareholders and (or) causing share dilution and court decisions adjudicating the facts of the shareholders receiving income at the expense of the Company through any means other than dividends and liquidation value;
- information on the shareholders' agreements entered into within one-year period prior to the date of the General Shareholders Meeting;
- information on each person who proposed the candidates for the Company's management bodies and the issues included into the agenda;  
and other documents in accordance with applicable laws of the Russian Federation, this Charter and Regulation on the General Shareholders Meeting of the Company.

Certification on compliance of copies of documents with original documents and provision of copies of documents upon the request of persons entitled to participate in the General Shareholders Meeting are carried out by the General Director or Corporate Secretary of the Company.

8.10. Shareholders (a shareholder) owning jointly not less than 2 (Two) per cent of voting shares of the Company shall be entitled to include issues to the agenda of the Annual General Shareholders Meeting and propose candidates for the Board of Directors whose number shall not exceed the number of the Board members as defined by the resolution of the Company's General Shareholders Meeting, or the number of the Board members specified in this Charter in case if the number of the Board members was not determined by the General Shareholders Meeting.

Such proposals shall be received by the Company not later than 60 (Sixty) days following the end of a reported year.

8.11. In case the suggested agenda of the Extraordinary General Shareholders Meeting includes election of Board members, shareholders or a shareholder of the Company owning jointly not less than 2 (Two) per cent of voting shares of the Company shall be entitled to propose candidates for the Board of Directors whose number shall not exceed the number of Board members determined by the General Shareholders Meeting or the number of Board members set forth by this Charter in case the number of Board members of the Company is not determined by the General Shareholders Meeting.

In case the suggested agenda of the Extraordinary General Shareholders Meeting includes establishment of the sole executive body of the Company and (or) early termination of its powers in accordance with Items 6 and 7 of Article 69 of the Federal Law "On Joint Stock Companies", shareholders or a shareholder owning jointly not less than 2 (Two) per cent of voting shares of the Company shall be entitled to propose candidates for the sole executive body of the Company.

Proposals specified in this Clause shall be received by the Company not later than 30 (Thirty) days prior to the date of the Extraordinary General Shareholders Meeting.

8.12. A suggestion on the agenda of the General Shareholders Meeting shall contain the wording of each suggested issue. A suggestion on the agenda of the General Shareholders Meeting may contain the wording of a resolution on each of the suggested issues.

8.13. A suggestion on candidates to be elected as the members of the management and control bodies of the Company at the Annual or Extraordinary General Shareholders Meeting shall contain the details set forth by the internal documents of the Company (Regulation on the General Shareholders Meeting, Regulation on the Board of Directors, Regulation on the Internal Audit Committee (Internal Auditor) and other internal documents governing the activities of the Company's management and control bodies).

8.14. Suggestions on the agenda of the General Shareholders Meeting and proposals on candidates shall be made in writing with an indication of the full name of a shareholder(s) who made them, number and category (type) of shares owned by

such shareholder(s) and shall be signed by this shareholder(s).

8.15. The Board of Directors is obliged to consider received suggestions and add them to the agenda of the General Shareholders Meeting or decline such suggestions not later than 5 (Five) days following the deadline provided for by Clauses 8.10 and 8.11 of this Charter.

8.16. The Board of Directors may not change the wording of issues included into the agenda, the wording of the resolutions passed on such issues and introduce changes into the proposed form of the Extraordinary General Shareholders Meeting convened at the request of the Internal Audit Committee (Internal Auditor) of the Company, the Company's auditor or shareholders (a shareholder) owning not less than 10 (Ten) per cent of the voting shares of the Company.

8.17. Apart from the issues suggested by shareholders to the agenda of the General Shareholders Meeting and in case of absence of such suggestions, absence or insufficient number of candidates proposed by shareholders for a body, the Board of Directors shall be entitled to include issues to the agenda of the General Shareholders Meeting or candidates to the lists of candidates at its discretion.

8.18. The Extraordinary General Shareholders Meeting is held upon the decision of the Board of Directors on its own initiative, request from the Internal Audit Committee (Internal Auditor), Company's auditor and shareholder(s) owning in aggregate not less than 10 (Ten) per cent of voting shares of the Company as of the date of such request.

8.19. Within 5 (Five) days following the date of the request with respect to convocation of the General Shareholders Meeting from the Internal Audit Committee (Internal Auditor), Company's auditor or shareholder(s) owning in aggregate not less than 10 (Ten) per cent of voting shares of the Company, the Board of Directors is obliged to pass resolution on convocation of the Extraordinary General Shareholders Meeting or reject convocation.

The resolution of the Board of Directors on convocation of the Extraordinary General Shareholders Meeting or reasoned decision to reject its convocation shall be sent to persons demanding convocation not later than 3 (Three) days following the date of such resolution.

The resolution to reject convocation of the Extraordinary General Shareholders Meeting upon the request of the Internal Audit Committee (Internal Auditor), Company's auditor or shareholder(s) owning in aggregate not less than 10 (Ten) per cent of voting shares of the Company may be passed only pursuant to the grounds provided for by the Federal Law "On Joint Stock Companies".

The resolution of the Board of Directors to reject convocation of the Extraordinary General Shareholders Meeting may be appealed in court.

8.20. The Extraordinary General Shareholders Meeting convened upon the request of the Internal Audit Committee (Internal Auditor), Company's auditor or shareholder(s) owning in aggregate not less than 10 (Ten) per cent of the voting shares of the Company shall be held within 40 (Forty) days following the date of the request to hold the Extraordinary General Shareholders Meeting.

In case the proposed agenda of the Extraordinary General Shareholders Meeting

includes election of the members for the Board of Directors, such General Shareholders Meeting shall be held within 75 (Seventy-five) days following the date of the request to hold Extraordinary General Shareholders Meeting. In this case, the Board of Directors shall determine the deadline for receiving the proposals of the Company's shareholders regarding the candidates to be elected as the Board members.

8.21. In cases when in accordance with Articles 68-70 of the Federal Law "On Joint Stock Companies", the Board of Directors is obliged to pass resolution on holding the Extraordinary General Shareholders Meeting, such General Shareholders Meeting shall be held within 40 (Forty) days following the date of the resolution on its holding made by the Board of Directors.

8.22. In cases when in accordance with the Federal Law "On Joint Stock Companies" the Board of Directors is obliged to pass resolution on holding the Extraordinary General Shareholders Meeting to elect Board members, such General Shareholders Meeting shall be held within 70 (Seventy) days following the date of the resolution on its holding made by the Board of Directors.

