

**APPROVED**

by the General Meeting of  
Shareholders of PAO Sovcomflot on  
15 June 2021  
(Minutes dated 17 June 2021)

**CHARTER OF  
PAO SOVCOMFLOT**

(new version)

Saint Petersburg  
**2021**

## **Article 1. General Provisions**

**1.1.** Public Joint-Stock Company Sovcomflot (hereinafter referred to as the “Company”) was established by Order No. 863-r of the Government of the Russian Federation dated 26 June 1995 in accordance with the legislation of the Russian Federation.

The Company is a commercial entity operating under this Charter and the laws of the Russian Federation.

## **Article 2. Name and Location of the Company**

**2.1.** The full corporate name of the Company is:  
in the Russian language – публичное акционерное общество "Современный коммерческий флот";

in the English language – PAO “Sovcomflot”.

**2.2.** The abbreviated corporate name of the Company is:

in the Russian language – ПАО "Совкомфлот";

in the English language – PAO “SCF”.

**2.3.** Location of the Company:

3a Moyka River Embankment, Saint Petersburg, 191186, Russian Federation.

## **Article 3. Legal Status of the Company**

**3.1.** The Company is a legal entity and has civil rights and obligations required to carry out any types of activity not prohibited by the laws of the Russian Federation.

**3.2.** The Company shall have a round seal containing its full corporate name in the Russian language and indicating its location. The seal may also specify the corporate name of the Company stipulated in the Charter in any other language.

The Company may have stamps and letterheads bearing its name, an emblem, a duly registered trademark, and other means of visual identification.

**3.3.** The Company is the legal successor to joint-stock commercial enterprise “Sovcomflot” in respect of all its rights and obligations.

**3.4.** The Company shall be liable for its obligations to the extent of all its property.

**3.5.** The state and its agencies shall not be liable for the obligations of the Company, nor shall the Company be liable for the obligations of the state or its agencies.

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

**3.7.** The shareholders of the Company shall not be liable for the obligations of the Company and shall bear the risk of losses related to its operations to the extent of the value of the shares held by them.

Shareholders who have not paid for their shares in full shall be jointly and severally liable for the obligations of the Company to the extent of the unpaid portion of the value of their shares.

**3.8.** For the purposes of implementation of the government’s social, economic and fiscal policy, the Company shall be responsible:

for safekeeping documents (management, financial, business, etc.);

for transferring documents which have scientific or historical value for national archiving;

for storing, safekeeping and using personnel records in accordance with the established procedure.

**3.9.** Decisions on establishment of branches, formation of representative offices of the Company and liquidation thereof, approval of their regulations and appointment of their heads shall be made by the Board of Directors of the Company. Heads of branches and representative offices of the Company shall act under a power of attorney issued by the Company.

**3.10.** The Company may have subsidiaries and affiliates established:

in the Russian Federation - under the laws of the Russian Federation;

outside of the Russian Federation - under the laws of the foreign country in which the subsidiary or affiliate is located, unless otherwise provided by the treaty between the Russian Federation and the country of location of the subsidiary or affiliate.

Subsidiaries and affiliates may only be legal entities.

**3.11.** A subsidiary or affiliate is not liable for the Company's debts.

#### **Article 4. Objectives and Types of Activity of the Company**

**4.1.** The main objectives of the Company are to:

make profit and create conditions conducive to profit-making by its subsidiaries and affiliates;

ensure increase in the market capitalisation of the Company;

develop the Company as the largest national carrier occupying a leading position in the Russian shipping industry and strategic segments of the Russian cargo base, and competitive on the international market;

promote the Company's role as a systemically important component of the Russian shipping industry, a centre of commercial excellence and training of highly qualified personnel, a source of stable employment, and a consumer of products and services of domestic enterprises.

**4.2.** The main types of activity of the Company are:

organisation of cargo and passenger transportation, acquisition and sale of vessels;

shipping brokerage;

transportation of oil and petroleum products;

sales of oil and petroleum products, including sales to the general population and delivery for export;

participation in the development and implementation of projects involving reconstruction, technical revamping and ramp-up of production at transport, oil production and refining enterprises;

carrying out foreign trade operations involving the export and import of goods, raw materials, supplies, equipment and spare parts for the transport, oil production and refining sectors;

management of subsidiaries and affiliates aimed at achievement of the Company's goals;

carrying out foreign economic activities;

other business activities not in conflict with the legislation of the Russian Federation and aimed at achievement of the Company's goals.

The Company may engage in any types of activity not prohibited by law.

Where the law provides for the licensing of a certain type of activity, the Company may carry out such activity based on a license.

The Company is engaged in activities involving the use of information constituting a state secret, performs activities and (or) provides services aimed to protect state secret based on a special permit (license), unless other requirements are stipulated by the legislation of the Russian Federation.

#### **Article 5. The Property of the Company and the Authorised Capital of the Company**

**5.1.** The property of the Company consists of fixed assets, current assets, and other assets recorded on its independent balance sheet.

The Company is the owner of its assets.

**5.2.** The sources for financial resources of the Company are its profits, proceeds from the sale of securities, loans, and other proceeds that are not in conflict with current legislation of the Russian Federation.

**5.3.** The Company is the owner of cash assets, property contributed by its shareholders, products manufactured in the course of production and business operations, intellectual property items, income received, and the property of its standalone divisions.

**5.4.** The Authorised Capital of the Company is RUB 2,374,993,201 (two billion, three hundred seventy-four million, nine hundred ninety-three thousand, two hundred and one rouble) and consists of 2,374,993,901 (two billion, three hundred seventy-four million, nine hundred ninety-three thousand, two hundred and one) ordinary share with a par value of one (1) rouble each.

**5.5.** The Authorised Capital of the Company may be increased by:

- (a) increasing the par value of its shares;
- (b) placing additional shares.

The decision to increase the Authorised Capital of the Company by increasing the par value of its shares shall be made by the General Meeting of Shareholders of the Company.

Unless otherwise required by the present Charter the decision to increase the Authorised Capital of the Company by placing additional shares within the number and categories (types) of the authorized shares shall be made by the Board of Directors, unanimously by all the members thereof, the votes of the retired members of the Board of Directors not being taken into account. The placement of shares (the equity securities of the Company convertible into shares) by means of private subscription shall only be authorized by the decision of the General Meeting of Shareholders on the increase of the Authorised Capital of the Company by means of placement of additional shares (on the placement of the issue-grade securities of the Company convertible into shares) adopted by a three-quarters majority vote of the shareholders holding voting shares, participating in the General Meeting of Shareholders.

The placement by means of public offering of ordinary shares representing more than 25% of the previously placed ordinary shares shall only be authorized by the decision of the General Meeting of Shareholders adopted by a three-quarters majority vote of the shareholders holding voting shares, participating in the General Meeting of Shareholders.

The placement by means of public offering of the equity securities convertible into ordinary shares which can be converted into the ordinary shares representing more than 25% of the previously placed ordinary shares shall only be authorized by the decision of the General Meeting of Shareholders adopted by a three-quarters majority vote of the shareholders holding voting shares, participating in the General Meeting of Shareholders.

The Authorised Capital of the Company may be increased after it has been fully paid in.

Increasing the Authorised Capital of the Company to cover losses sustained by the Company is not allowed.

**5.6.** The decision to increase the Authorised Capital by placing additional shares shall specify the number of additional ordinary shares and preferred shares of each type to be placed within the number of authorised shares of the respective category (type), the method of placement, the placement price of additional shares placed by subscription or the procedure for its determination (including while exercising the preemptive right to purchase the additional shares) or the indication that the aforementioned price or the procedure for its determination will be fixed by the Board of Directors prior to the start of the placement of shares, the method of payment for additional shares placed by subscription, and may also specify other terms of placement.

**5.7.** The Company may, and in the cases provided in the Federal Law of 26 December 1995 №208-FZ “On Joint-Stock Companies” (hereinafter – the Federal Law “On Joint-Stock Companies” must, reduce its Authorised Capital.

The Authorised Capital of the Company may be reduced in accordance with the procedure provided by current legislation of the Russian Federation and this Charter as follows:

- (a) by decreasing the par value of the shares;
- (b) by reducing the total number of shares including by means of acquiring a part of the shares by the Company.

The decision to reduce the Authorised Capital of the Company by decreasing the par value of the shares or by acquiring a part of the shares in order to reduce their total number shall be made by the General Meeting of Shareholders.

The Company may not reduce its Authorised Capital if, as a result of such reduction, its amount would become less than the minimum size of the Authorised Capital established by the Federal Law “On Joint-Stock Companies” as of the date when documents are submitted for the state registration of relevant amendments to this Charter or, if the Company must reduce its Authorised Capital, as of the date of the state registration of the Company.

**5.8.** Within 3 business days following the date of the decision to reduce its Authorised Capital, the Company shall notify of such decision the authority responsible for the state registration of legal entities and publish an announcement about the reduction of its Authorised Capital two times once a month in the media publishing information on the state registration of legal entities.

The announcement about the reduction of the Authorised Capital shall contain the information defined in the Federal Law “On Joint-Stock Companies”.

