

*Translation from Russian into English*

Approved by  
the General Meeting of Shareholders of  
PAO "TMK" dated June 23<sup>rd</sup>, 2015  
(Minutes No. unnumb. dated June 23<sup>rd</sup>, 2015)

**ARTICLES OF ASSOCIATION**  
**of**  
**PAO TMK**  
(new version)

Moscow

2015

## 1. GENERAL

1.1 PAO “TMK” (registered by the Moscow Registration Chamber on 17 April 2001 under the registration number 002.041.016, All-Russian classifier for firms and organisations (ОКПО) 56601059, taxpayer’s identification number (INN) 7710373095) (hereinafter referred to as the “**Company**”) is a commercial organization, incorporated for the purpose of realization of profit under the Civil Code of the Russian Federation, the Federal Law No. 208-ФЗ “On Joint-Stock Companies” dated December 26, 1995 (as amended) and other legal instruments of the Russian Federation.

1.2. The Company is a legal entity existing under these Articles of Association (hereinafter referred to as the “**Articles**”) and laws of the Russian Federation.

## 2. TRADE NAME AND ADDRESS

2.1 The full commercial name of the Company in Russian shall be Публичное акционерное общество «Трубная Металлургическая Компания».

The abbreviated commercial name of the Company in Russian shall be ПАО «ТМК».

The full commercial name in English shall be PAO “TMK”.

The abbreviated commercial name in English shall be “TMK”.

2.2 Address of the Company: 105062, Russian Federation, Moscow, Pokrovka street, 40, bldg. 2A.

## 3. LEGAL STATUS

3.1 The Company shall be a legal entity and possess solitary property recorded in its independent balance sheet. It may in its own name acquire and exercise any property and personal non-property rights, incur obligations and bring or defend any action.

3.2 The Company shall be deemed incorporated as a legal entity from the time of its state registration under the federal law for an unlimited period.

3.3 The Company shall have civil rights and obligations necessary for performing any lawful activities and be completely independent economically.

For the purpose of performing its activities, the Company shall have all and any rights vested by the law of the Russian Federation, and it may, *inter alia*:

(a) enter into contractual relations, effect transactions and any other legal acts, including credit and bill of exchange transactions with any legal entities and individuals, including any foreign legal entities and individuals;

(b) acquire shares, including acquisition of shares from its own shareholders, for subsequent realization thereof to any other shareholders or third parties within 1 (One) year from the date of acquisition thereof;

(c) be a member of any other joint-stock companies and limited liability companies, establish, jointly with any other legal entities, any associations or unions, participate in activities thereof, invest in them on a commercial basis, incorporate enterprises jointly with either domestic or foreign partners within the Russian Federation or abroad;

(d) issue any securities and carry out transactions therewith under the law of the Russian Federation;

(e) increase its authorized capital subject to the procedure, terms and conditions fixed by the General Meeting of Shareholders of the Company (hereinafter referred to as the “**General Meeting**”) or Board of Directors of the Company (hereinafter referred to as the “**Board of Directors**”) under the laws of the Russian Federation and these Articles;

(f) participate in any tenders, duly enter into any licensing agreements both in the Russian Federation and abroad for the purpose of acquisition of stock and required materials as well as for realization of products manufactured;

- (g) engage any professionals, including foreign ones;
- (h) to independently determine the form, amount and type of payment for labour, including remuneration in kind or in foreign currency as determined by law;
- (i) enter into any exchange transactions subject to the procedure established by the laws of the Russian Federation;
- (j) lease or sublease, give for temporary use free of charge any buildings, structures, equipment, vehicles and other property owned or held by it on a leasehold basis if such property does not perish in the process of utilization thereof;
- (k) do any other acts and things, which are not prohibited by laws of the Russian Federation.

3.4 The Company shall be entitled to duly open bank accounts both in the Russian Federation and abroad.

3.5 The Company shall have its round seal with its full commercial name in Russian and English and with its address. The seal may also specify the commercial name of the Company in any foreign language or language of any nation of the Russian Federation.

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

3.6 No interference in the administrative and economic activities of the Company on the part of any governmental, public or other organisations shall be allowed unless it is stipulated by their control and audit rights under the law of the Russian Federation.

#### **4. LIABILITY**

4.1. The Company shall be liable for its obligations with all its assets.

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

4.3. The shareholders shall not be liable for any obligations of the Company, and they shall bear the risk of losses in connection with its business to the extent of value of shares held by them.

Shareholders holding non-fully paid shares shall be jointly liable for obligations of the Company to the extent of unpaid value of shares held by them.

4.4. Government or its bodies shall not be liable for any obligations of the Company, nor shall the Company be liable for any obligations of the government or its bodies.

#### **5. SUBSIDIARIES AND REPRESENTATIVE OFFICES. AFFILIATED AND ASSOCIATED COMPANIES**

5.1. The Company shall be entitled to establish subsidiaries and open representative offices both in the Russian Federation and abroad subject to the applicable legislation of the respective country, in which such subsidiary or representative office is situated, unless otherwise stipulated by an international treaty of the Russian Federation.

No subsidiary or representative office shall be a legal entity. They shall operate under regulations approved by the Company. Any subsidiary or representative office shall be vested with property of the Company, which property may be recorded in both their separate balance sheets and the balance sheet of the Company.

