

APPROVED

By resolution  
of the General Meeting of Shareholders  
of MOSTOTREST JSC,  
15 December 2014  
Minutes No. 34 dated 17 December 2014

ARTICLES OF ASSOCIATION  
of Public Joint Stock Company  
MOSTOTREST

(14<sup>th</sup> edition)

Moscow  
2014

## **Article 1. General Provisions**

1.1. Public Joint Stock Company MOSTOTREST (hereinafter referred to as "the Company") is the legal successor of the rights and obligations of the Mostotrest State Trust for Construction of Large Bridges awarded with the Orders of Lenin and Red Banner of Labour, including rights to use land plots and other natural resources.

1.2. Full corporate name of the Company in Russian is "Публичное акционерное общество "МОСТОТРЕСТ".

1.3. Short corporate name of the Company in Russian is "ПАО "МОСТОТРЕСТ".

1.4. Full corporate name of the Company in English is "Public joint-stock company "MOSTOTREST".

1.5. Short corporate name of the Company in English is "PJSC "MOSTOTREST".

1.6. The principal place of business of the Company is 6, Barklaya Street, Bldg. 5, Moscow, 121087, Russian Federation.

## **Article 2. Legal Status of the Company**

2.1. The Company's legal status shall be determined by the Civil Code of the Russian Federation and the Federal Law "On Joint Stock Companies", other regulatory acts of the Russian Federation, and these Articles of Association.

2.2. The Company is a corporate legal entity under the laws of the Russian Federation.

2.3. The Company shall have separate property and be answerable for its obligations with all property, may on its own behalf and for its own account acquire and exercise civil rights, incur civil duties, act as plaintiff and defendant before the court.

2.4. The Company may open bank accounts in the Russian Federation and abroad in accordance with the established procedure.

2.5. The Company has a round seal bearing the Company's full corporate name in Russian and its address.

2.6. The Company may establish branches and open representative offices both in the territory of the Russian Federation and abroad. The information on branches and representative offices of the Company are specified in the Appendix hereto and in the Uniform State Register of Legal Entities.

## **Article 3. Purpose and Business of the Company**

3.1. The main aim of the Company's activities is to generate profit.

3.2. To obtain profit, the Company may perform any activity not prohibited by law, including:

- construction, reconstruction, capital repairs, technical modernisation and maintenance of rail, road and urban bridges, crossovers, special underground structures, underground transport facilities, and other artificial structures of the transport network, motor roads and road structures, as well as industrial, civil and housing construction facilities;

- manufacturing of industrial products, construction materials, structures and articles, and consumer goods;

- construction, reconstruction of sea and river ports, runways and airports;

- consumer services;

- installation, adjustment and repair of energy facilities;

- erection and assembly (dismantling and disassembly), adjustment, repair, revamp or upgrading of lifting structures and equipment used together with such structures in operation of hazardous industrial facilities;

- design, research and development;

- engineering services;

- foreign economic activity;

- staff training;
- at the request of government agencies of the Russian Federation, performance of services related to special training, technical support and dealing with the consequences of accidents and catastrophes in the transport sphere, natural and environmental disasters;
- performing tasks related to mobilisation training;
- training and education (more specifically professional education and continuing professional education)
- other activities not prohibited by the legislation of the Russian Federation.

3.3. The Company may, where provided for by law, conduct certain lines of business only upon a special authorization (license), membership in the self-regulatory organization or a certificate of clearance for a certain line of business issued by the self-regulatory organization.

The right of the Company to conduct a line of business, requiring a special authorization (license), membership in the self-regulatory organization or a certificate of clearance for a certain line of business issued by the self-regulatory organization, arises as soon as the Company receives such an authorization (license) or on the date specified therein, or as soon as a legal entity joins the self-regulatory organization or the self-regulatory organization issues a certificate of clearance for a certain line of business and terminates upon expiry of such the said authorization (license), membership in the self-regulatory organization or a certificate of clearance for a certain line of business issued by the self-regulatory organization.

3.4. The Company undertakes to protect state secret in accordance with the effective legislation of the Russian Federation and comply with state secret statutory requirements of the Russian Federation.

#### **Article 4. Authorised Capital**

4.1. The charter capital of the Company shall be 39,510,170 (Thirty-nine million five hundred ten thousand one hundred seventy) rubles.

4.2. The Company has placed ordinary registered book-entry shares 0.14 rubles (Fourteen kopecks) each to the amount of 282,215,500 (Two hundred eighty-two million two hundred fifteen thousand five hundred) shares. In addition to the placed shares, the Company may place 214,264,500 (Two hundred fourteen million two hundred sixty-four thousand five hundred) ordinary registered book-entry shares 0.14 rubles (Fourteen kopecks) each (authorized shares), granting the same rights, which are conferred on holders by the ordinary registered book-entry shares placed by the Company.

4.3. The Company's authorised capital may be reduced by buying back or redeeming some of its outstanding shares.

4.4. The Company's authorised capital may be increased by raising the nominal value of the shares or by issuing new shares.

#### **Article 5. Rights and Obligations of Shareholders of the Company**

5.1. Holders of the Company's ordinary registered shares are entitled to:

- 1) take part in the business management of the Company, including take part in the General Shareholders Meeting of the Company in person or by proxy with the right to vote on any and all matters within their competence and submit proposals for the agenda of the General Shareholders Meeting as set forth by the laws of the Russian Federation and these Articles of Association
- 2) receive information on the business of the Company and inspect its accounting and other documents where and as provided for by the law and these Articles of Association;;
- 3) take part in the distribution of the Company's profit;
- 4) preemptive right to acquire new shares and equity securities convertible into shares offered for public subscription, in a quantity proportionate to the number of ordinary shares owned by them;

5) preemptive right to acquire new shares and equity securities convertible into shares offered for private subscription, in a quantity proportionate to the number of ordinary shares owned by them, if the shareholder voted against or abstained from voting on the issue of such shares and equity securities convertible into shares for private subscription. This right shall not apply to offers of shares and equity securities convertible into shares for private subscription among shareholders only if shareholders can acquire the entire number of the shares and equity securities convertible into shares in a quantity proportionate to the number of ordinary shares owned by them;

6) in case of dissolution of the Company, receive a part of the Company's property remaining after settlements with creditors or its value;;

7) challenge decisions and resolutions of the Company's bodies, entailing civil law consequences, where and as provided for by the law;

8) acting on behalf of the Company, seek damages from the Director General of the Company and/or members of the Board of Directors of the Company for losses they caused to the Company;

9) acting on behalf of the Company, challenge transactions effected by the Company for reasons set forth in Article 174 of the Civil Code of the Russian Federation or the Federal Law On the Joint Stock Companies and seek enforcement of implications of the Company's invalid and void transactions;

10) take part in conclusion of corporate contracts as set forth by Article 67.2. of the Civil Code of the Russian Federation

11) exercise other rights envisaged by the legislation of the Russian Federation and these Articles of Association.

5.2. The shareholders of the Company are granted access to information classified as state secret only on the basis of the permit to access information classified as state secret executed as set forth by the legislation of the Russian Federation.

5.3. The shareholders, being owners of ordinary registered shares of the Company, shall:

1) not disclose confidential information on the business of the Company;

2) take part in adoption of resolutions, without which the Company may not continue its operations as the law may permit or require, if such participation is required for adoption of such resolutions;

3) not do anything knowingly intended to damage the Company;

4) not do anything (omit doing anything) making it considerably difficult or impossible to achieve purposes, for which the Company has been incorporated.

The shareholders may also incur other obligations specified by the law or the Articles of Association of the Company.

## **Article 6. Dividends**

6.1. The Company shall be entitled to decide on (declare) dividends on its outstanding shares for the first quarter, six months, nine months of a financial year and/or following the end of the financial year, unless otherwise provided by the Federal Law "On Joint Stock Companies". The decision to pay (declare) dividends for the first quarter, six months and nine months of a financial year can be made within three months following the end of the relevant period.

6.2. Dividends shall be paid out of the Company's net profit.

6.3. The term for payment of dividends to the nominee shareholder and trustee, being a securities trader, entered in the share register shall not exceed 10 business days; while the term for payment of dividends to other persons entered in the share register shall not exceed 25 business days from the date, as of which persons entitled to receive dividends are determined.