**5.9.** The Company authorises (may place) 247,269,044 (two hundred forty-seven million, two hundred sixty-nine thousand, forty-four) ordinary registered uncertified shares with a par value of one (1) rouble each for a total par value of RUB 247,269,044 (two hundred forty-seven million, two hundred sixty-nine thousand, forty-four roubles (authorised shares) in addition to the placed ordinary registered uncertified shares.

The authorised shares upon their placement confer on their holders the same rights as the placed ordinary registered uncertified shares of the Company.

## **Article 6. Funds and Net Assets of the Company**

**6.1.** The Company shall create a Reserve Fund (hereinafter – the Reserved Fund) by allocating the compulsory deductions in amount of 5 percent of its net profit on an annual basis until the amount of the Reserve Fund reaches 5 percent of the Authorised Capital of the Company.

The Reserve Fund of the Company shall be used to cover its losses and to redeem bonds and shares of the Company in the absence of other sources of funding.

The Reserve Fund may not be used for other purposes.

**6.2.** The Company may create a dedicated employee share ownership fund from net profit. The fund shall be used solely to purchase shares of the Company sold by its shareholders for subsequent allotment to Company employees.

In case the Company’s shares purchased using the employee share ownership fund are sold to employees for consideration, the proceeds shall be deposited in the fund.

**6.3.** The Company may create other funds by resolution of the General Meeting of Shareholders.

The composition, funding sources and procedure for use of each fund created by the Company shall be determined by the Board of Directors of the Company.

**6.4.** If after the end of the second reporting year or each subsequent reporting year the net asset value of the Company falls below its Authorised Capital, then during preparation for the Annual General Meeting of Shareholders the Board of Directors shall include a section on net assets in the Company’s annual report.

If the net asset value of the Company remains below its Authorised Capital after the end of the reporting year following the second or each subsequent reporting year, after the end of which the net asset value of the Company was below its Authorised Capital, including in cases provided for in Clause 7, Article 35 of the Federal Law “On Joint-Stock Companies”, the Company shall take one of the following decisions no later than six months after the end of the respective reporting year:

1) to reduce the Authorised Capital of the Company to an amount not exceeding its net asset value;

2) to liquidate the Company.

## **Article 7. Securities of the Company**

**7.1.** The Company shall place ordinary shares and may place one or more types of preferred shares, additional shares, and other equity securities.

All shares of the Company shall be registered.

Preferred shares entitle their holders to receive a fixed dividend and have priority over ordinary shares in profit distribution and in the event of liquidation of the Company.

The par value of outstanding preferred shares shall not exceed 25 percent of the Authorised Capital of the Company. The Company is not entitled to place the preferred shares the par value of which is lower than the par value of the ordinary shares.

**7.2.** Payment for additional shares of the Company placed by subscription shall be made at the price determined by the Board of Directors in accordance with Article 77 of the Federal Law “On Joint-Stock Companies”, but not lower than their par value.

**7.3.** Additional shares and equity securities of the Company placed by subscription are placed upon full payment.

**7.4.** The placement price of additional shares for the persons exercising their preemptive right to purchase shares may be lower than the placement price for other persons, but by no more than 10 percent.

The fee paid to the broker involved in the placement of additional shares of the Company by subscription shall not exceed their placement price by more than 10 percent.

**7.5.** The procedure for converting equity securities of the Company into shares shall be established by the decision on the issue of the equity securities convertible into shares and the procedure of the conversion of the preferred shares of the Company into other shares of the Company shall be established by the decision on the issue of the preferred shares in conformity with the Charter of the Company.

Placement of the Company’s additional shares within the number of authorised shares, necessary to convert the convertible into such shares equity shares placed by the Company into them, shall only be effected through such conversion.

Payment for the security shares of the Company placed by means of subscription shall be made at the price which is fixed or the procedure of determination thereof is established by the Board of Directors in conformity with the Article 77 of the Federal Law “On Joint-Stock Companies” except as provided for by the Federal Law “On Joint-Stock Companies”.

Payment for equity securities of the Company convertible into shares placed by subscription shall be made at a price not below the par value of the shares into which such securities are to be converted.

The placement price of equity securities convertible into shares for the persons exercising their preemptive right to acquire such securities may be lower than the placement price for other persons, but by no more than 10 percent.

The amount of remuneration of an intermediary participating in the placement of equity securities by subscription must not exceed 1% of the price placement of these securities.

**7.6.** The Company may place additional shares and other equity securities by subscription and by conversion. In case of an increase of the Authorised Capital of the Company on the basis of its property, the Company shall place additional shares by distributing them among shareholders.

**7.7.** The Company may acquire its placed shares pursuant to a resolution of the General Meeting of Shareholders of the Company to reduce the Company’s Authorised Capital by acquiring a part of the placed shares so as to reduce their total number.

The Company may not decide to reduce its Authorised Capital by acquiring a part of the placed shares in order to reduce their total number if the aggregate par value of the shares which remain outstanding would fall below the minimum amount of the Authorised Capital of the Company stipulated by the Federal Law “On Joint-Stock Companies”.

The Company may acquire its placed shares by decision of the Board of Directors. The Board of Directors may not make a decision on the acquisition of shares by the Company if the

aggregate par value of the outstanding shares of the Company is less than ninety percent (90%) of the Company's Authorised Capital.

**7.8.** The shares acquired by the Company pursuant to a resolution of the General Meeting of Shareholders of the Company to reduce the Authorised Capital of the Company by acquiring shares in order to reduce their total number shall be cancelled upon their acquisition.

The shares acquired by decision of the Board of Directors shall not confer voting rights, shall not be taken into consideration when counting votes, and shall not accrue dividends. Such shares shall be sold at market value within one year after their acquisition, failing which the General Meeting of Shareholders shall take a decision to reduce the Authorised Capital of the Company by cancelling such shares.

The decision on acquisition of shares shall specify the categories (types) of the shares to be acquired by the Company, the number of the shares of each category (type) to be acquired, the acquisition price, the form of payment, the period for payment and the period during which the shares will be purchased.

The period within which the shareholders' applications for the sale of their shares to the Company or the withdrawal of such applications must be received may not be less than 30 days, and the term for payment by the Company for the shares they acquire cannot be more than 15 days from the date of expiry or withdrawal of these applications. The price for purchase of shares by the Company shall be determined in accordance with Article 77 of the Federal Law "On Joint-Stock Companies".

**7.9.** Each shareholder holding shares of certain categories (types) to be acquired by decision of the Company's Board of Directors may sell, and the Company must purchase, such shares.

If the total number of shares for which applications have been received for their acquisition by the Company exceeds the number of shares that may be acquired by the Company, taking into account the restrictions set forth in this article, such shares shall be purchased from the shareholders pro rata to applications.

The Company shall give a notice to the shareholders holding shares of certain categories (types) to be acquired pursuant to the adopted decision at least 20 days prior to the beginning of the designated period for their purchase. The notice shall contain information specified in Clause 4, Article 72 of the Federal Law "On Joint-Stock Companies". Each shareholder holding shares of certain categories (types) to be acquired by decision of the Company is notified in accordance with the procedure established for notification about the General Meeting of Shareholders.

**7.10.** The Company may not acquire its placed ordinary shares:

- until the Authorised Capital of the Company has been fully paid in;
- if at the time of the acquisition the Company meets insolvency (bankruptcy) criteria as defined by legal acts of the Russian Federation on insolvency (bankruptcy) of enterprises, or will meet such criteria as a result of acquisition of these shares;
- if at the time of acquisition the net asset value of the Company is less than its Authorised Capital and Reserve Fund or becomes less than the amount thereof as a result of the acquisition of shares.

The Company may not acquire its placed shares until all shares presented for redemption in accordance with Article 76 of the Federal Law "On Joint-Stock Companies" are purchased.

**7.11.** The Company may place bonds and other equity securities as provided by legal acts of the Russian Federation related to securities.

Placement of bonds and other equity securities by the Company shall be made by decision of the Board of Directors.

Placement by the Company of bonds convertible into shares and other equity securities convertible into shares shall be made by decision of the Board of Directors.

**7.12.** Bonds may be redeemed in cash or in kind in accordance with the decision on their issuance.

## **Article 8. Rights and Duties of Shareholders Holding Shares of the Company**

**8.1.** Each ordinary share of the Company carries the same rights.

**8.2.** Pursuant to the Federal Law “On Joint-Stock Companies” and this Charter, shareholders holding ordinary shares of the Company may participate in the General Meeting of Shareholders with the right to vote on all matters within its competence, and also have the right to receive dividends and, in the event of liquidation of the Company, a part of its property.

Ordinary shares may not be converted into preferred shares, bonds or other securities.

**8.3.** Shareholders holding preferred shares of the Company may participate in the General Meeting of Shareholders with the right to vote on the matters related to reorganisation and liquidation of the Company and matters provided for in Clause 3, Article 7.2 and Article 92.1 of the Federal Law “On Joint-Stock Companies”.