Manager of any subsidiary and head of any representative office shall be appointed by the Company and act on the basis of a power of attorney issued by the Company.

Any subsidiary or representative office shall operate on behalf of the Company. The Company shall be liable for activities of any such subsidiary or representative office.

5.2. The Company may have affiliated and associated companies with the rights of a legal entity both in the Russian Federation and abroad subject to the applicable legislation of the respective country, in which such affiliated or associated company is situated, unless otherwise stipulated by an international

treaty.

## **6. SCOPE AND TYPE OF ACTIVITIES**

6.1. The Company shall be established for the purpose of profit making.

6.2. The Company shall carry out any economic activities unless they are prohibited by laws of the Russian Federation or in conflict with these Articles.

The following shall be the basic activities of the Company:

- (a) to implement organisational, coordinating and administrative measures in industry;
- (b) to carry out wholesale trade of ferrous metals in initial form;
- (c) to carry out other wholesale trade;
- (d) to carry out scientific and technical activities;
- (e) to perform marketing, engineering and consulting services;
- (f) to promote implementation of scientific and technical achievements, inventions and innovation proposals;
- (g) to carry out survey, research and development work;
- (h) to render intermediary services with respect to engineering products;
- (i) to carry out foreign economic activities and any other economic activities, which are not prohibited by law of the Russian Federation or any other applicable legislation;
- (j) to render representative, management and advertising services;
- (k) to analyze supply and demand for scientific and technical products, works and services in the domestic and foreign markets of the Russian Federation on behalf of any parties to the contract;
- (l) to earn income from participation in joint ventures;
- (m) to earn income from holding of securities;
- (n) to carry out any other activities, which are not prohibited by laws of the Russian Federation.

6.3. The Company may perform certain activities listed in the federal legislation subject to special authorization (license). If any special authorization (license) stipulates exclusive engagement in a certain activity, the Company shall not carry out any other activities until expiration of such special authorization (license) except for the activities stipulated in such special authorization (license) and any attachments thereto.

## **7. AUTHORIZED CAPITAL**

7.1. The authorized capital of the Company shall be 9,919,072,600 (Nine billion nine hundred nineteen million seventy two thousand six hundred) rubles divided into 991,907,260 (Nine hundred ninety one million nine hundred seven thousand two hundred and sixty) ordinary registered shares of 10 (Ten) rubles each (outstanding stock).

7.2. The Company may issue the maximum additional number of 317,594,240 (Three hundred seventeen million five hundred ninety-four thousand two hundred and forty) ordinary registered shares of 10 (Ten) rubles each (authorized shares).

7.3. The authorized capital of the Company may be increased by way of a share par value increase or issue of additional shares. The authorized capital of the Company may be increased by way of additional shares issue for account of the Company assets. The authorized capital of the Company may be increased by way of a share par value increase for account of the Company assets only.

7.4. The authorized capital of the Company may be reduced by way of a share par value reduction or reduction of the total number of shares, including by way of acquisition and redemption of some shares.

7.5. The authorized capital of the Company may be increased or reduced subject to the legislation of the Russian Federation.

7.6. Shares in the Company may be paid in monies, property, participation interest (shares) in authorized (share) capital of other business partnerships and companies, state and municipal bonds and other exclusive or intellectual rights of monetary value as well as rights stipulated by license agreements if other shall not be specified by law.

7.7. No shareholder may be exempted from his obligation to pay for his shares of the Company, nor may he be exempted from such obligation by way of set-off.

## **8. ACQUISITION OF ALLOCATED SHARES BY THE COMPANY**

8.1. By resolution of the General Meeting on reduction of the authorized capital, the Company may purchase shares allocated by it for the purpose of reducing the total number thereof (redemption). Shares purchased by the Company on the basis of such resolution on reduction of the authorized capital shall be redeemed on acquisition.

8.2. The resolution on acquisition of shares shall set forth the categories (types) of shares to be purchased, number of shares of each category (type) purchased by the Company, method and terms of payment for the shares and the period of shares acquisition.

8.3. Shares purchased by the Company shall be paid for in cash.

8.4. No period of such acquisition of shares shall be less than 30 (Thirty) days.

8.5. The sole executive body of the Company (hereinafter referred to as the “**General Director**”) shall give a 30 (thirty) day notice of acquisition of shares to all shareholders holding the categories (types) of shares to be purchased under the resolution.

Such notice shall state the following: commercial name and address of the Company, classes (types) of shares to be purchased, number of shares of each category (type) to be purchased by the Company, purchase price, method and terms of payment, period, within which the purchase shall be made, (including the date of commencement and end of acceptance of applications from holders of shares of the classes (types) to be purchased) and addresses, to which shareholders shall return filled-in share sale applications.

Special form of application of the shareholder for sale of his shares to the Company shall be attached to the notice.

8.6. Each shareholder holding shares of the classes (types), with respect to which the resolution on acquisition has been adopted, may sell such shares, and the Company shall purchase them.

8.7. Should the total number of shares, with respect to which the Company has received applications for sale, exceed the number of shares, which may be purchased by the Company under the laws of the Russian Federation and resolution of the General Meeting, shares shall be purchased from shareholders in proportion with their applications.