6.4. The date, as of which persons entitled to receive dividends are determined in accordance with the resolution on payment (declaration) of dividends, may not be set less than 10 days after the

date of a resolution on payment (declaration) of dividends and more 20 days after the date of a resolution on payment (declaration) of dividends.

### **Article 7. Assets**

7.1. The Company shall create a Reserve Fund of 25 (twenty-five) per cent of the Company's authorised capital.

Mandatory annual payments to the Reserve Fund shall be 5 (five) per cent of the Company's net profit until the Reserve Fund reaches its desired level.

7.2. In accordance with the effective legislation of the Russian Federation, the Company may create other funds ensuring its commercial activities as a business entity.

### **Article 8. Governing and Controlling Bodies**

8.1. The Company's governing bodies shall be:

- the General Shareholders Meeting – supreme body of the Company;
- the Board of Directors – collegiate management body of the Company;
- the Director General – sole executive body of the Company;
- the Auditing Commission – supervision body ensuring control over the Company's financial and operating activities.

### **Article 9. General Meeting of Shareholders**

9.1. The following issues are included in the terms of reference of the General Meeting of Shareholders:

- 1) amending the Articles of Association or approving new editions of the Articles of Association;
- 2) reorganising the Company, including the approval of agreements on mergers (acquisitions);
- 3) liquidating the Company, appointing a Liquidation Commission and approving interim and final liquidation balance sheets;
- 4) determining the number, nominal value and category (type) of authorised shares and rights attached thereto;
- 5) increasing the Company's share capital by raising the nominal value of shares or by offering new shares amounting to more than 25 (twenty-five) per cent of the outstanding ordinary shares, for public subscription, or by placing new shares for private subscription;
- 6) reducing the Company's authorised capital by reducing the nominal value of its shares, by the Company buying back some of the shares to reduce the total number of shares, and by redeeming the shares acquired or bought back by the Company;
- 7) splitting and consolidating the Company's shares;
- 8) deciding on the placement by the Company of convertible equity securities that can be converted into Company shares amounting to more than 25 (twenty-five) per cent of the outstanding stock;
- 9) defining priorities in the Company's business, principles of its property formation and use;
- 10) electing the members of the Board of Directors and terminating their powers early;
- 11) electing the members of the Audit and Compliance Committee and terminating their powers early;
- 12) approving the Company's Auditor;
- 13) adopting a resolution to assign the powers of the sole executive body of the Company to a management organization (managing director), approving the management organization (managing director) and terms and conditions of a contract with the management organization (managing director) and early termination of powers of the management organization (managing director);
- 14) approving annual reports, annual accounting statements, including the Company's profit and loss statements (profit and loss accounts), as well as profit distribution (including the payment

(declaration) of dividends, except profits distributed as dividends following the results of the first quarter, six months and nine months of the financial year) and the Company's losses following the results of the financial year;

15) payment (declaration) of dividends following the results of the first quarter, six months and nine months of the financial year;

16) determining the procedure for holding the General Meeting of Shareholders, approving the Company's bylaws regulating the activity of the General Meeting of Shareholders;

17) approving transactions as specified in Article 83 of the Federal Law "On Joint Stock Companies";

18) approving major transactions as specified in Article 79 of the Federal Law "On Joint Stock Companies";

19) deciding on the Company's participation in financial and industrial groups, associations and other unions of commercial entities;

20) approving bylaws regulating the activities of the Company's bodies;

21) deciding on the payment of remuneration and (or) compensation to the members of the Audit and Compliance Committee;

22) deciding on the payment of remuneration and (or) compensation to the members of the Board of Directors of the Company;

23) deciding on filing a delisting application for the Company's shares and (or) equity securities convertible into its shares;

24) other issues envisaged by the Federal Law "On Joint Stock Companies".

9.2. Resolutions put to the vote by the General Meeting of Shareholders shall be passed by a majority of votes of shareholders owning the Company's voting shares and participating in the meeting, unless otherwise provided for by the Federal Law "On Joint Stock Companies".

9.3. The General Meeting of Shareholders shall pass its resolutions by a majority of three quarters of the votes of shareholders with voting shares who take part in the General Meeting of Shareholders, on the following issues:

- amending the Articles of Association or approving new editions of the Articles of Association;
- reorganising the Company, including the approval of agreements on mergers (acquisitions);
- liquidating the Company, appointing the Liquidation Commission and approving interim and final liquidation balance sheets;

- determining the number, nominal value and category (type) of authorised shares and rights attached thereto;

- offering Company shares (equity securities convertible into shares) for private subscription according to a resolution of the General Meeting of Shareholders in order to increase the Company's authorised capital by issuing new shares (equity securities convertible into shares);

- offering Company ordinary shares constituting more than 25 per cent of the outstanding ordinary shares for public subscription;

- offering the Company's equity securities convertible into ordinary shares and constituting more than 25 (twenty-five) per cent of the outstanding ordinary shares for public subscription;

- buyback by the Company of some of its outstanding shares to reduce the Company's authorised capital;

- approving major transactions worth over 50 (fifty) per cent of the Company's net book value;

- deciding on filing a delisting application for the Company's shares and (or) equity securities convertible into its shares.

Resolutions on approving interested-party transactions under Article 81 of the Federal Law "On Joint Stock Companies" shall be passed by the General Meeting of Shareholders in accordance with Article 83 of the Federal Law "On Joint Stock Companies".

9.4. Matters specified by Subclauses 2, 5, 7, 8, 12-22, Clause 9.1 hereof shall be put before the General Meeting of Shareholders at the suggestion of the Board of Directors of the Company only.

9.5. Adoption by the General Shareholders Meeting of the resolution and the list of persons

taking part in the General Shareholders Meeting of the Company attending such adoption shall be confirmed by a person who maintains the share register of the Company and acts as the Auditing Commission.

9.6. The General Shareholders Meeting of the Company shall be held in Moscow.

The street address for holding the General Shareholders Meeting of the Company shall be set by the Board of Directors when resolving matters in connection with preparations for holding of the General Shareholders Meeting.

9.7. The list of persons entitled to take part in the General Meeting of Shareholders is executed on the basis of data from the Company's share register. The date, as of which the list of persons entitled to take part in the General Meeting of Shareholders is executed, may not be set earlier than 10 days after adoption of the decision to hold the General Meeting of Shareholders and over 50 days prior to the date of the General Meeting of Shareholders, unless authorized by Clause 13.9.3. hereof.

The Company shall disclose information on the date, as of which the list of persons entitled to take part in the General Meeting of Shareholders is executed, within 5 days prior to such a date.

### **Article 10. The General Meeting of Shareholders in the Form of an Assembly (Joint Presence)**

10.1. The Annual General Meeting of Shareholders shall be held not earlier than two months and not later than six months following the end of the financial year.

The Annual General Meeting of Shareholders shall consider the following issues: electing the Board of Directors, electing the Audit and Compliance Committee, approving the Company's Auditor, approving the Company's annual report, annual accounting statements, including the Company's profit and loss statements (profit and loss accounts), as well as profit distribution (including the payment (declaration) of dividends, except for profits distributed as dividends following the results of the first quarter, six months and nine months of the financial year) and the Company's losses following the results of the financial year.

A notice of an Annual General Meeting of Shareholders shall be made at least 30 (thirty) days prior to it, unless the legislation of the Russian Federation provides for a longer period.

A notice of an Extraordinary General Meeting of Shareholders shall be made at least 20 (twenty) days prior to it, unless the legislation of the Russian Federation provides for a longer period.

A notice of a General Meeting of Shareholders shall be posted to the Company's website at [www.mostotrest.ru](http://www.mostotrest.ru) within the aforementioned period of time.

10.2. According to the decision of the Board of Directors, voting ballots on the agenda issues may be sent by registered post to the addresses given on the list of persons entitled to take part in the General Meeting of Shareholders or delivered against signature to each of the persons named on the list of persons entitled to take part in the General Meeting of Shareholders, at least 20 (twenty) days before the General Meeting of Shareholders. Each person included on the list shall receive one voting ballot for all agenda items or one copy of two or more ballots for voting on different issues.