**8.4.** Shareholders holding voting shares may require that the Company redeem all or any part of their shares in the event of:

adoption by the General Meeting of Shareholders of a decision on reorganisation of the Company or on consent to conclusion or subsequent approval of a major transaction involving assets worth more than 50 percent of the book value of the Company's assets, determined according to its accounting (financial) statements as of the last reporting date (including a major transaction that, at the same time, is an interested party transaction), if they voted against the decision to reorganise the Company or against the decision to consent to such transaction or to subsequently approve such transaction, or did not participate in voting on these issues;

amendments and additions to the Charter of the Company (adoption by the General Meeting of Shareholders of a decision that is the basis for amendments and additions to the Charter of the Company) or approval of the Charter of the Company in a new version restricting their rights, if they voted against the adoption of the relevant decision or did not participate in the voting;

adoption by the General Meeting of Shareholders of a decision on the issues provided for in Clause 3, Article 7.2 and Subclause 19.2, Clause 1, Article 48 of the Federal Law “On Joint-Stock Companies”, if they voted against the adoption of the relevant decision or did not participate in the voting.

**8.5.** The list of shareholders entitled to require that their shares be redeemed by the Company shall be drawn up on the basis of information contained in the list of persons entitled to participate in the General Meeting of Shareholders whose agenda includes issues the voting on which gave rise to the right to require redemption of shares and the requests presented to the Company by shareholders for the redemption of their shares.

**8.6.** The Company shall redeem the shares at the price determined by the Board of Directors, but not lower than market value to be determined by an appraiser without taking into account its change resulting from the Company's actions which triggered the right to demand valuation and redemption of shares.

**8.7.** Shares redeemed by the Company in the event of its reorganisation shall be cancelled upon redemption.

Shares redeemed by the Company in other cases provided for in Clause 1, Article 75 of the Federal Law “On Joint-Stock Companies” shall remain at the disposal of the Company. Such shares shall not confer voting rights, shall not be taken into consideration when counting votes, and shall not accrue dividends. Such shares shall be sold within one year after their redemption, failing which the General Meeting of Shareholders shall make a decision to reduce the Authorised Capital of the Company by cancelling such shares.

## **Article 9. Dividends of the Company**

**9.1.** Dividends shall be paid by the Company from net profit.

Dividends on preferred shares of specific types may be paid from the funds of the Company specially designated for this purpose.



**9.2.** The Company may decide to pay (declare) dividends on the placed shares based on the results for the first quarter, first half, nine months of the reporting year and/or the full reporting year, unless otherwise provided by the Federal Law “On Joint-Stock Companies”. The decision on the payment (declaration) of dividends based on the results for the first quarter, first half and nine months of the reporting year may be taken within three months after the end of the corresponding period. The decision on the payment (declaration) of dividends shall be taken by the General Meeting of Shareholders. Such decision shall determine the amount of dividends on the shares of each category (type), the form of payment, the procedure for payment of dividends in non-monetary form, and the record date for dividend. The decision on the record date for dividend shall be adopted only upon a proposal from the Company’s Board of Directors. The amount of dividends may not be higher than that recommended by the Company’s Board of Directors.

**9.3.** The payment date for the dividends shall be determined by resolution of the General Meeting of Shareholders on the payment of dividends in accordance with Article 42 of the Federal Law “On Joint-Stock Companies”.

**9.4.** Dividends shall be paid to the persons who held shares of the respective category (type) or were entitled to exercise rights attached to such shares in accordance with federal laws at the end of the business day on the record date for dividend determined in accordance with the resolution on the payment of dividends. The record date for dividend determined in accordance with the resolution on the payment (declaration) of dividends may not be earlier than 10 days following the date of such resolution and later than 20 days from that date.

**9.5.** The Company may not decide to pay (declare) dividends on its shares:

- until the Authorised Capital of the Company has been fully paid in;
- until the Company has redeemed all shares which must be redeemed in accordance with the provisions of Article 76 of the Federal Law “On Joint-Stock Companies”;
- if as of the date of such decision the Company meets insolvency (bankruptcy) criteria as defined by the legislation of the Russian Federation on insolvency (bankruptcy) or would meet such criteria as a result of payment of dividends;
- if as of the date of such decision the net asset value of the Company is less than the Company’s Authorised Capital and Reserve Fund and the amount by which the liquidation value of placed preferred shares exceeds their par value, or would fall below their amount as a result of such decision;
- in other cases provided for by federal laws.

## **Article 10. The Company’s Shareholder Register**

**10.1.** The Company shall ensure that the Company’s Shareholder Register is kept in accordance with legal acts of the Russian Federation from the date of state registration of the Company.

**10.2.** At the request of a shareholder or nominee shareholder, the registrar keeping the Company’s Shareholder Register shall confirm his/her/its rights to shares by issuing an extract from the Company’s Shareholder Register. Such extract from the register is not a security.

## **Article 11. General Meeting of Shareholders**

**11.1.** The supreme governing body of the Company is the General Meeting of Shareholders (previously and hereinafter - the General Meeting of Shareholders).

The Company shall hold an Annual General Meeting of Shareholders each year.

Unless otherwise required by the current legislation the Annual General Meeting of Shareholders shall be held no earlier than two months and no later than six months after the end of the reporting year.

The Annual General Meeting of Shareholders shall decide on the following matters:

- election of the members of the Board of Directors;
- election of the members of the Internal Audit Commission of the Company (hereinafter – the Internal Audit Commission);
- approval of the Company’s Auditor (hereinafter – the Auditor);
- approval of annual reports and annual accounting (financial) statements of the Company;
- the distribution of profit (including the payment (declaration) of dividends) and losses of the Company based on the results of the reporting year.

The Annual General Meeting of Shareholders might decide on any other matters falling within the competence of the General Meeting of Shareholders and included into the agenda of the Annual General Meeting of Shareholders.

All General Meetings of Shareholders other than the annual meeting shall be extraordinary meetings.

**11.2.** By the decision of the Board of Directors the General Meeting of Shareholders held in the form of joint presence of shareholders to discuss the agenda items and adopt decisions on issues put to the vote (in the form of a physical meeting) shall be held in Moscow, Saint Petersburg, Novorossiysk, Vladivostok or Yuzhno-Sakhalinsk.

The address of the venue of the General Meeting of Shareholders held in the form of a physical meeting shall be determined by the Board of Directors.

**11.3.** The list of persons entitled to participate in the General Meeting of Shareholders shall be drawn up in accordance with the rules prescribed by current legislation of the Russian Federation. The record date for the General Meeting of Shareholders shall be set within the time limits stipulated by current legislation of the Russian Federation.

Information about the record date for the General Meeting of Shareholders shall be disclosed by the Company at least 7 days prior to that date.

**11.4.** The General Meeting of Shareholders shall be chaired by the Chairman of the Board of Directors, and in his/her absence by one of the Board members as decided by the Board of Directors. In the absence of these persons, the chairman of this General Meeting of Shareholders is a representative of shareholders elected by the General Meeting of Shareholders at the suggestion of the Sole Executive Body of the Company (Chief Executive Officer) or the person performing its functions.

**11.5.** The procedure for preparing for and holding of the General Meeting of Shareholders is established by current legislation of the Russian Federation, this Charter and the Regulations on the General Meeting of Shareholders.

**11.6.** The competence of the General Meeting of Shareholders includes:

- 1) introduction of amendments and additions to the Company’s Charter or approval of a new version of the Company’s Charter;
- 2) reorganisation of the Company;
- 3) liquidation of the Company, appointment of a liquidation commission and approval of the interim and final liquidation balance sheets;
- 4) election of members of the Board of Directors and early termination of their powers;
- 5) determination of the number, par value, category (type) of authorised shares and the rights attached to them;
- 6) increasing the Authorised Capital of the Company by increasing the par value of its shares or issuing additional shares, unless the increase of the Authorised Capital of the Company by increasing the par value of its shares or issuing additional shares falls within the competence of the Board of Directors according to the present Charter;
- 7) reducing the Authorised Capital of the Company by reducing the par value of its shares, acquiring a part of the shares so as to reduce their total number and cancelling the shares so acquired or redeemed by the Company;
- 8) formation of the Sole Executive Body of the Company and early termination of its powers in cases provided for in the clauses 6 and 7 of the Article 69 of the Federal Law “On Joint-Stock Companies”;

- 9) election of members of the Company's Internal Audit Commission and early termination of their powers;
- 10) approval of the Company's Auditor;
- 11) payment (declaration) of dividends based on the results for the first quarter, first half, nine months of the reporting year;
- 12) approval of the annual report and annual accounting (financial) statements of the Company, distribution of profit, including payment (declaration) of dividends, and losses of the Company for the reporting year;
- 13) determination of rules of procedure for the General Meeting of Shareholders;
- 14) election of members of the counting commission and early termination of their powers;
- 15) splitting and consolidation of shares;
- 16) deciding on giving consent to or subsequent approval of transactions in cases provided for in Article 83 of the Federal Law "On Joint-Stock Companies";
- 17) deciding on giving consent to or subsequent approval of transactions in cases provided for in Article 79 of the Federal Law "On Joint-Stock Companies"
- 18) acquisition of placed shares by the Company in cases provided for in the Federal Law "On Joint-Stock Companies", unless the decision on the acquisition of placed shares by the Company falls within the competence of the Board of Directors according to the present Charter;
- 19) deciding on participation of the Company in financial and industrial groups, associations and other unions of commercial entities;
- 20) approval of internal documents governing activities of the Company's bodies;
- 21) making a decision on filing an application for the delisting of the Company's shares and (or) the Company's equity securities convertible into its shares;
- 22) deciding on other matters provided for by the Federal Law "On Joint-Stock Companies" and this Charter.