8.8. Any shareholder holding shares of the categories (types), with respect to which the resolution on acquisition has been adopted, may submit its written application for sale of his shares to the Company.

8.9. The form of application for sale of his shares to the Company filled-in by the shareholder shall constitute acceptance of the offer of the Company for purchase of a certain number of such shares.

8.10. The General Director of the Company within 30 (Thirty) business days after the final date of acceptance of shareholders applications for sale of their shares shall

(i) decide on the number of shares to be purchased from each shareholder;

(ii) notify the relevant shareholder for such shareholder to fill in the relevant instrument of transfer for the purpose of writing off the personal account (custody account) of the shareholder the number of shares redeemed by the Company and present it to the Company, Registrar of the Company or Depositary; and

(iii) after the shares so purchased are credited to the personal account of the Company, transfer the amount due to each shareholder.

8.11. The Company may by resolution of the General Meeting acquire shares issued by it with the possibility of further circulation. Share acquisition by resolution of the General Meeting shall be performed under the procedure set forth in clauses 8.2. through 8.10. hereof. The Company shall not resolve on acquisition of shares if the par value of the Company's outstanding shares will be less than 90 (Ninety) per cent of the authorized capital of the Company.

## **9. REDEMPTION OF ALLOCATED SHARES BY THE COMPANY**

9.1. Shareholders holding voting shares may require redemption of all or any part of their shares by the Company in the following cases:

(a) reorganisation of the Company or entering into any material transaction, on which resolution shall be adopted by the General Meeting in accordance with paragraph 3 of article 79 of the Federal Law "On Joint-Stock Companies", if they voted against such resolution on its reorganisation or approval of the said transaction, or failed to vote on those issues;

(b) introduction of modifications of and amendments to these Articles (by taking decision on the General Meeting being cause of making modifications of and amendments to these Articles) or approval of any new version of these Articles if the same restrict their rights if they voted against such resolution or approval of the said transaction, or failed to vote on those issues;

(c) approval by the General Meeting of decision on the treatment of the application for delisting of the shares of the Company and (or) the securities of the Company convertible into its shares if they voted against such resolution or approval of the said transaction, or failed to vote on those issues.

9.2. The list of shareholders entitled to require redemption of their shares by the Company shall be made on the basis of the register of shareholders of the Company as of the date of the list of persons entitled to participate in the General Meeting, the agenda of which contains any issues, the voting on which may involve the right to call for redemption of shares under the Federal Law "On Joint-Stock Companies".

9.3. Shares of the Company shall be redeemed at the price fixed by the Board of Directors under the law of the Russian Federation without regard to any change thereof caused by the Company acts entailing the right to claim for evaluation and redemption of shares.

## **10. REGISTER OF SHAREHOLDERS**

10.1. The register of shareholders of the Company shall contain particulars of shareholders - information on each registered person, number and categories (types) of shares registered in the name of each registered person and other particulars stipulated by the laws of the Russian Federation.

10.2. The Company shall cause the register of shareholders of the Company to be maintained and kept under the law of the Russian Federation from the time of state registration of the Company.

10.3. Holder of the register of shareholders of the Company shall be licensed in accordance with the law professional securities market participant engaged in maintaining the register of registered securities (hereinafter referred to as the "**Registrar**").

Information on the Registrar of the Company shall be kept in the Unified State Register of Legal Entities.

10.4. Any person registered in the register of shareholders of the Company shall give a timely notice of any change in its particulars to the registrar of the Company. In the event of his failure to give such notice of changes in his particulars, the Company and registrar shall not be held liable for any loss incurred in connection therewith.

## 11. SHAREHOLDERS OF THE COMPANY. RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

11.1. Shareholders of the Company may be both individuals and legal entities, including foreign individuals and legal entities, which acquire shares of the Company, acknowledge and fulfill provisions hereof.

11.2. Every ordinary share of the Company shall vest its holder with the same scope of rights.

Shareholders of the Company holding ordinary registered shares of the Company may:

- (1) participate in the Company management as defined herein and in the legislation of the Russian Federation, including participation in the General Meeting with the right to vote on all matters in its competence;
- (2) elect and be elected to the managerial and control bodies of the Company;
- (3) draw their share in the profit (dividends) subject to distribution among shareholders in proportion with the number of shares held by them;
- (4) receive a part of the Company assets remaining after settlement with creditors in the event of liquidation of the Company;
- (5) make proposals to the agenda of any annual General Meeting and nominate candidates to the managerial bodies of the Company under clause 11.4. hereof and legislation of the Russian Federation;
- (6) obtain information on activities of the Company from the managerial bodies of the Company, inspect the accounting figures and records as well as any other documentation, obtain copies of any constitutive and other documents of the Company;
- (7) appeal against the decisions of the Company, entailing civil consequences in the cases and in the manner provided for by the legislation of the Russian Federation;
- (8) appeal on behalf of the Company the made transactions on the grounds provided for by the legislation of the Russian Federation and require the application of the consequences of their invalidity, as well as the application of consequences of invalidity of void transactions of the Company;
- (9) demand on behalf of the Company a compensation for damages caused to the Company;
- (10) dispose of their shares or any part thereof in favour of any other shareholders and/or third parties without consent of the other shareholders of the Company and the Company itself;
- (11) have a pre-emptive right to buy any additional shares and issued securities convertible into shares and allocated by way of a public or private offering in cases and according to the procedure stipulated in clause 11.5. hereof and in the legislation of the Russian Federation;
- (12) use a power of attorney or agreement to authorize any third parties for the exercise of all or any rights attached to shares;
- (13) call for redemption of all or any part of their shares in cases and according to the procedure stipulated in clause 9 hereof and in the legislation of the Russian Federation.

