

Approved
on April 06, 2015 by
the resolution of Annual General meeting of shareholders of
Open Joint Stock Company
«Cherkizovo Group»
(Minutes No. 06/045a dated April 09, 2015)

**THE ARTICLES OF
ASSOCIATION OF
Public Joint Stock Company
«Cherkizovo Group»
(Revision No. 9)**

CONTENTS

1. GENERAL PROVISIONS	3
2. BUSINESS NAME AND PLACE OF BUSINESS	3
2.1. Business name of the Company	3
2.2. Place of business of the Company.	3
3. NATURE OF BUSINESS AND CORPORATE OBJECTIVES	3
4. LEGAL STATUS AND LIABILITY OF THE COMPANY	4
4.1. Legal status of the Company	4
4.2. Liability of the Company.....	4
5. BRANCHES AND REPRESENTATIVE OFFICES OF THE COMPANY	4
6. AUTHORIZED CAPITAL OF THE COMPANY	4
6.1. Outstanding and authorized shares of the Company	4
6.2. Ordinary shares of the Company	5
6.3. Increase of the authorized capital of the Company	5
6.4. Reduction of the authorized capital of the Company.....	5
7. RIGHTS AND OBLIGATIONS OF SHAREHOLDERS OF THE COMPANY	6
8. REPURCHASE OF OUTSTANDING SHARES BY THE COMPANY	7
9. DIVIDENDS OF THE COMPANY	8
10. MANAGEMENT AND CONTROL BODIES OF THE COMPANY	8
11. GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY	8
11.1. Competence of General meeting of shareholders of the Company	8
11.2. Decision-making procedure at General meeting of shareholders of the Company	11
11.3. Notification of General meeting of shareholders of the Company.....	11
11.4. Proposals for agenda of General meeting of shareholders of the Company.....	12
11.5. Extraordinary General meeting of shareholders of the Company	13
11.6. Quorum of General meeting of shareholders of the Company.....	14
11.7. Repeated convocation of General meeting of shareholders of the Company	14
11.8. Voting forms at General meeting of shareholders of the Company	15
12. GOVERNING BOARD OF THE COMPANY	15
(THE BOARD OF DIRECTORS)	15
12.1. Competence of the Board of Directors of the Company	15
12.2. Election of members of the Board of Directors of the Company	19
12.3. Rights of members of the Board of Directors of the Company	19
12.4. Chairman of the Board of Directors of the Company	20
12.5. Meeting of the Board of Directors of the Company	20
13. EXECUTIVE BOARD OF THE COMPANY	21
(THE MANAGEMENT BOARD)	21
14. CHIEF EXECUTIVE OFFICER OF THE COMPANY	22
(GENERAL DIRECTOR)	22
15. LIABILITY OF MEMBERS OF THE BOARD OF DIRECTORS AND	23
EXECUTIVE BODY OF THE COMPANY	23
16. AUDIT COMMISSION OF THE COMPANY	23
17. PROCEDURE OF NOTIFICATION OF INTENTION OF A SHAREHOLDER, MEMBER OF THE BOARD OF DIRECTORS OF THE COMPANY TO APPEAL TO COURT	24

1. GENERAL PROVISIONS

1.1. Joint Stock Company “Cherkizovo Group”, hereinafter referred to as «the Company», is a public joint stock company. The Company is a body corporate, operates in pursuance with the Articles of Association and the laws of the Russian Federation.

1.2. The Company is incorporated for unlimited period.

1.3. The Articles of Association of the Company (revision No.9), hereinafter referred to as «the Articles of the Company», were approved on April 06, 2015 by the resolution of annual General meeting of shareholders of the Company (Minutes No. 06/045a dated April 09, 2015).

2. BUSINESS NAME AND PLACE OF BUSINESS

2.1. Business name of the Company:

Business name of the Company in Russian:

Full name: **Публичное акционерное общество «Группа Черкизово».**

Short name: **ПАО «Группа Черкизово».**

Business name of the Company in English:

Full name: **Public Joint Stock Company “Cherkizovo Group”.**

Short name: **PJSC “Cherkizovo Group”.**

2.2. Place of business of the Company: Russian Federation, city of Moscow.

3. NATURE OF BUSINESS AND CORPORATE OBJECTIVES

3.1. Major object of activity of the Company is the efficient use of its property for profit-making as the primary object of its activities.

3.2. The Company exercises civil rights in compliance with the corporate objectives, and incurs related obligations, necessary for performance of any types of activities, not prohibited by federal laws.

The Company is entitled to conduct certain types of business activities, listed in federal laws, only on the basis of a special permission (license). If the conditions for provision of a special permission (license) for a particular type of activity require performance of such activity as the only one, then within the period of validity of such special permission (license) the Company is not entitled to perform any other activities, but as specified in such special permission (license) or associated with them.

3.3. The Company performs the following types of activities:

- consulting on business and management issues;
- wholesale of foods, including beverages, and smokables;
- accounting and audit activities;
- wholesale of non-agricultural intermediate products, waste and scraps;
- retail sale mainly of foods, including beverages, and smokables in general stores;
- business of road freight transport;
- leasing of other machines and equipment;
- legal activities;
- wholesale of agricultural stock and live animals;
- wholesale of nonfood consumer goods;
- other wholesale;
- cargo handling and storage;
- supporting activities in financial intermediation;
- management of financial industrial groups and holding companies;
- non-shop retailing;
- wholesale of meat and poultry meat, including by-products;
- other financial intermediation;
- other supporting transportation activities;
- intermediary real estate services;
- wholesale via agents (for remuneration or on contract basis);
- retail sale of foods including beverages, and smokables in specialized stores;
- research of market conditions and public opinion;
- intermediary services in purchase, sale and lease of nonresidential property;

- all forms and types of foreign-economic activities, including export-import transactions.

Business activities of the Company are not limited to the activities, listed above.

3.4. Other activities of the Company, not prohibited by the applicable legislation, but not listed in clause 3.3. article 3 of the Articles, are deemed to be activities, included by the Articles of the Company (statutory activities).

4. LEGAL STATUS AND LIABILITY OF THE COMPANY

4.1. Legal status of the Company

4.1.1. The Company is a body corporate, owns its separate property, is liable for its obligations to the extent of all its property, on its behalf can acquire and exercise civil rights, incur civil obligations, be a plaintiff and defendant in court.

4.1.2. The Company is entitled to open bank accounts on the territory of the Russian Federation and abroad as applicable.

4.1.3. The Company has a corporate seal, containing its full name in Russian and its location. The seal can contain the business name of the Company in any foreign language or language of the peoples of the Russian Federation.

4.1.4. The Company is entitled to have stamps and letterheads with its name, own emblem, duly registered trademarks and other visual identifications.

4.1.5. The Company is entitled to participate in and incorporate profit-making companies on the territory of the Russian Federation and abroad.

4.1.6. On a voluntary basis the Company can join unions, associations and become a member of any non-profit institutions on the territory of the Russian Federation and abroad.

4.1.7. The Company shall keep and hold the register of shareholders of the Company in accordance with the regulatory acts of the Russian Federation from the moment of state registration of the Company.

4.2. Liability of the Company

4.2.1. The Company is liable for its obligations to the extent of all its property.

The Company is not liable for obligations of its shareholders.

4.2.2. The Government and its authorities are not liable for obligations of the Company as well as the Company is not liable for obligations of the Government and its authorities.

5. BRANCHES AND REPRESENTATIVE OFFICES OF THE COMPANY

5.1. The Company is entitled to establish branches and open representative offices on the territory of the Russian Federation and abroad.

5.2. Branches and representative offices perform their activities on behalf of the Company.

5.3. Branches and representative offices of the Company are not bodies corporate and operate on the basis of Regulations, approved by the Company

5.4. Heads of branches and representative offices of the Company act on the basis of the power of attorney, issued by the Company.

6. AUTHORIZED CAPITAL OF THE COMPANY

6.1. Outstanding and authorized shares of the Company

6.1.1. The authorized capital of the Company amounts to **439,637 (Four hundred and thirty-nine thousand six hundred and thirty-seven) rubles 73 (Seventy-three) kopecks.**

The authorized capital of the Company consists of par values of shares of the Company, acquired by the shareholders, namely, of **43,963,773 (Forty-three million nine hundred and sixty-three thousand seven hundred and seventy-three) ordinary registered uncertified shares with par value 1 (one) kopeck.**

6.1.2. The Company is entitled to place in addition to the outstanding shares ordinary registered shares in the number of **10,738,827 (Ten million seven hundred and thirty-eight thousand eight hundred and twenty-seven) ordinary registered uncertified shares with par value 1 (one) kopeck each share (authorized shares).**

Authorized shares confer the same rights as outstanding shares of the corresponding class (type), as prescribed by the present Articles of the Company.

6.2. Ordinary shares of the Company

6.2.1. Each ordinary share of the Company has equal validity and entitles the shareholder – its holder the same scope of rights.

6.2.2. The shareholder – holders of ordinary shares of the Company can participate in General meeting of shareholders with voting power on all issues within its competence, are entitled to receive dividends and in case of liquidation of the Company is entitled to receive a part of its property (the salvage value) in accordance with Federal law «Joint stock companies».