Matters assigned to the competence of the General Meeting of Shareholders may not be delegated to the Executive Bodies or Board of Directors, unless otherwise provided by the Federal Law "On Joint-Stock Companies".

**11.7.** A resolution on matters put to the vote shall be adopted by the General Meeting of Shareholders by a majority vote of the shareholders holding voting shares of the Company who participate in the General Meeting of Shareholders, unless otherwise provided by the legislation of the Russian Federation and the Charter of the Company.

Resolutions on matters specified Sub-clauses 2, 6 and 15 through 20, of the Clause 11.6, Section 11 of this Charter shall be adopted by the General Meeting of Shareholders only upon proposal from the Board of Directors and in accordance with the requirements of the Federal Law "On Joint-Stock Companies".

**11.8.** The General Meeting of Shareholders may not adopt resolutions on items which are not included into the agenda of the meeting. The General Meeting of Shareholders may not modify the agenda.

**11.9.** Resolutions adopted by the General Meeting of Shareholders and the voting results may be announced at the General Meeting of Shareholders during which the voting took place and shall be communicated to the persons included in the list of persons entitled to participate in the General Meeting of Shareholders in the form of a report on the voting results in accordance with the procedure for notifying of the General Meeting of Shareholders no later than four (4) business days from the date of closure of the General Meeting of Shareholders or, in the case of a General Meeting held by absentee voting, from the deadline for submitting ballots, unless other term is provided for by the current legislation.

**11.10.** A notice of the General Meeting of Shareholders shall be posted on the official website of the Company at <http://www.scf-group.ru/> no later than 30 days prior to the meeting, unless a longer notice period is provided for by current legislation of the Russian Federation. Requirements for notifying of a General Meeting of Shareholders and additional forms of notifying shareholders of

a General Meeting of Shareholders shall be set forth in the Regulations on the General Meeting of Shareholders.

By the decision of the Board of Directors the Company may additionally inform shareholders of a General Meeting of Shareholders through the media, including via print publications (Rossiyskaya Gazeta, Kommersant), electronic media, television, radio, and also via e-mail and other acceptable methods.

**11.11.** Information (materials) that must be submitted to persons entitled to participate in the General Meeting of Shareholders during preparation for holding the Company's General Meeting of Shareholders include the annual report of the Company, the accounting (financial) statements, the auditor's report thereon, the report of the Company's Internal Audit Department performed in the Company in accordance with the Article 87 of the Federal Law "On Joint-Stock Companies", the report of the Company's Internal Audit Commission based on the results of the review of the annual report, the accounting (financial) statements, information about the candidate(s) to the Company's Executive Bodies, Board of Directors and Internal Audit Commission, draft amendments to the Company's Charter or a draft new version of the Company's Charter, draft internal documents of the Company to be approved by the General Meeting of Shareholders, draft resolutions of the General Meeting of Shareholders provided for in Article 32.1 of the Federal Law "On Joint-Stock Companies", information on shareholder agreements concluded during the year preceding the date of the General Meeting of Shareholders, opinions of the Board of Directors on a major transaction, a report on the interested-party transactions concluded by the Company during the reporting year, and other information (materials) provided for by the current legislation, Regulation on the General Meeting of Shareholders of the Company and/or the decision of the Board of Directors.

**11.12.** By the decision of the Board of Directors the information (materials) to be provided to the persons entitled to participate in the General Meeting of Shareholders may be posted on the Company's website at <http://www.scf-group.ru/> for the shareholders to be able to make themselves aware therewith and shall also be made available for inspection to the persons entitled to participate in the General Meeting of Shareholders by other means provided for by the current legislation in case such means are mandatory.

**11.13.** The shareholders (a shareholder) holding in the aggregate at least 2 percent of the Company's voting shares may place items on the agenda of the Annual General Meeting of Shareholders and nominate candidates to the Board of Directors and Internal Audit Commission, whose number may not exceed the total number of members of the respective body, for election on the Annual General Meeting of Shareholders.

The shareholders' proposals for the agenda of the Annual General Meeting of Shareholders and on candidates to the respective bodies of the Company for election on the Annual General Meeting of Shareholders shall be received by the Company no later than ninety (90) days after the end of the reporting year.

**11.14.** In case the item on election of members of the Board of Directors is included in the agenda of an Extraordinary General Meeting of Shareholders, the shareholders (a shareholders) holding in the aggregate at least 2 percent of the Company's voting shares may nominate candidates to the Board of Directors, whose number may not exceed the total number of members of the Board of Directors.

In case the proposed agenda of an Extraordinary General Meeting of Shareholders includes an item on the formation of the Sole Executive Body of the Company (Chief Executive Officer) and (or) the early termination of its powers in accordance with the clauses 6 and 7 of the Federal Law "On Joint-Stock Companies" the shareholders or a shareholders holding in the aggregate at least 2 percent of the Company's voting shares is entitled to nominate a candidate for the position of the Sole Executive Body of the Company (Chief Executive Officer).

**11.15.** The proposals listed in the Clause 11.14 of the Charter shall be received by the Company no later than thirty (30) days prior to the date of the Extraordinary General Meeting of Shareholders.

**11.16.** Requirements for proposals for the agenda of the General Meeting of Shareholders and nominating candidates for election to the Company's Executive Bodies and other Bodies of the Company are determined by current legislation of the Russian Federation, this Charter and the Regulations on the General Meeting of Shareholders of the Company.

A proposal for placing items on the agenda of the General Meeting of Shareholders shall contain the wording of each proposed item and may also contain wording for a resolution on each proposed item.

**11.17.** The Board of Directors must consider the received proposals and decide whether to include, or refuse to include, the proposed items in the agenda on the General Meeting of Shareholders no later than 5 days after the end of the period set forth in Clause 11.13 and 11.15 of this Charter.

**11.18.** Items proposed by the shareholder(s) holding in the aggregate at least 2 per cent of the voting shares shall be included in the agenda of the General Meeting of Shareholders and nominated candidates shall be included in the list of candidates for voting on the election to the respective body of the Company, except in cases stipulated by the Federal Law "On Joint-Stock Companies".

**11.19.** The date of submission of a proposal for placing items on the agenda of the General Meeting of Shareholders and nominating candidates to the Company's management and control bodies shall be deemed to be the date on which such proposal is received by the Company, determined in accordance with the requirements of current legislation of the Russian Federation.

**11.20.** The Board of Directors may not modify the suggested wordings for items proposed to be included in the agenda of the General Meeting of Shareholders and wordings for resolutions thereon.

**11.21.** In addition to items proposed by shareholders to be included in the agenda of the General Meeting of Shareholders as well as to candidates nominated by the shareholders for the formation of respective body the Board of Directors may include items in the agenda of the General Meeting of Shareholders and (or) candidates in the list of candidates to the voting list of the election to a respective body at its discretion. The number of candidates proposed by the Board of Directors shall not exceed

**11.22.** An Extraordinary General Meeting of Shareholders shall be held by decision of the Board of Directors upon its own initiative, at the request of the Internal Audit Commission, the Auditor and shareholders (a shareholder) holding at least 10 percent of the Company's voting shares on the date such request is submitted.

A request to convene an Extraordinary General Meeting of Shareholders of the Company shall be submitted in writing. If the request to convene an Extraordinary General Meeting of Shareholders is coming from a shareholder (shareholders), it shall contain the names of the shareholder(s) and indicate the number and category (type) of the shares held thereby. The request to convene an Extraordinary General Meeting of Shareholders shall be signed by the person(s) requesting it.

Within 5 days from the date on which the request to convene an Extraordinary General Meeting of Shareholders is submitted, the Company's Board of Directors shall decide to convene, or refuse to convene, the Extraordinary General Meeting of Shareholders.

The decision of the Board of Directors to convene the Extraordinary General Meeting of Shareholders or a motivated decision to refuse to convene it shall be sent to the requesting persons no later than 3 days after such decision is made.

The decision to refuse to convene the Extraordinary General Meeting of Shareholders may only be made on the grounds set forth in the Federal Law "On Joint-Stock Companies" and the Regulations on the General Meeting of Shareholders of the Company.

If the Board of Directors has not made the decision to convene the Extraordinary General Meeting of Shareholders within the period set forth by this Charter or has decided to refuse to convene it, the Company's body or the persons requesting to convene it may apply to the court with a request to force the Company to hold the Extraordinary General Meeting of Shareholders.

An Extraordinary General Meeting of Shareholders convened at the request of the Internal Audit Commission, Auditor or shareholders (a shareholder) holding at least 10 percent of the Company's voting shares must be held within the period prescribed by current legislation of the Russian Federation.

The date of submission of the request to convene an Extraordinary General Meeting of Shareholders is considered to be the date on which the Company receives the aforementioned request, this date being determined in accordance with the requirements of the current legislation of the Russian Federation.