11.3. Shareholders of the Company may also have other rights stipulated herein and in the legislation of the Russian Federation.

11.4. Shareholders shall make proposals to the agenda of the annual General Meeting and nominate candidates to the managerial bodies of the Company in accordance with the following procedure:

Any shareholder(s) holding at least 2 (Two) per cent of voting shares in the Company may make proposals to the agenda of the annual General Meeting and nominate candidates to the managerial bodies of the Company.

Such shareholder(s) may nominate candidates to the Board of Directors, Audit Commission of the Company (hereinafter referred to as the “**Audit Commission**”), and the number of such candidates shall not exceed the quantitative composition of the respective body.

Proposals on introduction of any items into the agenda of the annual General Meeting and proposals on nomination of candidates shall be received by the Company in writing within 30 (Thirty) days after the end of the financial year and shall state:

- (a) the name(s) of shareholder(s) submitting them;
- (b) the number and category (type) of shares held by such shareholders;
- (c) wording of each item proposed, and the proposal on nomination of candidates, which is the name and details of the identity document (series and/or number of the document, date and place of issue and issuing authority) of each nominated candidate, body, to which he is nominated, and other particulars of such candidate stipulated in these Articles or internal documents of the Company;
- (d) proposals on introduction of any items into the agenda of the annual General Meeting may contain wording of resolution on each item proposed;
- (e) signatures of shareholder(s).

11.5. The following shall be the procedure of exercising the pre-emptive right of shareholders to acquisition of additional shares and issued securities convertible into shares:

Shareholders of the Company shall have the pre-emptive right to purchase additional shares issued by way of public offering and/or equity securities convertible into shares in proportion with the number of shares of the relevant class (type) currently held by them.

Shareholders of the Company who, voted against or abstained from voting on private offering of shares and securities convertible into shares, shall have the pre-emptive right to acquire additional shares and/or equity securities convertible into shares issued by way of private offering in proportion with the number of shares of the relevant class (type) held by them. The said right shall not apply to allocation of shares and any other securities convertible into shares carried out by way of private offering to shareholders only if shareholders have the opportunity to purchase a whole number of shares and other securities convertible into shares in proportion with the number of shares of the relevant class (type) held by them.

The list of persons having the pre-emptive right to buy additional shares and/or equity securities convertible into shares (hereinafter referred to as the “**pre-emptive right**”) shall be made on the basis of data of the shareholders register as of the date of:

- (a) the list of persons entitled to participate in the General Meeting, at which the resolution on allocation of additional shares and/or securities convertible into shares is adopted; and otherwise
- (b) resolution stipulating allocation of additional shares and equity securities convertible into shares.

The Company shall give the notice of a possibility to exercise their pre-emptive right to the listed persons having the pre-emptive right by registered letter or by hand against signature or by publishing such notice on the website of the Company in information and telecommunications network “Internet”: [www.tmk-group.ru](http://www.tmk-group.ru).

Such notice of a possibility to exercise the pre-emptive right of shareholders shall be given after state registration of the securities issue until the time of allocation thereof, and such notice shall state:

- (a) full commercial name of the Company;
- (b) address of the Company;
- (c) number of issued shares and/or equity securities convertible into shares;
- (d) offering price or the procedure of evaluation of allocation of shares and/or equity securities convertible into shares, or indication that such price or evaluation procedure shall be established by the Board of Directors before beginning of securities allocation;
- (e) offering price or the procedure of evaluation of allocation of shares and/or equity securities convertible into shares to the Company shareholders if their exercise their pre-emptive rights;



- (f) procedure of determining the number of shares and/or equity securities convertible into shares, which may be purchased by any person possessing the pre-emptive right;
- (g) period, within which an application for purchase of shares and/or equity securities convertible into shares shall be received by the Company (“**Effective Period of the Pre-Emptive Right**”);
- (h) procedure of submission of applications for purchase of shares and/or equity securities convertible into shares to the Company.

For complete or partial exercise of his pre-emptive right, the person having such right shall present the following documents to the Board of Directors within the period from commencement of allocation until the date of such pre-emptive right expiration:

- (a) application for purchase of shares and/or equity securities convertible into shares stating the name of the applicant; his address; number of securities purchased by him;
- (b) document certifying payment for purchased shares and/or equity securities convertible into shares save where such resolution provides for determining the offering price of the securities upon expiration of the Effective Period of the Pre-Emptive Right.

An application for acquisition of shares and/or equity securities convertible into shares shall constitute acceptance of the Company’s offer to purchase shares and/or equity securities convertible into shares under the pre-emptive right.