6.3. Increase of the authorized capital of the Company

6.3.1. The Company is entitled to increase its authorized capital by increase of par value of shares or by placement of additional shares.

6.3.2. The resolution on increase of the authorized capital by increase of par value of shares shall be made by General meeting of shareholders of the Company.

6.3.3. The resolution on increase of the authorized capital by placement of additional shares is made by the Board of Directors of the Company, unless in accordance with Federal law «Joint stock companies» such resolution shall be made only by General meeting of shareholders of the Company.

The resolution of the Board of Directors of the Company on increase of the Authorized capital by placement of additional shares shall be made unanimously by all members of the Board of Directors of the Company, given that votes of quitting members of the Board of Directors of the Company are not counted.

If unanimous opinion of the Board of Directors of the Company upon increase of the authorized capital by placement of additional shares is not achieved, than by the resolution of the Board of Directors of the Company the issue of increase of the authorized capital by placement of additional shares can be put to vote at General meeting of shareholders of the Company.

6.3.4. When increasing the authorized capital the Company shall be governed by the restrictions, prescribed by federal laws.

In case of placement of shares and equity securities, convertible into shares, by subscription the Company is entitled to conduct public and private offering.

6.4. Reduction of the authorized capital of the Company

6.4.1. The Company is entitled to reduce its authorized capital by reduction of par value of shares or partial repurchase of outstanding shares of the Company by the resolution of General meeting of shareholders of the Company for the purposes of reduction of their total number.

6.4.2. The Company shall reduce its authorized capital on the basis of the resolution of General meeting by redemption of shares at the disposal of the Company, in the following cases:

- if the shares, transferred to the Company in consequence of incomplete payment by the incorporator within the prescribed period, are not sold within one year from the date of their acquisition by the Company;

- if the shares, repurchased by the Company by demand of the shareholders in accordance with article 75 of Federal law «Joint stock companies», are not sold within one year from the date of repurchase;

- if the shares, acquired by the Company in accordance with clause 2 article 72 of Federal law «Joint stock companies», are not sold within one year from the date of acquisition.

6.4.3. If upon the end of the second financial year or each subsequent financial year the value of net assets of the Company becomes less than its authorized capital, the Company shall increase the value of net assets to the amount of the authorized capital or register the reduction of the authorized capital as and when prescribed by Federal law «Joint stock companies».

In such case the authorized capital is reduced by reduction of par value of shares.

6.4.4. The authorized capital of the Company is reduced by partial redemption of shares on the basis of the resolution of General meeting on the reorganization of the Company, in case of:

- reorganization of the Company by way of separation by redemption of converted shares.

- if it is prescribed in merger agreement.

The authorized capital of the Company is reduced in case of cancellation of issue (additional issue) of shares of the Company.

6.4.5. When reducing the authorized capital the Company shall be governed by the restrictions, prescribed by federal laws.

6.4.6. The Company establishes a reserve fund, amounting to 5 (Five) per cent of the Authorized capital of the Company.

Amount of annual deductions to the reserve fund cannot be less than 5 (Five) per cent of net profit of the Company. Such deductions are made till achievement of the amount of the reserve fund, specified in the Articles of the Company.

7. RIGHTS AND OBLIGATIONS OF SHAREHOLDERS OF THE COMPANY

7.1. General rights of a shareholder of the Company:

- to take part in management of business of the Company, as prescribed by Civil Code of the Russian Federation, Federal law «Joint stock companies» and the present Articles of the Company;
- to sell their shares without consent of other shareholders and the Company;
- to exercise a preemptive right to acquire additional shares and equity securities, convertible into shares, placed by public subscription;
- to exercise a preemptive right to acquire additional shares and equity securities, convertible into shares, placed by private subscription, if voted against or did not take part in voting on placement of shares and equity securities, convertible into shares, by private subscription;
- to receive a share of profit (dividends), subject to distribution between the shareholders in the manner, prescribed by Federal law «Joint stock companies» and the Articles of the Company, depending on the class (type) of the their share;
- to receive a part of assets of the Company (the salvage value), left after winding-up of the Company, in proportion to their shares of the corresponding class (type);
- to receive information on business of the Company and study accounting and other documents, subject to Federal law «Joint stock companies» and the Articles of the Company;
- to appeal against resolutions of bodies of the Company, resulting in civil law consequences, subject to Federal law «Joint stock companies» and other regulatory acts;
- acting on behalf of the Company, to demand reimbursement of damages, caused to the Company;
- acting on behalf of the Company, to challenge its transactions on the grounds, specified in article 174 of Civil Code of the Russian Federation or Federal law «Joint stock companies», and demand enforcement of consequences of their invalidity and enforcement of consequences of invalidity of void transactions of the Company;
- to receive an extract from the register of holders of registered securities, confirming its title to the shares;
- to conclude with other shareholders of the Company a contract of exercise of its participatory interests (a shareholders' agreement);
- to exercise other rights, prescribed in Federal law «Joint stock companies» and the Articles of the Company.

7.2. Rights of a shareholder of the Company – a holder of voting shares:

- to take part in voting (including absentee voting) at General meeting of shareholders of the Company on all issues within its competence;
- to nominate candidates to the bodies of the Company pursuant to the terms and procedures, prescribed by Federal law «Joint stock companies»;
- to propose issues to the agenda of annual General meeting of shareholders of the Company pursuant to the terms and procedures, prescribed by Federal law «Joint stock companies», other regulatory acts of the Russian Federation, the Articles of the Company;
- to demand for review a list of persons, entitled to take part in General meeting of shareholders of the Company, pursuant to the terms and procedures, prescribed by Federal law «Joint stock companies», other regulatory acts and the Articles of the Company;
- to have access to the accounting documents pursuant to the terms and procedures, prescribed by Federal law «Joint stock companies», other regulatory acts and the Articles of the Company;
- to demand convocation of extraordinary General meeting of shareholders of the Company pursuant to the terms and procedures, prescribed by Federal law «Joint stock companies», other regulatory acts and the Articles of the Company;
- to demand examination of financial and economic activities of the Company by Audit

Commission pursuant to the terms and procedures, prescribed by Federal law «Joint stock companies» and the Articles of the Company;

- to demand repurchase by the Company of all or part of its shares in cases, prescribed by Federal law «Joint stock companies».

7.3. A shareholder of the Company shall:

- meet the requirements of the Articles of the Company and resolutions of bodies of the Company;

- pay for the placed shares, as and how prescribed by the laws of the Russian Federation, the Articles of the Company and placing agreement;

- take part in formation of the property of the Company to the necessary extent, as and how prescribed by prescribed by Civil Code of the Russian Federation, Federal law «Joint stock companies» and the Articles of the Company;

- not disclose confidential information of business of the Company;

- take part in taking corporate actions, without which the Company cannot continue its operation in accordance with Federal law «Joint stock companies» and other provisions of the legislation, if its participation is necessary for taking such actions;

- not take actions, certain to harm the Company;

- not take actions (omissions), which significantly encumber or make it impossible to achieve purposes of incorporation of the Company;

- inform the Company of conclusion of a shareholders' agreement;

- timely inform the registrar of the Company of change of its name, place of residence or location;

- subject to laws and the present Articles, take reasonable efforts for prior notification of other shareholders of the Company and the Company of its intention to turn to court with claims;

- incur other obligations, prescribed by the laws or the Articles of the Company.

7.4. Voting share is a share, entitling its holder to vote on all issues within competence of General meeting of shareholders of the Company or on certain issues, specified in Federal law «Joint stock companies».

Fully paid-up ordinary share is a voting share on all issues within competence of General meeting of shareholders of the Company, apart from shares under control of the Company.

8. REPURCHASE OF OUTSTANDING SHARES BY THE COMPANY

8.1. The Company is entitled to repurchase the outstanding shares by the resolution of General meeting of shareholders of the Company on the reduction of the authorized capital of the Company by partial acquisition of outstanding shares for the purpose of reduction of their total number.

8.2. The shares, acquired by the Company on the basis of the resolution of General meeting of shareholders of the Company on the reduction of the authorized capital of the Company by partial acquisition of shares for the purpose of reduction of their total number, are redeemed upon their purchase.

8.3. The Company is entitled to purchase back its outstanding shares in accordance with clause 2 article 72 of Federal law «Joint stock companies» by the resolution of the Board of Directors of the Company.

8.4. The shares, acquired by the Company in accordance with clause 2 article 72 of Federal law «Joint stock companies», do not entitle to a voting right, they are not counted during vote counting, dividends are not accrued. Such shares shall be sold at their market value within 1 (One) year from the date of repurchase. Otherwise General meeting of shareholders of the Company shall make a resolution on reduction of the authorized capital of the Company by redemption of such shares.

8.5. The repurchased outstanding shares are paid for by money, securities, other property, property or other rights of monetary value.

8.6. When making a resolution of repurchase of outstanding shares by the Company, it shall be governed by the restrictions, prescribed by federal laws.