In cases where, in accordance with the Federal Law "On Joint-Stock Companies", the Board of Directors is required to make the decision to hold an Extraordinary General Meeting of Shareholders, such Extraordinary General Meeting of Shareholders shall be held within the period prescribed by current legislation of the Russian Federation.

**11.23.** A General Meeting of Shareholders shall be competent (have a quorum) if shareholders possessing in the aggregate more than half of the votes attached to the placed voting shares of the Company participate in the meeting.

Shareholders participating in a General Meeting of Shareholders shall be deemed to be the shareholders who registered for participation in the meeting, including those who registered for participation therein on the web-site indicated in the notice of the General Meeting of Shareholders and the shareholders whose voting ballots were received or whose electronic forms of ballots have been filled in on the web-site indicated in the notice of the General Meeting of Shareholders no later than 2 days prior to the General Meeting of Shareholders.

Shareholders participating in a General Meeting of Shareholders held by absentee voting shall be deemed to be the shareholders whose voting ballots were received by the Company or whose electronic forms of ballots have been filled in on the web-site indicated in the notice of the General Meeting of Shareholders prior to the deadline for submitting ballots.

Shareholders participating in a General Meeting shall also be deemed to be the shareholders who, in accordance with the current legislation of the Russian Federation on the securities, gave to the persons entitled to keep record of their share ownership rights, directions (instructions) as to the voting, in case the notices declaring their intention were received no later than 2 days prior to the General Meeting of Shareholders or prior to the date on which the voting ballots stop being accepted in case the General Meeting of Shareholders is held by absentee voting.

If the agenda of the General Meeting of Shareholders includes issues voted on by different sets of voters, the quorum for a decision on these issues shall be determined separately. The absence of a quorum for taking decisions on issues to be voted on by one set of voters does not preclude a decision on the issues voted on by a different set of voters for which there is a quorum.

**11.24.** In the absence of a quorum for the Annual General Meeting of Shareholders, the Board of Directors shall make a decision to hold a repeat General Meeting of Shareholders with the same agenda. In the absence of a quorum for the Extraordinary General Meeting of Shareholders there might be held a repeat General Meeting of Shareholders with the same agenda.

The procedure for preparing, convening, holding and notifying shareholders of a repeat General Meeting of Shareholders is similar to that prescribed for a failed General Meeting of Shareholders, taking into account the Regulations on the General Meeting of Shareholders of the Company, with the exception of the specifics established by the legislation of the Russian Federation.

A repeat General Meeting of Shareholders shall be competent (have a quorum) if shareholders holding in the aggregate at least 30 percent of the votes attached to the placed voting shares of the Company participate in it.

Where a repeat General Meeting of Shareholders is held less than 40 days after the date of the failed General Meeting of Shareholders, persons entitled to participate in such repeat General Meeting shall be determined at the date on which the persons entitled to participate in the failed General Meeting of Shareholders were determined.

**11.25.** Voting on the agenda items of the General Meeting of Shareholders shall be carried out by voting ballots.

The voting by voting ballots can be effectuated by means of receipt by the Registrar of the Company of the notices declaring the intention of persons entitled to participate in the General Meeting of Shareholders, are not registered in the shareholder register of the Company and have given the directions (instructions) on voting to the persons entitled to keep record of their share ownership rights in conformity with the requirements of the legislation of the Russian Federation.

A voting ballot shall be handed over to each person included in the list of persons entitled to participate in the General Meeting of Shareholders against signature no later than 20 days prior to the meeting unless otherwise required by the current legislation of the Russian Federation.

Electronic form of ballot might be filled in on the web-site indicated in the notice of the General Meeting of Shareholders in case in the process of preparing for the General Meeting of Shareholders the Board of Directors decides to authorize the voting on the items of the agenda of the General Meeting of Shareholders by means of filling in the electronic forms of ballots on the aforementioned web-site.

Ballots for voting at the General Meeting of Shareholders shall meet the requirements for voting established by the current legislation of the Russian Federation and the Regulations on the General Meeting of Shareholders of the Company. Voting ballots may contain additional information determined by the Board of Directors when approving the form and text of voting ballots.

**11.26.** The functions of the Counting commission in the Company are performed by the Company's Registrar.

Minutes of the Counting commission shall be signed by person (persons) authorised by the Registrar.

**11.27.** To the extent not regulated by the Charter the process of the preparation, convocation and conducting the General Meeting of Shareholders shall be regulated by the Regulations on the General Meeting of Shareholders of the Company approved by the resolution of the General Meeting of Shareholders.

## **Article 12. Board of Directors**

**12.1.** The Board of Directors of the Company (previously and hereinafter - the Board of Directors) shall be responsible for the overall management of the Company, except for matters assigned to the competence of the General Meeting of Shareholders.

**12.2.** The competence of the Board of Directors shall include the matters related to the overall management of the Company except for the matters assigned to the competence of the General Meeting of Shareholders.

The competence of the Board of Directors shall include the following matters:

1) determining the priority areas of the Company's activities, approving financial and economic activity plans (business plans, budgets) of the Company, and controlling their implementation;

2) placement by the Company of the additional shares into which the preferred shares of a certain type placed by the Company are converted, convertible into ordinary shares or preferred shares of other types and also the placement by the Company of bonds and other equity securities except for the shares;

3) determining the price (monetary valuation) of assets, placement price or the procedure for its determination and redemption price of equity securities in cases provided for in the Federal Law "On Joint-Stock Companies";

4) forming the Sole Executive Body of the Company (Chief Executive Officer) and the early terminating its powers and determining the amount of compensation and reimbursement payable to the Sole Executive Body of the Company (Chief Executive Officer);

5) forming the Collegiate Executive Body of the Company (Executive Board), early

terminating its powers and determining the amount of compensation and reimbursement payable to the members of the Executive Board;

6) giving recommendations on the amount of compensation and reimbursement payable to members of the Internal Audit Commission and the amount of the fee payable to the Auditor;

7) giving recommendations on the amount of dividends on the shares of the Company and the procedure for their payment;

8) use of the Reserve Fund and other funds of the Company;

9) approving internal documents of the Company, except for internal documents the approval of which is assigned to the competence of the General Meeting of Shareholders according to the Federal Law "On Joint-Stock Companies" or the current legislation of the Russian Federation and also the internal documents the approval of which is assigned by the present Charter to the competence of the Company's Executive Bodies;

10) establishing branches and representative offices of the Company;

11) giving consent to or subsequently approving transactions in cases provided for in Chapters X and XI of the Federal Law "On Joint-Stock Companies";

12) approving the Registrar of the Company and the terms of the agreement therewith, and terminating it;

13) setting up committees of the Board of Directors and approving internal documents governing their competence and activity, determination of the quantity of their members, nomination of the president and the members of the committees as well as the termination of their powers;

14) acquisition of shares, bonds and other securities placed by the Company in cases when in accordance with the current legislation and the present Charter such a decision can be made by the Board of Directors;

15) determining the position of the Company or its representatives during consideration by the management bodies of its subsidiaries or affiliates of matters related to the acquisition of shares (equity interests) in other business entities, including at their establishment, if the price of such transaction represents 15 or more percent of the book value of assets of the subsidiary or affiliate determined from its accounting statements as of the last reporting date;

16) making decisions on participation and termination of participation of the Company in other organisations (except the organisations specified in Sub-clause 19 of Clause 11.6 of the present Charter);

17) filing an application on the listing of the Company's shares and/or equity securities of the Company convertible into its shares;

18) convening the Annual or an Extraordinary General Meeting of Shareholders;

19) approving the agenda of the General Meeting of Shareholders;

20) fixing the date on which the persons entitled to participate in the General Meeting of Shareholders are determined and other questions related to the convocation, preparation and conducting the General Meeting of Shareholders and assigned to the competence of the Board of Directors in accordance with the Federal Law "On Joint-Stock Companies";

21) determining the Company's long-term development strategy and controlling its implementation;

22) determining the principles and approaches to the organisation of risk management, internal control and internal audit system in the Company;

23) making a decision on the election of the Chairman of the Board of Directors;

24) making decisions on appointing and dismissing the Company's Corporate Secretary, approving regulations on the Corporate Secretary, evaluation of the Corporate Secretary and approving reports about his/her work, making decision on additional remuneration of the Corporate Secretary;

25) making decisions on appointing and dismissing Head of the Internal Control Department, approving the contract of employment therewith;



26) giving recommendations to the General Meeting of Shareholders on all matters within the competence of the General Meeting of Shareholders;

27) giving recommendations to the Company's Executive Bodies on any matters relating to the Company's activities;

28) increasing the Authorised Capital of the Company by means of placement by the Company of additional shares within the quantity and the categories (types) of authorized shares, in case such a decision can be made by the Board of Directors in accordance with the present Charter;

29) approving the decision on the issue of the Company's shares and equity securities convertible into shares, approving the Company's issue prospectus;

30) approving the Company's internal documents determining the Company's policy in the field of the organization of risk management and internal control;

31) approving the Company's internal documents determining the Company's policy in the field of the organization and conduct of the internal audit;

32) deciding on other matters provided for by the Federal Law "On Joint-Stock Companies" and the present Charter.

The matters assigned to the competence of the Board of Directors may not be delegated to the Executive Bodies of the Company.