If any of the Company shares are jointly owned by several people, they shall receive one voting ballot for all agenda items or one copy of two or more ballots for voting on different issues, whereas the voting powers at the General Meeting of Shareholders shall be exercised by one of them or by their common proxy.

10.3. If the General Meeting of Shareholders is held in the form of joint presence, the persons included on the list of persons authorised to participate in the General Meeting of Shareholders (their proxies) can take part in such a meeting or send their completed ballots to the Company (if a decision is made to vote by ballot).

10.4. Shareholders (their proxies) registered for participation in the General Meeting of Shareholders in the form of joint presence and shareholders (their proxies) whose ballots are received at least two days before the General Meeting of Shareholders (if a decision is made to vote by ballot) shall be deemed to have taken part in the given General Meeting of Shareholders.

10.5. The voting results and resolutions passed by the General Meeting of Shareholders may be announced at the General Meeting of Shareholders.

10.6. The Company shall post the minutes of the General Shareholders Meeting to its website as soon as practicable.

### **Article 11. The General Meeting of Shareholders in the Form of Absentee Voting**

11.1. Voting ballots on the agenda issues for a General Meeting of Shareholders in the form of absentee voting shall be sent by registered post to the addresses given on the list of persons entitled to take part in the General Meeting of Shareholders, or delivered against signature to each of the persons named on the list of persons entitled to take part in the General Meeting of Shareholders, at least 20 (twenty) days before the deadline for acceptance of ballots by the Company.

Each person included on the list shall receive one voting ballot for all agenda items or one copy of two or more ballots for voting on different issues.

If any of the Company shares is jointly owned by several people, they shall receive one voting ballot for all agenda items or one copy of two or more ballots for voting on different issues, whereas the voting powers at the General Meeting of Shareholders shall be exercised by one of them or by their common proxy.

11.2. Shareholders whose ballots are received before the deadline for the acceptance of such ballots, as specified therein, shall be deemed to have taken part in the given General Meeting of Shareholders.

### **Article 12. Proposals for the Agenda for the Annual General Meeting of Shareholders**

12.1. Shareholders (shareholder) who control a total of at least 2 (two) per cent of the Company's voting shares may propose items for the agenda for the Annual General Meeting of Shareholders and nominate candidates for the Board of Directors and the Audit and Compliance Committee, whose number shall not exceed the established membership of the relevant body. Such proposals shall be submitted to the Company within a maximum of 60 (sixty) days following the end of the financial year.

12.2. Proposals of the items for the agenda for the Annual General Meeting of Shareholders and nomination of candidates shall be submitted in writing, including the name (company name) of the submitting shareholders (shareholder) and the number and category (type) of their shares, and they shall be signed by the said shareholders (shareholder).

12.3. A proposal of items for the agenda for the Annual General Meeting of Shareholders shall include the wording of each item proposed, while candidate nominations shall specify the name of each candidate and the details of the said person's identity document (series and/or number of the document, date and place of its issue, the name of the issuing authority), the name of the body for which the person is nominated, as well as the following data:

- date and place of birth;
- information about education, profession and qualifications;
- information about work experience during the last 5 (five) years;
- number and categories (types) of shares owned by the candidate;
- the candidate's role in the governing bodies of other entities as of the nomination date;
- the candidate's written consent to be nominated to the relevant Company body.

12.4. The Board of Directors shall consider the submitted proposals and pass its resolution on their inclusion or otherwise on the agenda for the General Meeting of Shareholders within 5 (five) days following the date specified in Clause 12.1.

12.5. The Board of Directors may refuse to include items proposed by shareholders on the agenda for the General Meeting of Shareholders and it may also refuse to include the nominated candidates on the voting list of persons for the relevant body on the grounds specified by the Federal Law "On Joint Stock Companies".

12.6. The Board of Directors' reasoned refusal to include the proposed items on the agenda for the General Meeting of Shareholders or to include the nominated candidates on the voting list of persons for the relevant body shall be communicated to the shareholder(s) who submitted the proposals or nominated the candidate within 3 (three) days of the resolution being passed.

12.7. The Board of Directors shall not change the wording of issues submitted for the agenda for the General Meeting of Shareholders or (if applicable) the wording of the resolutions on such issues.

Apart from issues proposed by Shareholders for the agenda for the General Meeting of Shareholders, and also in the absence of such proposals or the absence or insufficient number of candidates nominated by Shareholders to form the relevant body, the Board of Directors may, at its own discretion, draw up the agenda for the General Meeting of Shareholders and voting lists of candidates.

### **Article 13. Calling an Extraordinary General Meeting of Shareholders**

13.1. All General Meetings of Shareholders except for the Annual General Meeting of Shareholders shall be deemed extraordinary.

13.2. An Extraordinary General Meeting of Shareholders shall be called by the resolution of the Board of Directors based on its own initiative or at the request of the Audit and Compliance Committee, the Company's Auditor, or a shareholder(s) holding at least 10 (ten) per cent of the Company's voting shares (hereinafter in this Article referred to as "the Shareholder") as of the date of such requests.

13.3. An Extraordinary General Meeting of Shareholders shall be convened at the request of the Audit and Compliance Committee, the Company's Auditor or Shareholder by the Board of Directors.

Such a General Meeting of Shareholders shall be convened within 50 (fifty) days following the request to call an Extraordinary General Meeting of Shareholders being submitted, except in cases specified in Clause 13.9 hereof.

13.4. A request to convene an Extraordinary General Meeting of Shareholders shall contain the issues proposed for the agenda.

The person(s) requesting an Extraordinary General Meeting of Shareholders may submit a draft resolution of the Extraordinary General Meeting of Shareholders and propose the format of the General Meeting of Shareholders. If the request to call an Extraordinary General Meeting of Shareholders contains a proposal to nominate candidates, the relevant provisions of Article 12 shall also apply to such a proposal.

The Board of Directors shall not change the wording of the agenda issues, the wording of the resolutions on such issues, or change the proposed format of the Extraordinary General Meeting of Shareholders convened at the request of the Audit and Compliance Committee, the Company's Auditor or the Shareholder.

13.5. If the request to call an Extraordinary General Meeting of Shareholders comes from the Shareholder(s), it shall contain the name (corporate name) of the Shareholder(s) requesting that such a meeting be convened, including the number and category (type) of the Company's shares owned by it (them).

The request to call an Extraordinary General Meeting of Shareholders shall be signed by the person(s) requesting such an Extraordinary General Meeting of Shareholders.

13.6. Within 5 (five) days the request being submitted by the Company's Audit and Compliance Committee, Auditor or Shareholder to call an Extraordinary General Meeting of Shareholders, the Board of Directors shall pass a resolution to call an Extraordinary General Meeting of Shareholders or refuse to do so.

13.7. The Board of Directors' resolution to call an Extraordinary General Meeting of Shareholders or a reasoned refusal to do so shall be sent to the persons who submitted the relevant requests, within 3 (three) days of it being passed.

13.8. If, within the time frames specified in Clause 13.6, the Board of Directors fails to pass a resolution on convening an Extraordinary General Meeting of Shareholders or resolves to refuse to do so, the Company body or persons that requested the meeting may apply to court seeking to compel the Company to convene an Extraordinary Meeting of Shareholders.

13.9. If the proposed agenda for an Extraordinary General Meeting of Shareholders includes issues related to the election of the members of the Board of Directors:

13.9.1. The General Meeting of Shareholders shall be held within 95 (ninety five) days of the request being submitted to call an Extraordinary General Meeting of Shareholders .

13.9.2. A Shareholder(s) that controls a total of at least 2 (two) per cent the Company's voting shares may nominate candidates for the Board of Directors, whose number shall not exceed the established membership of the relevant body. Such proposals shall be submitted to the Company at least 30 (thirty) days prior to the Extraordinary General Meeting of Shareholders.

The Board of Directors shall consider proposals submitted and pass a resolution on their inclusion on the agenda of the Extraordinary General Meeting of Shareholders or on refusal to do so within 5 (five) days of the end of the period specified in the second paragraph of this Subclause.

13.9.3. The date, as of which the list of the Company's persons entitled to take part in the General Meeting of Shareholders of the Company is executed, may not be set earlier than 10 days after adoption of the decision to hold the General Meeting of Shareholders and over 80 (Eighty) days prior to the date of the General Meeting of Shareholders.