8.23. In the event that within the period set forth by the Federal Law "On Joint Stock Companies", the Board of Directors fails to pass resolution on convocation of the Extraordinary General Shareholders Meeting or the Board of Directors decides to reject convocation of the Meeting, the Company's body or persons requesting convocation shall be entitled to petition to court to force the Company to hold the extraordinary General Shareholders Meeting.

8.24. A list of persons entitled to participate in the General Shareholders Meeting is compiled in accordance with the laws on securities applicable in the Russian Federation in order to compile the list of persons exercising their rights under securities.

The date of determining (registering) the persons entitled to participate in the General Shareholders Meeting may not be earlier than the date of the decision to hold the General Shareholders Meeting or more than 25 (Twenty-five) days before the date of the General Shareholders Meeting.

The General Shareholders Meeting is legally qualified (is quorate), if the shareholders owning jointly more than a half of the votes represented by voting shares of the Company participated in it.

The following shareholders shall be deemed participated in the General Shareholders Meeting held in physical form (by joint presence of the shareholders to discuss agenda items and pass resolutions on voting issues) without submission (handing over) of voting ballots prior to the General Shareholders Meeting:

- Shareholders who registered for participation in such Meeting;
- Shareholders participating in the General Shareholders Meeting through remote attendance (provided that such procedure of attendance was determined by the Board of Directors during preparation for the General Shareholders Meeting).

The following shareholders shall be deemed participated in the General Shareholders Meeting held in physical form (by joint presence of the shareholders to discuss agenda items and passing resolutions on voting issues) with submission

(handing over) of voting ballots prior to the General Shareholders Meeting:

- Shareholders who registered for participation in such Meeting;
- Shareholders participating in the General Shareholders Meeting through remote attendance (provided that such procedure for participation was determined by the Board of Directors during preparation for the General Shareholders Meeting) and duly registered pursuant to the procedure specified in the notification on the General Shareholders Meeting;
- Shareholders whose voting ballots (in Russian and in English) were received by the Company not later than 2 (Two) days prior to the date of the General Shareholders Meeting;
- Shareholders who filled-in their voting ballots (i) by accessing personal account at the Company's website ([www.irkutskoil.ru](http://www.irkutskoil.ru)) or (ii) by accessing personal folder located in the virtual data room or (iii) by any other method defined by the Board of Directors (provided that the abovementioned methods were defined by the Board of Directors during preparation for the General Shareholders Meeting) not less than 2 (Two) days prior to the General Shareholders Meeting.

The following shareholders shall be deemed participated in the General Shareholders Meeting held by absentee voting:

- Shareholders whose voting ballots (in Russian and in English) were received by the Company before the deadline of voting ballots receipt;
- Shareholders who filled-in their voting ballots (i) by accessing personal account at the Company's website ([www.irkutskoil.ru](http://www.irkutskoil.ru)) or (ii) by accessing personal folder located in the virtual data room or (iii) by any other method defined by the Board of Directors (provided that the abovementioned methods were defined by the Board of Directors during preparation for the General Shareholders Meeting).

In case the agenda of the General Shareholders Meeting includes issues to be voted on by different combinations of voters, the quorum to pass resolution on these issues shall be determined separately. However, absence of the quorum on issues being voted on by the one combination of voters shall not interfere with passing resolution on issues to be voted on by another combination of voters subject to the presence of the quorum for this issue.

8.25. In case by the beginning of the General Shareholders Meeting the quorum is not present on any issue of the agenda, the General Shareholders Meeting may be postponed for a later time, but not more than for 2 (Two) hours.

In the event of absence of the quorum for holding the Annual General Shareholders Meeting, the General Shareholders Meeting should be convened again to discuss the same agenda. In the event of absence of the quorum for holding the Extraordinary General Shareholders Meeting, the General Shareholders Meeting may be held again to discuss the same agenda.

The repeated General Shareholders Meeting is legally qualified (quorum is present), if the shareholders owning jointly not less than 30 (Thirty) per cent of voting shares of the Company participated in the Meeting.

8.26. In order to provide the Company's shareholders with the opportunity to get answers to their questions, the Company shall ensure, to the extent possible, presence at the General Shareholders Meeting held by joint presence of the General Director, members of the Board of Directors, Internal Audit Committee (Internal Auditor), auditor's representatives, as well as the candidates in case the General Shareholders Meeting is to elect the Board members, General Director and approve the auditor.

8.27. Resolutions at the General Shareholders Meeting shall be passed by voting according to the principle of "one voting share - one vote", except for election of the Board of Directors by the cumulative voting.

8.28. Additional requirements to the procedure of holding the General Shareholders Meeting, its form and manner of drafting the documents for the General Shareholders Meeting shall be set forth by the laws of the Russian Federation and Regulation on the General Shareholders Meeting of the Company.

## **Article 9. THE BOARD OF DIRECTIONS OF THE COMPANY**

9.1. The Board of Directors guides the Company's strategic management, monitors performance of the sole executive body, determines main principles and approaches to organization of the risk management and internal control systems and implements other key functions, except for the issues falling into the competence of the General Shareholders Meeting as defined by applicable laws of the Russian Federation and this Charter.

9.2. The following issues fall within the competence of the Board of Directors:

1) convocation of the Annual and Extraordinary General Shareholders Meetings except for the cases provided for by Item 8 of Article 55 of the Federal Law "On Joint Stock Companies";

2) approval of the agenda of the General Shareholders Meeting;

3) determination of the date to complete (determine) a list of persons entitled to participate in the General Shareholders Meeting and other issues falling into the competence of the Board of Directors in accordance with the provisions of Chapter VII of the Federal Law "On Joint Stock Companies" and related to preparation and holding of the General Shareholders Meeting;

4) election of the General Director and early termination of his/her powers (except for the cases set forth by the Federal Law "On Joint Stock Companies");

5) preliminary approval of annual reports of the Company;

6) placement of bonds (except for placement of bonds converted into shares) and other issued securities except for the shares, in cases set forth by the Federal Law "On Joint Stock Companies";

7) approval of a resolution on issue of equity securities and issue prospectus as well as amendments of additions hereto;

8) determination of the price (monetary value) of property, price of placement and repurchase of issued equity securities in cases provided for by the Federal Law

"On Joint Stock Companies";

9) purchase of shares, bonds and other securities placed by the Company in cases provided for by the Federal Law "On Joint Stock Companies";

10) approval of the report on results of acquisition of shares purchased in accordance with Item 1 of Article 72 of the Federal Law "On Joint Stock Companies";