**12.3.** A decision on giving consent to or subsequently approving a major transaction involving assets worth 25 to 50 percent of the book value of the Company's assets shall be adopted by all members of the Board of Directors unanimously, without taking into consideration the votes of retired members of the Board of Directors.

If the Board of Directors fails to reach unanimity on the issue of giving consent to or subsequently approving a major transaction, by decision of the Board this issue may be submitted to the General Meeting of Shareholders for decision.

**12.4.** Decisions on matters assigned to the competence of the Board of Directors are adopted by a majority vote of all elected members of the Board unless the Federal Law "On Joint-Stock Companies" or the Company's Charter provide for a bigger number of votes for the respective decisions to be adopted or for a different procedure of adoption thereof.

Decisions on matters specified in Sub-clauses 1, 3, 4, 5, 7, 11, 12, 16, 17, 18, 22, 26 of Clause 12.2 of this Charter shall be adopted at a meeting of the Company's Board of Directors by decision of the Chairman of the Board of Directors on a meeting held in the form of joint presence of the members of the Board of Directors.

**12.5.** Members of the Company's Board of Directors, numbering eleven (11), shall be elected by the Annual General Meeting of Shareholders until the next Annual General Meeting of Shareholders. If the Annual General Meeting of Shareholders is not held within the period set forth in Clause 11.1 of this Charter, the powers of the Company's Board of Directors shall be terminated except the powers related to the preparation, convocation and conducting the Annual General Meeting of Shareholders.

Persons elected to the Board of Directors of the Company may be re-elected an unlimited number of times.

The shareholders shall seek to nominate and elect to the Board of Directors at least three independent directors.

Only individuals may be members of the Board of Directors. Members of the Board of Directors do not have to be shareholders of the Company.

Members of the Collegiate Executive Body of the Company (Executive Board) may not constitute more than one-fourth of the membership of the Board of Directors. The person acting as the Sole Executive Body may not concurrently serve as the Chairman of the Board of Directors.

Requirements for persons elected to the Company's Board of Directors may be established by the Regulations on the Board of Directors of the Company.

**12.6.** Procedures for convening and holding meetings of the Board of Directors shall be established by the Regulations on the Board of Directors of the Company approved by the General Meeting of Shareholders.

**12.7.** The General Meeting of Shareholders may resolve that members of the Board of Directors may be paid compensation and/or reimbursement of expenses related to the performance of their functions as Board members during their term of office.

### **Article 13. Executive Bodies of the Company**

**13.1.** Management of the Company's day-to-day activities shall be carried out by the Sole Executive Body of the Company (Chief Executive Officer) and the Collegiate Executive Body of the Company (Executive Board). The Executive Bodies shall be accountable to the Company's Board of Directors the General Meeting of Shareholders.

The person acting as the Sole Executive Body of the Company (Chief Executive Officer) shall also act as the Chairman of the Collegiate Executive Body of the Company (Executive Board).

The Executive Board of the Company shall be formed by decision of the Board of Directors. The Board of Directors may at any time resolve to terminate early the powers of members of the Company's Collegiate Executive Body (Executive Board) and form a new Collegiate Executive Body of the Company.

The Chief Executive Officer shall be appointed by resolution of the Board of Directors for a term of up to five (5) years. By resolution of the General Meeting of Shareholders the powers of the Sole Executive Body of the Company may be transferred to a commercial entity (Management Company) or an individual entrepreneur (Manager) on a contractual basis. The decision to transfer the powers of the Sole Executive Body of the Company to the Management Company or Manager shall be adopted by the General Meeting of Shareholders only upon a proposal from the Board of Directors.

**13.2.** The competence of the Company's Executive Bodies includes all matters relating to management of the Company's day-to-day activities, except for matters assigned to the competence of the General Meeting of Shareholders or the Board of Directors.

The Company's Executive Bodies shall organise execution of decisions made by the Company's General Meeting of Shareholders and Board of Directors.

**13.3.** The competence of the Company's Collegiate Executive Body (Executive Board) includes the following matters:

- 1) development of the Company's business strategy;
- 2) coordination of work of the Company's Services (departments);
- 3) making decisions on the most important matters related to the Company's current business;
- 4) giving recommendations to the Sole Executive Body of the Company (Chief Executive Officer) on matters related to execution of transactions;
- 5) making decisions on obtaining loans by the Company;
- 6) developing and submitting to the Board of Directors annual work plans of the Company, annual balance sheets, profit and loss accounts, and other reporting documents;
- 7) regularly informing the Board of Directors about the financial position of the Company, implementation of priority programmes, transactions and decisions which may have a significant impact on the state of affairs of the Company;
- 8) providing requisite information to the Internal Audit Commission and the Auditor;
- 9) providing administrative and technical support for General Meetings of Shareholders, meeting the Board of Directors and Internal Audit Commission;
- 10) submitting a cost estimate for preparation and holding of the General Meeting of Shareholders for approval by the Board of Directors;

11) performing an analysis and summarising results of the work of individual Services (departments) of the Company and giving recommendations for improving their work;

12) approving internal documents ensuring the normal course of business, including regulation of employment and social relationships (except for internal documents which are subject to approval by the General Meeting of Shareholders and Board of Directors);

13) making decisions on other matters relating to management of the Company's day-to-day activities when and as instructed by the Board of Directors or proposed by the Chief Executive Officer of the Company, except for matters falling within the competence of the General Meeting of Shareholders and Board of Directors;

(14) deciding on other matters relating to the Company's business.

**13.4.** The Sole Executive Body of the Company (Chief Executive Officer) shall act on behalf of the Company without a power of attorney and shall, in particular:

1) ensure execution of decisions made by the General Meeting of Shareholders and the Board of Directors;

2) manage the Company's day-to-day activities in accordance with the main goals of the Company;

3) approve staff schedule;

4) dispose of the assets of the Company with a view to support its current operations within the limits established by current legislation of the Russian Federation and this Charter;

5) represent the Company in all agencies, enterprises and organisations both in the Russian Federation and outside it, including in foreign countries;

6) appoint his/her deputies, allocate duties between them, and determine their powers;

7) conclude employment agreements (contracts) with the Company's employees, reward and discipline them;

8) issue orders and instructions binding on all employees of the Company;

9) present the position of the Executive Bodies at the General Meetings of Shareholders and meetings of the Board of Directors;

10) as the Chairman of the Company's Collegiate Executive Body (Executive Board), manage its work, convene and determine the agenda of each meetings of the Executive Board;

11) submit the membership list of the Company's Collegiate Executive Body (Executive Board) for approval by the Board of Directors;

12) make transactions on behalf of the Company, except in cases provided for in the Federal Law "On Joint-Stock Companies" and this Charter, and organise the performance of obligations assumed by the Company under transactions;

13) issue powers of attorney on behalf of the Company;

14) organise accounting and reporting in the Company;

15) submit the annual report and other financial reports of the Company to relevant authorities;

16) arrange for the publication in the media of information stipulated by the Federal Law "On Joint-Stock Companies" and other legal acts;

17) take any other actions required to attain the goals of the Company and ensure its normal operation in accordance with current legislation of the Russian Federation and this Charter, with the exception of functions assigned by the Federal Law "On Joint-Stock Companies" and this Charter to other management bodies of the Company.

**13.5.** The rights and obligations of the Sole Executive Body of the Company (Chief Executive Officer) and members of the Company's Collegiate Executive Body (Executive Board) shall be determined in the agreement (contract) concluded by each of them with the Company.

The agreement (contract) with the Company's Sole Executive Body (Chief Executive Officer) shall be signed on behalf of the Company by the Chairman of the Board of Directors of the Company or a person duly authorized by the Board of Directors, the agreements (contracts) with members of the Collegiate Executive Body (Executive Board) shall be signed on behalf of the Company by the Chief Executive Officer.

The labour legislation of the Russian Federation shall apply to the relations between the Company and the Company's Sole Executive Body (Chief Executive Officer) and members of the Company's Collegiate Executive Body (Executive Board) to the extent not in conflict with the provisions of the Federal Law "On Joint-Stock Companies".

The person acting as the Sole Executive Body of the Company (Chief Executive Officer) and members of the Collegiate Executive Body of the Company (Executive Board) may simultaneously hold positions in the management bodies of other organisation only with the consent of the Board of Directors.

**13.6.** The Collegiate Executive Body of the Company (Executive Board) shall act on the basis of this Charter and the Regulations on the Executive Board of the Company approved by the General Meeting of Shareholders, which sets forth the timing and procedure for convening and holding its meetings and decision-making procedures.

The quorum for meetings of the Collegiate Executive Body of the Company (Executive Board) is at least one half of the total number of its elected members. If the number of members of the Collegiate Executive Body of the Company (Executive Board) becomes less than the number required for the aforesaid quorum, the Board of Directors of the Company shall form a new Collegiate Executive Body of the Company (Executive Board).

Minutes shall be taken at each meeting of the Collegiate Executive Body of the Company (Executive Board). The minutes of a meeting of the Collegiate Executive Body of the Company (Executive Board) shall be made available to members of the Board of Directors, the Internal Audit Commission, the head of the Internal Audit Department and the Auditor at their request.