9. DIVIDENDS OF THE COMPANY

9.1. Dividend is a part of net profit of the Company, distributed among the shareholders in proportion to the number of their shares of the corresponding class and type in the authorized capital of the Company.

9.2. The Company is entitled by the results of the first quarter, half-year, nine months of a financial year and (or) by the results of a financial year to make the resolution (declare) upon payment of dividends on outstanding shares, unless otherwise prescribed by Federal law «Joint stock companies». The resolution upon payment (declaration) of dividends by the results of the first quarter, half-year and nine months of a financial year can be made within 3 (Three) months after the end of the corresponding period.

9.3. The resolution upon payment (declaration) of dividends, including decisions upon dividend rate and mode of its payment on shares of every class (type), is made by General meeting of shareholders. Dividend rate shall not be more than the rate, recommended by the Board of Directors of the Company.

9.4. As a rule, dividends are paid with money. Dividends can also be paid in the form of securities and other property.

9.5. When making a resolution (declaration) of payment and paying dividends, the Company shall be governed by the restrictions, prescribed by federal laws.

10. MANAGEMENT AND CONTROL BODIES OF THE COMPANY

10.1. Management bodies of the Company are:

- General meeting of shareholders;
- Governing Board (the Board of Directors);
- Executive Board (the Management Board);
- Chief Executive Officer (General Director).

In case of the resolution on liquidation of the Company from the moment of appointment of Liquidation Commission all powers to manage business of the Company are transferred to it.

10.2. Powers of Chief Executive Officer can be transferred to another business company (management company) or an individual businessman (managing director), as prescribed by Federal law «Joint stock companies» and the Articles of the Company.

10.3. Financial and economic activities of the Company are supervised by Audit Commission of the Company.

10.4. The members of the Board of Directors and Audit Commission of the Company are elected by General meeting of shareholders of the Company.

10.5. Executive Board and Chief Executive Officer of the Company are formed by the Board of Directors of the Company.

10.6. In case of voluntary winding-up Liquidation Commission of the Company is appointed by General meeting of shareholders of the Company, as prescribed by the Articles of the Company and the Regulations for Liquidation Commission of the Company. In case of compulsory winding-up Liquidation Commission of the Company is appointed by the court.

11. GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY

11.1. Competence of General meeting of shareholders of the Company

11.1.1. Supreme managing authority of the Company is General meeting of shareholders of the Company.

11.1.2. Competence of General meeting of shareholders of the Company covers its right and obligation to make resolutions of the following issues:

- 1) amendments and additions to the Articles of Association of the Company or approval of the Articles of Association in a new version;
- 2) reorganization of the Company;
- 3) liquidation of the Company, appointment of Liquidation Commission, approval of intermediate and final liquidation balance-sheets;
- 4) election of members of the Board of Directors of the Company;
- 5) early termination of authorities of all members of the Board of Directors of the Company;

- 6) early termination of authorities of a management company or a managing director;
- 7) election of members of Audit Commission of the Company and early termination of their authorities;
- 8) increase of the authorized capital of the Company by increase of par value of shares;
- 9) determination of the number, par value, class (type) of outstanding shares and rights, conferred by such shares;
- 10) increase of the authorized capital of the Company by placement of additional shares by private subscription;
- 11) increase of the authorized capital of the Company by placement by public subscription of ordinary shares, constituting over 25 percent of the earlier placed ordinary shares;
- 12) increase of the authorized capital of the Company by placement by public subscription of ordinary shares, constituting 25 and less percent of the earlier placed ordinary shares, unless the Board of Directors makes a resolution on this issue;
- 13) increase of the authorized capital of the Company by placement of additional shares within the number and class (type) of authorized shares from the property of the Company (shareholder equity), when placement of additional shares is made by distribution of shares among shareholders, unless the Board of Directors makes a resolution on this issue;
- 14) increase of the authorized capital of the Company by placement of additional preferred shares within the number of authorized shares of this class (type) by public subscription, unless the Board of Directors makes a resolution on this issue;
- 15) increase of the authorized capital of the Company by placement of additional shares within the number of authorized shares of the corresponding class (type) by conversion into them of shares of a transferring company, unless the Board of Directors makes a resolution on this issue;
- 16) increase of the authorized capital of the Company by placement of additional shares within the number of authorized shares of the corresponding class (type) by conversion into them of convertible securities, unless the Board of Directors makes a unanimous resolution on this issue;
- 17) reduction of the authorized capital of the Company by partial repurchase by the Company of outstanding shares for reduction of their total number;
- 18) reduction of the authorized capital of the Company by reduction of par value of shares;
- 19) reduction of the authorized capital of the Company by reduction of par value of shares in cases, prescribed by Federal law «Joint stock companies»;
- 20) reduction of the authorized capital of the Company by redemption of the shares, owned by the Company, in cases, prescribed by the laws;
- 21) increase of the authorized capital of the Company by private subscription for equity securities of the Company, convertible into shares;
- 22) increase of the authorized capital of the Company by public subscription for convertible equity securities of the Company, convertible into ordinary shares, constituting over 25 percent of the earlier placed ordinary shares;
- 23) increase of the authorized capital of the Company by public subscription for equity securities, convertible into ordinary shares, constituting 25 and less percent of the earlier placed ordinary shares;
- 24) placement by public subscription of bonds, convertible into preferred shares, or other equity securities, convertible into preferred shares;
- 25) split and reverse split of the shares of the Company;
- 26) distribution of profits and losses of the Company by the results of a financial year;
- 27) declaration of dividends by the results of the first quarter, half-year, nine months and by the results of a financial year;
- 28) resolution on payment of remuneration and (or) compensation for expenses to the members of the Board of Directors of the Company, related to performance of functions of the members of the Board of Directors of the Company during their duty, determination of amounts of such remunerations and compensations;
- 29) resolution on payment of remuneration and (or) compensation for expenses to the members of Audit Commission of the Company, related to performance of obligations during their duty, determination of amounts of such remunerations and compensations;
- 30) resolutions on approval of transactions in cases, specified in art.83 of Federal law «Joint stock

companies»;

31) resolutions on approval of major transactions in cases, specified in cl.2 art.79 of Federal law «Joint stock companies»;

32) resolutions on approval of major transactions in cases, specified in cl.3 art.79 of Federal law «Joint stock companies»;

33) approval of an auditor of the Company;

34) resolutions on audit of financial and economic activities of the Company by Audit Commission;

35) approval of internal documents, regulating operation of bodies of the Company;

36) approval of a list of documents, obligatory for storage in the Company;

37) approval of an annual report (annual reports);

38) approval of annual financial statements, including profit and loss statements (profit and loss accounts) of the Company;

39) resolution on application to the Central Bank of the Russian Federation for exemption from obligations to disclose and provide information in accordance with the laws of the Russian Federation on securities;

40) resolutions on participation in financial industrial groups, associations and other unions of commercial companies;

41) establishment of proceedings of General meeting of shareholders;

42) resolution on reimbursement of expenditures of initiators for preparation and conduction of an extraordinary General meeting of shareholders of the Company at the expense of the Company;

43) resolution on application for delisting of shares of the Company and (or) equity securities of the Company, convertible into its shares;

44) resolutions on other issues, referred by Federal law «Joint stock companies» and the Articles to the competence of General meeting of shareholders.

11.1.3. General meeting of shareholders of the Company makes resolutions of all issues within its competence by a majority vote of holders of voting shares, participating in General meeting of shareholders, unless a larger number of votes for making certain resolutions is prescribed by the applicable legislation.

Resolutions within the competence of General meeting of shareholders of the Company, specified in points 2, 8, 10 – 19, 23, 24, 25, 27, 29, 30, 31, 32, 35, 40 subclause 11.1.2. clause 11.1. article 11 of the Articles of the Company, are made by General meeting of shareholders of the Company only on motion of the Board of Directors of the Company.

11.1.4. After receipt by the Company of voluntary or obligatory offer to repurchase the shares of the Company, as specified in chapter XI.1 of Federal law «Joint stock companies», resolutions of the following issues are made exclusively by General meeting of shareholders of the Company:

- increase of the authorized capital of the Company by placement of additional shares within the number and class (type) of authorized shares;

- placement by the Company of securities, convertible into shares, including options of the Company;

- approval of a transaction of several related transactions, related to purchase, disposal or a possibility of disposal by the Company directly or indirectly the property, which values for 10 (Ten) and more percent of book value of assets of the Company, as on the last reporting date according to its financial statements, unless such transactions are performed in the ordinary course of business of the Company or have not been concluded before receipt by the Company of voluntary or obligatory offer, and in case of receipt by the Company of voluntary or obligatory offer to repurchase public negotiable securities – before disclosure of information on sending the related offer to the Company;

- approval of interested-party transactions;

- repurchase by the Company of outstanding shares in cases, prescribed by Federal law «Joint stock companies»;

- increase of remuneration of persons, holding positions in management bodies of the Company, determination of conditions of termination of powers, including approval and increase of compensations, paid to such persons in case of termination of powers.

