

**APPROVED BY**  
**the Resolution of the Extraordinary**  
**General Shareholders' Meeting**  
**of OJSC «SIBUR Holding»**  
**of October 15, 2012 (Minutes No. 37 of Octo-**  
**ber 16, 2012)**

**CHARTER**  
**of the Open Joint Stock Company**  
**«SIBUR Holding»**

(version No. 11)

**Saint Petersburg**  
**2012**

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## **Article 1. General Provisions**

1.1. Open Joint Stock Company «SIBUR Holding» (hereafter, the "Company") is established in accordance with the applicable laws of the Russian Federation.

1.2. The legal status of the Company, the rights and obligations of its shareholders shall be defined by the Civil Code of the Russian Federation, the Federal Law "On Joint-Stock Companies," other legal acts of the Russian Federation and this Charter.

1.3. The Company shall be established for an indefinite period.

## **Article 2. Corporate Name and Registered Address of the Company**

2.1. Corporate name of the Company in Russian:

full name: Открытое акционерное общество "СИБУР Холдинг";

short name: ОАО "СИБУР Холдинг".

2.2. Corporate name of the Company in English:

full name: Open Joint Stock Company «SIBUR Holding»;

short name: OJSC «SIBUR Holding».

2.3. Registered address of the Company:

5 Galernaya St., Letter A, St. Petersburg 190000, Russia.

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

3.1. The Company shall be a legal entity from the date of its state registration. It has separate property recorded on its independent balance sheet and may, in its name, acquire and exercise property and personal non-property rights, bear obligations, sue and be sued in court.

3.2. The Company shall be an open joint stock company.

3.3. The Company shall have civil rights and bear obligations required for carrying out all kinds of activities, which are not prohibited by the applicable laws.

3.4. Shareholders shall not be liable for the obligations of the Company and shall bear the risk of losses relating to its activities to the extent of the value of their shares.

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

3.6. Shareholders of the Company may be natural persons and legal entities.

3.7. In accordance with the applicable laws, the Company shall open settlement and other accounts at banks, including banks in other countries, in rubles and foreign currency.

3.8. The Company is the owner of the property, which has been transferred to the Company by shareholders, by way of the payment for shares.

3.9. Subject to the established procedure, the Company may participate in the formation of other organizations within and outside the Russian Federation, acquire interests (shares) in such organizations, purchase buildings, structures, land, rights to the use of natural resources, securities and also any other property which may be owned by a legal entity under the applicable laws of the Russian Federation.

3.10. The Company shall maintain the financial, statistics and tax accounting in accordance with the applicable laws of the Russian Federation.

3.11. In cooperation with the government authorities, the Company shall carry out mobilization readiness and civil defense measures and perform other kinds of work related to the use of information constituting a state secret. The One-person Executive Body of the Company shall be responsible for proper organization of the works related to the use of information con-

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stituting a state secret. When the Company is reorganized or liquidated or when the works related to the use of the information constituting a state secret are discontinued, the Company shall ensure the integrity of this information and the media on or in which it is recorded.

3.12. The Company has a round seal showing its full corporate name in Russian and its registered address; the seal may also indicate the corporate name of the Company in any foreign language or language of the peoples of the Russian Federation. The Company may have trademarks, service marks, industrial models, letterheads, stamps showing its name in the Russian language and in any foreign language and its trademark, its own logo and other means of visual identification.

#### **Article 4. Liability of the Company**

4.1. The Company shall be liable for its obligations with all the property that it owns.

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

4.3. The State and its bodies shall not be liable for the obligations of the Company, nor shall the Company be liable for the obligations of the State and its bodies.

#### **Article 5. Branches and Representative Offices. Subsidiary and Dependent Companies**

5.1. Subject to a resolution of the Board of Directors, the Company may establish branches and open representative offices both within and outside the Russian Federation.

Branches and representative offices of the Company shall not be legal entities.

5.2. Branches and representative offices of the Company shall operate on behalf of the Company, on the basis of the Regulations approved by the Board of Directors of the Company. Branches and representative offices shall be provided with property by the Company and this property shall be recorded on their separate balance sheets and on the balance sheet of the Company. The Company shall be liable for the activities of its branches and representative offices. Heads of branches and representative offices shall be appointed and removed from office by the Management Board of the Company and shall act on the basis of the power of attorney issued by the Company.

5.3. Amendments to the Charter of the Company related to the establishment of branches and opening of representative offices and their liquidation shall be introduced by a resolution of the Board of Directors. The amendments to this Charter related to the changes in the information concerning its branches and representative offices shall be presented to the agency in charge of state registration of legal entities by way of notification. These amendments to the Charter of the Company shall take effect for third parties from the date on which the agency in charge of state registration of legal entities was notified thereof.

5.4. The Company may have subsidiary and dependent companies with the status of legal entities, both within and outside the Russian Federation.

5.5. The Company shall establish subsidiary and dependent companies, open branches and representative offices outside the Russian Federation in accordance with this Charter and subject to the laws of the foreign state where the subsidiary and dependent companies, branches and representative offices are domiciled, unless otherwise provided by the international treaty of the Russian Federation.

#### **Article 6. Purpose of the Establishment of the Company and Its Main Kinds of Activities**

6.1. The purpose for which the Company is established shall be to earn profit by the organization of production and sale of goods, performance of trade operations, provision of marketing and other services and also by engagement in other kinds of activities, which are not prohibited by the applicable laws of the Russian Federation.

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6.2. The main kinds of the activities of the Company shall be:

- wholesale trade in petrochemical products, various textile goods, synthetic and hydrolytic ethyl alcohol, other basic organic chemicals;
- organization of extraction (including exploration and drilling), transportation and processing of oil, petroleum products, condensate, gas and other mineral resources; production of the wide fraction of light hydrocarbons, petroleum products, petrochemical and other products; sale of gas, condensate, oil, petroleum products and other products obtained by processing hydrocarbons and other raw materials;
- implementation or participation in the implementation of investment and research programs and projects for the development of oil–gas–condensate deposits, processing of hydrocarbons, development of catalysts, adsorbents, new kinds of products to ensure the most effective extraction and processing of condensate, gas, oil and other minerals through the development and technical retooling and upgrading of production capacities, more thorough processing of raw materials, organization of the production of chemical and petrochemical products;
- investment activities, including securities transactions, to be carried out in accordance with the applicable laws of the Russian Federation and by establishment of banking and investment organizations, insurance companies and pension funds;
- cargo carriage by rail, sea and motor transport;
- wholesale and retail trade in consumer goods;
- advertising and publishing activities; organization of exhibitions, exhibition–sales, auctions, etc.;
- provision of all kinds of transportation and forwarding services, including declaration, customs clearance and insurance of cargoes;
- construction, reconstruction, repair and operation of industrial enterprises, residential housing, cultural, consumer and trade establishments and other facilities;
- agency, consulting, marketing, foreign economic activities, including export and import operations;
- purchasing precious metals, including scrap metal, by–products and used catalysts, their delivery to processing enterprises in the Russian Federation and subsequent sale of ready products pursuant to the procedure established by applicable laws.

6.3. The Company may also engage in any other kinds of activities which are not prohibited by the applicable laws of the Russian Federation. Separate kinds of activities, specified by federal laws, shall be pursued by the Company only after receipt of the appropriate permit (license).

**Article 7. Authorized Capital of the Company. Outstanding and Authorized Shares**

7.1. The authorized capital of the Company shall be twenty-one billion seven hundred eighty-four million seven hundred ninety-one thousand (21,784,791,000) rubles, which is divided into two billion one hundred seventy-eight million four hundred seventy-nine thousand one hundred (2,178,479,100) registered ordinary shares with a nominal value of ten (10) rubles each (outstanding shares).