The conduct of the meetings of the Collegiate Executive Body of the Company (Executive Board) shall be organised by the person acting as the Sole Executive Body of the Company (Chief Executive Officer), who shall sign all documents on behalf of the Company and minutes of the meetings of the Collegiate Executive Body of the Company (Executive Board), and act on behalf of the Company without a power of attorney in accordance with decisions of the Collegiate Executive Body of the Company (Executive Board) taken within its competence.

Transfer of the voting right by a member of the Collegiate Executive Body of the Company (Executive Board) to any other person, including any other member of the Collegiate Executive Body of the Company (Executive Board) is not allowed.

**13.7.** The Chief Executive Officer of the Company shall be personally responsible for creating conditions so as to protect information constituting a state secret. The Chief Executive Officer shall arrange access for the Company's employees and secondees to information constituting a state secret, in accordance with the requirements of the legislation of the Russian Federation on the protection of state secrets.

Upon the liquidation or reorganisation of the Company, the Chief Executive Officer of the Company shall be personally liable for the physical safety of information constituting a state secret. In the event of changes in the role of the Company or in its form of ownership, in the event of its reorganization or liquidation and/or termination of its work involving the use of information constituting a state secret, the Chief Executive Officer shall take measures to ensure the protection of such information and its carriers. In this case, carriers of information constituting a state secret shall be duly destroyed, surrendered for archiving or handed over to:

- a legal successor of the Company if that legal successor is authorized to carry out work involving the use of the said data;
- a governmental authority at whose disposal the information in question is held;
- another governmental authority, enterprise, institution or organization as instructed by the Inter-Departmental Commission for the Protection of State Secrets."

The Board of Directors is at any moment entitled to make a decision on the early termination of the powers of the Sole Executive Body of the Company (Chief Executive Officer), members of the Collegiate Executive Body (Executive Board) and on the establishment of new Executive Bodies. The General Meeting of Shareholders is at any moment entitled to make a decision on the early termination of the powers of the Management Company or Manager.

**Article 14. Liability of Members of the Board of Directors of the Company, the Sole Executive Body of the Company (Chief Executive Officer), Members of the Collegiate Executive Body of the Company (Executive Board), and Persons Interested in the Execution of Transactions by the Company**

**14.1.** The members of the Board of Directors, the Sole Executive Body of the Company (Chief Executive Officer), the members of the Collegiate Executive Body of the Company (Executive Board), and the Management Company or the Manager shall act in the best interests of the Company, exercise their rights and discharge their obligations in relation to the Company reasonably and in good faith.

**14.2.** Members of the Board of Directors, Sole Executive Body (Chief Executive Officer), Collegiate Executive Body (Executive Board), and the Management Company or Manager shall be liable to the Company for the losses sustained by the Company as a result of their guilty acts or omissions. The grounds, the amount and the procedure of holding the aforementioned persons liable are determined in accordance with the current legislation of the Russian Federation.

**14.3.** Representatives of the state on the Board of Directors shall bear liability as provided in this article along with other members of the Board of Directors.

**14.4.** If as of the date of entering into an interested-party transaction a person interested in that transaction had defaulted on the obligation to notify the Company of the occurrence of circumstances under which the person may be deemed to be an interested party, the fault of that person shall be presumed for loss caused to the Company by such transaction.

An interested party shall be liable to the Company, if a claim is presented by the Company or its shareholder, to the extent of the losses caused thereby to the Company regardless of whether or not the transaction has been deemed invalid. If several persons bear liability, they shall be jointly and severally liable to the Company.

The following persons shall be deemed to be interested in execution of a transaction by the Company:

- a member of the Board of Directors,
  - the Sole Executive Body of the Company (Chief Executive Officer), including the Management Company or Manager,
  - a member of the Collegiate Executive Body of the Company (Executive Board),
  - a person controlling the Company
  - a person entitled to give directions binding on the Company
- if they, their spouses, parents, children, full and half-blood brothers and sisters, adoptive parents, adopted children and/or persons (entities) controlled by them:
- are a party to, beneficiary of, intermediary or representative in the transaction;
  - are a controlling person of a legal entity which is party to, beneficiary of, intermediary or representative in the transaction;
  - hold positions in the management bodies of a legal entity which is a party to, beneficiary of, intermediary or representative in the transaction and hold positions in the management bodies of the management company of such legal entity.

**Article 15. Internal Audit Commission. Auditor**

**15.1.** Control over financial and economic activities of the Company shall be exercised by the Internal Audit Commission. The operating procedures of the Internal Audit Commission of the Company shall be determined in the Regulations on the Internal Audit Commission approved by the General Meeting of Shareholders.

**15.2.** The Internal Audit Commission shall be elected by the Annual General Meeting of Shareholders until the next Annual General Meeting of Shareholders and shall consist of at least three members.

By resolution of the General Meeting of Shareholders, members of the Internal Audit Commission may be paid compensation and/or reimbursement of expenses related to the performance of their duties of during their term of office. The amount of such compensation and reimbursement shall be established by resolution of the General Meeting of Shareholders.

**15.3.** In the aims of effectuating its activity the Internal Audit Commission is entitled to:

- audit the Company's financial and economic activity;
- audit and confirm the accuracy of data contained in the Company's annual report, accounting (financial statements) and other reports as well as in other financial documents of the Company;
- conduct the financial and economic evaluation of the Company's activity for the audit period, including the audit of facts of violations of the rules of accounting and submission of financial statements provided for by the legal acts of the Russian Federation and violations of the legal acts of the Russian Federation in the course of the financial and economic activity;
- control of the correction of defects and the fulfillment of prescriptions of the Internal Audit Commission related to the elimination of the discovered defects reflected in the documents composed as a result of the previously conducted audit;
- other powers assigned to the competence of the Internal Audit Commission by the Federal Law "On Joint-Stock Companies" and the Company's Charter.

An audit (review) of the Company's financial and economic activity shall be conducted at the end of the year, as well as at any time:

- at the initiative of the Internal Audit Commission,
- by resolution of the General Meeting of Shareholders,
- at the initiative of the Board of Directors,
- at the request of a shareholder (shareholders) of the Company holding in the aggregate at least ten (10) percent of the Company's voting shares.

**15.4.** At the request of the Internal Audit Commission, persons holding positions in the management bodies of the Company shall provide any documents relating to the Company's financial and economic activity.

**15.5.** Members of the Internal Audit Commission are entitled to require that an Extraordinary General Meeting of Shareholders be convened in accordance with the Federal Law "On Joint-Stock Companies".

**15.6.** Members of the Internal Audit Commission may not concurrently serve as members of the Board of Directors, nor occupy other positions in the management bodies of the Company.

**15.7.** The Internal Audit Commission shall issue a report based on the results of audit of the Company's financial and economic activity, which shall contain the following:

- confirmation of the accuracy of data contained in the reports and other financial documents of the Company;
- information on violations of the procedure for maintaining accounting records and submitting accounting (financial) statements established by legal acts of the Russian Federation, and violations of legal acts of the Russian Federation in the course of financial and economic activity.

**15.8.** The Auditor shall audit the financial and economic activity of the Company in accordance with legal acts of the Russian Federation under the agreement concluded therewith.

The Auditor shall be approved by the General Meeting of Shareholders. The amount of the fee payable to the Auditor shall be determined by the Board of Directors.

**15.9.** The Company forms a structural subdivision conducting the internal audit, the functions of which are inter alia the following:

- the evaluation of the efficiency of the internal control system;
- the evaluation of the efficiency of the internal audit system;
- the evaluation of the corporate governance;

The goals, objectives and powers of the structural subdivision conducting the internal audit are determined by the internal document which is to be approved by the Board of Directors.

The head of the structural subdivision conducting the internal audit is accountable to the Board of Directors, is appointed and dismissed from his position by the Company's Chief Executive Officer by decision of the Board of Directors.

## **Article 16. Accounting Records and Accounting (Financial Statements) of the Company**

**16.1.** The Company shall maintain accounting records and submit accounting (financial) statements in accordance with the procedure established by the Federal Law "On Joint-Stock Companies" and other legal acts of the Russian Federation.

**16.2.** Responsibility for organisation of accounting in the Company, its status and accuracy, timely submission of accounting (financial) statements to relevant authorities and provision of information about the Company's activities to the shareholders, creditors and the media shall be vested in the Sole Executive Body of the Company (Chief Executive Officer).

**16.3.** The accuracy of information contained in the annual report and annual accounting (financial) statements of the Company shall be certified by the Internal Audit.

The Company shall engage an audit firm not associated with the Company or its shareholders to conduct the annual audit of the annual accounting (financial) statements of the Company.