11) determination of the amount of remuneration to be paid to an auditor;

12) recommendations to the General Shareholders Meeting on the amount of dividend on shares and the procedure of payment thereof;

13) use of the reserve fund and other Company's funds;

14) approval of the Dividend Policy of the Company, Regulation on the Corporate Secretary, Risk Management and Internal Control Policy, The Code of Ethics, Anti-Fraud and Anti-Corruption Policy (Anti-Corruption Policy), and other documents, which approval falls within the competence of the Company's Board of Directors in accordance with the laws and this Charter;

15) establishment and liquidation of branches, opening and closing of representative offices of the Company;

16) passing resolutions on consent to execution or further approval) of transaction in cases provided for by Chapter XI of the Federal Law "On Joint Stock Companies";

17) passing resolutions on consent to execution or further approval) of major transactions in cases provided for by the Federal Law "On Joint Stock Companies";

18) approval of the Company's registrar, terms and conditions of its contract, as well as termination of such contract;

19) passing resolution on audit of financial and economic activity of the Company at any time;

20) making decision on giving consent to concluding transactions related to disposal by the Company of shares and participatory interests in the charter capital of Company's subsidiaries being subsoil users except for the cases when such transactions are made with legal entities belonging to the same group as the Company in accordance with applicable laws of the Russian Federation and being under Company's control in accordance with International Financial Reporting Standards;

21) determining priority goals of the Company's activities, including approval of long-term development plans and (or) annual Business-Plans (Budgets) as well as amendments to these documents, approval of increase of capital expenditures for (i) more than 20 (Twenty) per cent from the amount of capital expenditures as defined by the long-term development plan for a respective year, or (ii) more than 15 (fifteen) per cent from the amount of capital expenditures as defined by the Business-Plan (Budget) for a respective year depending on which document containing the amount of capital expenditures (long-term Development Plan or Business-Plan (Budget)) was approved by the Board of Directors last;

22) making decision on giving consent to undertaking actions related to acquisition by the Company, including acquisitions via bids, of a license for subsoil

use (geological study, exploration and production of hydrocarbons) of the value exceeding USD 200,000,000 (Two hundred million) (or equivalent amount in other currencies as per the current exchange rate); such price includes state duty for license issue, advance payment, single payment for subsoil use based on bid's results and other license related payments stipulated by authorized agency and (or) set forth in applicable laws;

23) making decision on giving consent to undertaking actions related to waiver by the Company of a license for subsoil use (geological study, exploration and production of hydrocarbons);

24) making decision on giving consent to undertaking actions related to re-issuance by the Company or its subsidiaries of a license for subsoil use (geological study, exploration and production of hydrocarbons) except for the cases when such actions are undertaken in favor of the Company and (or) legal entities belonging to the same group as the Company in accordance with applicable laws of the Russian Federation and being under Company's control in accordance with International Financial Reporting Standards;

25) making decision on giving consent to conclusion by the Company or its subsidiaries of partnership agreements, profit sharing agreements or royalty or other agreements of such type which set forth that income or profit of the Company (or its subsidiary) will be or could be divided between any other persons beyond its shareholders (participants);

26) making decision on giving consent to concluding a transaction which will result in net debt to EBITDA ratio in a respective period calculated based on Company's IFRS statements to be more than 3.0;

27) making decision on giving consent to concluding transactions entered by the Company (its subsidiary) relating to acquisition, disposal and/or possible disposal of intellectual property (inventions, useful models, industrial samples, know-how) regardless the amounts of transactions (except for the transactions concluded with legal entities belonging to the same group as the Company in accordance with applicable laws of the Russian Federation and being under Company's control in accordance with International Financial Reporting Standards);

28) making decision on giving consent to concluding a transaction or a number of inter-related transactions relating to disposal (sale, transfer etc.) or lease of Company's assets in whole or in part (including non-current assets among them assets under financial lease agreements) of the value exceeding USD 125,000,000 (One hundred twenty-five million) (or equivalent amount in other currencies as per the current exchange rate) based on Company's IFRS statements for the first 6 months or 1 calendar year except for (i) transactions made in connection with sale of crude oil or mixed condensate in the course of usual business, (ii) transactions made with legal entities belonging to the same group as the Company in accordance with applicable laws of the Russian Federation and being under Company's control in accordance with International Financial Reporting Standards), and (iii) transactions made for the purpose of implementation of the approved long-term development plan and (or) annual Business-Plan (Budget) of the Company;



29) appointment and early termination of powers of the Corporate Secretary and assessment of his/her performance;

30) election of the Internal Audit Committee (Internal Auditor), approval of the fee amount to be paid to the members of the Internal Audit Committee (Internal Auditors) and early termination of his/her powers;

31) control over the corporate governance practices in the Company, including assessment of corporate governance practices, development of proposals to improve such practices and recommendations to amend the Charter and internal documents of the Company accordingly;

32) making decision on giving consent to concluding the contracts specified in Clause 5.25 hereof;

33) control over establishment and functioning of the effective risk management system and internal control system including definition of the risk level acceptable for the Company (risk-appetite);

34) making decision on execution of the preemptive right or giving consent to refuse of the Company to execute the preemptive right provided for in Clause 5.21. hereof;

35) making decision on giving consent to concluding the transactions related to the Company's disposal of shares, participatory interest in the charter capital of its subsidiaries in cases not provided for in Clause 9.2. (20) hereof;

36) other issues stipulated by the Federal Law "On Joint Stock Companies" and this Charter.

9.3. Issues falling into the competence of the Board of Directors shall not be transferred for resolution of the General Director.

9.4. Members of the Board of Directors shall be elected by the General Shareholders Meeting for the period until the next Annual General Shareholders Meeting.

In case the Annual General Shareholders Meeting wasn't held on dates provided for by Item 1 of Article 47 of the Federal Law "On Joint Stock Companies", the powers of the Board of Directors shall terminate except for the power to prepare, convene and hold the Annual General Shareholders Meeting.

In case the term of powers of the Board of Directors expired and the Annual General Shareholders Meeting failed to elect the number of the Board Members required to constitute the quorum for holding the Board Meeting as defined by Clause 9.16 of the present Charter, powers of the previous Board of Directors shall terminate except for the power to prepare, convene and hold the General Shareholders Meeting.

9.5. Physical person only may become a Board member.

9.6. The number of members of the Board of Directors shall be determined by the Resolutions of the General Shareholders Meeting in accordance with the Federal Law "On Joint Stock Companies". In case the General Shareholders Meeting made no resolution on the number of members of the Board of Directors, the Board of Directors shall be elected by the General Shareholders Meeting in membership of 5 (Five) members.