Applicability of the above restrictions ceases upon expiration of 20 (Twenty) days from the end

of the term for acceptance of voluntary or obligatory offer. If before this moment the party, which by the results of acceptance of voluntary or obligatory offer purchased over 30 (Thirty) percent of ordinary voting shares in accordance with clause 5 article 32 of Federal law «Joint stock companies», including shares, belonging to such party and its affiliated parties, calls for an extraordinary General meeting of shareholders of the Company, whose agenda contains an issue of election of members of the Board of Directors of the Company, the above restrictions apply till vote counting on the issue of election of members of the Board of Directors of the Company at General meeting of shareholders of the Company, considering such issue.

11.1.5. General meeting of shareholders of the Company is not entitled to consider and make resolutions of issues beyond its competence according to Federal law «Joint stock companies» and the Articles of the Company.

11.1.6. General meeting of shareholders of the Company is not entitled to make resolutions of issues, not included into the agenda of General meeting of shareholders of the Company and to change the agenda.

11.1.7. The Chairman of the Board of Directors of the Company take chair at General meeting of shareholders of the Company.

In case of absence of the Chairman of the Board of Directors of the Company at General meeting of shareholders of the Company one of the members of the Board of Directors of the Company, approved by the resolution of the Board of Directors of the Company, or any other person, approved by the Board of Directors of the Company, shall take chair.

11.2. Decision-making procedure at General meeting of shareholders of the Company

11.2.1. The resolution of the issue, put to vote, is made by a majority vote of holders of voting shares of the Company, present at General meeting of shareholders of the Company, unless in accordance with Federal law «Joint stock companies» a different number of votes is required.

11.2.2. If the agenda of General meeting of shareholders of the Company includes separate issues:

- on early termination of powers of all members of the Board of Directors of the Company, members of Audit Commission of the Company;

- on election of members of the Board of Directors of the Company, members of Audit Commission of the Company,

in case of no decision on early termination of powers of members of bodies of the Company, vote count on election of new members of such bodies is not conducted.

11.2.3. If the number of nominees, included into the voting form for election of members of bodies of the Company, who receive more than half of votes of holders of voting shares of the Company, participating in the meeting, exceeds the required number of members of such body, as prescribed in the Articles of the Company, those nominees, who receive more votes in comparison to the others, are deemed to be elected.

11.2.4. The resolutions, made by General meeting of shareholders of the Company, and voting results can be pronounced at General meeting of shareholders of the Company, during which the voting took place, and shall be brought to the notice of persons, included into the list of persons, entitled to take part in General meeting of shareholders of the Company, in the form of a voting report, as prescribed for notification of conduction of General meeting of shareholders of the Company, within 4 (Four) working days after conclusion of General meeting of shareholders of the Company or the last date of acceptance of voting forms in case of absentee voting at General meeting of shareholders of the Company.

11.3. Notification of General meeting of shareholders of the Company

11.3.1. Notice of conduction of General meeting of shareholders shall be made 30 (Thirty) days before its conduction.

If the proposed agenda of an extraordinary General meeting of shareholders of the Company contains an issue of election of members of the Board of Directors of the Company, notice of an extraordinary General meeting of shareholders of the Company shall be made 70 (Seventy) days before its conduction.

Within the above time limits notice of conduction of General meeting of shareholders of the Company shall be posted on web-site of the Company <http://www.cherkizovo.com> in information and telecommunications network Internet.

11.4. Proposals for agenda of General meeting of shareholders of the Company

11.4.1. The shareholders (shareholder), jointly holding at least 2 (two) percent of voting shares of the Company, are entitled to propose issues for inclusion into the agenda of annual General meeting of shareholders of the Company, and propose nominees to the Board of Directors of the Company, Audit Commission of the Company and the Counting Commission of the Company, the number of such nominees shall not exceed the required number of the members of the corresponding body. Such proposals shall be received by the Company within 60 (Sixty) days following the end of a financial year.

11.4.2. If the proposed agenda for an extraordinary General meeting of shareholders of the Company contains an issue of election of members of the Board of Directors of the Company, the shareholders (shareholder) of the Company, jointly holding at least 2 (two) percent of voting shares of the Company, are entitled to propose nominees for election into the Board of Directors of the Company, the number of such nominees shall not exceed the required number of the members of the Board of Directors of the Company, as specified in the Articles of the Company.

Such proposals shall be received by the Company 30 (Thirty) days before an extraordinary General meeting of shareholders of the Company.

11.4.3 Proposal for inclusion into the agenda of General meeting of shareholders of the Company shall contain the wording of each issue proposed. Proposals of issues to be included into the agenda of the General meeting of shareholders of the Company may also provide the wording of resolutions on each issue proposed.

11.4.4. The proposal of a nominee for election at General meeting of shareholders of the Company shall contain the name of the body, into which a nominee is to be elected, and details of each nominee:

- full name;
- details of ID documents (series and (or) number of the documents, date and place of issue, issuing authority);
- date of birth;
- education background;
- work places and positions within the last 5 (Five) years in chronological order;
- position, held in corporate bodies of within the last 5 (Five) years;
- a list of corporations, whose member is a nominee, the number of shares, interests, equity units in the authorized (share) capital of such corporations;
- the number of share of the Company, belonging to a nominee;
- is a nominee an independent director or not;
- in which committee of the Board of Directors a nominee intends to work;
- availability of a consent of a nominee for election into a body of the Company and its work in a definite committee of the Board of Directors of the Company.

Proposal of a nominee to the auditors of the Company for approval at General meeting of shareholders of the Company shall contain the following details of a nominee:

- full business name of a company;
- registered address and contact telephones;
- number of audit license, issuing authority and date of issue;
- term of the license.

11.4.5. Proposals of issues to be included into the agenda of General meeting of shareholders of the Company and proposal of nominees shall be submitted in writing, shall identify the submitting shareholders (shareholder), indicate the number and class (types) of their shares, and shall be signed by such shareholders (shareholder).

11.4.6. The Board of Directors of the Company shall review proposals and decide to include or to refuse to include the proposed issues into the agenda of General meeting of shareholders of the Company within 5 (Five) days following the expiry of the period for receipt of proposals of issues into the agenda of General meeting of shareholders of the Company and nominees to the Board of Directors of the Company and Audit Commission of the Company, and following the expiry of the period for receipt of proposals into the agenda of an extraordinary General meeting of shareholders of the Company for recommendation of nominees to the Board of Directors of the Company, as specified in the Articles.

11.4.7. The issue, proposed by the shareholders (shareholder), shall be included into the agenda of the General meeting of shareholders of the Company and all nominees shall be included into the list of nominees for voting in elections to the appropriate body of the Company, unless:

- the shareholders (shareholder) have failed to meet the deadline, specified in clauses 11.4.1. and 11.4.2. of the Articles;
- the shareholders (shareholder) do not hold the total number of voting shares of the Company, specified in clauses 1 and 2 article 53 of Federal law «Joint stock companies»;
- the proposal fails to meet the requirements, specified in clauses 3 and 4 article 53 of Federal law «Joint stock companies»;
- the issue, proposed for inclusion into the agenda of General meeting of shareholders of the Company, does not fall within its competence in accordance with Federal law «Joint stock companies» and the Articles of the Company and (or) fails to meet the requirements of Federal law «Joint stock companies» and other regulatory acts of the Russian Federation.

11.4.8. The reasoned resolution of the Board of Directors of the Company to decline the proposed issue for the agenda of General meeting of shareholders of the Company or a nominee into the list of nominees for election into the appropriate body of the Company, shall be forwarded to the proposing or nominating shareholders (shareholder) within 3 (three) days following the date of acceptance thereof.

11.4.9. The Board of Directors of the Company is not entitled to modify the wording of the issues for inclusion into the agenda of General meeting of shareholders of the Company, or the wording of resolutions thereon.

11.4.10. In addition to issues for inclusion into the agenda of General meeting of shareholders of the Company, as well as in the absence of such proposals, no nominees, or if the number of nominees of the shareholders for election into the appropriate bodies of the Company is insufficient, the Board of Directors of the Company is entitled to include any such issues into the agenda of General meeting of shareholders of the Company or any such nominees into the list of nominees at its own discretion.

11.5. Extraordinary General meeting of shareholders of the Company

11.5.1. Extraordinary General meeting of shareholders of the Company shall be conducted by the resolution of the Board of Directors of the Company by its own initiative, on demand of Audit Commission of the Company, an auditor of the Company and shareholders (shareholder), holding at least 10 (Ten) percent of voting shares of the Company as on the date, when such demand is filed.

Extraordinary General meeting of shareholders of the Company, convened on demand of Audit Commission of the Company, an auditor of the Company or shareholders (shareholder), holding at least 10 (Ten) percent of voting shares of the Company, is convened by the Board of Directors of the Company.

11.5.2. Within 5 (five) days following the date of the demand the Board of Directors of the Company shall approve the resolution to convene an extraordinary General meeting of shareholders of the Company or decline to do the same.

The resolution of the Board of Directors of the Company to convene an extraordinary General meeting of shareholders of the Company or a reasoned refusal to convene the meeting, shall be forwarded to the initiators of convocation within 3 (Three) days following the date of the resolution.