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

## **Article 17. Storage of the Company's Documents**

**17.1.** The Company shall keep the following documents:

- documents confirming the state registration of the Company;
- duly registered Charter of the Company and amendments and additions thereto, decision on the establishment of the Company, and certificate of state registration of the Company;
- the decision on the issue (additional issue) of securities, amendments to the decision on the issue (additional issue) of securities, report on the results of the issue (additional issue) of securities, notice on the results decision of the issue (additional issue) of securities;
- documents confirming the Company's rights to the property carried on its balance sheet;
- internal documents of the Company;
- regulations on branches or representative offices of the Company;
- annual reports;
- accounting records;
- accounting (financial) statements;
- minutes of the General Meetings of Shareholders (decision of the shareholder holding all voting shares of the Company), meetings of the Board of Directors, the Internal Audit Commission, and the Collegiate Executive Body of the Company (Executive Board);
- voting ballots and powers of attorney (copies of powers of attorney) for participation in the General Meeting of Shareholders;
- reports of appraisers;
- lists of affiliated persons of the Company;
- lists of persons entitled to participate in the General Meeting of Shareholders and persons entitled to receive dividends, as well as other lists drawn up by the Company for shareholders to exercise their rights in accordance with the requirements of the Federal Law "On Joint-Stock Companies";
- reports of the Internal Audit Commission, Auditor, state and municipal financial supervision bodies;

- issue prospectuses, reports of the issuer and other documents containing information subject to publication or disclosure in any other way in accordance with the Federal Law “On Joint-Stock Companies” and other federal laws;
- notifications of the conclusion of shareholder agreements sent to the Company, as well as lists of persons who have entered into such agreements;
- judicial decisions and decrees on disputes related to the creation of the Company, its management or participation in it, judicial acts on such disputes including rulings on initiation of proceedings by an arbitration court and acceptance of a claim or application to change the grounds or subject matter of a previously stated claim;
- other documents provided for by the Federal Law “On Joint-Stock Companies”, this Charter, internal regulations of the Company, resolutions of the General Meeting of Shareholders and other management bodies of the Company, and documents provided for by legal acts of the Russian Federation.

**17.2.** The Company shall keep the documents listed in Clause 17.1 of this Charter at the location of the Company’s Sole Executive Body (Chief Executive Officer) in accordance with the procedure and during the periods prescribed by the Bank of Russia.

**17.3.** The Company shall provide its shareholders with access to the documents listed in Clause 17.1 of this Charter, in accordance with the Federal Law “On Joint-Stock Companies”

**17.4.** The documents listed in clause 17.1 of the Charter must be provided by the Company within 7 (seven) business days from the date of submission of the relevant request for review at the premises of the Sole Executive Body of the Company (Chief Executive Officer). The Company is obliged, at the request of shareholders entitled to access the documents listed in clause 18.1 of this Charter, to provide them with copies of these documents. The fee charged by the Company for the provision of these copies shall be paid by the shareholder beforehand (prior to the submission of these copies to the shareholder) and may not exceed the cost of their production and, if the request indicates the necessity for the copies to be sent to the address mentioned by the shareholder, the corresponding cost of delivery of hard copies.

The Company must provide on its web-site the cost of producing the copies requested.

**17.5.** The Company shall disclose:

- the Company’s annual report and annual accounting (financial) statements;
- issue prospectus of the Company’s securities in cases provided for by legal acts of the Russian Federation;
- notice of the General Meeting of Shareholders in accordance with the procedure established by the Federal Law “On Joint-Stock Companies”;
- other information determined by the Bank of Russia.

## **Article 18. Reorganisation and Liquidation of the Company**

**18.1.** The Company may be voluntarily reorganised in accordance with the procedure provided by the Federal Law “On Joint-Stock Companies”.

Other grounds and procedure for reorganisation of the Company are determined by the Civil Code of the Russian Federation and other federal laws.

The Company may be reorganised through merger, accession, division, split-off or transformation.

**18.2.** Except in the case of reorganisation through accession, the Company shall be deemed to have been reorganised from the moment of the state registration of the newly formed legal entities.

Where the Company is reorganised through accession of another company thereto, the Company shall be deemed to have been reorganised upon the entry of a record on the winding-up of the acceding company in the Unified State Register of Legal Entities.



**18.3.** After a record about the commencement of reorganisation procedures is entered in the Unified State Register of Legal Entities, the Company being reorganised shall, two times on a monthly basis, publish an announcement about its reorganisation meeting that comply with the requirements set forth in Clauses 6.1 and 6.2, Article 15 of the Federal Law “On Joint-Stock Companies” in the media publishing information on the state registration of legal entities.

In the event of reorganisation of the Company the creditors shall be given guarantees provided for in Article 60 of the Civil Code of the Russian Federation.

If the transfer deed does not expressly designate the legal successor of the reorganised Company, the legal entities formed as a result of the reorganisation shall bear joint and several liability for the obligations of the reorganised Company to its creditors.

**18.4.** The Company may be liquidated voluntarily in accordance with the procedure established by the Civil Code of the Russian Federation, subject to the requirements of the Federal Law “On Joint-Stock Companies” and this Charter. The Company may be liquidated by court decision on the grounds provided for by the Civil Code of the Russian Federation.

Liquidation of the Company shall entail its termination without transfer of its rights and obligations to other persons by way of succession.

**18.5.** In the event of voluntary liquidation of the Company, the Board of Directors shall submit the issue of voluntary liquidation of the Company and appointment of a liquidation commission to the General Meeting of Shareholders for decision.

The General Meeting of Shareholders shall adopt the resolution on voluntary liquidation of the Company and appointment of a liquidation commission.

**18.6.** Upon the appointment of a liquidation commission, all powers related to management of the Company’s affairs shall pass thereto. The liquidation commission shall act in court on behalf of the Company.

**18.7.** Where the shareholder of the Company is the Russian Federation, subject of the Russian Federation or a municipal authority the liquidation commission must include a representative of the Federal Agency for State Property Management or any other respective state (municipal) body duly authorized to act as a shareholder of the Company in the name of the Russian Federation, subject of the Russian Federation or a municipal authority respectively.

**18.8.** The liquidation commission shall publish a notice of liquidation of the Company, detailing the procedure and time limit for the submission of claims by creditors, in the print media publishing information on registration of legal entities. The time limit for the submission of claims by creditors may not be less than two months after the date of publication of the notice of liquidation of the Company.

**18.9.** If at the time the resolution on liquidation of the Company is adopted the Company has no obligations to creditors, its property shall be distributed among shareholders in accordance with the Article 23 of the Federal Law “On the Joint-Stock Companies”.

**18.10.** The liquidation commission shall take measures to identify creditors of the Company and collect accounts receivable, and shall give the creditors written notice of liquidation of the Company.

**18.11.** Upon the expiry of the time limit for the submission of claims by creditors, the liquidation commission shall prepare an interim liquidation balance sheet containing information about the composition of the assets of the Company, claims submitted by creditors, and the results of their consideration. The interim liquidation balance sheet shall be approved by the General Meeting of Shareholders.

**18.12.** If the cash available to the Company is not sufficient to settle all creditor claims filed by its creditors, the liquidation commission shall sell other assets of the Company through a public auction in accordance with the procedure for enforcement of court decisions.

**18.13.** Cash payments to the Company creditors shall be made by the liquidation commission in the order of priority established by the Civil Code of the Russian Federation and in accordance with the interim liquidation balance sheet, starting with the date of its approval,

with the exception of the creditors of the fifth priority, payments to which shall be made one month after the date of approval of the interim liquidation balance sheet.

**18.14.** After completing settlements with creditors, the liquidation commission shall draw up the final liquidation balance sheet, which shall be approved by the General Meeting of Shareholders.

**18.15.** The assets of the Company remaining after the settlement of all claims filed by its creditors shall be distributed by the liquidation commission among shareholders in the following order of priority:

first, payments on shares subject to redemption in accordance with the Article 75 of the Federal Law “On the Joint-Stock Companies”;

second, payment of accrued but unpaid dividends on preferred shares and liquidation value on preferred shares determined by the Company’s Charter;

third, distribution of the assets of the Company being liquidated among its shareholders holding ordinary shares and all types of preferred shares.

**18.16.** Assets within each category shall be distributed after distribution of asset within the previous category is completed.

If the assets available to the Company are not sufficient to pay accrued but unpaid dividends and liquidation value determined by the Company’s Charter to all shareholders holding preferred shares of the same type, assets shall be distributed among shareholders holding preferred shares of this type in proportion to the number of shares of this type held by them.

**18.17.** The liquidation of the Company shall be deemed complete and the Company shall be deemed to have ceased to exist as of the moment when the state registration authority makes a relevant entry in the Unified State Register of Legal Entities.

**18.18.** Upon completion of reorganisation of the Company, all its documents (management financial, business, personnel records, etc.) shall be transferred to its legal successor in accordance with the established procedure.

In the event of liquidation, including as a result of bankruptcy, archival documents formed in the course of their activities and included in the Archival Fund of the Russian Federation, documents on personnel, as well as archival documents, the terms of temporary storage of which have not expired, are transferred by a liquidation commission (liquidator) or by an insolvency representative in an ordered state for storage in the appropriate state or municipal archive on the basis of an agreement between a liquidation commission (liquidator) or an insolvency representative and a state or municipal archive. In this case, the liquidation commission (liquidator) or the insolvency representative organizes the ordering of the archival documents of the liquidated organization, including the organization liquidated as a result of bankruptcy.

**18.19.** In the event the Company’s functions or type of ownership are changed, the Company is reorganized liquidated and/or the Company stops working with the data constituting state secret, the Company shall take measures to protect this data and its carriers in the manner prescribed by the current legislation of the Russian Federation.