The effective period of pre-emptive right shall be calculated from the time of giving (delivering) or publishing the notice of possibility to exercise the pre-emptive right and shall not be less than 45 (Forty-five) days.

If the procedure of determining the offering price determined by the resolution, on the basis of which additional shares and/or equity securities convertible into shares are allocated, provides for determining the offering price of the securities after expiration of the Effective Period of the Pre-Emptive Right, such period shall be at least 20 (Twenty) days after the date of giving (delivery) or publishing the appropriate notice and if the information in such notice shall be disclosed in accordance with the requirements of legislation of the Russian Federation on securities – less than 8 (eight) working days since its disclosure. In this case, the notice shall state information regarding the terms of payment for securities and such period shall be at least 5 (Five) business days after the disclosure of information on the offering price or its evaluation procedure.

Within 5 (Five) business days upon expiration of the Effective Period of the Pre-Emptive Right or, if the offering price of shares and/or equity securities convertible into shares for the persons exercising their pre-emptive rights shall be determined upon expiration thereof, within 5 (Five) business days upon expiration of the due date for payment for the securities by the persons exercising their pre-emptive rights, the Board of Directors shall sum up the results of the pre-emptive right exercise.

Unless and until the Effective Period of the Pre-Emptive Right expires, the Company shall not issue any additional shares and/or equity securities convertible into shares to any persons not possessing the pre-emptive right with respect to them.

11.6. Irrespective of the number and type of shares held by them, shareholders of the Company shall:

- (1) Participate in forming of assets of the Company in necessary amount and in accordance with the terms, conditions and methods stipulated in the Civil Code of the Russian Federation, Federal Law “On Joint-Stock Companies” and these Articles;
- (2) comply with these Articles;
- (3) keep confidential any information on business of the Company, Company securities and transactions therewith, which is known to them, is not of public domain, and if disclosure of such information may materially affect operations of the Company;
- (4) participate in corporate decision-making, without which the Company can not continue to operate in accordance with the legislation of the Russian Federation, if their participation is necessary to make

such decisions;

- (5) do no acts, which may affect interests of the Company, as well as actions (inaction), that essentially make it difficult or impossible to achieve the goals for which the Company was formed;
- (6) notify the Company Registrar of any changes in his particulars;
- (7) exercise any other functions stipulated by laws of the Russian Federation.

11.7. Any person intending, independently or jointly with his affiliate(s), to purchase 30 (Thirty) per cent of ordinary shares in the Company or more shall give to the Company a public offer addressed to shareholders of the Company and/or holders of equity securities convertible into shares in the Company to buy their shares in the Company and/or equity securities convertible into shares in the Company (hereinafter referred to as the “**Voluntary Offer**”). Contents, presentation procedure and other requirements to the Voluntary Offer shall be determined by article 84.1 and other provisions of the Federal Law “On Joint-Stock Companies”.

11.8. Any person acquiring over 30 (Thirty), 50 (Fifty) or 75 (Seventy-five) per cent of the total number of shares in the Company taking into account the shares held by such person and his affiliates shall in each case give to the holders of the other shares and equity securities convertible into shares a public offer to buy such securities from them (hereinafter referred to as the “**Firm Offer**”). The contents, presentation procedure and other requirements to the Firm Offer shall be determined by article 84.2 and other provisions of the Federal Law “On Joint-Stock Companies”.

Upon purchase of more than 30 (Thirty), 50 (Fifty) or 75 (Seventy-five) per cent of the total number of shares in the Company and until the date of presentation of the Firm Offer to the Company, the purchaser of shares in the Company and his affiliates may only vote by the shares representing 30 (Thirty), 50 (Fifty) and 75 (Seventy-five) per cent of such shares respectively. In this case, no other shares held by such person and his affiliates shall be counted in quorum.

11.9. Any person that becomes the holder of more than 95 (Ninety-five) per cent of the total number of shares in the Company taking into account the shares held by such person or his affiliates as a result of a Voluntary Offer or Firm Offer:

- (a) shall buy shares in the Company and other securities convertible into shares in the Company held by other persons on request of such holders pursuant to article 84.7 of the Federal Law “On Joint-Stock Companies”, or
- (b) may, subject to the Federal Law “On Joint-Stock Companies”, redeem from any holders of shares in the Company and holders of equity securities convertible into shares in the Company in accordance with article 84.8 of the Federal Law “On Joint-Stock Companies”.

11.10. If the Company receives a Voluntary and/or Firm Offer, the managerial bodies of the Company may take decisions subject to the restrictions provided for in article 84.6 of the Federal Law “On Joint-Stock Companies”.

11.11. The legislation of the Russian Federation may also stipulate other obligations of shareholders of the Company.

11.12. Rights, benefits and guarantees stipulated in Federal Law “On Foreign Investments in the Russian Federation” No. 160-Φ3 dated July 09, 1999 (as amended) and other laws of the Russian Federation shall apply to foreign shareholders.

## **12. DIVIDENDS**

12.1. In accordance with the results of the first quarter, half year, nine months of any financial year and/or in accordance with the results of such financial year, the Company may resolve on (declare) dividends on outstanding shares unless otherwise stipulated in the legislation of the Russian Federation. Resolution on payment (declaration) of dividends in accordance with the results of the first quarter, half year and nine months of any financial year may be adopted within 3 (Three) months upon expiration of the respective period.