Members to the Board of Directors shall be elected by the cumulative voting. At this respect, number of votes held by each shareholder shall be multiplied by the number of persons to be elected to the Board of Directors of the Company and a shareholder shall be entitled to give all votes obtained in such way to one candidate or distribute them between two or more candidates.

Those candidates who win the majority of votes shall be deemed elected to the Board of Directors.

9.7. The resolution of the General Shareholders Meeting on early termination of powers of the Board of Directors shall be passed with respect to all Board Members only.

In case powers of all Board members are terminated before their term of office expires and the General Shareholders Meeting failed to elect the number of the Board members required to constitute the quorum for holding the Board Meeting as defined by Clause 9.16 of the present Charter, powers of the previous Board of Directors shall terminate except for the power to prepare, convene, and hold the General Shareholders Meeting.

9.8. In the event that the number of Board members becomes less than the number constituting quorum as specified in Clause 9.16 of the Charter, the Board of Directors shall pass resolution on holding the Extraordinary General Shareholders Meeting to elect the new Board of Directors. Remained Board members shall be entitled to pass resolution only on convocation of the Extraordinary General Shareholders Meeting.

9.9. The Chairman of the Board of Directors shall be elected by members of the Board of Directors from among their number by the majority of votes of all members of the Board of Directors; at this respect, votes of the Former Board Members shall not be taken into account.

9.10. The Board of Directors shall be entitled to re-elect its Chairman at any time by the majority of votes of all Board members; in this respect, votes of the Former Board Members shall not be taken into account.

9.11. The Chairman of the Board of Directors shall organize work of the Board of Directors, convene Board Meetings and preside over these Meetings; organize recording of the Minutes of the Meetings and preside over the General Shareholders Meeting; certify copies and extracts from the Minutes of the Board Meetings and General Shareholders Meetings of the Company.

The Chairman of the Board of Directors carries out strategic planning of Company's development; approves the most important organizational, management, operational and staff issues of the Company during the periods between Board Meetings; nominates a candidate for the position of the General Director to be approved by the Board of Directors.

9.12. In the event of absence of the Chairman of the Board of Directors, his/her duties shall be carried out by one of the Board members authorized by the Chairman of the Board of Directors or appointed by the Board of Directors.

9.13. Board Meetings shall be convened by the Chairman of the Board of Directors.

The first Meeting to take place after election of the new Board of Directors

shall be convened by the Company's General Director or Corporate Secretary of the Company at their own initiative.

Any member of the Board of Directors as well as the Internal Audit Committee (Internal Auditor), auditor of the Company, General Director or shareholders (shareholder) jointly owning no less than 2% (Two) of the Company's voting shares, shall be entitled to request the Chairman of the Board of Directors to convene a Board Meeting and propose the agenda for the Meeting. The Chairman of the Board of Directors must take a decision on the convocation of such Board of Directors Meeting within 7 (Seven) days after the receipt of the request. The Board Meeting to be convened at request of the persons specified in this Clause, shall be held within 30 (Thirty) days following the receipt of the corresponding request, unless the request indicates a later date for holding the Board Meeting.

The Chairman of the Board of Directors shall not be entitled to change or exclude any items from the proposed agenda save for the cases where the suggested issues do not fall into the competence of the Board of Directors. If the Meeting is called upon the request of a person other than the acting member of the Board of Directors, then the Chairman of the Board of Directors shall notify such person(s) of a Board Meeting according to the procedure stipulated for sending notification on holding a Board Meeting of the Company.

The Board Meeting shall be held at the location of the Company, unless otherwise decided at its convocation.

Board Meetings shall be conducted not less than 4 (Four) times per annum with time intervals not exceeding 6 (Six) months.

Meetings of the Board of Directors shall be held by joint presence or absentee voting.

During the Board Meeting of the Company, the Board members may cast their votes by filling-in the voting ballots. During the absentee Board Meeting of the Company, the Board members may cast their votes on the agenda items only by filling-in the voting ballots.

The Chairman of the Board of Directors shall inform Board members on the Board Meeting not later than 14 (Fourteen) days prior to the date of the Meeting.

In case the term specified herein is violated, the Board Meeting may be held provided that all Board members would participate. The notification on the Board Meeting shall include the following details: place, date, time and agenda of the Meeting.

The Chairman of the Board of Directors shall notify the Board members of the Company on the Board Meeting by the means specified in the Regulation on the Board of Directors of the Company.

9.14. At determining about presence of the quorum and summarizing the results of voting on agenda written opinion of an absent Board member shall be taken into account provided that the Company received such written opinion prior to the beginning of the Board Meeting. The written opinion shall be attached to the Minutes of the Board Meeting.

9.15. A resolution of the Board of Directors may be passed by absentee voting.

The issues of convening and holding the Board Meetings as well as the procedure for passing resolutions by absentee voting may also be defined by the Regulation on the Board of Directors.

In addition to the information specified in Clause 9.13 hereof, the notice on the absentee Board Meeting shall include the following details:

- voting issues;
- deadline of voting ballots receipt;
- address of voting ballots receipt.

The voting ballots and other information (materials) shall be sent to the Board members by registered letters or other mail, or DHL, UPS or other first-class international courier service, or via e-mail, or handed over against signature, no later than 14 (Fourteen) days prior to the Meeting date.

The voting ballots may be prepared in Russian and (or) in English languages, but the Russian text version shall prevail.

In case if the Meeting is to be held in the form of absentee voting, the issues of the agenda may be discussed by telephone or video conference, by sending a registered letter or by fax. The member of the Board of Directors who did not participate in the telephone or video conference may attach his opinions regarding the agenda issues to the filled-in voting ballot.

The Meeting of the Board of Directors in the form of absentee voting shall be deemed held on the last date when the filled-in voting ballots are due to be received by the Company.

9.16. The quorum to conduct the Board Meeting is physical presence of and (or) presence of a written opinion/voting ballots (in Russian and in English languages) from more than a half of the Board members as defined by resolution of the General Shareholders Meeting; in case the General Shareholders Meeting made no resolution on the number of Board members, it should be more than a half of Board members as defined by this Charter.

The Board members registered for participation in the physical Board Meeting or those who submitted written opinions or correctly filled-in voting ballots shall be deemed to have participated in such Meeting. In case a Meeting is to be held in the form of absentee voting, the Board members who's duly filled-in voting ballots (in Russian and in English languages) are received prior to the deadline for the receipt of the voting ballots shall be deemed to have participated in the Meeting.