13.9.4. A notice of an Extraordinary General Meeting of Shareholders shall be issued within the time frames specified by the Federal Law "On Joint Stock Companies".

#### **Article 14. Board of Directors**

14.1. The Board of Directors of the Company is a collegiate management body of the Company and governs the business of the Company other than matters falling within the competence of the General Shareholders Meeting as set forth by the Federal Law On the Joint Stock Companies and these Articles of Association.

The following issues fall within the terms of reference of the Board of Directors:

- 1) defining strategy of the Company;
- 2) calling the Annual and Extraordinary General Meetings of Shareholders and announcing the dates of new General Meetings of Shareholders instead of those that failed due to absence of a quorum;
- 3) approving the agenda for a General Meeting of Shareholders;
- 4) electing the Company Secretary and terminating his/her powers early;
- 5) determining the date of the list of persons entitled to participate in the General Meeting of Shareholders, deciding other issues related to preparing and holding the General Meeting of Shareholders;
- 6) submitting Subclauses 2, 5, 7, 8, and 12-22, Clause 9.1 to the General Meeting of Shareholders for consideration;
- 7) Increasing the Company's authorised capital by issuing new shares constituting no more than 25 (twenty-five) per cent of the outstanding stock for public offering;
- 8) issue of the Company's bonds and other equity securities (including those convertible into Company shares), unless otherwise provided for by the Federal Law "On Joint Stock Companies" and these Articles of Association;
- 9) approving resolutions on issue of securities, prospectuses, reports on the results of the issue, reports on the results of acquisition of shares from Company Shareholders and reports on the results of share buyback from Shareholders, and approving quarterly reports of the equity securities issuer;
- 10) determining the price (monetary value) of property, the offer and buyback prices of equity securities in cases specified by the Federal Law "On Joint Stock Companies";
- 11) acquisition of Company outstanding shares, bonds and other securities in cases specified by

the Federal Law "On Joint Stock Companies";

12) alienation (realisation) of Company shares that come into the Company's possession as a result of their acquisition or buyback from Shareholders, and in other cases specified by the Federal Law "On Joint Stock Companies";

13) election of the Director General of the Company, approval of terms and conditions of his/her employment contract, including remunerations and other payments, and early termination of his/her term of office, including adoption of a resolution on early termination of his/her employment contract;

14) approving the terms of the agreement (including the term of office and amount of remuneration and compensation) signed with a management entity (manager), and amending the said agreement;

15) offering recommendations to the General Meeting of Shareholders on the amount of remuneration and compensation paid to the members of the Audit and Compliance Committee, and determining the amount of remuneration for the Auditor's services;

16) offering recommendations regarding the amount of dividends on shares and the payment procedure; approving the Dividend Policy Regulations;

17) deciding on use of the Company's assets and determining the terms of such use;

18) approving the Company's bylaws (except for those falling within the terms of reference of the General Meeting of Shareholders, and other internal documents within the terms of reference of the Company's executive bodies), including regulations concerning the committee responsible exclusively for assessing candidates for the Company's auditors, assessing the auditor's opinion, approval of the risk management and internal control policy, assessing the efficiency of the issuer's internal control procedures and preparing proposals for their enhancement (Audit Committee), regulations for internal control and regulations for using information about the issuer's activities, about the Company's securities and transactions involving them, which is not in public domain, and disclosure of which might have a significant impact on the market value of the issuer's securities;

19) determining the Company's procurement policy, approving comprehensive annual procurement programmes and passing other resolutions in accordance with the Company's approved documents regulating the Company's procurement activities;

20) approving the Company's business planning standards;

21) approving the Company's standards in terms of reporting policy and the procedure for submitting financial reports;

22) approving the Company's business plan (adjusted business plan) and budget, including programmes for technical modernisation, reconstruction and development, investment programme, and report on the results of their implementation;

23) approving the targets (adjusted targets) for the Company's key performance indicators (KPI) and reports on their implementation;

24) considering the General Director's reports on the KPI set for the Company's divisions (officers), its subsidiaries and dependent business entities (hereinafter, "the Affiliates") and the results of their implementation;

25) approval of the Internal audit regulation, defining purposes, tasks and powers of the Company's business unit, conducting the internal audit, and adoption of a resolution to appoint and dismiss the director of the said business unit;

26) setting up Company branches and opening representative offices, liquidating them, including by amending these Articles of Association in connection with creation of Company branches and opening of representative offices (including changes to information about the names and locations of the branches and representative offices) and their liquidation, approving regulations for such branches and representative offices, appointing the heads of branches and/or representative offices of the Company and terminating their powers, approving the terms of agreements (including the term of office and the amount of remuneration and compensation) signed with the heads of the Company's branches and/or representative offices, amending such agreements, and approving the internal structure of the Company's branches (representative offices);

27) giving preliminary approval for transactions (including a number of interrelated transactions) involving property, work and/or services worth over 3 (three) per cent of the Company's net book value assets determined on the basis of its accounting statement as of the most recent accounting date (unless the Board of Directors establishes another percentage or transaction value), except for transactions performed in the normal course of business, transactions connected with placement of the Company's ordinary shares by subscription (realisation) and transactions related to placement of equity securities convertible into Company ordinary shares, if such transactions are not covered by Subclauses 30-37, Clause 14.1 hereof;

28) approval of transactions, the business to be transacted under which is the Company's real property, including land lots, construction in progress where required by certain decisions of the Company's Board of Directors (for example, by determining the amount and/or list), and any aforementioned real property transactions, including transactions with land lots, construction in progress, if such cases (amounts, list) have not been determined;

29) giving preliminary approval for transactions (including a number of interrelated transactions) performed in the normal course of business and involving property and work and/or services worth over 25 (twenty-five) per cent of the Company's net book value determined on the basis of its accounting statement as of the most recent accounting date (for the purposes of the Article, the Company's normal course of business shall mean operations meeting the following criteria: it shall be mentioned in Clause 3.2 of Article 3 hereof, be aimed at systematic generation of profit and be performed by the Company on a regular basis).;

30) giving preliminary approval for transactions (including a number of interrelated transactions) involving performance by instalment or deferral of performance of civil law liabilities in which the Company is involved if their performance is delayed by more than 3 (three) months, or signing agreements on compensation for termination, or on substitution of such obligations, assignment of rights (obligations) or debt transfer under such obligations. The above transactions shall be approved in cases where the value of the liabilities (indebtedness) amounts to more than 3 (three) per cent of the Company's net book value determined on the basis of its accounting report as of the most recent reporting date (unless the Board of Directors establishes another percentage, value or type of transaction);

31) deciding on recognising lawsuits brought against the Company, on signing amicable settlements on such suits and on dropping Company lawsuits worth more than 3 (three) per cent of the Company's net book value determined on the basis of its accounting report as of the most recent reporting date (unless the Board of Directors establishes another percentage or value of the suit);

32) giving preliminary approval for transactions connected with the gratuitous transfer of Company property or property rights (claims) to itself or any third party; transactions connected with release from property obligations to itself or any third party; transactions connected with provision of gratuitous services (work) by the Company to third parties in cases (a volume) determined by specific resolutions of the Board of Directors, and deciding on performance of such transactions by the Company when such cases (volume) are not determined;

33) determining the Company's loan policy with respect to extension of loans by the Company, signing of credit and loan agreements, bank guarantee agreements, granting of guarantees, undertaking of promissory note obligations (issue of promissory notes and bills of exchange), pledging of property and deciding on performance of such transactions by the Company when the decision-making procedure for such transactions is not determined by the Company's loan policy;

34) approving major transactions in cases envisaged by Chapter X of the Federal Law "On Joint Stock Companies";

35) approving the transactions specified by Chapter XI of the Federal Law "On Joint Stock Companies";

36) giving preliminary approval for transactions involving putting the affiliates' shares (interests) into a trust, deciding on the Company's participation in other entities (joining an existing entity or creating a new one, including by agreeing constituent documents), as well as on acquiring, alienating

and encumbering shares and interests in the authorised capitals of the entities in which the Company participates, on changing its interest in the authorised capital of the relevant entity, and terminating the Company's participation in other entities;