The resolution to refuse to convene an extraordinary General meeting of shareholders of the Company on demand of Audit Commission of the Company, an auditor of the Company or shareholders (shareholder), holding at least 10 (Ten) percent of voting shares of the Company, can be made only on the grounds, prescribed by Federal law «Joint stock companies».

11.5.3. Extraordinary General meeting of shareholders of the Company, convened on demand of Audit Commission of the Company, an auditor of the Company or shareholders (shareholder), holding at least 10 (Ten) percent of voting shares of the Company, shall be conducted within 50 (Fifty) days from the date of the demand to convene an extraordinary General meeting of shareholders of the Company.

If the proposed agenda for an extraordinary General meeting of shareholders of the Company contains an issue of election of members of the Board of Directors of the Company, such General meeting of shareholders of the Company shall be conducted within 95 (Ninety-five) days from the date of the demand to convene an extraordinary General meeting of shareholders of the Company.

The above rules applies to all cases, when the proposed agenda for an extraordinary General meeting of shareholders of the Company contains only issues of early termination of powers of all members of the Board of Directors of the Company and issues of election of the members of the Board of Directors of the Company, and applies to all cases, when the proposed agenda contains other issues, apart from the above listed.

11.6. Quorum of General meeting of shareholders of the Company

11.6.1. General meeting of shareholders of the Company is duly convened (has the quorum), if the shareholders, jointly holding over half of votes of outstanding voting shares of the Company, entitling their holders to vote on all issues of the agenda of the meeting, take part in it.

The shareholders, registered for participation in the meeting, conducted in the form of joint attendance, are deemed to be present at General meeting of shareholders of the Company.

In case of prior sending (service) of voting forms before the date of General meeting of shareholders of the Company, the shareholders, registered for participation in the meeting, and the shareholders, whose voting forms were received 2 (Two) days before General meeting of shareholders of the Company, conducted in the form of joint attendance, are deemed to be participants of General meeting of shareholders of the Company.

The shareholders, whose voting forms are received before the end of acceptance of voting forms, are deemed to be participants of General meeting of shareholders of the Company, conducted in the form of absentee voting.

11.6.2. If the agenda of General meeting of shareholders of the Company, conducted in the form of joint attendance, includes issues, voting on which is made by different classes of voters, counting quorum for making resolutions on such issues is made separately.

General meeting of shareholders of the Company is duly convened (has the quorum) for making a resolution, put to vote, if the shareholders, jointly holding over half of votes of outstanding voting shares of the Company, entitling their holders to vote on resolution of such issue, take part in it.

But lack of quorum for voting on issues by one class of voters does not prevent voting on issues by another class of voters, who has the quorum.

General meeting of shareholders of the Company, conducted in the form of a meeting, is opened, if by the start of the meeting there is quorum for making a resolution at least on one of the issues, included into the agenda of General meeting of shareholders of the Company.

11.6.3. Determination of quorum for making resolutions on the agenda issues of General meeting of shareholders of the Company, conducted in the form of absentee voting, is made separately for each issue of the agenda. General meeting of shareholders of the Company, conducted in the form of absentee voting, has the quorum and is duly convened for making resolutions of the agenda issues, if the shareholders, jointly holding over half of shares of the Company, voting on such issues of the agenda, take part in it.

But lack of quorum for voting on issues by one class of voters does not prevent voting on issues by another class of voters, who has the quorum.

11.7. Repeated convocation of General meeting of shareholders of the Company

11.7.1. In the absence of quorum at annual General meeting of shareholders of the Company, the adjourned General meeting of shareholders of the Company shall be conducted with the same agenda.

In the absence of quorum at an extraordinary General meeting of shareholders of the Company, the adjourned General meeting of shareholders of the Company may be conducted with the same agenda.

A repeated General meeting of shareholders of the Company shall be conducted in the same place, in which failed General meeting of shareholders of the Company took place.

Issues of preparation and conduction of a repeated General meeting of shareholders of the Company, including the date and time of its convocation, are determined by the Board of Directors of the Company in accordance with article 54 of Federal law «Joint stock companies», save for cases, prescribed by clause 8 article 55 of Federal law «Joint stock companies».

11.7.2. A repeated General meeting of shareholders of the Company is quorate (has the quorum), if the shareholders, jointly holding at least 30 (thirty) percent of votes of outstanding shares, voting on all issues of the agenda, participate therein.

If the agenda of repeated General meeting of shareholders of the Company includes issues, voting on which is made by different classes of voters, counting quorum for making resolutions on such issues is made separately.

A repeated General meeting of shareholders of the Company is quorate (has the quorum) for making the resolution of an issue, put to vote, if the shareholders, jointly holding at least 30 (thirty) percent of votes of outstanding voting shares, grating a vote for resolution of such issue, participate therein.

But lack of quorum for voting on issues by one class of voters does not prevent voting on issues by another class of voters, who has the quorum.

11.8. Voting forms at General meeting of shareholders of the Company

11.8.1. Voting on agenda issues of General meeting of shareholders of the Company is conducted in voting forms.

11.8.2. Voting form shall be handed out against signature to each person, listed among persons, entitled to take part in General meeting of shareholders of the Company (its proxy), registered for participation in General meeting of shareholders of the Company, save for cases, specified in the second and third paragraphs of the present clause.

When holding General meeting of shareholders of the Company in the form of an absentee voting, a voting form shall be sent or served against signature to each person, listed among persons, entitled to take part in General meeting of shareholders, 20 (Twenty) days before General meeting of shareholders of the Company.

Voting forms are sent by post.

11.8.3. Voting form shall contain the details, specified in Federal law «Joint stock companies». Voting form may contain additional information, determined by the Board of Directors upon approval of the form and text of a voting form.

12. GOVERNING BOARD OF THE COMPANY (THE BOARD OF DIRECTORS)

12.1. Competence of the Board of Directors of the Company

12.1.1. The Board of Directors of the Company manages general operations of the Company, with the exception of the issues, which are assigned by federal laws and the Articles to the competence of General meeting of shareholders of the Company.

12.1.2. Competence of the Board of Directors of the Company covers its right and obligation to make resolutions of the following issues:

1) convocation of annual and extraordinary General meetings of shareholders of the Company, save for cases, prescribed by clause 8 article 55 of Federal law «Joint stock companies»;

2) in the course of preparation of General meetings of shareholders of the Company resolution on:

- form of General meetings of shareholders of the Company (meeting or absentee voting);

- date, place, time of General meetings of shareholders of the Company and in cases, when in accordance with clause 3 article 60 of Federal law «Joint stock companies» completed voting forms may be sent to the Company, mailing address for posting completed voting forms, or in case of conduction of General meetings of shareholders of the Company in the form of an absentee voting, the last date of acceptance of voting forms and mailing address for posting completed voting forms;

- date of listing of persons, entitled to take part in General meetings of shareholders of the Company;

- procedure of notification of the shareholders of conduction of General meetings of shareholders of the Company;

- list of information (materials), provided to the shareholders in the course of preparation to conduction of General meetings of shareholders of the Company and the procedure of its provision;

- form and text of a voting form;

- other issues, subject to competence of the Board of Directors of the Company in accordance with the provisions of chapter VII of Federal law «Joint stock companies», related to preparation and conduction of General meetings of shareholders of the Company;

3) approval of the agenda of General meeting of shareholders of the Company;

- 4) prior approval of an annual report (annual reports) of the Company;
- 5) proposal for resolution by General meetings of shareholders of the Company of the issues of reorganization and liquidation of the Company;
- 6) proposal for resolution by General meetings of shareholders of the Company of the issue of amendments and additions to the Articles of Association of the Company, approval of the Articles of Association in a new version;
- 7) proposal for resolution by General meetings of shareholders of the Company of the issue of amendments and additions to the Regulations for bodies of the Company, approval of new versions of the Regulations for bodies of the Company;
- 8) proposal for resolution by General meetings of shareholders of the Company of the issue of split and reverse split of the shares;
- 9) proposal for resolution by General meetings of shareholders of the Company of the issue of increase of the authorized capital of the Company;
- 10) proposal for resolution by General meetings of shareholders of the Company of the issues of approval of transactions in cases, prescribed by chapter X of Federal law «Joint stock companies»;
- 11) proposal for resolution by General meetings of shareholders of the Company of the issues of approval of transactions in cases, prescribed by chapter XI of Federal law «Joint stock companies»;
- 12) proposal for resolution by General meetings of shareholders of the issue of repurchase by the Company of outstanding shares;
- 13) recommendations to General meetings of shareholders on the procedure of distribution of profits and losses of the Company by the results of a financial year;
- 14) recommendations to General meetings of shareholders of the Company on the amount of dividends, payable on the shares of the Company, and the procedure for their payment;
- 15) recommendations to General meetings of shareholders of the Company on the date for listing of persons, entitled to receive dividends;
- 16) recommendations to General meetings of shareholders of the Company on the amount of remuneration and reimbursements, payable to the members of Audit Commission of the Company;
- 17) proposal to General meetings of shareholders of the Company of the date for listing of persons, entitled to receive dividends;
- 18) recommendations to General meetings of shareholders of the Company on the list and amounts of funds, formed from the profits of the Company;
- 19) determination of the business priorities of the Company, including approval of annual, quarterly and other budgets of the Company (business plans);
- 20) approval of strategic development plan of the Company for the term of over 3 (Three) years;
- 21) approval of business plans of the Company, annual budgets of the Company and investment programs;
- 22) approval of capital expenditure of the Company, exceeding 10,000,000 (Ten million) USD or ruble equivalent of the same amount, unless such capital expenditure of the Company were anticipated in an approved annual budget of the Company;
- 23) use of the reserve fund and other funds of the Company;
- 24) the resolution on audit of financial and economic activities of the Company by Audit Commission of the Company;
- 25) pricing (monetary value) of the property, offering price and repurchase price of equity securities in cases, prescribed by Federal law «Joint stock companies»;
- 26) establishment and liquidation of branches and opening and liquidation of representative offices of the Company, approval of the Regulations for branches and representative offices, making amendments and additions to them;
- 27) determination of remuneration amount for services of an auditor;
- 28) approval of dividend policy of the Company and the Regulations of dividend policy of the Company;
- 29) appointment of an independent assessor (assessors) for evaluation of shares and assets of the Company in cases, prescribed by the legislation and the present Articles of the Company;
- 30) approval of internal documents of the Company, excluding internal documents, regulating operation of bodies of the Company and approved by the resolution of General meeting of shareholders