9.17. Resolutions of the Board of Directors shall be passed by the majority of votes of the Board members (the votes of the Former Board members shall not be taken into account) except for those issues to make resolutions on which pursuant to the Federal Law "On Joint Stock Companies", this Charter and/or Regulation on the Company's Board of Directors it is required to have more votes.

Resolutions on the issues indicated in Sub-clauses 7, 18, 20-28 of Clause 9.2 of the present Charter shall be passed by the Board of Directors by the unanimity of votes of all Board members (excluding votes of the Board members who withdrew).

The resolution on consent to execution or further approval) of an interested-party transaction shall be passed by the majority of votes of the Board members not

interested in such transaction. In case the number of not interested Board members is less than the quorum for holding the Board Meeting as defined by this Charter, the resolution on this issue shall be passed by the General Shareholders Meeting.

Resolutions passed by the Board of Directors become effective from the date of the Board Meeting, unless otherwise specified in the resolution of the Board of Directors.

The Board of Directors may determine the validity period of the resolutions which were passed at the Board of Meeting.

9.18. At passing resolutions at the Board Meeting each Board member shall have one vote.

It shall not be allowed to assign the voting right from a Board member to another person including another Board member.

In the event of the tied vote of Board members at passing resolutions, the Chairman of the Board shall have a casting vote.

9.19. Minutes of the Board Meeting shall be recorded by the Corporate Secretary of the Company. Minutes of the Board Meeting held in the form of joint presence shall be made not later than 15 (Fifteen) business days following the date of the Meeting. The Minutes of the Board Meeting held in absentee form shall be made not later than 5 (Five) business days following the date of the Meeting. Minutes of the Board Meeting shall be signed by the Chairman of the Meeting. Documents approved by the Board of Directors as well as notes of dissenting opinion of the Board members (if any) shall be attached to the Minutes.

9.20. Minutes of the Board Meetings shall be prepared in duplicate, one copy in Russian and one copy in English. In case of discrepancies between the English and the Russian versions of the Minutes of the Board Meeting, the Russian version shall prevail.

9.21. A member of the Board of Directors shall inform without delay the Board of Directors through the Chairman of the Board of Directors or the Corporate Secretary about the fact of conflict of interests between his interests and the Company's interests, and specify the grounds of such conflict. Members of the Board of Directors may not participate in decision-making in case of conflict of interests.

## **Article 10. SOLE EXECUTIVE BODY OF THE COMPANY**

10.1. The administration of daily operations of the Company shall be conducted by the sole executive body of the Company – General Director. The General Director shall report to the Board of Directors and General Shareholders Meeting.

10.2. The General Director shall act on behalf of the Company without a power of attorney and shall have the following authorities:

- 1) to conduct day-to-day management of Company's operations;
- 2) to have the primary authority to sign financial documents;
- 3) to represent Company's interests both in the Russian Federation and abroad;

- 4) to issue power of attorney on behalf of the Company;
- 5) to ensure maintenance of accounting records and statistical record of the Company; to be personally liable for their maintenance;
- 6) to issue orders and give instructions binding upon all employees of the Company;
- 7) to hire, move and dismiss employees of the Company, to stimulate and impose disciplinary sanctions on them;
- 8) to ensure good and safe labor conditions for Company's employees and compliance with the requirements of environmental regulations; to be liable for safety and health conditions;
- 9) to approve internal documents of the Company including staff list, staff arrangement, organizational structure, internal code of labor conduct, regulation on labor compensation and regulation on bonuses;
- 10) within his/her competence, to ensure compliance of Company's operations with the laws;
- 11) within his/her competence, to make decisions on allocation of Company's funds and reserves;
- 12) to run the preparation and submission of annual accounting statements and annual reports on Company's operations to the Board of Directors;
- 13) to ensure fulfillment of Company's obligations to the budget, other governmental agencies and counterparties under business contracts;
- 14) to make decisions on commencing a suit or laying a claim to legal entities and physical persons and on satisfaction of claims made in relation to the Company;
- 15) to strictly supervise reasonable and economical use of material, labor and financial resources;
- 16) to be liable for arrangement of works and creation of conditions for protection of the state secret in the Company;
- 17) within his/her competence, to conduct any civil transactions:
  - interested-party transactions concluded in accordance with Chapter XI of the Federal Law "On Joint Stock Companies";
  - major transactions concluded in accordance with Chapter X of the Federal Law "On Joint Stock Companies";
  - other transactions requiring consent to execution or approval by the Board of Directors or General Shareholders Meeting as per the provisions of the present Charter.
- 18) to carry out other functions required to accomplish Company's goals and ensure Company's normal operations in accordance with applicable laws of the Russian Federation and this Charter except for the functions assigned to other management bodies of the Company by the Federal Law "On Joint Stock Companies" and the present Charter.

10.3. Rights and obligations, terms of payment, and the amount of remuneration to the General Director shall be set forth in the contract concluded by the General Director with the Company. On behalf of the Company the contract shall be signed by the Chairman of the Board of Directors or other person authorized by

the Board of Directors.

10.4. The General Director shall be elected for a 3 (Three) year term.

Powers of the General Director shall stay in force from the date of his/her election by the Board of Directors to the date of election of a new General Director of the Company.

10.5. The General Director shall abstain from actions which will or may result in a conflict of interests between him/her and the Company. In case such conflict arises, the General Director shall inform the Board of Directors thereof in a reasonable period of time.

10.6. The General Director may not serve on management bodies of any other legal entities without prior approval of the Board of Directors.

10.7. The General Director may be the member of the Board of Directors. The General Director may not be the Chairman of the Board of Directors at the same time.

10.8. The General Director shall be responsible for implementing the decisions of the General Shareholders Meeting and the Board of Directors and making such periodic reports and recommendations to the General Shareholders Meeting and the Board of Directors as the Board of Directors may require. The General Director shall be obliged to inform the Board of Directors without delay of any matters of fundamental or substantial significance and shall inform regularly on the conduct of business and the state of affairs in the Company.

## **Article 11. CORPORATE SECRETARY OF THE COMPANY**

11.1. Appointment and early termination of the powers of the Corporate Secretary falls into the competence of the Board of Directors. The Corporate Secretary shall be accountable to and report to the Board of Directors.

The Corporate Secretary is appointed by the Board of Directors for an unlimited period of time (on a perpetual basis). The powers of the Corporate Secretary at office at the date of this Charter's approval are recognized as termless without additional resolution of the Board of Directors.