7.2. In addition to the outstanding shares, the Company may issue nine billion six hundred fifty-three million forty-five thousand five hundred (9,653,045,500) registered ordinary shares and two billion five hundred million (2,500,000,000) registered preference shares with a nominal value of ten (10) rubles each (authorized shares), which rank *pari passu* with the outstanding shares of the same category (class).

7.3. Payment for the shares may be made in cash, securities, other things, property rights or other rights which have a money value.

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7.4. When payment for the additional shares is made by non-cash means, the monetary value of the property contributed by way of the payment for the shares shall be fixed by the Board of Directors of the Company in accordance with Article 77 of the Federal Law "On Joint-Stock Companies."

7.5. The Authorized Capital of the Company may be:

- increased by increasing the nominal value of the shares using the property of the Company or by issuing additional shares;
- decreased by decreasing the nominal value of shares or reducing their aggregate quantity, specifically by acquiring and redeeming a part of the shares.

7.6. A resolution to increase the Authorized Capital of the Company by increasing the nominal value of its shares shall be passed by a majority vote of the shareholders present at the General Shareholders' Meeting.

7.7. The decision to increase the Authorized Capital by placing additional shares through a closed subscription, through an open subscription of ordinary shares representing more than 25 percent of the ordinary shares previously placed, through a closed subscription of equity securities convertible into ordinary shares as may be converted into ordinary shares representing more than 25 percent of the ordinary shares previously placed, shall be adopted by the General Shareholders' Meeting by a three-fourths majority vote of shareholders holding voting shares and participating in the General Shareholders' Meeting.

The Company may carry out placement of the additional shares only within the quantity of authorized shares established by the Charter of the Company.

7.8. A resolution to decrease the Authorized Capital and introduce relevant amendments to the Charter of the Company shall be passed by the General Shareholders' Meeting subject to the requirements of the applicable laws of the Russian Federation.

7.9. Upon resolution of the Board of Directors, the Company may acquire the shares placed by the Company with the option of their subsequent public trading. The shares acquired by the Company in accordance with this clause shall not provide voting rights, shall be disregarded for the purposes of tallying votes, and shall not accrue any dividend. Such shares have to be sold at a price that is not lower than their market price, no later than one year from the date of their acquisition. Failing this, the General Shareholders' Meeting shall adopt a resolution on decreasing the authorized capital of the Company by redemption of the above shares.

## **Article 8. Bonds and Other Issue-Grade Securities of the Company**

8.1. The Company may issue bonds and other issue-grade securities as provided for by the legal acts of the Russian Federation on securities.

8.2. Bonds and other issue-grade securities of the Company shall be issued by a resolution of the Board of Directors, except in cases where bonds are issued by a resolution of the General Shareholders' Meeting in accordance with the Federal Law "On Joint-Stock Companies."

8.3. A bond evidences the right of its holder to require its redemption (payment of its nominal value or nominal value plus interest) at the predetermined time. A resolution on the issue of bonds shall indicate the manner in which bonds are to be redeemed, their maturity and other terms of their redemption.

8.4. A bond shall have a nominal value. The nominal value of all bonds issued by the Company shall not exceed the Authorized Capital of the Company and/or the amount of security provided to the Company by third parties for the issue of bonds.

8.5. The Company may issue term bonds, which all have the same maturity, or serial bonds with maturity depending on the series.

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Bonds may be registered or bearer bonds. When issuing registered bonds the Company shall keep a register of bond holders. The Company may stipulate a possibility for bond holders to redeem their bonds before maturity.

### **Article 9. Rights and Obligations of Company Shareholders**

9.1. Shareholders owning ordinary shares of the Company shall be entitled to:

- participate in the General Shareholders' Meeting and vote on all matters put to the vote;
- receive dividends;
- in the event of the liquidation of the Company receive a part of its property which remains after settlement with creditors;
- participate in running the affairs of the Company pursuant to the procedure established by the applicable laws of the Russian Federation;
- receive information about the activities of the Company in cases and pursuant to the procedure provided for by the applicable laws of the Russian Federation, this Charter and the Corporate Code of Conduct approved by the Board of Directors.

9.2. Shareholder(s) owning, in aggregate, at least ten (10) percent of the voting shares of the Company shall have the right to demand that the Company's activities be audited by independent auditors.

9.3. Shareholders of the Company shall:

- observe this Charter;
- pay for the shares pursuant to the procedure established by the applicable laws of the Russian Federation and this Charter;
- use their right reasonably and in good faith; never take actions objectively harmful for the Company and, specifically, never divulge confidential information about the activities of the Company;
- in cases provided by the applicable laws of the Russian Federation, inform the Company about their interest in the conclusion of a transaction;
- perform other obligations specified by the applicable laws of the Russian Federation and this Charter.

### **Article 10. Funds and Net Assets of the Company**

10.1. The Reserve Fund of the Company shall be formed by mandatory annual transfers from the net profit of the Company to be made at a rate of no less than 5 percent thereof until the Reserve Fund reaches the established amount.

10.2. The Reserve Fund of the Company shall be used to cover losses of the Company and redeem its bonds and shares if no other financial resources are available. The Reserve Fund shall not be used for any other purposes.

10.3. Other special-purpose funds may be formed in the Company by a resolution of the General Shareholders' Meeting.

10.4. Valuation of the Company's net assets shall be carried out on the basis of the accounting data, pursuant to the procedure established by the Finance Ministry of the Russian Federation and the federal agency in charge of the securities market.

### **Article 11. Profit of the Company and Its Distribution**

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11.1. The profit of the Company after tax (net profit) shall be used by the Company at its discretion.

11.2. The net profit of the Company shall be used to pay dividends, replenish the Reserve Fund and other funds of the Company and for other purposes connected with the activities of the Company.

### **Article 12. Dividends of the Company**

12.1. Based on the results of the first quarter, six months, nine months of the financial year and/or the results of the financial year, the Company may resolve to pay (declare) dividends on the outstanding shares, unless otherwise specified by the Federal Law "On Joint-Stock Companies", and shall pay out the dividends subject to the restrictions established by the applicable laws of the Russian Federation.

12.2. The resolutions to pay (declare) dividends, including resolutions on the dividend rate and the form of payment of dividends on the shares of each category (class) shall be passed by the General Shareholders' Meeting. The dividend rate shall not be higher than that recommended by the Board of Directors. The resolution on the payment of dividends shall indicate the amount of dividends per share and the amount of the funds set aside for the payment of dividends.

12.3. The period for the payment of dividends shall be determined by the General Shareholders' Meeting. If the resolution of the General Shareholders' Meeting does not indicate the dividend payment date, the dividends shall be paid within sixty (60) days of the date on which the resolution on their payment was passed.

12.4. Dividends shall be paid only in monetary funds.

12.5. To ensure the most convenient manner in which shareholders of the Company may receive the dividends due to them, payment of dividends shall be carried out by means of bank transfers or postal transfers. Dividends shall be deemed to have been paid when the corresponding amount has been transferred from the Company's account to the bank account (remitted to the postal address) indicated in the shareholders' register of the Company, in accordance with the adopted resolution on the time and manner of payment of dividends.

### **Article 13. Shareholders' Register of the Company**

13.1. The shareholders' register of the Company shall contain information about each registered person, the quantity and categories (classes) of shares registered in the name of each registered person, and other information prescribed by the legal acts of the Russian Federation.