of the Company, and excluding other internal documents of the Company, subject to competence of executive bodies of the Company in accordance with the Articles of the Company, making amendments and additions in such documents;

- 31) approval of a list of additional documents, obligatory for storage in the Company;
- 32) approval of the regulations on funds of the Company;
- 33) approval of the regulations on bonuses and options;
- 34) approval of internal procedures of the Company for risk management, effectiveness analysis of such procedures and their enforcement;
- 35) approval of procedures of internal control of financial and economic activities of the Company, including approval of the regulations for internal control, in-house audit and inspection;
- 36) approval of the regulations on Corporate Secretary of the Company;
- 37) approval of major transactions in cases, specified in chapter X of Federal law «Joint stock companies»;
- 38) approval of transactions in cases, specified in chapter XI of Federal law «Joint stock companies»;
- 39) approval of merger and acquisition transactions, exceeding 10,000,000 (Ten million) USD or ruble equivalent of the same amount, unless such transactions were anticipated in an approved annual budget of the Company;
- 40) formation of Chief Executive Officer of the Company (General Director);
- 41) early termination of powers of Chief Executive Officer of the Company (General Director);
- 42) the resolution on delegation of authorities of Chief Executive Officer of the Company to a business company (management company) or an individual businessman (managing director), approval of a management company or a managing director and approval of terms of contract with a management company or a managing director;
- 43) approval of the contract with General Director of the Company, including terms of remuneration and other payments and compensations, making amendments and additions to such contract;
- 44) appointment of a person, authorized to sign the contract with General Director on behalf of the Company;
- 45) the resolution on termination of the contract with General Director of the Company;
- 46) the resolution on financial rewards and disciplinary liabilities of General Director;
- 47) consent for concurrent service of the person, performing functions of Chief Executive Officer of the Company, at the positions in management bodies in other companies;
- 48) approval of the number of members of the Management Board of the Company;
- 49) approval of members of the Management Board of the Company;
- 50) early termination of authorities of all members of the Management Board of the Company and/or certain members;
- 51) the resolution on new members of the Management Board of the Company in case of early termination of authorities of all members of the Management Board of the Company or if the number of members of the Management Board of the Company is less than the quorum, necessary for its meeting;
- 52) approval of the contract with a member of the Management Board of the Company, including terms of remuneration and other payments and compensations, making amendments and additions to such contract;
- 53) appointment of a person, authorized to sign the contract with members of the Management Board of the Company on behalf of the Company;
- 54) the resolution on termination of the contract with a member of the Management Board of the Company;
- 55) consent for concurrent service of a member of the Management Board of the Company at the positions in management bodies in other companies;
- 56) the resolution on financial rewards and disciplinary liabilities of members of the Management Board of the Company;
- 57) formation of a list (positions) of key officials of the Company;
- 58) determination of requirements to competence and amount of remuneration of key officials of the Company;

- 59) appraisal of performance of Corporate Secretary and approval of its work report;
- 60) approval of terms of Employee Stock Option Plan;
- 61) approval of the resolution on issues of securities, prospectus, making amendments and additions to them;
- 62) pricing of equity securities of the Company, placed by subscription;
- 63) placement of bonds, not convertible into shares, and other equity securities, not convertible into shares;
- 64) placement by public subscription of bonds, convertible into ordinary shares, and other equity securities, convertible into ordinary shares, constituting 25 and less percent of the earlier placed ordinary shares;
- 65) placement by public subscription of bonds, convertible into preferred shares, and other equity securities, convertible into preferred shares;
- 66) increase of the authorized capital of the Company by placement of additional shares within the number and class (type) of authorized shares from the property of the Company (shareholder equity), when placement of additional shares is made by distribution of shares among shareholders;
- 67) increase of the authorized capital of the Company by public subscription of additional ordinary shares within the number of authorized shares of this class (type) in the number, constituting 25 (Twenty-five) and less percent of the earlier placed ordinary shares of the Company;
- 68) increase of the authorized capital of the Company by placement of additional preferred shares within the number of authorized shares of this class (type) by public subscription;
- 69) increase of the authorized capital of the Company by placement of additional shares within the number of authorized shares of the corresponding class (type) by conversion into them of shares of a transferring company;
- 70) increase of the authorized capital of the Company by placement of additional shares within the number of authorized shares of the corresponding class (type) by conversion into them of convertible securities;
- 71) placement by public subscription of equity securities, convertible into ordinary shares, which can be converted into ordinary shares, in the number of 25 (Twenty-five) and less percent of the earlier placed ordinary shares;
- 72) the resolution on repurchase of outstanding shares of the Company in accordance with clause 2 article 72 of Federal law «Joint stock companies»;
- 73) the resolution on repurchase of outstanding bonds of the Company and other securities in cases, prescribed by Federal law «Joint stock companies»;
- 74) approval of the report on the results of repurchase of shares in accordance with article 72 of Federal law «Joint stock companies»;
- 75) approval of the report on the results of redemption of shares;
- 76) approval of the report on the results of call on the shareholders to pay for their shares;
- 77) the resolution on sale of outstanding shares of the Company, owned by the Company (treasury shares);
- 78) election of the Chairman of the Board of Directors of the Company and early termination of its authorities;
- 79) approval of the registrar of the Company and terms of contract with it and termination of the contract with it;
- 80) appointment of an official, responsible for observation of procedures for enforcement of rights of the shareholders of the Company – Corporate Secretary of the Company;
- 81) the resolutions on participation and termination of participation of the Company in other companies, excluding companies, specified in subclause 18 clause 1 article 48 of Federal law «Joint stock companies»;
- 82) the resolutions on incorporation of business corporations;
- 83) the resolutions on nomination into executive bodies, governing boards and other bodies of a corporation, in which the Company is a member;
- 84) recommendations on voluntary or obligatory offer of repurchase of securities, received by the Company, made in accordance with chapter XI.1 of Federal law «Joint stock companies»;
- 85) the resolution on application for listing of shares of the Company and (or) equity securities of

the Company, convertible into shares of the Company;

86) other issues, prescribed by Federal law «Joint stock companies» and the Articles.

12.1.3. The Board of Directors of the Company is not entitled to make resolutions on the issues within its competence, listed in points 1 - 5, 8, 19, 28, 34, 35, 40, 41, 46, 49, 50, 56, 66 – 70, 78, 79 subclause 12.1.2. clause 12.1. article 12 of the Articles of the Company, by an absentee voting.

12.1.4. The resolution on the issue, put to vote, is made by a majority vote of the member of the Board of Directors of the Company, participating in a meeting and / or giving their opinion in writing, unless other number of votes is prescribed in Federal law «Joint stock companies» and the Articles if the Company.

12.1.5. The issues, subject to competence of the Board of Directors of the Company, cannot be delegated to the executive body of the Company.

12.2. Election of members of the Board of Directors of the Company

12.2.1. The members of the Board of Directors of the Company shall be elected by General meeting of shareholders of the Company for a term till the next annual General meeting of shareholders of the Company.

If annual General meeting of shareholders of the Company is not conducted within the time period, prescribed by clause 1 article 47 of Federal law «Joint stock companies», the powers and authorities of the Board of Directors of the Company shall terminate, excluding the powers to prepare, convene and conduct annual General meeting of shareholders of the Company.

12.2.2. The member of the Board of Directors of the Company do not have to be a shareholder of the Company.

12.2.3. The number of members of the Board of Directors of the Company is determined by the resolution of General meeting of shareholders of the Company during election of the members of the Board of Directors of the Company and shall be at least 5 (Five) members. Before the resolution on other number of members of the Board of Directors when proposing nominees to the Board of Directors of the Company the shareholders are governed by such number of members of the Board of Directors of the Company, as determined by the resolution of General meeting of shareholders of the Company, applicable at the moment of nomination.