The Company shall pay dividends declared with respect to shares of each category (type). Dividends shall be paid in cash.

12.2. Dividends shall be paid from net profit of the Company. Dividends on certain types of preferred shares may be paid from special funds of the Company previously formed for this purpose.

12.3. Resolutions on payment (declaration) of dividends, including resolutions on the amount of dividend and method of payment thereof on each category (type) of shares, shall be adopted by the General Meeting. The said decision shall determine the amount of dividends on shares of each category (type), form of payment, the order of payment of dividends in kind, the date on which the persons entitled to receive dividends shall be defined. In this decision with regard to establishing the date on which the persons entitled to receive dividends shall be defined shall only be accepted upon the proposal of the Board of Directors. The amount of such dividends shall not exceed the amount recommended by the Board of Directors.

12.4. The Company shall declare the amount of dividends without tax deductions.

12.5. Terms and conditions of payment of dividends shall be established in accordance with article 42 of the Federal Law "On joint-stock companies".

No interest shall be accrued on any unpaid or short-received dividends, except for the cases directly stipulated in the legislation of the Russian Federation.

12.6. The Company shall not resolve on (declare) payment of dividends on any shares or pay the declared dividends on shares in cases stipulated in the legislation of the Russian Federation.

### **13. GENERAL MEETING**

13.1. General Meeting shall be the superior managerial body of the Company.

The Company shall hold the annual General Meeting. The annual General Meeting shall be held not later than in 2 (Two) months and not later than in 6 (Six) months after the end of every financial year.

Any general meetings held in addition to the annual General Meeting shall be deemed extraordinary. An extraordinary General Meeting shall be convened in accordance with the procedure stipulated in article 55 of the Federal Law "On Joint-Stock Companies".

13.2. The following shall fall within the terms of reference of the General Meeting:

- (1) introduction of amendments and modifications into these Articles of Association of the Company or approval of a new version of these Articles of Association of the Company;
- (2) reorganisation of the Company;
- (3) liquidation of the Company, appointment of the liquidation committee and approval of intermediate and closing liquidation balance-sheets;
- (4) fixing the quantitative composition of the Board of Directors, election of its members and early termination of their office;
- (5) fixing the number, par value, category (type) of authorized shares and rights attached to such shares;
- (6) increase of the authorized capital of the Company by way of increasing the par value of shares;
- (7) increase of the authorized capital of the Company by way of shares issue by private offering or ordinary shares issue by way of public offering exceeding 25 (Twenty-five) per cent of previously issued ordinary shares;
- (8) issue of the Company securities convertible into shares, except for public offering of securities convertible into preferred shares or ordinary shares amounting to 25 (Twenty-five) per cent of previously issued ordinary shares or less;
- (9) reduction of the authorized capital of the Company by way of purchase of a part of shares by the Company for the purpose of reducing the total number thereof and by way of redemption of shares

acquired or repurchased by the Company;

- (10) reduction of the authorized capital of the Company by way of reducing the par value of shares in the Company;
- (11) election of members of the Audit Commission of the Company and early termination of their office;
- (12) approval of the Company Auditor;
- (13) payment (declaration) of dividends in accordance with the results of the first quarter, half year or nine months of any financial year;
- (14) approval of annual statements, annual accounts, including profit and loss statements (profit and loss accounts) of the Company and distribution of profit (including payment (declaration) of dividends, except for the profit distributed as dividends in accordance with the results of the first quarter, half year or nine months of the financial year) and losses of the Company in accordance with the results of the financial year;
- (15) establishing the procedure of holding the General Meeting;
- (16) resolutions on fractioning and consolidation of shares;
- (17) resolutions on approval of interested-party transactions in cases stipulated in article 83 of the Federal Law "On Joint-Stock Companies";
- (18) resolutions on approval of material transactions with respect to any property, the value of which is 25 (Twenty-five) to 50 (Fifty) per cent of the book value of assets of the Company unless the Board of Directors unanimously agrees to approve such material transaction;
- (19) resolutions on approval of material transactions with respect to any property, the value of which exceeds 50 (Fifty) per cent of the book value of assets of the Company;
- (20) resolutions on membership in any financial industrial groups;
- (21) resolutions on membership in associations and any other unions of commercial organisations;
- (22) approval of internal documents regulating activities of the managerial bodies of the Company;
- (23) resolutions on delegation of authorities of the General Director to a managing company or manager under agreement;
- (24) resolutions on acquisition of allocated shares by the Company in cases stipulated in clauses 8.1 and 8.11 hereof;
- (25) resolutions on the application for delisting of the shares of the Company and (or) the Company's equity securities, convertible into shares of the Company;
- (26) resolutions on any other matters referred to the exclusive competence of the General Meeting in accordance with the law of the Russian Federation.

13.3. No matters falling within the exclusive competence of the General Meeting shall be referred to the Board of Directors, General Director or Board of the Company.

13.4. Resolution of the General Meeting on any matter put to vote shall be adopted by the majority of votes of shareholders holding voting shares in the Company present at the General Meeting unless otherwise stipulated for adoption of resolutions in the Federal Law "On Joint-Stock Companies".