13.2. The shareholders' register of the Company shall be maintained by the registrar – a professional securities market participant who is engaged in, and has a license for, the maintenance of a register of owners of registered securities as his exclusive activities, under a contract with the Company. Approval of the registrar and the contract with him and termination of this contract shall fall within the scope of competence of the Board of Directors.

13.3. Entries shall be made in the shareholders' register of the Company upon the request of beneficial or nominee shareholders within three (3) days of the date on which the required documents, prescribed by the legal acts of the Russian Federation, are submitted.

13.4. The registrar maintaining the shareholders' register of the Company shall, upon the request of the beneficial or nominee shareholder, confirm his rights to shares by issuing an excerpt from the shareholders' register of the Company, which excerpt shall not be a security.

### **Article 14. General Shareholders' Meeting**

14.1. The General Shareholders' Meeting shall be the highest governing body of the Company.

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14.2. Every year, not earlier than two (2) months and no later than six (6) months after the end of its financial year, the Company shall hold the annual General Shareholders' Meeting, at which shareholders shall elect the Board of Directors and the Audit Commission, approve the auditor of the Company, approve the annual reports and annual financial statements, including profit and loss statements (profit and loss accounts) of the Company, and approve allocation of the profit, including payment (declaration) of dividends, and losses of the Company on the basis of the results of the financial year. The annual General Shareholders' Meeting may also deal with other matters which are referred to its competence by the applicable laws of the Russian Federation and this Charter.

14.3. The General Shareholders' Meetings other than annual general meetings shall be extraordinary General Shareholders' Meetings.

The venue of the General Shareholders' Meeting shall be determined by a resolution of the Board of Directors on the convocation of the General Shareholders' Meeting.

14.4. The General Shareholders' Meeting shall be competent to transact business (a quorum shall be present) if attended by shareholders (their representatives) exercising more than one half of the votes carried by the outstanding voting shares of the Company.

14.5. In the absence of a quorum, the General Shareholders' Meeting shall be adjourned but the adjourned General Shareholders' Meeting shall be held with the same agenda.

14.6. The adjourned General Shareholders' Meeting shall be held in compliance with the procedures established by the applicable laws of the Russian Federation and this Charter.

14.7. The adjourned General Shareholders' Meeting may transact business (a quorum shall be present) if attended by shareholders (their representatives) exercising an aggregate of no less than thirty (30) percent of the outstanding voting shares of the Company.

14.8. When the adjourned General Shareholders' Meeting is to be held less than forty (40) days from the General Shareholders' Meeting, from which the adjournment was taken, the persons entitled to participate in this General Shareholders' Meeting shall be determined in accordance with the list of persons entitled to participate in the initial meeting which has been adjourned.

14.9. The extraordinary General Shareholders' Meeting shall be held by a resolution of the Board of Directors passed on its own initiative, upon the request of the Audit Commission, the auditor of the Company or shareholders owning, individually or together, at least ten (10) percent of the voting shares of the Company as of the date on which the meeting was requested.

14.10. The extraordinary General Shareholders' Meeting shall be held pursuant to the procedure and at the time established by the applicable laws of the Russian Federation and the Regulations of the General Shareholders' Meeting.

### **Article 15. Competence of the General Shareholders' Meeting**

15.1. The General Shareholders' Meeting shall be competent to:

1) Introduce changes and additions into the Company's Charter or approve its updated version.

2) Reorganize the Company.

3) Liquidate the Company, appoint the Liquidation Commission, and approve the interim and final liquidation balance sheets.

4) Decide the number of members on the Board of Directors, elect its members and remove them from office.

5) Determine the quantity, nominal value, category (class) of the declared shares and the rights provided by the said shares.

6) Increase the Company's Authorized Capital by increasing the nominal value of the shares, through additional placements of shares by way of a closed subscription, by way of an open subscription of ordinary shares representing more than twenty-five (25) percent of previ-



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ously placed ordinary shares, by way of an open subscription of issue-grade securities convertible into ordinary shares which may be converted into ordinary shares representing more than twenty-five (25) percent of previously placed ordinary shares.

7) Increase the Company's Authorized Capital through placing preferred shares or additional ordinary shares by way of an open subscription, within the quantity and category (class) of placed ordinary shares representing twenty-five (25) percent of previously placed ordinary shares or less, or by distributing shares among the Company's shareholders against the Company's property.

8) Adopt a resolution on placement by way of an open subscription of issue-grade securities that may be converted into preferred shares or into ordinary shares representing twenty-five (25) percent of previously placed ordinary shares or less.

9) Place bonds and other issue-grade securities of the Company, convertible into shares, except in cases where they are placed by decision of the Company's Board of Directors in accordance with the Federal Law "On Joint-Stock Companies".

10) Reduce the Company's Authorized Capital by reducing the nominal value of shares, by acquiring a part of the shares for the Company to reduce their total quantity, as well as by canceling shares acquired or redeemed by the Company.

11) Elect the Audit Commission's members and remove them from office early. Determine, upon the Board of Directors' recommendation, the amount of remuneration and compensation to be paid to the members of the Audit Commission.

12) Approve the Company's auditor.

13) Decide on the payment (declaration) of dividends on the basis of the results of the first quarter, six months and nine months of the financial year.

14) Approve the annual reports and annual financial statements, including profit and loss statements (profit and loss accounts) of the Company; approve distribution of profit (other than the profit distributed as dividends based on the results of the first quarter, six months and nine months of the financial year) and losses on the basis of the results of the financial year.

15) Approve the procedure for holding the General Shareholders' Meeting.

16) Elect and remove from office the Counting Commission's members in cases stipulated by applicable Russian laws.

17) Split and consolidate shares.

18) Approve non arm's-length transactions in cases provided by the applicable laws of the Russian Federation and this Charter.

19) Approve major transactions in cases provided by the applicable laws of the Russian Federation and this Charter.

20) Acquire outstanding shares for the Company in cases stipulated under the applicable laws of the Russian Federation and this Charter.

21) Decide on participation in financial and industrial groups, associations and other groups of commercial organizations.

22) Approve internal documents regulating activities of the Company's governing bodies.

23) Upon the Board of Directors' recommendation, decide to transfer, under a contract, the powers of the One-person Executive Body to a commercial organization (management organization) or a sole trader (manager).

24) Adopt decisions on early termination of powers of the management organization or manager.

25) Deal with other matters stipulated under the applicable laws of the Russian Federation and this Charter.

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15.2. Matters falling within the scope of competence of the General Shareholders' Meeting shall not be delegated to the Board of Directors, except for matters specified by the applicable laws of the Russian Federation.

### **Article 16. Resolutions of the General Shareholders' Meeting**

16.1. Resolutions on matters listed in Sub-Clauses 1 - 3, 5, and 20 of Clause 15.1 hereof shall be adopted at the General Shareholders' Meeting by a three-fourths majority vote of holders of voting shares, present at the meeting.

At the General Shareholders' Meeting, resolutions on the issue of shares and other issue-grade securities in cases provided by the Federal Law "On Joint-Stock Companies" shall be adopted by a three-fourths majority vote of holders of voting shares, present at the meeting.

The resolutions on reduction of the Company's Authorized Capital by decreasing the nominal value of shares, and also in connection with the fact that the value of net assets became less than the amount of the Authorized Capital, shall be adopted by a three-fourths majority vote of holders of voting shares, present at the General Shareholders' Meeting.

16.2. Resolutions on matters listed in Sub-Clauses 2, 6, 12, 17 - 23 of Clause 15.1 hereof shall be adopted by the General Shareholders' Meeting only on the recommendation of the Board of Directors.