12.2.4. The resolution of General meeting of shareholders of the Company on early termination of authorities of the Board of Directors of the Company, whose members are elected by cumulative voting, can be made only in respect of all members of the Board of Directors of the Company.

12.2.5. When the number of members of the Board of Directors of the Company is less than the number, necessary for quorum for meeting of the Board of Directors of the Company, as determined by the Articles of the Company, the Board of Directors of the Company shall made a resolution on conduction of an extraordinary General meeting of shareholders of the Company for election of new members of the Board of Directors of the Company. The remaining member of the Board of Directors of the Company are entitled to make the only resolution for convocation of an extraordinary General meeting of shareholders of the Company.

12.2.6. The Board of Directors of the Company is entitled to form its committees, procedure of formation and work of such committees is regulated by internal documents, approved by the Board of Directors of the Company.

12.3. Rights of members of the Board of Directors of the Company

12.3.1. Members of the Board of Directors of the Company are entitled:

- to receive information of activities of the Company and study its accounting and other documents;
- to demand reimbursement of damages to the Company;
- acting on behalf of the Company, to challenge transactions of the Company on the grounds, prescribed by the applicable laws of the Russian Federation, and demand enforcement of consequences of their invalidity and enforcement of consequences of invalidity of void transactions of the Company, as prescribed in clause 2 article 65.2. of Civil Code of the Russian Federation;
- to demand convocation of the meeting of the Board of Directors of the Company;
- to propose issues to the agenda of the meetings of the Board of Directors of the Company and decision options thereto;
- to propose nominees to the executive bodies of the Company, if they are formed by the

Board of Directors of the Company;

- to demand record in the minutes of the meeting of the Board of Directors of the Company of its individual opinion on the issues of the agenda, resolutions;
- to receive remuneration for performance of its duties and (or) reimbursement for expenses, related to performance of functions of a member of the Board of Directors of the Company, in cases and in the amount, as determined by the resolution of General meeting of shareholders of the Company.

12.4. Chairman of the Board of Directors of the Company

12.4.1. The Chairman of the Board of Directors of the Company is elected by the members of the Board of Directors of the Company from among their number by a majority vote of all members of the Board of Directors of the Company, votes of quitting members of the Board of Directors of the Company are not counted.

12.4.2. The Board of Directors of the Company is entitled at any time to reelect its Chairman by a majority vote of all members of the Board of Directors of the Company, votes of quitting members of the Board of Directors of the Company are not counted.

12.4.3. The Chairman of the Board of Directors of the Company shall organize its work, convene the meetings of the Board of Directors of the Company, provide for keeping of the minutes, take a chair at General meeting of shareholders of the Company, unless otherwise prescribed by the present Articles of the Company.

12.4.4. In the absence of the Chairman of the Board of Directors of the Company, his/her functions shall be performed by one of the members of the Board of Directors of the Company by the resolution of the Board of Directors of the Company.

12.5. Meeting of the Board of Directors of the Company

12.5.1. The meeting of the Board of Directors of the Company shall be convened by the Chairman of the Board of Directors at his/her own initiative, on demand of any member of the Board of Directors, Audit Commission of the Company or an auditor of the Company, executive bodies of the Company.

12.5.2. Resolutions of the Board of Directors of the Company are made as follows:

- at the meeting of the Board of Directors of the Company in the form of joint attendance of members of the Board of Directors of the Company;
- at the meeting of the Board of Directors of the Company in the form of joint attendance of members of the Board of Directors of the Company, for determination of quorum and voting results of which written opinions on the issues of the agenda of absent members of the Board of Directors of the Company are counted;
- absentee voting without presence of members of the Board of Directors of the Company.

Procedures for convocation and conduction of the meetings of the Board of Directors of the Company and the procedure of decision-making are specified in the Regulations for the Board of Directors of the Company.

12.5.3. There is a quorum at the meeting of the Board of Directors of the Company, if one-half of the total number of members of the Board of Directors of the Company are present and (or) provided their written opinion.

12.5.4. The resolution of the Board of Directors of the Company, made by absentee voting, is valid, if half of elected members of the Board of Directors of the Company took part in absentee voting, excluding issues for resolution of which in accordance with Federal law «Joint stock companies» and the Articles of the Company unanimous resolution, three-fourths' majority or majority of all members of the Board of Directors of the Company, but for quitting members of the Board of Directors of the Company, is required.

12.5.5. Resolutions of the meeting of the Board of Directors of the Company are made by a simple majority of votes, cast by the members of the Board of Directors of the Company, present thereat and (or) provided their written opinion, unless Federal law «Joint stock companies» and (or) the Articles of the Company prescribed otherwise.

The resolution of the Board of Directors of the Company, made by absentee voting, is deemed to

be made, if half of members of the Board of Directors of the Company, participating in absentee voting, voted for it, unless Federal law «Joint stock companies» and (or) the Articles of the Company prescribed otherwise.

12.5.6. For the purposes of voting at the meeting of the Board of Directors of the Company each member of the Board of Directors of the Company shall have one vote.

Transfer of the vote by one member of the Board of Directors of the Company to another person, including other member of the Board of Directors of the Company, is prohibited.

In case of equality of votes of members of the Board of Directors of the Company in the course of decision-making the Chairman of the Board of Directors of the Company has a casting vote.

13. EXECUTIVE BOARD OF THE COMPANY (THE MANAGEMENT BOARD)

13.1. Executive Board of the Company – the Management Board of the Company operates on the basis of the Articles of the Company and the Regulations for the Management Board, approved by General meeting of shareholders of the Company, which specified terms and procedures of convocation and conduction of its meetings and the procedure of decision-making. Formation of the Management Board of the Company and early termination of its authorities is made by the Board of Directors of the Company. Term of authorities of the Board of Directors of the Company of the Company is prescribed by the Regulations for the Management Board of the Company.

13.2. Number and members of the Management Board of the Company are determined in accordance with the Regulations for the Management Board of the Company.

13.3. Competence of the Management Board of the Company covers:

- 1) approval of strategic plans and business priorities of the Company, its subsidiaries and affiliates;
- 2) evaluation of business results of subsidiaries of the Company;
- 3) approval of incentive programs for employees of the Company, its subsidiaries and affiliates;
- 4) consideration and making resolutions on conclusion by the Company, its subsidiaries of collective labour contracts and agreements;
- 5) other issues, introduced by the members of the Management Board of the Company.

13.4. Operation of the Management Board of the Company is managed by the Chairman of the Management Board of the Company, which is Chief Executive Officer (General Director) of the Company.

13.5. Members of the Management Board of the Company may simultaneously be the members of Audit Commission of the Company.

13.6. Authorities of a member of the Management Board of the Company come into effect from the date, specified in the resolution of the Board of Directors of the Company on approval of such member of the Management Board of the Company or all members of the Management Board of the Company, and if it is not specified, from the date of the resolution of the Board of Directors of the Company on approval of such member of the Management Board of the Company or all members of the Management Board of the Company.

A member of the Management Board of the Company is entitled to withdraw from the Management Board of the Company at any moment upon written application.

Termination of authorities of a member of the Management Board of the Company, who is an employee of the Company, is not the ground for termination of labour contract with such employee.

13.7. The Company can conclude a contract with a member of the Management Board of the Company, it would specify its rights and obligations, additional terms of employment, procedure of determination of remuneration, reimbursement of expenses, related to performance of duties of a member of the Management Board of the Company.

The contract with a member of the Management Board of the Company is approved by the Board of Directors of the Company.

The contract is signed on behalf of the Company by the Chairman of the Board of Directors of the Company or a person, authorized by the Board of Directors of the Company.

The Board of Directors of the Company is entitled to terminate the contract with a member of the Management Board of the Company at any moment.

13.8. The meeting of the Management Board of the Company is quorate (has the quorum), if at least half of members of the Management Board of the Company, as specified in the resolution of the Board of Directors of the Company, took part in it.

13.9. The resolution on an issue, put to vote, is made at the meeting of the Management Board of the Company by a majority vote of members of the Management Board of the Company, participating in a meeting. For decision-making each member of the Management Board of the Company has one vote. Transfer of vote by a member of the Management Board of the Company to another person, including another member of the Management Board of the Company, is prohibited.

In case of equality of votes of members of the Management Board of the Company the Chairman of the Management Board of the Company has a casting vote. Another member of the Management Board of the Company, taking chair at a meeting, has no casting vote.

14. CHIEF EXECUTIVE OFFICER OF THE COMPANY (GENERAL DIRECTOR)

14.1. Day-to-day operations of the Company are managed by Chief Executive Officer of the Company – General Director of the Company.

14.2. General Director of the Company is the chairman of the Management Board of the Company.

14.3. General Director of the Company is accountable to the Board of Directors of the Company and General meeting of shareholders of the Company.