Resolutions on the matters specified in subparagraphs (1) to (3), (5), (7), (8), (10), (19) and (24) of clause 13.2. hereof shall be adopted by the General Meeting by a three-fourths majority of shareholders holding voting shares and present at the General Meeting.

Resolutions on the matters specified in subparagraphs (4), (11), (12) and (14) of clause 13.2. hereof may only be adopted at the General Meeting held in the form of attendance.

Resolutions on the matters specified in subparagraphs (2), (3), (6) to (8), (16) to (22) and (24) of clause

13.2. hereof shall be adopted by General Meeting at the suggestion of either the Board of Directors or any shareholder(s) holding at least 2 (two) per cent of voting shares in the Company.

Resolutions on the matter specified in subparagraphs (10) and (23) of clause 13.2 hereof shall be adopted by the General Meeting at the suggestion of the Board of Directors only.

13.5. The General Meeting shall not consider and adopt resolutions on any matters unless these Articles or legislation of the Russian Federation refers them to its competence.

The General Meeting shall not adopt any resolutions on any matters, which have not been included in the agenda of the General Meeting, or change the agenda.

13.6. Resolution of any General Meeting may be adopted without presence of shareholders of the Company (meeting) by absent voting subject to all requirements of article 50 of the Federal Law "On Joint-Stock Companies".

13.7. The procedure of the General Meeting, rules and any other points of order shall be established in the Regulations on the General Meeting, and in the absence of such Regulations they shall be solved as may be necessary in the course of the meeting itself by voting on a show of hands.

13.8. Any shareholder may appeal to a court with respect to any resolution adopted by the General Meeting in contravention of the legislation of the Russian Federation or these Articles of Association unless he did not participate in the respective General Meeting or voted against such resolution, and if the said resolution violates his rights and lawful interests.

13.9. Shareholder or the Company, claiming damages to the Company or the Company's recognition of the transaction invalid or application of consequences of invalidity of the transaction shall take reasonable measures to notify in advance the other shareholders of the Company and, where appropriate, the Company of their intention to apply with such claims to the court, as well as to provide other shareholders with other information relevant to the case.

#### **14. PROCEDURE OF PREPARATION AND HOLDING OF GENERAL MEETING**

14.1. The Board of Directors shall convene the General Meeting by resolution adopted on its own initiative or on the initiative of persons authorized thereto by these Articles.

The resolution of the Board of Directors on holding a General Meeting shall approve the form of such General Meeting, date, place and time of such General Meeting, formulation of items on the agenda of the General Meeting; the list of information (materials) to be presented to shareholders during preparation of the General Meeting and the procedure of presentation thereof; the date of drawing the list of persons entitled to participate in the General Meeting; the procedure of notifying shareholders of the General Meeting.

The General Meeting shall be held in Moscow, Ekaterinburg, Volzhsky, Kamensk-Uralsky, Taganrog and Polevskoy.

If the agenda contains any items, voting on which may create the right of shareholders to claim redemption of their shares by the Company under the Federal Law "On Joint-Stock Companies", the Board of Directors shall determine the price of shares to be redeemed, the procedure and terms of such redemption.

Resolution of the Board of Directors on holding a General Meeting in the form of a meeting (joint attendance of shareholders) shall also state the date, place and time of commencement and completion of registration of participants of the General Meeting.

Resolution of the Board of Directors on holding a General Meeting in the form of absent voting shall state the form and text of the voting paper, the dates of commencement and completion of accepting voting papers by the Company, postal address, to which filled-in voting papers shall be sent. The date of providing shareholders with voting papers shall not be later than 20 (twenty) days before the General Meeting.

14.2. Notice of any General Meeting shall be given at least 30 (Thirty) days in advance, and in cases

provided for in paragraphs 2 and 8 of article 53 of the Federal Law “On Joint-Stock Companies” shall be given at least 70 (Seventy) days before the scheduled date of such meeting.

Within the said period, the notice of General Meeting shall be given to each party specified in the list of persons entitled to participate in the General Meeting by registered letter or served to every such person against signature or published on the website of the Company in information and telecommunications network “Internet”: [www.tmk-group.ru](http://www.tmk-group.ru).

Voting papers and the materials necessary for adoption of resolutions by shareholders may be sent together with the notice unless the Board of Directors resolves otherwise - namely, to present such voting papers and materials on request of every shareholder at the address of the Company or at such other address as may be resolved by the Board of Directors.

Notice of any General Meeting shall comply with clause 2 of article 52 and clause 2 of article 76 of the Federal Law “On Joint-Stock Companies” and requirements set by the federal securities market executive body.

14.3. When preparing the General Meeting, the Board of Directors shall fix:

- (a) the form of holding the General Meeting (attendance or absent voting);
- (b) date, place and time of the General Meeting, and, where filled-in voting papers may be sent to the Company under clause 3 of article 60 of the Federal Law “On Joint-Stock Companies”, postal address, to which such filled-in voting papers may be sent, or, in the event of holding a General Meeting in the form of absent voting, the final date of voting papers acceptance and postal address, to which such filled-in voting papers shall be sent;
- (c) date of making the list of persons entitled to participate in the General Meeting;
- (d) agenda of the General Meeting;
- (e) procedure of notifying shareholders of the General Meeting;
- (f) list of information (materials) to be provided to shareholders during preparation of the General Meeting and procedure of presentation thereof;
- (g) form and text of voting paper in the event of absent voting;
- (h) any other information necessary under requirements of the Bank of Russia.