16.3. Resolutions of the General Shareholders' Meeting on other matters put to the vote shall be adopted by a majority vote of holders of voting shares of the Company, present at the meeting, unless otherwise specified by the Federal Law "On Joint-Stock Companies".

16.4. The General Shareholders' Meeting shall not adopt resolutions on matters, which are not on its agenda, and shall not change the agenda.

### **Article 17. Proposal of Agenda Items. Information on Holding the General Shareholders' Meeting**

17.1. The agenda of the General Shareholders' Meeting shall be determined by the Board of Directors in the course of the preparing the General Shareholders' Meeting.

17.2. Shareholder(s) owning, in aggregate, at least two percent of the voting shares of the Company may propose items for the agenda of the annual General Shareholders' Meeting and candidates for election to the Board of Directors, the Audit Commission and the Counting Commission of the Company, the number of such candidates not exceeding the number of members of the given body.

These proposals shall be submitted to the Company no later than thirty (30) days after the end of the financial year. Proposals concerning inclusion of items on the agenda of the General Shareholders' Meeting and proposals concerning nomination of candidates shall be submitted in writing, with an indication of the name (corporate name) of the shareholder(s) who submitted the proposal, the quantity and category (class) of his shares, and shall be signed by the shareholder(s).

These proposals shall be formulated in accordance with the requirements of the Federal Law "On Joint-Stock Companies."

17.3. Apart from the items proposed by shareholders for inclusion on the agenda of the General Shareholders' Meeting and also if no such proposals were made, if no candidates or an insufficient number of candidates were proposed for the formation of the given body, the Board of Directors may put items on the agenda of the General Shareholders' Meeting or include candidates in the list of candidates at its own discretion.

17.4. Notice of the General Shareholders' Meeting shall be served on the shareholders in writing (by registered mail or by a courier service, against receipt) no later, than twenty (20) days before the date of the meeting or, if the agenda of the General Shareholders' Meeting contains a question of the reorganization of the Company, no later than thirty (30) days before the date of the meeting.

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17.5. No later than twenty (20) days before the date of the meeting or, if the agenda of the General Shareholders' Meeting contains a question of the reorganization of the Company, no later than thirty (30) days before the date of the meeting, information (materials) to be presented to the shareholders in preparation for the General Shareholders' Meeting in accordance with the applicable laws of the Russian Federation and this Charter shall be made available for examination to persons entitled to participate in the General Shareholders' Meeting at the place indicated in the notice of the General Shareholders' Meeting. Upon the request of shareholders the Company shall, within two days, provide them with copies of these documents.

### **Article 18. Voting at the General Shareholders' Meeting. Minutes of the General Shareholders' Meeting**

18.1. Shareholders shall participate in the General Shareholders' Meeting in person or through their representatives (by proxy).

18.2. At the General Shareholders' Meeting, the shareholder's representative shall act in accordance with the powers granted to him by a written power of attorney. The power of attorney for voting shall contain information about the principal and the representative (for a natural person – the name, data of the identity paper (series and/or number of the document, date and place of issuance, issuing authority), for a legal entity – corporate name, registered address). The power of attorney for voting shall be executed in accordance with the requirements of Clauses 4 and 5, Article 185 of the Civil Code of the Russian Federation, or it shall be notarized.

18.3. The General Shareholders' Meeting shall be chaired by the Chairman of the Board of Directors. In his absence, the General Shareholders' Meeting shall be presided over by the Deputy Chairman of the Board of Directors. In the event of simultaneous absence of the Chairman of the Board of Directors and his deputy from the General Shareholders' Meeting, the meeting shall be presided over by one of the members of the Board of Directors appointed by the Board of Directors. If no members of the Board of Directors are present or if they refuse to take the chair, the meeting shall be presided over by the One-person Executive Body.

18.4. When voting is conducted at the General Shareholders' Meetings, one voting share shall entitle its holder to one vote, except in cases where some other voting procedure is prescribed by the applicable laws of the Russian Federation.

18.5. Depending on the method of voting, the General Shareholders' Meeting may be held either in the form of an actual meeting or by voting in absentia (by polling).

In case of an actual meeting, the shareholders can jointly attend the General Shareholders' Meeting to discuss the items on its agenda and pass a resolution on the matters put to a vote.

Voting in absentia allows shareholders to vote without their concurrent attendance to discuss items on the meeting agenda and pass resolutions on matters put to the vote. The General Meeting of Shareholders, the agenda of which includes such items as election of members of the Board of Directors and the Audit Commission; approval of the auditor of the Company; approval of the annual reports and annual financial statements, including the profit and loss account of the Company; allocation of its profit, including payment (declaration) of dividends, and losses of the Company on the basis of the results of the financial year, shall not be conducted in the form of voting in absentia.

18.6. At the General Shareholders' Meeting, voting shall be conducted by means of ballots, pursuant to the procedure established by this Charter and the Regulations of the General Shareholders' Meeting.

18.7. The results of voting on the questions considered by the General Shareholders' Meeting shall be recorded in the minutes of the General Shareholders' Meeting.

18.8. The Minutes of the General Shareholders' Meeting shall be finalized no later than three (3) business days after the closing of the General Shareholders' Meeting or after the deadline for acceptance of ballots when the General Shareholders' Meeting is conducted in the form of voting in absentia. It shall be drawn up in duplicate and shall be signed by the person who presided over the General Shareholders' Meeting and the Secretary of the General Shareholders' Meeting.

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18.9. Resolutions adopted by the General Shareholders Meeting, as well as voting results, shall be announced at the General Shareholders Meeting during which the voting was held, or reported no later than ten (10) days after preparing minutes of the voting results in the form of a voting results report to the persons included in the list of persons authorized to participate in the General Shareholders Meeting, in the manner prescribed for the announcement of the General Shareholders Meeting.

### **Article 19. Board of Directors**

19.1. The Board of Directors of the Company shall be a governing body of the Company which shall manage its activities and deal with all matters which do not belong to the competence of the General Shareholders' Meetings, the Management Board and the One-person Executive Body.

19.2. Subject to a resolution of the General Shareholders' Meeting, members of the Board of Directors of the Company may, during their term of office, receive remuneration and/or compensation for the expenses incurred in the discharge of their duties as members of the Board of Directors of the Company. The size of such remuneration and compensation shall be fixed by a resolution of the General Shareholders' Meeting.

19.3. Members of the Board of Directors shall be elected at the General Shareholders' Meeting for a term lasting to the next annual General Shareholders' Meeting.

The members of the Board of Directors of the Company shall be elected by cumulative voting.

In the event of cumulative voting, each voting share of the Company shall carry a number of votes equal to the total number of members to be elected to the Board of Directors. A shareholder may either cast all votes, to which he is thus entitled, for one candidate or distribute these votes among two or several candidates. Candidates who receive the largest number of votes shall be deemed to have been elected to the Board of Directors.

If the annual General Shareholders' Meeting was not held at the time established by this Charter, the powers of the Board of Directors shall be terminated save the powers to prepare, call and hold the annual General Shareholders' Meeting.

19.4. The number of members on the Board of Directors shall be determined by a resolution of the General Shareholders' Meeting but this number shall not be less than seven (7) members. By a resolution of the General Shareholders' Meeting, members of the Board of Directors may be removed from office only en masse.

19.5. The Board of Directors shall consist only of natural persons. A member of the Board of Directors shall not necessarily be a Company Member.

Members of the Management Board shall not account for more than one-fourth of the number of members of the Board of Directors.

19.6. Persons elected to the Board of Directors may be re-elected any number of times.

19.7. Members of the Board of Directors shall be obliged to disclose information about ownership of the Company's securities and the sale (or purchase) of such securities.