37) deciding on nomination by the Company of candidates for the Sole Executive Body, other governing and controlling bodies of an entity in which the Company is a participant;

38) approving the Company's Registrar, the terms of the agreement signed therewith, and terminating it;

39) electing the Chairperson and Deputy Chairperson of the Company's Board of Directors and terminating their powers early;

40) suspending the powers of a management entity (manager);

41) appointing an Acting General Director of the Company in cases specified in Clauses 18.9 and 18.10 hereof;

42) imposing disciplinary sanctions on the General Director; applying incentives to the General Director in accordance with the labour legislation of the Russian Federation;

43) considering reports from the General Director on the Company's performance (including on performance of his/her own official duties), and on implementing the resolutions of the General Meeting of Shareholders and the Board of Directors;

44) approving the procedure for the Company to co-operate with entities in which the Company is a participant;

45) determining the position of the Company (representatives of the Company) on the following items of the agenda for General Meetings of Shareholders (participants) of Affiliates and meetings of the boards of Affiliates, including giving instructions as to whether or not to participate in voting on the agenda items and voting on resolution drafts ("yes", "no" , "abstained"):

a) determining the agenda for General Meetings of Shareholders (participants) of Affiliates;

b) reorganising and liquidating Affiliates;

c) determining the numerical strength of Boards of Directors of Affiliates, nominating and electing Board Directors and terminating their powers early;

d) determining the number, nominal value and category (type) of the authorised shares of Affiliates, and rights attached thereto;

e) increasing the Affiliates' authorised capital by raising the nominal value of shares or by issuing new shares;

f) offering Affiliates' equity securities convertible into shares;

g) splitting and consolidating Affiliates' shares;

h) approving major transactions performed by Affiliates;

i) participation by Affiliates in other entities (joining an existing entity or creating a new one), as well as on acquiring, alienating and encumbering the shares and interests in the authorised capitals of the entities in which the Affiliate is a participant, and on changing its interest in the authorised capital of the relevant entity;

j) approving interested-party transactions other than interested-party transactions in the normal course of business;

k) amending the constituent documents of Affiliates, approving new versions of their constituent documents;

l) determining the procedure for paying remuneration to the members of the Board of Directors and the Audit and Compliance Committee of Affiliates;

m) deciding on transfer of authority of an Affiliate's Sole Executive Body to a commercial entity or an individual entrepreneur (hereinafter, "the Manager"), approving the said Manager and the terms of the agreement therewith; terminating the powers of the said Manager and terminating the agreement therewith.

46) deciding on issues included in the terms of reference of the supreme governing bodies in companies in which the Company holds 100 (one hundred) per cent of the authorised capital or all the voting shares;

47) approving candidates for certain positions in the Company's executive system (according to the list of positions determined by the Board of Directors), terminating employment contracts with such persons, and appointing persons authorised to determine the terms of the employment contracts signed with such persons;

48) approving the general structure of the Company's executive system and changing it;

49) determining the areas of the Company's insurance protection, including by approving the Company's Insurer;

50) creating committees under the Board of Directors of the Company, electing members and chairs of such committees and terminating their powers early, approving regulations on the committees of the Board of Directors, including the setting up a committee responsible exclusively for assessing candidates for the Company's auditors, assessing the auditor's opinion, assessing the efficiency of the issuer's internal control procedures and preparing proposals for their enhancement (Audit Committee);

51) deciding, in accordance with these Articles of Association, issues related to preparing and holding General Meetings of Shareholders of companies created as a result of the Company's reorganisation in the form of a spin-off or split-up;

52) nominating the General Director of the Company for state awards for his/her particular services to the Company;

53) giving preliminary approval for the collective bargaining agreement and other agreements signed by the Company in the process of regulating social and labour relations;

14.2. The Company's Board of Directors shall have 11 (eleven) members.

14.3. The Chairperson of the Board of Directors shall be elected by the Board Directors from among themselves by a majority of three quarters of the elected Board Directors. If the Chairperson of the Board of Directors is absent, his/her functions shall be performed by the Deputy Chairperson of the Board of Directors elected from among Board Directors by a majority of three quarters of the elected Board Directors.

14.4. If the Chairperson of the Board of Directors and his/her Deputy are both absent from a meeting of the Board of Directors held in the form of joint presence, their functions at such a meeting may be performed by any Board Director on the basis of a decision of the present Board Directors elected in accordance with the Company's regulations for the Board of Directors from among their numbers by a majority of three quarters of the votes of the present Board Directors.

### **Article 15. Meetings of the Board of Directors**

15.1. The procedure for convening and holding meetings of the Company's Board of Directors shall be determined by internal regulations for the Board of Directors, which shall be approved by the General Meeting of Shareholders.

15.2. The Board of Directors shall convene as necessary, but at least once a quarter.

15.3. Meetings of the Board of Directors shall be called by the Chairperson of the Board of Directors (or by Deputy Chairperson of the Board of Directors in cases specified in Clause 14.3 hereof) on his/her own initiative, at the request of any member of the Board of Directors, the Audit and Compliance Committee, the Auditor, or the General Director of the Company. At the first meeting of a newly-elected Board of Directors of the Company, the following issues shall be addressed: electing the Chairperson of the Board of Directors, the Deputy Chairperson of the Board of Directors and the Company Secretary.

Such a meeting of the Board of Directors shall be called by one of the Board Directors in compliance with the Company's internal regulations governing the activities of the Board of Directors.

15.4. The Board of Directors can pass its resolutions by absentee voting (by ballot). In the event of absentee voting, materials related to the meeting's agenda are to be sent to all members of the Board of Directors, together with the vote ballots, specifying the time by which the completed ballots signed by the Board Directors are to be submitted to the Company's Board of Directors.

15.5. A Board Director who is not present at a meeting of the Board of Directors in the form of joint attendance may report his/her opinion on the agenda issues in writing, in the manner established by the Company's internal regulations governing the activities of the Board of Directors, which shall be approved by the General Meeting of Shareholders.

15.6. Board Directors shall not transfer their votes to any other person, including to any other Board Director of the Company.

15.7. The Board of Directors shall pass its resolutions by a majority of three quarters of the elected Board Directors, unless otherwise provided for by the legislation of the Russian Federation and these Articles of Association.

15.8. Resolutions of the Board of Directors related to approval of major transactions shall be passed unanimously by all members of the Board of Directors.

On issues specified in this Clause, the Board of Directors shall pass its resolutions without reference to the votes of former Board Directors. Persons who cease to be Board Members as a result of their death or being declared incapacitated or missing by a court shall be deemed former members of the Board of Directors.

15.9. The Board of Directors of the Company shall approve an interested-party transaction by a majority vote of independent disinterested directors.

15.10. Each Board Director has one vote to cast during voting by the Board of Directors.

15.11. A quorum for meetings of the Board of Directors shall be three quarters of the elected Board Directors of the Company.

If the number of the Company's Board of Directors falls below the number constituting such a quorum, the Board of Directors shall pass a resolution to call an Extraordinary General Meeting of Shareholders to elect a new Board of Directors. The remaining Board of Directors may only decide on calling such an Extraordinary General Meeting of Shareholders. In this case, a quorum for the meeting of the Board of Directors shall be three quarters of the remaining Board Directors.

15.12. Minutes shall be kept of meetings of the Board of Directors. The Minutes of meetings of the Board of Directors shall be made and signed within 3 (three) days of the meeting by the person who chaired the given meeting and the Company Secretary, who are responsible for the Minutes' accuracy. All materials on matters of the meeting's agenda, along with documents approved by the Board of Directors, shall be attached to the Minutes.

## **Article 16. Company Secretary**

16.1. The Corporate Secretary shall be elected by the Board of Directors to ensure compliance by the Company with the established regulations for preparing and holding a General Meeting of Shareholders, and to monitor the activities of the Board of Directors.

16.2. The requirements for a nomination of the Company Secretary; procedures for appointment and dismissal of the Company Secretary; subordination of the Company Secretary and his/her interaction with management bodies and business units of the Company; functions and powers of the Company Secretary; conditions of and procedures for payment of remunerations to the Company Secretary; responsibility of the Company Secretary shall be set forth in the Company Secretary Regulation approved by the Board of Directors of the Company.