The Corporate Secretary shall have the knowledge necessary for execution of his/her duties, enjoy confidence of the shareholders and Board members and have clean reputation. The Corporate Secretary shall have higher legal education and at least 3 (Three) years of service experience in corporate law or leadership.

The competence of the Corporate Secretary as well as the procedure for appointing and terminating his/her powers, functions, rights, duties and other issues may be set out in the Regulation on the Corporate Secretary of the Company.

11.2. The Corporate Secretary shall perform the following duties (included without limitation to):

- To ensure preparation and holding of the General Shareholders Meetings in accordance with the requirements of the laws, Charter and other internal documents of the Company;
- To ensure preparation and holding of the Board Meetings in accordance with the requirements of the laws, Charter and other internal documents of the Company;

- To help Board members at execution of their duties;
- To ensure supervision over the disclosure (furnishing) of information about the Company and storage of the Company's documents; to certify and provide copies of Company's documents;
- To ensure due consideration of shareholders' requests by the Company and facilitate settlement of disputes among shareholders;
- To convene Meetings of the Board of Directors during the period from election of the Board of Directors to election of the Chairman of the Board of Directors (if required);
- To ensure interaction between the Company and the state authorities, Company's registrar, other professional participants of the securities market within his/her competence;
- To participate in improvement of the system and practices of the Company's corporate governance;
- Other duties stipulated by the laws of the Russian Federation, this Charter, and internal provisions of the Company.

11.3. The bodies and officers of the Company must render assistance to the Corporate Secretary at execution of his/her duties.

11.4. The Corporate Secretary shall in reasonable time inform the Chairman of the Board of Directors on all facts preventing from observation of procedures which shall be ensured by the Corporate Secretary (actions or inactions of Company's officers, Company's registrar, other facts breaking the procedure of preparation and holding of the General Shareholders Meeting, Board Meeting and disclosure (furnishing) of information).

11.5. The Corporate Secretary of the Company shall ensure effective current interaction with the shareholders, Company's coordination in protection of the rights and interests of shareholders, and support of the efficient activity of the Board of Directors.

11.6. The Corporate Secretary of the Company shall be entitled to sign the extracts from the minutes of the Board Meeting, General Shareholders Meeting and certify copies of the Minutes and extracts from the Minutes of Board Meetings, General Shareholders Meetings, Company's Charter, certificates and internal documents.

## **Article 12. RESPONSIBILITY OF BOARD MEMBERS AND SOLE EXECUTIVE BODY OF THE COMPANY**

12.1. At exercising their rights and executing their duties Board members and the General Director shall act reasonably and in good faith to the benefit of the Company and its shareholders based on sufficient awareness and with due care and diligence.

12.2. Board members and the General Director shall be liable to the Company for losses incurred by the Company due to their faulty actions (inactions), unless it is proved that at exercising their rights and executing their obligations they acted



unreasonably and in bad faith as well as their actions (inactions) did not conform to the ordinary conditions of the civil turnover or ordinary business risk. In this respect, Board members who voted against the decision resulted in losses of the Company or its shareholders, or Board members not participated in the voting, shall not be held liable.

12.3. The Company or shareholder(s) owning jointly not less than 1 (One) per cent of ordinary Company's shares shall be entitled to take legal actions against a Board member or General Director to reimburse for losses incurred by the Company in cases provided for by Item 2 of Article 71 of the Federal Law "On Joint Stock Companies".

### **Article 13. DIVIDENDS**

13.1. The dividend is a part of net profit (including profit of previous years) of the Company distributed among shareholders in proportion to the number of owned shares of the relevant category and type.

13.2. The Company shall be entitled to make a decision (to declare) on payment of dividends on outstanding shares subsequent to the results of the first quarter, six months, nine months and (or) reported year, unless otherwise provided for by the Federal Law "On Joint Stock Companies".

The decision on dividend payment (declaration) shall be taken by the General Shareholders Meeting. This decision shall determine the amount of dividend on shares of each category (type), payment form, and the date for determination of the persons entitled to receive dividends. In this respect, the decision on setting the date for determination of the persons entitled to receive dividends, shall be taken only at the suggestion of the Board of Directors of the Company.

13.3. The date of determination of the persons entitled to receive the dividends in accordance with the decision on dividend payment (declaration), shall not be set earlier than 10 (Ten) days following the date of the decision on dividend payment (declaration) and no later than 20 (Twenty) days following the date of such decision.

13.4. The dividend shall be paid in cash.

13.5. The procedure for and schedule of dividend payment are defined by the applicable laws of the Russian Federation, this Charter and the Dividend Policy of the Company.

13.6. At making the decision (declaration) on dividend payment the Company is obliged to follow limitations set forth by federal laws and the Dividend Policy of the Company.

### **Article 14. COMPANY'S FUNDS. ACCOUNTANCY AND REPORTING**

14.1. The reserve fund in the amount of 5 (Five) per cent of the charter capital shall be established in the Company.

The amount of annual allocations to the reserve fund shall be 5 (Five) per cent

of the Company's net profit subsequent to the results of a reported year. These allocations shall be made until the reserve fund has reached the amount provided for by the present Charter.

14.2. The authenticity of information contained in annual reports on Company's operations and annual accounting (financial) statements shall be confirmed by the Internal Audit Committee (Internal Auditor).

In order to confirm annual accounting (financial) statements, the Company shall be obliged to engage an auditor having no property relations with the Company, Board members or shareholders. Annual reports on Company's operations are subject to preliminary approval by the Board of Directors not later than 30 (Thirty) days prior to the date of the Annual General Shareholders Meeting.

### **Article 15. INTERNAL AUDIT COMMITTEE (INTERNAL AUDITOR)**

15.1. Supervision over the financial and economic activity of the Company shall be exercised by the Internal Audit Committee (Internal Auditor). Operating procedure of the Internal Audit Committee (Internal Auditor) is set forth by internal document approved by the General Shareholders Meeting.

15.2. The Internal Audit Committee (Internal Auditor) shall be elected by the Board of Directors for the period until the next Annual General Shareholders Meeting.

In case the Board of Directors resolved to elect the Internal Audit Committee, the Internal Audit Committee shall consist of 3 (Three) members.

15.3. Powers of the Internal Audit Committee (Internal Auditor) may be preliminarily terminated by the decision of the Board of Directors.