### **Article 20. Competence of the Board of Directors**

20.1. The Board of Directors shall be competent to:

- 1) Determine the priorities in the Company's activities.
  - 2) Approve the long-term plans and main work plans of the Company, the annual and long-term business plan of the Company and the annual investment program of the Company.
  - 3) Consider reports on the implementation of the annual and long-term business plan of the Company and the reports on the implementation of the annual investment program of the Company.
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4) Convene annual and extraordinary General Shareholders' Meetings, approve agenda of the General Shareholders' Meeting, determine the date of preparing the list of persons that have the right to participate in the General Shareholders' Meeting; deal with other matters within its competence, which are related to preparing and holding the General Shareholders' Meeting, save as otherwise provided by the Federal Law "On Joint-Stock Companies".

5) Issue bonds and other issue-grade securities of the Company, except for cases where they are to be placed by a resolution of the General Shareholders' Meeting in accordance with the Federal Law "On Joint-Stock Companies".

6) Fix the price (monetary valuation) of the property (specifically, where the Board of Directors and the General Shareholders' Meeting are to approve a major transaction or non arm's-length transaction); fix the price of placement and redemption of issue-grade securities in cases provided by the applicable laws of the Russian Federation and this Charter.

7) Acquire outstanding shares, bonds and other securities of the Company in cases provided for by the applicable laws of the Russian Federation and this Charter.

8) Establish the Company's executive bodies (including its collective executive body – the Management Board) and determine (change) the number of members on the Management Board; elect and remove members of the Management Board and the One-person Executive Body; approve provisions of the employment agreement with the One-person Executive Body.

9) Fix the remuneration of the Management Board members.

10) Issue recommendations to the General Shareholders' Meeting concerning the transfer, under a contract, of the powers of the One-person Executive Body to a management organization or a manager.

11) Decide on suspension of powers of a management organization or a manager.

12) Pre-approve the Company's annual report.

13) Issue recommendations to the General Shareholders' Meeting concerning the amount of remuneration and compensation to be paid to the members of the Audit Commission and the remuneration to be paid to the Company's auditor.

14) Issue recommendations to the General Shareholders' Meeting concerning the amount of dividends to be paid on the shares of the Company, the manner and time of their payment.

15) Use the Reserve Fund and other funds of the Company.

16) Approve the internal documents of the Company, except for the internal documents, the approval of which is referred to the competence of the General Shareholders' Meeting by the Federal Law "On Joint-Stock Companies" and other internal documents, the approval of which is referred to the competence of the Management Board and the One-person Executive Body by applicable laws and this Charter.

17) Establish and liquidate branches; open and close representative offices.

18) Approve major transactions in cases stipulated by the applicable laws of the Russian Federation.

19) Approve non arm's-length transactions in cases stipulated by the applicable laws of the Russian Federation.

20) Approve the Company's registrar and the provisions of a contract with the registrar; terminate the contract with the registrar.

21) Approve the Regulations on the structural subdivision of the Company authorized to conduct internal audits of financial and business activities.

22) Approve the candidature of the head of the structural subdivision of the Company authorized to conduct internal audits of the financial and business activities; approve the provisions of the employment agreement (contract) with the head of this structural subdivision; approve the dismissal of the head of such structural subdivision on the initiative of the Company.

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23) Approve transactions (several related transactions), involving the acquisition, disposal, encumbrance or possible disposal of assets in the form of shares, participating interests, stakes of other organizations, which are conducted between third parties and the Company or legal entities, the financial statements of which are consolidated with the financial statements of the Company according to international standards (hereafter, "SIBUR Group").

24) Amend the Company's Charter in connection with establishing and liquidating the branches, opening and closing the representative offices.

25) Approve a transaction or several related transactions, which involve raising financing (including a loan, credit, pledge, surety) or acquisition, disposal or possible disposal by the Company, directly or indirectly, of the property if the amount of such financing or the cost of such property is equal to or exceeds five percent (5 %) of the book value of the Company's assets as determined on the basis of the accounting statements of the Company for the last reporting date, excepting the transactions concluded in the course of the normal business activities of the Company and also excepting the cases where such transactions are to be approved by the Board of Directors or the General Shareholders' Meetings in respect of other criteria established by the applicable laws and the Company's Charter (including approval of such transactions as non arm's-length transactions or major transactions).

26) Approve the documents related to the issue of additional shares or other issue-grade securities, including the issue shares or other issue-grade securities, prospectuses of shares or other issue-grade securities and reports on the results of the issue of shares and other issue-grade securities of the Company.

27) Submit to the General Shareholders' Meetings the issue of approving major transactions involving property worth from 25% to 50% of the book value of the Company's assets in cases stipulated by Chapter X of the Federal Law "On Joint-Stock Companies".

28) Establish the committees of the Board of Directors; approve the number of members on such committees, their membership and the Regulations of the Committees of the Board of Directors; consider annual reports of the activity of these committees or other reports in accordance with the Regulations of the Committees of the Board of Directors.

29) Deal with other matters referred to the competence of the Board of Directors by the applicable laws of the Russian Federation, this Charter and the internal documents of the Company.

20.2. Matters belonging to the competence of the Board of Directors shall not be delegated to the executive bodies of the Company.

20.3. On the recommendation of the Chairman of the Management Board, the Board of Directors may deal with other matters, which do not belong to its competence (except for matters belonging to the competence of the General Shareholders' Meeting) but are highly important for the activities of the Company.

## **Article 21. Committees of the Board of Directors**

21.1. To deal with separate tasks faced by the Company, the Board of Directors may form committees, including the Audit Committee, the Human Resources and Remuneration Committee, and so on.

21.2. A committee of the Board of Directors shall act on the basis of the Regulations for such committee, as approved by the Board of Directors.

21.3. The members of the committees of the Board of Directors shall be appointed by the Board of Directors.

21.4. A committee of the Board of Directors shall meet as necessary and in accordance with the relevant Regulations approved by the Board of Directors.

21.5. The committees of the Board of Directors may hold joint meetings.

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## **Article 22. Chairman of the Board of Directors and Deputy Chairman of the Board of Directors**

22.1. Members of the Board of Directors shall elect one of their members as Chairman of the Board of Directors by a majority of the total votes of the members of the Board of Directors.

The One-person Executive Body shall not concurrently serve as Chairman of the Board of Directors.

22.2. The Chairman of the Board of Directors of the Company shall organize the work of the Board of Directors, call and preside over its meetings, make arrangements for keeping the minutes of its meetings, and preside over the General Shareholders' Meeting.

22.3. In the absence of the Chairman of the Board of Directors, his functions shall be performed by the Deputy Chairman of the Board of Directors.

22.4. The Deputy Chairman of the Board of Directors shall be elected by the Board of Directors from among its members by a majority of the total votes of the members of the Board of Directors, for the same term of office for which the Chairman of the Board of Directors was elected.

## **Article 23. Meetings of the Board of Directors**

23.1. Resolutions of the Board of Directors may be adopted at its meetings held in the form of the concurrent attendance of its members and in the form of voting in absentia (by polling). The procedure for holding the meeting is established by the Regulations of the Board of Directors.

23.2. Meetings of the Board of Directors shall be called by the Chairman of the Board of Directors on his own initiative or upon a request of any member of the Board of Directors, the Audit Commission, the auditor of the Company, its One-person Executive Body or the Management Board.

In the absence of the Chairman of the Board of Directors, the meeting of the Board of Directors may be called by the Deputy Chairman of the Board of Directors with the prior written consent of the Chairman of the Board of Directors, or, if the Deputy Chairman of the Board of Directors is also absent, by any member of the Board of Directors, also with the prior written consent of the Chairman of the Board of Directors. In this case, the members of the Board of Directors present at the meeting shall elect one of their number as chairman of the meeting of the Board of Directors who shall, as far as this meeting is concerned, perform all duties and enjoy all rights of the Chairman of the Board of Directors.