14.4. Competence of Chief Executive Officer of the Company covers all issues, related to the management of day-to-day activities of the Company, excluding issues, subject to the competence of General meeting of shareholders of the Company or the Board of Directors of the Company.

Chief Executive Officer of the Company provides fulfillment of the resolutions of General meeting of shareholders of the Company or the Board of Directors of the Company.

14.5. General Director of the Company shall act for and on behalf of the Company without a power of attorney and may, inter alia, represent its interests, make transactions on behalf of the Company, approve personnel arrangements, issue orders and directions, binding upon all employees of the Company.

14.6. General Director is elected by the Board of Directors of the Company for a term in office of 5 (five) years. The agreement between the Company and General Director is signed on behalf of the Company by the Chairman of the Board of Directors of the Company, or by a person, authorized by the Board of Directors of the Company. The terms of the above agreement shall be approved by the Board of Directors of the Company.

14.7. If Chief Executive Officer of the Company – General Director of the Company is incapable of performing his/her duties on the grounds, prescribed by the legislation of the Russian Federation and the Articles of the Company, the Board of Directors of the Company is entitled to authorize early termination of powers of the existing General Director of the Company and election of a new one.

The Board of Directors of the Company is entitled to acknowledge that the person, acting as Chief Executive Officer of the Company – General Director of the Company is incapable of performing his/her duties in accordance with the agreement, in the following cases:

- General Director of the Company is pronounced legally incapable;
- legal incapacity of General Director of the Company;
- General Director of the Company is placed into custodial care;
- General Director of the Company is drafted or volunteered for military duty;
- General Director of the Company is incarcerated or sentenced to hard labor or another penalty in accordance with an effective court judgment, which excludes the possibility of his/her continued employment;
- General Director of the Company unilaterally discontinues performance of his/her duties;
- General Director of the Company is officially pronounced dead or missing;
- General Director of the Company is elected to an elected position with a government body, or becoming a government employee, as well as in other cases, when concurrent service in a government body and business is prohibited by law;
- in other cases, prescribed by the labor legislation of the Russian Federation.

14.8. The Board of Directors of the Company is entitled to dismiss Chief Executive Officer of the Company – General Director of the Company. Simultaneously with the approval of such resolution the Board of Directors of the Company is entitled to create a provisional executive body of the Company.

14.9. Management company (managing director) is approved by the Board of Directors of the Company for a term of 3 (Three) years.

Authorities of a management company (managing director) come into force from the moment of approval of a management company (managing director) by the Board of Directors of the Company.

15. LIABILITY OF MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE BODY OF THE COMPANY

15.1. Members of the Board of Directors of the Company, Chief Executive Officer of the Company (General Director), management company or managing director in the course of performance of duties shall act in the interests of the Company, exercise their rights and obligations to the Company reasonably and in good faith.

15.2. Members of the Board of Directors of the Company, Chief Executive Officer of the Company (General Director), management company or managing director are liable to the Company for damages, caused to the Company by their guilty actions (omissions), unless other grounds and extent of liability are prescribed by federal laws.

But members of the Board of Directors of the Company, who voted against the resolution, which resulted in damages to the Company, or did not participate in voting, bear no responsibility.

15.3. The Company or the shareholder (shareholders), total holding at least 1 (One) percent of ordinary shares of the Company, are entitled to resort to court with a claim against a member of the Board of Directors of the Company, Chief Executive Officer of the Company (General Director), management company or managing director for damages, caused to the Company, in cases, prescribed by clause 2 article 71 of Federal law «Joint stock companies».

15.4. The Company is entitled to insure the above specified liability of members of the Board of Directors of the Company, Chief Executive Officer of the Company (General Director), management company or managing director at its own expense.

16. AUDIT COMMISSION OF THE COMPANY

16.1. Control over the financial and economic activities of the Company is performed by Audit Commission of the Company. The activities of Audit Commission of the Company are regulated by the Regulations for Audit Commission of the Company, approved by General meeting of shareholders of the Company.

16.2. Audit Commission of the Company consisting of 3 (three) members is elected annually at General meeting of shareholders of the Company in accordance with the procedure, provided for in the Regulations for Audit Commission of the Company for the period till the date of the next annual General meeting of shareholders of the Company.

The term of office of Audit Commission of the Company is calculated from the moment of its election by General meeting of shareholders of the Company till the moment of election (re-election) of Audit Commission of the Company by the next annual General meeting of shareholders of the Company.

If for some reasons the Audit Commission of the Company was not elected at the annual General meeting of shareholders of the Company, its term of office is deemed expired and the Company is to convene an extraordinary General meeting of shareholders of the Company to elect new members of Audit Commission of the Company.

16.3. The powers of individual members or the whole Audit Commission of the Company can be terminated earlier by the resolution of General meeting of shareholders of the Company on the grounds and in accordance with the procedure provided for in the Regulations for Audit Commission of the Company.

Should the number of the members of Audit Commission of the Company become less than the half of members, prescribed for by the Articles, the Board of Directors shall convene an extraordinary General meeting of shareholders of the Company to elect new members of Audit Commission of the

Company. The remaining members of Audit Commission of the Company perform their functions until new members of Audit Commission of the Company are elected at an extraordinary General meeting of shareholders of the Company.

In case of early termination of powers of Audit Commission of the Company the powers of new members of Audit Commission of the Company remain in force until Audit Commission of the Company is elected (re-elected) by the next annual General meeting of shareholders.

16.4. Both a shareholder and any person proposed by a shareholder or the Company's Board of Directors can become a member of Audit Commission of the Company. Members of Audit Commission of the Company cannot simultaneously be members of the Board of Directors of the Company or hold other position in the management bodies of the Company.

16.5. Audit Commission of the Company elects its chairman and secretary from among its members.

16.6. Review (audit) of financial and economic activities of the Company is performed by the results of the Company's activities for a year. Review (audit) of financial and economic activities of the Company is also performed at any time:

- By initiative of Audit Commission of the Company;
- By the resolution of General meeting of shareholders of the Company;
- By the resolution of the Board of Directors of the Company;
- On demand of shareholder (shareholders) of the Company, totally holding at least 10 percent of voting shares of the Company as of the date of the claim.

Expenses for audit performed on demand of the shareholder (shareholders) are incurred by persons, demanding it. By the resolution of General meeting of shareholders of the Company these expenses can be compensated out of the funds of the Company.

16.7. On demand of Audit Commission of the Company persons, holding positions in the management bodies of the Company, shall submit documents on financial and economic activities of the Company.

16.8. Audit Commission of the Company is entitled to demand convocation of an extraordinary General meeting of shareholders of the Company in accordance with the Articles of the Company.

16.9. In the absence of external audit the annual report and the balance sheet are presented to General meeting of shareholders of the Company along with the report of Audit Commission of the Company.

16.10. By the results of audit of financial and economic activities of the Company, Audit Commission of the Company makes a report, which shall contain:

- confirmation of the accuracy of data in the statements and other financial documents of the Company;
- information on violations of accounting and bookkeeping procedures, prescribed by regulatory acts of the Russian Federation, and other regulatory acts of the Russian Federation in the course of financial and economic activities.

17. PROCEDURE OF NOTIFICATION OF INTENTION OF A SHAREHOLDER, MEMBER OF THE BOARD OF DIRECTORS OF THE COMPANY TO APPEAL TO COURT

17.1. The shareholder of the Company, claiming damages to the Company or invalidation of a transaction or enforcement of consequences of void transactions, shall take reasonable measures for prior notification of other shareholders of the Company and the Company of its intention to appeal to court with such claims and shall provide related information.

30 (Thirty) days before submission of a statement of claim to court such shareholder shall send to the Company a copy of such statement of claim or another statement and all attached documents by registered mail with return receipt requested or submit the above documents to the Company. Other shareholders of the Company are notified via the Company. Additionally the shareholder of the Company is entitled to send the above documents to other shareholders of the Company.

The shareholder of the Company, who appealed to court, shall provide to the Company and shareholders of the Company any information, related to the case, including information of agreement to hear a statement of claim or other statement and progress of the proceedings and the related court orders, including introduction of new parties to the case, change of grounds and subject of the claim, injunctive

relief, waiver of claim, admission of claim, amicable agreement, adoption of a court order, closing the case in commercial court, and other information, related to the case. The above information is provided to the Company or shareholders of the Company within 7 (Seven) days from the moment of receipt by the shareholders of the Company, who appeals to court, written request of the Company or a shareholder of the Company.

17.2. The shareholder of the Company, who appeals against resolution of General meeting of shareholders of the Company, shall inform the Company or shareholders of the Company in advance in writing of its intention to appeal to court with such claim and provide other information, related to the case. Such notices and provision of information are performed in accordance with cl.17.1. of the article, unless otherwise prescribed by the laws.

17.3. The member of Governing Board of the Company (the Board of Directors) of the Company, appealing against the resolutions of General meeting of shareholders of the Company, shall inform the Company and members of the Board of Directors of the Company in advance in writing of its intention to appeal to court with such claim and provide other information, related to the case. Such notices and provision of information are performed in accordance with cl.17.1. of the article, unless otherwise prescribed by the laws.