16.3. The Company Secretary shall perform the functions of the secretary of the General Meeting of Shareholders unless otherwise resolved by the Company's Board of Directors or a Company body or person holding the Extraordinary General Meeting of Shareholders in accordance with a court ruling.

If the Company Secretary is unable to act as secretary of the General Meeting of Shareholders Company Secretary, a secretary of the General Meeting of Shareholders shall be elected by the Board of Directors when deciding issues related to preparing and holding the General Meeting of Shareholders, or the Company body or person holding the Extraordinary General Meeting of Shareholders in accordance with a court ruling.

16.4. The Company Secretary shall participate in preparing and holding the General Meeting of Shareholders within his/her terms of reference, in accordance with the legislation, the Articles of Association and other internal regulations of the Company.

16.5. The Company Secretary shall participate in notifying persons entitled to take part in the General Meeting of Shareholders of meetings of the General Meeting of Shareholders, in the preparation and sending (delivery) of voting ballots thereto.

16.6. The Company Secretary shall prepare materials to be presented to the General Meeting of Shareholders, also providing copies of such documents at the request of persons entitled to participate in the General Meeting of Shareholders.

16.7. The Company Secretary shall oversee collection of completed voting ballots received by the Company and their timely transfer to the Registrar.

16.8. The Company Secretary shall ensure compliance with the registration formalities for the participants of the General Meeting of Shareholders, organise the keeping of the meeting's Minutes, and respond to questions from participants in the General Meeting of Shareholders related to the preparation for and holding of the the General Meeting of Shareholders.

16.9. The Company Secretary shall ensure the preparation for and holding of meetings of the Board of Directors in accordance with the legislation of the Russian Federation, these Articles of Association and the Company's bylaws; among other things, the Company Secretary shall:

- notify all Board Directors of meetings of the Board of Directors; if necessary, the Company Secretary shall ensure that voting ballots be duly sent (delivered) to Board Directors, collection of the completed voting ballots and written opinions of Board Directors absent at the meeting, and their provision to the Chairperson of the Board of Directors;

- keep the Minutes of meetings of the Board of Directors;

- assist Board Directors in obtaining the information they need to fulfil their functions;

- provide Board Directors with commentaries on the effective legislation of the Russian Federation, these Articles of Association and the Company's bylaws concerning procedural aspects of preparing and holding the General Meeting of Shareholders, meetings of the Board of Directors, disclosure (provision) of information about the Company;

16.10. The Company Secretary:

- ensures operations of committees of the Company's Board of Directors;

- takes part in implementation of the Company's information disclosure policy;

- ensures storage of the Company's corporate documents;

- ensures interaction between the Company and its shareholders and takes part in prevention of corporate conflicts;

- ensures implementation of procedures set forth by the laws and internal documents of the Company promoting exercise of rights and legitimate interests of shareholders and their execution supervision.

16.11. The Company Secretary fulfils other functions envisaged by the effective legislation, these Articles of Association and the Company's bylaws.

16.12. The Company's bodies and officers shall assist the Company Secretary in fulfilment of his/her functions.

16.13. All factors preventing compliance with procedures to be ensured by the Company Secretary (actions or omissions by Company' bodies and officers, the Registrar, other breaches of the established procedure for preparing and holding a General Meeting of Shareholders, meetings of the Board of Directors, and disclosing (providing) information) shall be reported by the Company Secretary to the Chairperson of the Board of Directors within a reasonable period.

## **Article 17. Committees of the Board of Directors**

17.1. The committees of the Board of Directors shall be set up by the resolution of the Board of Directors.

17.2. The committees of the Board of Directors are established for preliminary consideration of matters falling within the competence of the Board of Directors or considered by the Board of Directors as part of control over operations of the executive body of the Company and for development of the required recommendations for the Board of Directors and sole executive body of the Company. 17.3. Election of the members of the Committees and early termination of their powers, election of Chairpersons of Committees, and approval of the regulations for Committees of the Board of Directors shall be determined by special resolutions of the Board of Directors.

### **Article 18. Executive Bodies of the Company. The General Director**

18.1. The General Director of the Company, as the Company's Sole Executive Body, shall oversee the Company's day-to-day business.

18.2. The General Director shall report to the General Meeting of Shareholders and the Board of Directors.

18.3. The General Director shall oversee the Company's routine activities in accordance with resolutions passed by the General Meeting of Shareholders and the Board of Directors on matters within their terms of reference.

The terms of reference of the General Director shall include all issues pertaining to oversight of the Company's day-to-day business, except those falling within the terms of reference of the General Meeting of Shareholders and the Board of Directors of the Company.

The General Director may act on behalf of the Company without a Power of Attorney; in consideration of the limitations set by the effective legislation, these Articles of Association and the resolutions of the Board of Directors of the Company, the General Director shall perform the following functions, among others:

- 1) developing long-term plans for the Company's key business areas and presenting them to the Board of Directors; ensuring implementation of the Company's approved plans;
- 2) approving the Company's business plan (adjusted business plan), budget and investment programme, and the report on the results of their implementation;
- 3) developing programmes for the Company's technical modernisation, reconstruction and development;
- 4) approving the Company's quarterly and monthly financial plans and reports on their implementation;
- 5) developing the Company's annual procurement programme, approving, as part of the annual programme, the Company's quarterly procurement programmes, also preparing reports on implementation of the Company's annual and quarterly procurement programmes;
- 6) preparing reports on the Company's performance and on implementing resolutions of the General Meeting of Shareholders and the Board of Directors;
- 7) approving measures to train Company employees and enhance their professional skills;
- 8) establishing social benefits and guarantees for Company employees;
- 9) organising accounting and reporting by the Company;
- 10) disposing of the Company's property, concluding transactions on behalf of the Company, issuing Powers of Attorney, opening disbursement and other accounts of the Company with banks and other credit institutions (in certain cases provided by the law, also with professional participants on the securities market);
- 11) issuing decrees, approving (passing) instructions, local regulations and other internal bylaws of the Company within its terms of reference; also giving instructions binding on all Company employees;
- 12) developing and approving (correcting) KPI targets for the Company's divisions and its Affiliates;
- 13) providing the Board of Directors with information about KPI targets approved for the Company's divisions (officers) and Affiliates, and reports on the results of their implementation, as

well as reports on implementation of the Company's KPI established by the Board of Directors;

14) in accordance with the overall structure of the Company's executive system, approving the staffing schedule and salaries of Company employees;

15) exercising employer rights and obligations, as envisaged by the labour legislation, in relation to Company employees;

16) distributing obligations among Deputy General Directors;

17) submitting reports about the commercial activities of the Company's affiliates to the Board of Directors; also providing information about other entities in which the Company is a participant;

18) exercising powers of a shareholder (a member) of subsidiaries and other organisations, which the Company is a member of, other than powers listed in Subclauses 46 and 47, Clause 14.1 hereof;

19) at least 45 (forty-five) days before the Annual General Meeting of Shareholders, the General Director shall submit the Company's annual report to the Board of Directors, along with the balance sheet, profit and loss accounts, and distribution of the Company's profits and losses;

20) appointing an Acting General Director of the Company in the event of his/her temporary absence, vacation, business trip, etc.;

21) resolving other issues pertaining to the Company's routine business, except for issues included in the terms of reference of the General Meeting of Shareholders and the Board of Directors.

18.4. By resolution of the General Meeting of Shareholders, the powers of the Company's Sole Executive Body can be passed to a management entity or a manager, under an agreement.

The rights and obligations of the management entity (manager) in overseeing the Company's routine business shall be determined by the legislation of the Russian Federation and an agreement signed by the Company with the said management entity (manager).

The Chairperson of the Board of Directors or another person authorised by the Board of Directors shall sign the agreement with the management entity (manager) on behalf of the Company.

The terms of the agreement with the management entity (manager), including the term of office, shall be determined by the Company's Board of Directors.

18.5. The Company's executive bodies shall be created and their powers terminated early by resolution of the Board of Directors, except in cases envisaged by the federal legislation and these Articles of Association.

18.6. The rights and obligations of the General Director pertaining to oversight over the Company's routine business shall be determined by the Russian legislation, these Articles of Association and the agreement between the Company and the General Director.