15.4. Physical person only may become a member of the Internal Audit Committee (Internal Auditor). The member of the Internal Audit Committee (Internal Auditor) may not be a Board member or hold other offices in the Company's management bodies at the same time.

15.5. The competence of the Internal Audit Committee (Internal Auditor) includes:

- verification of financial documents of the Company, accounting (financial) statements, reports of inventory commission and comparison of these documents with the primary accounting;
- analysis of accuracy and fullness of accounting, tax, administrative and statistical records;
- analysis of the financial condition of the Company, its solvency, liquidity of assets, debt to equity ratio and net assets to charter capital ratio; revealing the reserves of improvement of the economic condition of the Company; making recommendations to the Company's management bodies;
- verification of timeliness and accuracy of payments to suppliers of goods and services, payments to budget and non-budget funds, accruing and payment of dividends, interests on bonds and repayment of other liabilities;
- confirmation of the authenticity of data contained in annual reports of the

Company, annual accounting (financial) reports, reports filed to tax and statistical authorities and state agencies;

- verification of authority of the sole executive body of the Company (General Director) to conclude the contracts on behalf of the Company;
- verification of authority of resolutions passed by the Board of Directors, sole executive body of the Company (General Director) and liquidating commission (liquidator) and their compliance with this Charter and resolutions of the General Shareholders Meeting;
- review of the resolutions of the General Shareholders Meeting to verify their compliance with the laws and this Charter.

15.6. The Internal Audit Committee (Internal Auditor) shall be entitled:

- to demand explanation from Board members, Company's employees, including any officers, on issues within the competence of the Internal Audit Committee (Internal Auditor);
- to raise a question to management bodies about the responsibility of Company's employees including officers, in case they violate the provisions of this Charter, regulations, rules and guidelines applied by the Company; and
- engage specialists on a contractual basis not holding offices in the Company.

15.7. The audit of financial and economic activity of the Company shall be conducted subsequent to the results of Company's operations for a year as well as at any time on the Internal Audit Committee's (Internal Auditor's) initiative, as per the resolution of the General Shareholders Meeting and the Board Meeting or as requested by a shareholder(s) owning not less than 10 (Ten) per cent of Company's voting shares in the aggregate.

Based on the results of financial and business activities of the Company, the Internal Auditing Committee (Internal Auditor) drafts a report which shall contain the following information:

- statements confirming the correctness of data contained in the reports and other financial documents of the Company;
- information about the facts of violating the accounting procedure and the order of submitting accounting (financial) statements stipulated by the statutory acts of the Russian Federation, as well as statutory acts of the Russian Federation in the course of conducting financial and business activities.

The reports of the Internal Auditing Committee (Internal Auditor) subsequent to verification of the financial and business activities of the Company shall be submitted to the Board of Directors for review.

15.8. Upon the request of the Internal Audit Committee (Internal Auditor) persons holding offices in management bodies of the Company shall be obliged to provide documents on financial and economic activity of the Company.

The indicated documents shall be submitted within 3 (Three) business days following the date of the receipt of a written request.

15.9. The Internal Audit Committee (Internal Auditor) shall be entitled to demand convocation of the General Shareholders Meeting in accordance with the

procedure set forth by Article 55 of the Federal Law "On Joint Stock Companies" and this Charter.

15.10. The Internal Audit Committee (Internal Auditor) shall be entitled to demand convocation of the Board Meeting. Chairman of the Board of Directors may not deny convening the Board Meeting when requested by the Internal Audit Committee (Internal Auditor).

15.11. The members of the Internal Audit Committee (Internal Auditor) are financially liable to the Company for the damages caused by the disclosure of the data regarded as confidential information, business and/or commercial secret of the Company.

## **Article 16. SUBMISSION OF INFORMATION TO SHAREHOLDERS BY THE COMPANY**

16.1. The Company shall maintain and provide the documents set forth in Item 1 of Article 89 of the Federal Law "On Joint Stock Companies" and this Charter to shareholders at the Company's location during regular business hours. The shareholder(s) owning in the aggregate not less than 25 (Twenty-five) per cent of Company's voting shares shall have an access to accounting documents.

16.2. Documents provided for by Item 1 of Article 89 of the Federal Law "On Joint Stock Companies" should be furnished by the Company at the location of the Company's executive body within 7 (Seven) business days following the date of the request.

The Company must, at the request of persons entitled to have an access to the documents provided for by Item 1 of Article 89 of the Federal Law "On Joint Stock Companies", furnish copies of the indicated documents to these persons. Payment collected by the Company for these copies may not exceed the cost of their manufacturing.

The Company must ensure access to the available judicial acts on a dispute related to establishment of the Company, its administration or participation in it, including judgment on commencement of proceedings and note of a claim or change in cause of action or subject of the previous claim. Such requirement extends also to the resolutions and rulings of the referee court on the disputes related to establishment of the Company, its management or participation in the Company. The indicated document shall be furnished by the Company in premises of the Company's executive body within 3 (Three) days from the date of the shareholder's request. The Company must provide a shareholder with copies of the indicated documents at shareholder's request. Payment collected by the Company for these copies may not exceed cost of their manufacturing.

16.3. If a shareholder of the Company is unable to review the information and materials at the Company's location, the Company upon the written request of the shareholder not later than 20 (Twenty) days from the date of receipt of the request shall send their copies to the address specified in the Company's shareholders' register. In such case the Company is entitled to issue invoice to the shareholder for

the amount of actual expenditures incurred for making the copies of documents and sending the relevant materials.

## **Article 17. INTERESTED-PARTY TRANSACTIONS. MAJOR TRANSACTIONS**

17.1 An interested-party transaction is a transaction which involves interest of a Board member, General Director, a controlling person of the Company or a person entitled to give binding instructions to the Company.

The indicated persons are deemed to be interested in concluding the transaction by the Company in cases if themselves, their spouses, parents, children, siblings, half-siblings, adoptive parents, adopted children, and/or persons (entities) under their control act as below:

- constitute a party, beneficiary, intermediate agent or representative in the transaction;
- constitute a controlling person of the legal entity which is a party, beneficiary, intermediate agent or representative in the transaction;
- occupy positions in the management bodies of the legal entity which is a party, beneficiary, intermediate agent or representative in the transaction, as well as positions in management bodies of the managing company of such legal entity.