The member of the Board of Directors who chairs the meeting of the Board of Directors in the absence of the Chairman of the Board of Directors shall not be entitled to the casting vote at the meeting of the Board of Directors.

23.3. The quorum necessary for transaction of business at meetings of the Board of Directors shall be formed by the presence of no less than one half of the total number of elected members of the Board of Directors. When the quorum and voting results are to be established at the meeting of the Board of Directors, written opinions on the items of the agenda received from a member of the Board of Directors absent from the meeting shall be taken into account. A member of the Board of Directors shall also be deemed as present at the meeting, if he participates in the meeting by telephone or video communication or if he is able, by any other means, to express his opinion in the course of the meeting and take part in the voting on the matters discussed at the meeting.

23.4. The organizational arrangements for the activities of the Board of Directors and arrangements for keeping the minutes of its meetings shall be ensured by the Secretary of the Board of Directors, who shall be appointed and removed by the Board of Directors.

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23.5. The procedure for calling and holding meetings of the Board of Directors shall be established by the Regulations of the Board of Directors approved by the General Shareholders' Meeting.

23.6. The minutes of the meeting of the Board of Directors shall be signed by the person presiding over the meeting and the secretary of the Board of Directors. The minutes of the meeting held in the form of voting in absentia (by polling) shall be signed by the Chairman of the Board of Directors and the secretary of the Board of Directors.

#### **Article 24. Resolutions of the Board of Directors**

24.1. At a meeting of the Board of Directors when matters are put to the vote each member of the Board of Directors shall have one vote. Members of the Board of Directors shall not transfer their votes to other persons, including to each other.

The opinions presented in writing by members of the Board of Directors absent from its meeting shall be taken into account when the quorum and voting results are to be established.

24.2. At a meeting of the Board of Directors, resolutions shall be passed by a majority vote of the members of the Board of Directors present at the meeting, unless the applicable laws of the Russian Federation or this Charter establish a different decision-making procedure.

24.3. In the event of a parity of votes of the members of the Board of Directors, the Chairman of the Board of Directors shall have the casting vote.

#### **Article 25. Executive Bodies of the Company. One-person Executive Body**

25.1. The Company has the following executive bodies: the One-person Executive Body (Chief Executive Officer) and the Management Board (collective executive body).

25.2. The One-person Executive Body and the members of the Management Board shall be appointed by the Board of Directors for a three (3) –year term, unless a different term of office is established by the resolution of the Board of Directors. The term of office of the One-person Executive Body and members of the Management Board may be extended any number of times by resolution of the Board of Directors. The Board of Directors may, at any time, remove the One-person Executive Body and any member of the Management Board.

25.3. The rights and obligations of the One-person Executive Body shall be established by the applicable laws of the Russian Federation, this Charter and an agreement concluded with the Company. On behalf of the Company, the agreement shall be signed by the Chairman of the Board of Directors or a person authorized to do so by resolution of the Board of Directors.

The rights and obligations of the members of the Management Board shall be established by the applicable laws of the Russian Federation, this Charter and the Regulations of the Management Board approved by the General Shareholders' Meeting. Agreements may be concluded with members of the Management Board, which are to be signed on behalf of the Company by the Chairman of the Board of Directors or a person authorized to do so by resolution of the Board of Directors.

25.4. The One-person Executive Body may appoint deputies, who shall act in accordance with the competence defined by order of the One-person Executive Body. Deputies of the One-person Executive Body shall act on behalf of the Company on the basis of powers of attorney issued by the One-person Executive Body.

25.5. The One-person Executive Body shall approve the organizational structure of the Company.

25.6. During his vacation, business trips and other short-time absences, the One-person Executive Body may appoint one of his deputies to act temporarily as the One-person Executive Body.

25.7. The One-person Executive Body shall be competent to deal with all matters related to the management of the day-to-day activities of the Company, save the matters belonging

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to the competence of the General Shareholders' Meetings, the Board of Directors and the Management Board.

25.8. The One-person Executive Body shall:

- act on behalf of the Company without a power of attorney;
  - on behalf of the Company take actions which result in the appearance, change and termination of the rights and obligations of the Company in its relations with natural persons, legal entities and government authorities; in particular, he shall take all actions and sign all documents on behalf of the Company, represent the interests of the Company at all organizations in all matters which are referred to the competence of the One-person Executive Body of the Company by this Charter and the Federal Law "On Joint-Stock Companies";
  - decide on the transactions to be concluded by the Company, save a transaction, the approval of which is referred by this Charter to the competence of the General Shareholders' Meeting, the Board of Directors and the Management Board;
  - exercise the rights of the Company as a shareholder (member) of other legal entities, save the matters which, under the Charter, are to be decided by the Management Board of the Company;
  - approve transactions (several related transactions) involving the acquisition, disposal, encumbrance or possible disposal of assets in the form of shares, interests, stakes of other organizations, which are carried out between the legal entities of SIBUR Group (including the Company) (except in cases where such transactions—major transactions or non arm's-length transactions—are to be approved by the Board of Directors or the General Shareholders' Meeting);
  - decide on the participation and termination of the participation of the Company in other organizations, except in cases provided for in Sub-Clauses 18, 19, 21 of Clause 15.1, and Sub-Clauses 18, 15, 1, 25 of Clause 20.1. hereof;
  - issue powers of attorney for the right of representation on behalf of the Company, including powers of attorneys with the power of substitution;
  - approve the organizational structure and staffing plan of the Company, its branches and representative offices; determine the forms, systems and amount of labor remuneration;
  - organize the preparation of the long-term plans and main work programs of the Company, the annual financial and business plan (business plan) of the Company, and the annual investment program of the Company;
  - hire and dismiss employees of the Company and conclude labor contracts with them on behalf of the Company;
  - issue orders, directives and instructions mandatory for all employees of the Company;
  - approve the internal documents of the Company that regulate the day-to-day activities of the Company, if approval of such documents is referred to the competence of the One-person Executive Body by the applicable laws and this Charter;
  - open accounts at banks;
  - organize control over the utilization of material, financial and labor resources;
  - approve the list of information which contains a trade secret or is confidential;
  - ensure compliance with the requirements of the applicable laws of the Russian Federation in the business activities of the Company;
  - adopt resolutions on filing the claims and lawsuits against natural persons and legal entities on behalf of the Company; exercise the rights of the shareholder (member) of the business companies in which the Company participates;
  - report to the Board of Directors on his work at the time and according to the forms established by the Board of Directors;
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- pre-approve the annual financial and business plan (business plan) of the Company, including the financial, business and production targets for all main lines of activities, the annual investment program; consider reports on the implementation of the business plan and investment program of the Company;
  - approve the general development strategy for the subsidiary companies, including the pursuance of a unified production, technical, financial, pricing, marketing, social and HR policy;
  - pre-approve changes in the Authorized Capital of a legal entity within SIBUR Group or the issue of securities convertible into shares by a legal entity within SIBUR Group;
  - pre-approve the formation of a new legal entity by a SIBUR Group legal entity, or its participation in the formation of a legal entity;
  - pre-approve reorganization of a legal entity within SIBUR Group;
  - approve candidates for election to the boards of directors of companies, shares (interests) in which are held by the Company; approve candidates for election to the boards of directors (supervisory boards) of companies, the shares (interests) of which are held by subsidiary companies;
  - approve the projects and programs for the organizational development of the legal entities within SIBUR Group, which are not investment projects and programs but aim at raising the production and financial indicators, cutting down the costs and expenses, increasing the transparency of the corporate, production, financial and business management, if the budget of such project or program is equal to or exceeds fifty million (50,000,000) rubles, exclusive of VAT, or is equivalent to this sum in other currencies; form the working teams for the implementation of these projects or programs; consider reports on the implementation of such projects and programs;
  - consider proposals for possible conclusion by the Company and/or legal entities within SIBUR Group of transactions with assets in the form of shares and interests (transactions involving acquisition of new assets, full or partial disposal of the available assets, pursuance of joint activities, establishment of joint ventures with third parties), including:
    - approval of the negotiating position of the Company and a legal entity within SIBUR Group;
    - designation of persons responsible for negotiations with potential partners and granting them negotiating powers; appointing a supervisor, manager and administrator of the transaction with assets in the form of shares and participating interests;
    - approval of agreements reached in the course of negotiations if they differ from the initially agreed terms and conditions;
    - consideration of periodic reports on the progress of negotiations and elaboration of the terms and conditions for the pursuance of joint activities or establishment of a joint venture;
  - deal with other matters connected with the day-to-day activities of the Company.