Employer rights and obligations in relation to the General Director shall be exercised, on behalf of the Company, by the Chairperson of the Board of Directors or another person authorised thereby.

The terms of the employment contract, including the term of office of the General Director, shall be determined by the Board of Directors.

18.7. The General Director may occupy any positions on the governing bodies of other companies, as well as any other paid jobs in other entities, only with the approval of the Board of Directors of the Company.

18.8. The Board of Directors may, at any time, terminate the powers of the General Director and create new executive bodies.

18.9. Termination of the General Director's powers shall be based on the grounds established by the legislation of the Russian Federation and the agreement between the Company and the General Director.

18.10. The General Meeting of Shareholders may, at any time, terminate the powers of the management entity (manager).

The Company's Board of Directors may suspend the powers of the management entity or manager. Simultaneously with this decision, the Board of Directors shall appoint an interim Sole Executive Body of the Company (General Director of the Company) and call an Extraordinary General Meeting of Shareholders to consider early termination of the powers of the management entity

(manager) and, unless otherwise resolved by the Board of Directors, transfer of the powers of the Company's Sole Executive Body to another management entity (manager)

18.11. If the management entity (manager) is unable to perform its obligations, the Board of Directors may appoint an interim Sole Executive Body of the Company (General Director of the Company) and call an Extraordinary General Meeting of Shareholders to consider early termination of the powers of the management entity (manager) and, unless otherwise resolved by the Board of Directors, transfer of the powers of the Company's Sole Executive Body to another management entity (manager)

18.12. The interim Sole Executive Body of the Company shall oversee the Company's routine business within the terms of reference of the Sole Executive Body of the Company, unless the Board of Directors resolves otherwise

18.13. The General Director shall be elected by the Board of Directors by a majority of three quarters of the elected Board Directors.

Candidates for the General Director of the Company to be elected by the Board of Directors shall be nominated in accordance with the internal regulations governing the activities of the Board of Directors and the Sole Executive Body of the Company.

18.14. The General Director shall be personally responsible for organising the work and conditions ensuring protection of state secrets within the Company and for observing restricted access to classified information constituting state secrets, in accordance with the legislation of the Russian Federation.

18.15. In performing their rights and obligations, the General Director, the interim Sole Executive Body of the Company and the management entity (manager) shall act in the Company's best interests, exercising their rights and performing their obligations to the Company in good faith and with reasonable caution.

18.16. The General Director, the interim Sole Executive Body of the Company and management entity (manager) shall be liable to the Company for losses sustained by the Company as a result of their culpable actions (omissions), unless other grounds and liability are established by federal laws.

18.17. The General Director, the interim Sole Executive Body and the management entity or manager shall be liable to the Company or its Shareholders for losses caused by their culpable actions (omissions), violating the procedure for acquisition of Company Shares established in Chapter XI.1 of the Federal Law "On Joint Stock Companies".

18.18. The General Director of the Company shall be personally liable for protection of the state secret at the Company, including organising works and creating conditions to protect the state secret for incompliance with statutory restrictions on access to information classified as state secret.

18.19. For as long as the General Director is absent for good reason (illness, leave, business trip, etc.) the duties of the General Director shall be entrusted with the first deputy General Director or one of deputy General Directors by having the General Director sign a corresponding order and a power of attorney, detailing the powers of a person appointed an acting General Director.

#### **Article 19. Risk Management and Internal Control System. Auditing Commission and Auditor of the Company**

19.1. For the purposes of effective operation of the risk management and internal control system at the Company, the Company establishes an internal control unit, the functions of which are as follows:

- overall coordination of risk management processes;
- development of methodological documents designed to ensure risk management;
- organization of risk management and internal control training sessions for employees of the company;
- analysis of the company's risk portfolio and development of proposals on response strategy and redistribution of resources with respect to management of the corresponding risks;
- formation of consolidated risk statements;

- day-to-day control over the risk management by the company's business units and as applicable by the affiliates;
- preparation and information of the Company's Board of Directors and the Company's Director General of the risk management efficiency and other matters specified by the risk management and internal control policy.

The director of the internal control unit is accountable to the Director General of the Company.

19.2. For the purposes of systematic independent assessment of the risk management and internal control system and corporate governance practice reliability and efficiency at the Company, the Company establishes an internal audit unit, the functions of which are as follows:

- assessment of the internal control system efficiency;
- assessment of the risk management system efficiency;
- assessment of corporate governance.

The director of the internal audit unit is accountable to the Board of Directors of the Company, appointed and dismissed by the Director General of the Company upon a resolution of the Board of Directors of the Company.

19.3. To ensure control over the Company's business operations, the General Meeting of Shareholders shall elect a Company Audit and Compliance Committee for the period until the next General Meeting of Shareholders.

If the Audit and Compliance Committee is elected by an Extraordinary General Meeting of Shareholders, the members of the Audit and Compliance Committee shall be deemed elected until the Annual General Meeting of Shareholders.

The Audit and Compliance Committee shall consist of 4 (four) members.

19.4. The General Meeting of Shareholders may terminate early the powers of all or selected members of the Audit and Compliance Committee.

19.5. The Audit and Compliance Committee shall perform the following functions:

- 1) confirming the accuracy of the data contained in the Company's annual report, balance sheet, profit and loss account;
- 2) analysing the Company's financial status, finding opportunities to improve the Company's financial situation, and developing recommendations for the Company's governing bodies;
- 3) organising and checking (inspecting) the Company's commercial operations, including:
  - checking (inspecting) the Company's financial, accounting, payment, and other documentation related to performance of the Company's commercial operations in order to verify its compliance with the legislation of the Russian Federation, the Articles of Association, the Company's internal and other documents;
  - controlling the security and use of fixed assets;
  - controlling compliance with the established procedure for writing off as Company losses debts owed by the Company's insolvent borrowers;
  - controlling use of the Company's cash in accordance with the Company's approved business plan and budget;
  - controlling creation and use of the Company's reserve fund and any other special funds;
  - checking the accuracy and timeliness of accrual and payment of dividends on the Company's shares, interest payment on bonds, and yields on other securities;
  - checking compliance with previously issued instructions to remedy the breaches and defects disclosed by earlier checks (inspections);
  - performing other actions (measures) connected with checking the Company's business operations.

19.6. All resolutions on matters falling within the terms of reference of the Audit and Compliance Committee shall be passed by a simple majority of votes of all members of the Committee.

19.7. The Company's Audit and Compliance Committee may, and in the event that any serious violations in the Company's business activities are disclosed, shall request an Extraordinary General

Meeting of Shareholders.

19.8. The activities of the Audit and Compliance Committee shall be determined by the Company's internal document approved by the General Meeting of Shareholders.

The Audit and Compliance Committee, in accordance with a resolution to carry out a check (inspection), may engage specialists in the relevant areas of law, economics, finance, accounting, governance, economic security, etc., including from specialised institutions, for the purposes of the said check (inspection).

The Chairperson of the Board of Directors, by Power of Attorney issued by the Company's General Director, shall determine the terms of the agreements with such engaged specialists and sign the agreements with them on behalf of the Company.

19.9. The Company's commercial operations can be checked (inspected) at any time on the initiative of the Audit and Compliance Committee, by resolution of the General Meeting of Shareholders, the Company's Board of Directors or at the request of a Company shareholder(s) owning at least 10 per cent of the Company's voting shares.

19.10. To inspect and confirm the Company's annual financial reports, the General Meeting of Shareholders shall approve the Company's Auditor annually.

19.11. The Company's Auditor shall check the Company's business operations in accordance with the legislation of the Russian Federation and the agreement between the Auditor and the Company.

19.12. On the basis of the results of the check on the Company's business activities, the Company's Audit and Compliance Committee and the Auditor shall draw up an opinion, which shall:

- confirm the accuracy of the data contained in the Company's reports and other financial documents;
- contain information about disclosed violations by the Company of accounting and financial reporting standards established by the legislation of the Russian Federation, as well as cases of non-compliance with the legislation of the Russian Federation in the course of the Company's business activities.

The procedure and time frames for preparing an opinion on the results of checking the Company's business operations shall be determined by the legislation of the Russian Federation and the Company's bylaws.