A controlling person is a person possessing the right to directly or indirectly (through his/her controlled persons) dispose of 50 (Fifty) per cent of votes in the supreme management body of the controlled entity or the right to appoint (elect) the sole executive body, and (or) more than 50 (Fifty) per cent of the collegial management body of the controlled entity by virtue of his/her participation in the controlled entity, and (or) based on the contracts of fiduciary property management agreements, and (or) partnership agreement, and/or assignments, and/or shareholding agreement, and (or) any other agreement which subject is execution of the rights certified by shares (participatory interest) of the controlled entity. Controlled entity (controlled organization) is a legal entity which is under direct or indirect control of the controlling entity.

17.2. The persons indicated in paragraph 1 of Clause 17.1 of this Charter within 2 (Two) months following the date when they became aware or were to become aware of the circumstances resulting in the situation that they might be recognized interested in concluding the transaction by the Company, must notify the Company about the following:

1) about legal entities in respect of which themselves, their spouses, parents, children, siblings, half-siblings, adoptive parents, adopted children, and (or) their controlled entities are the controlling persons or possess the right to give binding instructions;

2) about legal entities in which themselves, their spouses, parents, children, siblings, half-siblings, adoptive parents, adopted children, and/or their controlled persons hold positions;

3) about current transactions or proposed transactions known to them under

which they may be recognized as interested persons.

17.3 To be concluded, an interested-party transaction does not require any mandatory prior consent of the Board of Directors or the General Shareholders Meeting.

The Company shall notify about an interested-party transaction the Company's Board members who are not interested in concluding such transaction and the Company's shareholders pursuant to the procedure prescribed for notifying about the Meeting of the Board of Directors or for notifying about the General Shareholders Meeting, accordingly. Notification mentioned in this paragraph shall be signed by the General Director of the Company or the Chairman of the Company's Board of Directors.

Such notification shall be sent not later than 20 (Twenty) days prior to the date of concluding the interested-party transaction and shall indicate the person (persons) being the party (parties) thereto, beneficiary (beneficiaries), the price, the subject of such transaction and other material conditions or the procedure for their identification, as well as the person (persons) who is (are) interested in concluding the transaction, and the grounds on which such interested person (each person) is recognized as such.

In compliance with the Federal Law "On Joint Stock Companies" and this Charter, upon the request of the General Director, a member of the Board of Directors or a shareholder (shareholders) owning not less than 1 (One) per cent of the Company's voting shares, the Board of Directors or the General Shareholders Meeting may need to give the consent to entering in an interested-party transaction prior to concluding such transaction.

17.4. An interested-party transaction may be declared null and void (Clause 2, Article 174 of the Civil Code of the Russian Federation) against the claim of the Company, a member of the Board of Directors or a shareholder (shareholders) of the Company owning in aggregate not less than 1 (One) per cent of the voting shares of the Company if it was concluded in prejudice of the Company's interests and it was proved that the counter-party to the transaction was aware or was to be aware of the fact that the transaction was an interested-party transaction for the Company, and (or) about the fact that the consent for concluding such transaction was not obtained. Although, absence of the consent to the transaction on its own terms does not constitute the grounds for such transaction to be considered null and void.

17.5. A major transaction is a transaction (several interconnected transactions) exceeding the scope of general business activity, herewith:

1) is related to acquisition, disposal or possible direct or indirect disposal by the Company of the property (including loan, credit, pledge, guarantee, acquisition of such quantity of shares or any other issued securities which are converted into the shares of public company resulting in the Company's obligation to send mandatory proposal in accordance with Chapter XI.1 of the Federal Law "On Joint Stock Companies") which price or book value is 25 (Twenty five) or more per cent of the book value of the Company's assets determined based on the accounting (financial) statements as of the last reporting date;

2) provides for the Company's obligation to transfer the property into temporary possession and (or) use or provide the third party with the right to use the result of intellectual activity or means of identification under the license conditions if their book value is 25 (Twenty five) and more per cent of the book value of the Company's assets determined based on the accounting (financial) statements as of the last reporting date.

In case of disposal or possibility to dispose of the property, the highest between the book value of such property and the price of disposal is compared to the book value of the Company's assets. In case of property acquisition, the price of acquiring such property is compared to the book value of the Company's assets.

In case of transfer of the Company's property into temporary possession and (or) use, the book value of the property transferred into temporary possession or use is compared to the book value of the Company's assets.

17.5. The Board of Directors or the General Shareholders Meeting shall give its consent (subsequent approval) to concluding major transaction pursuant to the applicable laws of the Russian Federation and this Charter.

17.6. Major transaction which was concluded in violation of the procedure for obtaining consent may be declared null and void (Article 173.1 of the Civil Code of the Russian Federation) against the claim of the Company, a member of the Board of Directors or a shareholder (shareholders) of the Company owning in aggregate not less than 1 (One) per cent of the voting shares of the Company.

## **Article 18. MISCELLANEOUS**

18.1. The Company shall ensure that originals (or notarized copies where appropriate) of the following corporate records and documents are maintained by the Company at its address set forth in Article 2.2 hereof: (i) the Charter, amendments and additions thereto which have been registered in the established manner, the decision on the establishment of the Company, and the document on the state registration of the Company; (ii) documents confirming the Company's rights to the property registered on its balance sheet; (iii) internal documents approved by the General Shareholders Meeting, the Board of Directors and other bodies of the Company; (iv) regulations of the Company's branches or representation offices; (v) annual reports; (vi) accounting documents; (vii) documents on financial reporting; (viii) Minutes of General Shareholders Meetings, Board Meetings, Internal Audit Committee (Internal Auditor), as well as documents approved by the General Director; (ix) lists of affiliated persons of the Company; (x) reports of the Auditing Committee (Internal Auditor), independent auditor of the Company, and state and municipal financial oversight bodies; (xi) documents on the Company's staff; (xii) voting ballots, powers of attorney (their copies) for participation in the General Shareholders Meeting; (xiii) reports of the appraisers; (xiv) lists of persons entitled to participate in the General Shareholders Meeting and persons entitled to receive dividends as well as other lists prepared by the Company to enable shareholders to exercise their rights in accordance with the requirements of applicable laws, and

other documents as required by applicable laws of the Russian Federation.

18.2. This Charter is a constituent document of the Company. The provisions of this Charter are binding upon all management and control bodies of the Company and the Company's shareholders. This Charter shall enter into force upon its registration carried out pursuant to the procedure stipulated by the laws of the Russian Federation,

18.3. The provisions of this Charter shall be applicable to the extent as not to contradict the laws of the Russian Federation. Should some articles and provisions of this Charter contradict the statutory acts as a result of any changes in laws of the Russian Federation, such articles and provisions cease to be in force, and shall not be applicable as far as corresponding amendments are introduced to this Charter.