25.9. The One-person Executive Body and members of the Management Board shall be obliged to disclose information about ownership of the Company's securities, the sale and/or purchase of such securities.

## **Article 26. Collective Executive Body of the Company**

26.1. The Management Board of the Company shall act on the basis of the Charter of the Company and the Regulations of the Management Board, approved by the General Shareholders' Meeting. The number of members on the Management Board shall be determined by the Board of Directors of the Company and shall be optimal for a constructive discussion of mat-

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ters and for adoption of prompt and effective decisions. The number of members of the Management Board shall not exceed fifteen (15) members.

26.2. In accordance with its competence, the Management Board shall:

- 1) Organize the effective management of the day-to-day activities of the Company.
- 2) Ensure the implementation of the resolutions of the General Shareholders' Meetings and the Board of Directors.
- 3) Appoint and remove heads of branches and representative offices of the Company.
- 4) Approve the list and assess the composition of key risks and approve the procedures for the management of such risks.

26.3. The meeting of the Management Board shall be competent to transact business (a quorum shall be present) if it is attended by no less than one half of the total number of elected members of the Management Board. When the quorum and voting results are to be established at the meeting of the Management Board, written opinions on the items of the agenda received from a member of the Management Board absent from the meeting shall be taken into account. A member of the Management Board shall also be deemed to be present at the meeting if he participates in the meeting by telephone or video communication or if he is able, by any other means, to express his opinion in the course of the meeting and take part in the voting on the matters discussed at the meeting.

If the number of members of the Management Board drops below the number forming the aforementioned quorum, the Board of Directors of the Company shall form a Management Board which has decision-making powers.

26.4. At the meeting of the Management Board, resolutions shall be passed by a majority vote of the members of the Management Board present at the meeting, with the written opinion expressed on the items of the agenda by the absent members being reckoned in.

26.5. The organizational arrangements for the activities of the Management Board and arrangements for keeping the minutes of its meetings shall be ensured by the Secretary of the Management Board appointed by the Chairman of the Management Board. The minutes of the meeting shall be signed by the person presiding over such meeting. The minutes of the meeting held in the form of voting in absentia (by polling) shall be signed by the Chairman of the Management Board.

26.6. The procedure for calling and holding meetings of the Management Board shall be established by the Regulations of the Management Board approved by the General Shareholders' Meeting.

26.7. Subject to a resolution of the Board of Directors, the members of the Management Board may, during their term of office, receive remuneration and/or compensation for the expenses incurred in the discharge of their duties as members of the Management Board. The size of such remuneration and compensation shall be fixed by resolution of the Board of Directors.

## **Article 27. Management Organization**

27.1. Subject to a resolution of the General Shareholders' Meeting, the powers of the One-person Executive Body may be transferred, under a contract, to a management organization. The resolution to transfer the powers of the One-person Executive Body to a management organization shall be adopted by the General Shareholders' Meetings only on the recommendation of the Board of Directors.

27.2. The rights and obligations of the management organization in the management of the day-to-day activities of the Company shall be defined by the Federal Law "On Joint-Stock Companies," this Charter and the contract to be concluded with the Company. The provisions of this contract shall be formulated by the Board of Directors.

27.3. On behalf of the Company the contract with the management organization shall be signed by the Chairman of the Board of Directors or by a person authorized to do so by the Board of Directors.

27.4. The Board of Directors may resolve to suspend the powers of the management organization. At the same time, simultaneously with the adoption of such resolution, the Board of Directors shall adopt a resolution to form a temporary One-person Executive Body and to call the extraordinary General Shareholders' Meeting to deal with the question of the early termination of the powers of the management organization and formation of a new One-person Executive Body or the question of the transfer of the powers of the One-person Executive Body to a management organization.

27.5. The management organization shall be competent to deal with all matters related to the management of the day-to-day activities of the Company, save the matters belonging to the competence of the General Shareholders' Meetings, the Board of Directors and the Management Board. The management organization shall have the right to request a meeting of the Board of Directors.

27.6. The One-person Executive Body of the management organization shall not concurrently serve as Chairman of the Board of Directors.

27.7. The management organization shall be responsible for proper organization of the work connected with the use of information constituting a state secret, for the organization, condition and accuracy of accounting in the Company, for timely submission of the annual report and other financial statements to competent authorities and for disclosure of information about the activities of the Company to the shareholders, creditors and the mass media.

#### **Article 28. Major Transactions. Non arm's-length transactions**

28.1. Resolutions to approve major transactions and non arm's-length transactions shall be adopted by the governing bodies of the Company in accordance with the requirements of the applicable laws of the Russian Federation and this Charter.

#### **Article 29. Audit Commission**

29.1. The financial and business activities of the Company shall be reviewed by the Audit Commission consisting of three members, to be elected by the General Shareholders' Meeting for a term lasting to the next annual General Shareholders' Meeting.

29.2. Subject to a resolution of the General Shareholders' Meeting, members of the Audit Commission of the Company may, during their term of office, receive remuneration and/or compensation for the expenses incurred in the discharge of their duties as members of the Audit Commission of the Company. The size of such remuneration and compensation shall be fixed by resolution of the General Shareholders' Meeting based on the recommendation of the Board of Directors.

29.3. Apart from the matters within its competence specified by the Federal Law "On Joint-Stock Companies", the Audit Commission shall be competent to:

1) Audit and analyze the financial condition of the Company, its solvency, functioning of its internal control system and the financial and operational risk management system, liquidity of the assets, and debt-to-equity ratio.

2) Audit the timeliness and accuracy of settlements made with counterparties and the budget, as well as payment of wages, social insurance payments, calculation and payment of dividends and other settlement operations.

3) Audit the use of material, labor and financial resources in production, financial and business activities for compliance with the relevant standards and regulations, approved budgets and other documents which regulate the activities of the Company; check implementation of the resolutions of the General Shareholders' Meetings.

4) Audit the legality of the business operations of the Company carried out under contracts, agreements and transactions concluded on behalf of the Company.

5) Audit the effective use of the assets, funds, property and other resources of the Com-

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pany; identify the reasons for unproductive losses and expenses.

6) Audit compliance with the orders to remove infractions and drawbacks which were discovered in the past by the Audit Commission.

7) Audit resolutions and decisions adopted by the Board of Directors and the Management Board on matters related to the financial and business activities of the Company for compliance with the Charter of the Company and resolutions of the General Shareholders' Meetings.