## **Article 20. Accounting and Financial Reporting**

20.1. The Company shall keep accounting records and submit financial reports in the manner established by the legislation of the Russian Federation and these Articles of Association.

20.2. In accordance with the legislation of the Russian Federation and these Articles of Association, the Company's General Director shall be responsible for the organisation, condition and accuracy of the Company's accounting records, timely submission of annual reports and other financial reporting to the relevant government agencies, as well as for information about the Company's activities to be provided to the Company's Shareholders, lenders and the media.

20.3. The accuracy of the data contained in the Company's annual report and annual accounting reporting shall be confirmed by the Audit and Compliance Committee. The accuracy of the data contained in the Company's annual accounting statements shall also be confirmed by the Company's Auditor.

20.4. The annual report, the balance sheet, profit and loss account, and the distribution of the Company's profits and losses require prior approval by the Board of Directors at least 30 (thirty) days before the relevant General Meeting of Shareholders.

## **Article 21. Document Storage. Information Disclosure**

21.1. The Company shall store the following documents:

- 1) resolution to set up the Company;

- 2) the Company's Articles of Association and amendments thereto registered in the established manner; the Company's state registration certificate;
- 3) documents confirming the Company's rights to the property booked on its balance sheet;
- 4) the Company's bylaws approved by the Company's governing bodies;
- 5) regulations on the Company's branches and representative offices;
- 6) annual financial reports;
- 7) prospectuses, the issuer's quarterly report and other documents containing information to be published or otherwise disclosed in accordance with federal laws;
- 8) book-keeping records;
- 9) accounting statements;
- 10) Minutes of General Meetings of Shareholders (resolutions of a shareholder who owns all the Company's voting shares, executed in the established manner), Minutes of meetings of the Board of Directors and the Audit and Compliance Committee of the Company;
- 11) voting ballots and Powers of Attorney (copies of Powers of Attorney) for participation in the General Meeting of Shareholders;
- 12) reports of independent appraisers;
- 13) lists of Company Affiliates;
- 14) lists of persons entitled to participate in the General Meeting of Shareholders, lists of those entitled to receive dividends, and other lists prepared by the Company to ensure that the Shareholders exercise their rights according to the Federal Law "On Joint Stock Companies";
- 15) opinions (certificates) of the Company's Audit and Compliance Committee, the Auditor, state and municipal financial controlling bodies;
- 16) other documents envisaged by the legislation of the Russian Federation, these Articles of Association, the Company's bylaws and resolutions of the Company's governing bodies.

21.2. The Company shall store the documents specified in Clause 21.1 at the location of the Company's executive body in the manner and within the time frames established by the federal executive body responsible for the securities market.

21.3. In the event of the Company's reorganisation, all its documents shall be passed to its legal successor in the established manner.

21.4. In the event of the Company's liquidation, the documents that shall be kept permanently and are of scientific and historical importance shall be transferred to the Federal Archive Service of Russia; documents concerning the Company's personnel (decrees, personal files, registration cards, personal accounts, etc.) shall be passed to the relevant regional archive of the Russian Federation.

The transfer and systematisation of documents shall be carried out in accordance with the requirements of the archive authorities.

Information about the Company shall be presented thereby in accordance with the legislation of the Russian Federation.

21.5. The Company ensures access for its shareholders to the documents described in Clause 21.1, in consideration of the restrictions established by the legislation of the Russian Federation.

The Company's Board Directors shall have access to any documentation at their written request.

Book-keeping records shall be accessible to shareholder(s) controlling in aggregate at least 25 (twenty-five) per cent of the Company's voting shares.

21.6. The documents described in Clause 21.1 shall be provided by the Company within 7 (seven) days of submission of a relevant request for information purposes and on the premises of the Company's executive body unless otherwise provided for by the Company's bylaws regulating the activities of its bodies and approved by the General Meeting of Shareholders.

At the request of persons entitled to access the documents specified in Clause 21.1, the Company shall provide such persons with copies of the required documents.

The fee shall be set by the General Director and shall not exceed the costs of producing the copies.

21.7. The Company ensures that its Shareholders and employees have access to information in

accordance with the legislation on state secrets.

21.8. Upon reorganisation, liquidation or suspension of works containing information classified as state secret, the Company shall ensure the safety of such information and its storage media by developing and implementing information security and protection procedures, foreign technical intelligence countermeasures, security and fire safety.

## **Article 22. Reorganisation and Liquidation**

22.1. The Company may be reorganised voluntarily by way of merger, acquisition, spin-off, split-up, or transformation, and also on grounds and in the manner determined by the Civil Code of the Russian Federation and federal laws.

22.2. The Company may be liquidated by court order or voluntarily in the manner established by the Civil Code of the Russian Federation, the Federal Law "On Joint Stock Companies" and these Articles of Association.

22.3. Upon reorganisation, liquidation or suspension of works containing information classified as state secret, the Company shall ensure the safety of such information and its storage media by developing and implementing information security and protection procedures, foreign technical intelligence countermeasures, security and fire safety.

Schedule  
to the Articles of Association of MOSTOTREST JSC

**List of Branches of MOSTOTREST JSC**

<b>№</b>	<b>Full name</b>	<b>Short name</b>	<b>Principal place of business</b>
1.	Nizhny Novgorod territorial firm – Mostootryad-1 – a branch of Open Joint Stock Company MOSTOTREST	NTF MO-1	603600, Nizhny Novgorod, GSP 1342
2.	Moscow territorial firm – Mostootryad-4 – a branch of Open Joint Stock Company MOSTOTREST	MTF MO-4	109004, Moscow, 61, Zemlyanoy Val street, bldg. 2
3.	Yaroslavl territorial firm – Mostootryad-6 – a branch of Open Joint Stock Company MOSTOTREST	YTF MO-6	150033, Yaroslavl, 64 a, Tutayevskoye highway
4.	Rostov territorial firm – Mostootryad-10 – a branch of Open Joint Stock Company MOSTOTREST	RTF MO-10	344010, Rostov-on-Don, 89, Lermontovskaya street
5.	Ryazan territorial firm – Mostootryad-22 – a branch of Open Joint Stock Company MOSTOTREST	RTF MO-22	390000, Ryazan, 11, Krasnoryadskaya street
6.	Cheboksary territorial firm – Mostootryad-41 – a branch of Open Joint Stock Company MOSTOTREST	CTF MO-41	428000, Chuvash Republic, Cheboksary, 41, Lapsarsky proyezd
7.	Kirov territorial firm – Mostootryad-46 – a branch of Open Joint Stock Company MOSTOTREST	KTF MO-46	610021, Kirov, 118, Vorovskogo street
8.	Voronezh territorial firm – Mostootryad-81 – a branch of Open Joint Stock Company MOSTOTREST	VTF MO-81	394033, Voronezh, 12a, MOPRa street
9.	Dmitrov territorial firm – Mostootryad-90 – a branch of Open Joint Stock Company MOSTOTREST	DTF MO-90	141800, Moscow Oblast, Dmitrov, 46, 2 <sup>nd</sup> Inzhenernaya street, bldg. 1
10.	Serpukhov territorial firm – Mostootryad-99 – a branch of Open Joint Stock Company MOSTOTREST	STF MO-99	142207, Moscow Oblast, Serpukhov, Borisovskoye highway
11.	Moscow territorial firm – Mostootryad-114 – a branch of Open Joint Stock Company MOSTOTREST	MTF MO-114	129343, Moscow, 5, Amundsena street, bldg. 2
12.	Kolomna territorial firm – Mostootryad-125 – a branch of Open Joint Stock Company MOSTOTREST	KTF MO-125	140400, Moscow Oblast, Kolomna, 7, Lazhechnikova street
13.	Tula territorial firm – MEKHSTROYMOST – a branch of Open Joint Stock Company MOSTOTREST	TTF MEKHSTROYMOS T	300024, Tula, 8, Inshinsky proyezd
14.	Moscow territorial firm – MOKON Plant – a	MTF MOKON Plant	127081, Moscow, 16,

	branch of Open Joint Stock Company MOSTOTREST		Molodtsova street, bldg. 1
15.	Moscow territorial firm – Taganka Most – a branch of Open Joint Stock Company MOSTOTREST	MTF Taganka Most	119270, Moscow, 10a, Luzhnetskaya embankment