29.4. Based on a review of the financial and business activities of the Company the Audit Commission shall prepare a report which shall contain:

confirmation of the accuracy of the data contained in the reports and other financial statements of the Company;

information on violations of accounting and financial reporting rules established by the legal acts of the Russian Federation, and on violations of the legal acts of the Russian Federation in the course of the performance of financial and economic activities.

29.5. The operating procedures of the Audit Commission are defined by the Regulations of the Audit Commission approved by the General Shareholders' Meeting.

### **Article 30. Auditor of the Company**

30.1. The auditor (auditing organization) of the Company shall, under a contract, audit the financial and business activities of the Company to establish its compliance with the relevant legal acts of the Russian Federation.

30.2. The Board of Directors shall select candidates for the auditor of the Company. The Auditor of the Company shall be approved by the General Shareholders' Meeting. The amount of remuneration for the auditor's services shall be determined by the Board of Directors.

30.3. Based on the audit of the financial and business activities of the Company, the auditor shall prepare an auditor's report, which shall contain:

confirmation of the accuracy of the data contained in the reports and other financial statements of the Company;

information on violations of accounting and financial reporting rules established by the legal acts of the Russian Federation, and on violations of the legal acts of the Russian Federation in the course of the performance of financial and economic activities.

30.4. Shareholders owning at least ten (10) percent of the shares may request an audit of the Company. The expenses incidental to the performance of such audit shall be borne by the shareholder who requested the audit.

### **Article 31. Accounting, Reporting, Documents of the Company**

31.1. The Company shall maintain the accounts and file financial statements pursuant to the procedure laid down by the applicable laws of the Russian Federation.

31.2. The accuracy of the data contained in the annual report of the Company and the annual financial statements shall be confirmed by the Audit Commission.

31.3. The annual report of the Company shall be pre-approved by the Board of Directors no later than thirty (30) days before the date of the General Shareholders' Meeting.

31.4. The financial year of the Company shall correspond to the calendar year and shall last from January 1 to December 31.

31.5. The responsibility for the organization, condition and accuracy of the accounting in the Company, timely submission of annual reports and other financial statements to competent authorities, the disclosure of information about the Company's activities to the shareholders, creditors and mass media shall be borne by the One-person Executive Body.

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31.6. The Company shall keep the following documents at the office of its executive bodies, in the manner and for the time established by the applicable laws of the Russian Federation:

- Agreement on the Establishment of the Company;
- Charter of the Company, duly registered amendments and addenda to the Charter; the decision to establish the Company; the state registration certificate of the Company;
- documents confirming the rights of the Company to the assets registered on its balance sheet;
- internal documents of the Company;
- Regulations of the operating branches and the representative offices of the Company;
- annual reports;
- accounting records;
- financial statements;
- Minutes of the General Shareholders' Meetings, meetings of the Board of Directors, the committees of the Board of Directors, the Management Board and the Audit Commission;
- voting ballots, powers of attorney (instruments of proxy) for participation in the General Shareholders' Meeting;
- reports of independent assessors;
- lists of the affiliated persons of the Company;
- lists of persons entitled to participate in the General Shareholders' Meeting and to receive dividends; other lists made up by the Company to enable shareholders to exercise their rights in accordance with the requirements of the applicable laws of the Russian Federation;
- reports of the Audit Commission and the auditor of the Company; findings of state and municipal fiscal authorities;
- Contract for the Transfer of the Powers of the One-person Executive Body to the Management Organization and all amendments and addenda thereto;
- other documents prescribed by the applicable laws of the Russian Federation, this Charter, internal documents of the Company, resolutions of the General Shareholders' Meeting, the Board of Directors, the Management Board and the One-person Executive Body.

### **Article 32. Disclosure of Information by the Company**

32.1. The Company shall allow shareholders to access the documents indicated by Russian Federation laws, internal documents of the Company, written requests of shareholders and resolutions of the Board of Directors.

32.2. Shareholders of the Company owning, individually or together, at least twenty-five (25) percent of the voting shares of the Company shall have the right of access to the documents of the Company, including accounting documents and documents presented to the members of the Board of Directors on the matters to be considered by the Board of Directors.

32.3. The documents requested by shareholders, provided these shareholders are allowed to receive (examine) them, shall be made available to the shareholders within seven (7) days of receipt of the request for review at the office of the One-person Executive Body. Within the aforementioned period copies of the documents, requested by shareholders, may be deliv-

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ered to them by any method agreed with the shareholders. If the documents cannot be made available within the established period, the shareholder shall be informed when the documents are to be provided.

32.4. The officers of the Company charged with the provision of information to shareholders shall bear liability for the failure to provide the requested information in accordance with the applicable laws of the Russian Federation and the internal documents of the Company.

32.5. Members of the Board of Directors, members of the consultative bodies of the Board of Directors, members of the Management Board, the One-person Executive Body (the management organization), members of the Audit Commission, employees of the Company shall be obliged to observe the procedure for the use of insider information established by the Board of Directors, including requirements governing its protection.

32.6. The obligation of non-disclosure of insider information of the Company received by the persons, referred to in Clause 32.5 of this Charter, in connection with the performance of their job duties shall remain in force for at least five (5) years after termination of their powers (termination of employment agreement or other contracts with the Company).

### **Article 33. Reorganization of the Company**

33.1. The Company may be voluntarily reorganized in the form of merger, absorption, split-up, spin-off, and transformation, pursuant to the procedure established by the applicable laws of the Russian Federation. The resolution to reorganize the Company shall be adopted by the General Shareholders' Meeting.

33.2 Upon reorganization of the Company, its rights and obligations shall pass to its legal successor (legal successors) subject to the regulatory acts of the Russian Federation.

33.3. Except for reorganization in the form of absorption, the Company shall be deemed to have been reorganized after state registration of the newly established legal entities. When reorganization of the Company is carried out through absorption of the Company by another company the Company shall be deemed to have been reorganized when an entry is made in the Uniform State Register of Legal Entities concerning the winding-up of the Company.

### **Article 34. Liquidation of the Company**

34.1. The Company may be liquidated voluntarily or by a court order, pursuant to the procedure established by the applicable laws of the Russian Federation and this Charter.

34.2. When the Company is to be liquidated other than by a court order, the Board of Directors shall submit the question of the liquidation of the Company and appointment of the Liquidation Commission to the General Shareholders' Meeting. Upon its appointment, the Liquidation Commission shall take over all powers to manage the affairs of the Company. The liquidation Commission shall act for the Company in court.

34.3. The procedure for liquidation of the Company and division of the property, which remains after settlements with the creditors, shall be established by the applicable laws of the Russian Federation.

34.4. Liquidation of the Company shall be deemed to have been completed and the Company wound up when a relevant entry is made in the Uniform State Register of Legal Entities.

### **Article 35. Validity of the Charter of the Company**

35.1. This Charter and all changes and additions thereto shall take effect for third parties from the date of their state registration or, in cases provided by the applicable laws, from the date of the notification of the registration authority.

35.2. In so far as this does not affect the rights of any third parties, the shareholders and bodies of the Company shall be guided by this Charter and all amendments and addenda

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thereto from the date of their approval by the General Shareholders' Meeting or, in cases provided by the applicable laws, by the Board of Directors.

35.3. Should the provisions of this Charter come in conflict with applicable laws, the Company and the shareholders shall abide by the provisions of applicable laws.

35.4. The invalidity of any provision of this Charter shall not result in invalidation of its other provisions. Should any new regulatory acts come into force, which invalidate separate provisions of this Charter and necessitate its amendment, the shareholders shall resolve to introduce the necessary amendments to this Charter.