14.4. The list of persons entitled to participate in the General Meeting shall be made on the basis of the register of the Company shareholders.

The date of such list of persons entitled to participate in the General Meeting shall not be earlier than 10 (Ten) days since the date of resolution on the General Meeting and more than 50 (Fifty) days or, in the event stipulated in clause 2 of article 53 of the Federal Law “On Joint-Stock Companies”, not more than 80 (Eighty) days prior to the date of such General Meeting. This information on the date of compiling the list of persons entitled to participate in the General Meeting shall be disclosed at least 7 (Seven) days prior to such date.

On request of any shareholder included in the list of persons entitled to participate in the General Meeting and holding at least 1 (One) per cent of votes, the Company shall make available for inspection by such shareholder the list of persons entitled to participate in the General Meeting. Such list of persons entitled to participate in the General Meeting shall be available within a period from the date of notice of the General Meeting until the date of closing the General Meeting held in the form of joint attendance of shareholders or, in the event of a General Meeting in the form of a poll, until the deadline of acceptance of voting papers.

On request of any shareholder, the Company shall provide him with information on including him in the list of persons entitled to participate in the General Meeting.

14.5. The information (materials) to be presented to the persons entitled to participate in the General Meeting during preparation of the General Meeting shall include annual accounts, including the

Company Auditor's opinion, conclusion of the Audit Commission of the Company on the results of annual accounts audit, particulars of candidates to the Board of Directors, Audit Commission of the Company, draft amendments and modifications to be introduced to these Articles of or draft Articles of Association in a new version, draft internal documents of the Company, draft resolutions of the General Meeting in accordance with the paragraph 5 of Article 32.1 of the Federal Law "On Joint-Stock Companies", information on shareholders' agreements, concluded during the year until the date of the General Meeting of Shareholders, annual reports of the Committee for Appointment and Remuneration at the Board of Directors, Audit Committee at the Board of Directors, and Strategic Development Committee at the Board of Directors, except for confidential information (materials), stipulated by the Bank of Russia.

14.6. The information (materials) mentioned in paragraph 14.5 of these Articles shall within 30 (Thirty) days prior to the General meeting be available for inspection by the persons entitled to participate in the General Meeting in the office of the General Director, Board and other places, of which addresses shall be specified in the notice of General Meeting of Shareholders. The said information (materials) shall be available to the persons participating in the General Meeting of Shareholders during such meeting.

On request of any person entitled to participate in the General Meeting of Shareholders, the Company shall provide it with copies of the said documents.

14.7. The annual General Meeting shall be held at the time determined by resolution of the Board of Directors, which shall not be earlier than in 2 (Two) months and later than 6 (Six) months after the end of the financial year.

Extraordinary General Meetings shall be held by resolution of the Board of Directors adopted on its own initiative or on the initiative of the Audit Commission, Auditor of the Company or shareholder (s) representing at least 10 (Ten) per cent of all voting shares of the Company as of the date of the respective demand.

14.8. The procedure of making proposals and approval of the agenda of any General Meeting shall be established by these Articles and legislation of the Russian Federation, and such proposals to the agenda of the annual General Meeting shall be received within 30 (Thirty) days after the end of the financial year.

If the proposed agenda of an extraordinary General Meeting contains an item concerning election of members of the Board of Directors, such proposals shall be received by the Company at least 30 (Thirty) days prior to the date of such extraordinary General Meeting.

14.9. Any shareholder may exercise his right to participate in the General Meeting either in person or by proxy.

The shareholder may at any time substitute his proxy at the General Meeting or participate in the General Meeting in person.

14.10. The General Meeting shall be qualified (have a quorum) if shareholders holding more than a half of votes of outstanding voting shares of the Company participate in it.

14.11. The working bodies of the General Meeting shall be its Chairman and Secretary. The Chairman of the Board of Directors shall act as the Chairman of the General Meeting, and if he is absent, any member of the Board of Directors may act the Chairman by resolution of the Board of Directors.

14.12. Corporate Secretary of the Company shall act as the Secretary of the General Meeting.

14.13. Voting at any General Meeting shall be based on the principle "one share - one vote" except for cumulative voting in the event stipulated in paragraph 4 Article 66 of the Federal Law "On Joint-Stock Companies".

14.14. In accordance with the voting results, the Registrar shall draw up and execute minutes of voting results. Upon executing the minutes of voting results and signing the minutes of the General Meeting, the voting papers shall be put under seal and filed in the archives of the Company in custody.

14.15. Minutes of voting results shall be executed within 3 (Three) business days upon closing of the General Meeting or the deadline of voting papers acceptance in the event of holding the General Meeting in the form of absent voting.

Minutes of voting results shall be attached to the minutes of the General Meeting and comply with the requirements of the Bank of Russia.

14.16. Resolutions adopted by the General Meeting and voting results shall be announced at the General Meeting, during which the voting took place, and it shall be announced no later than 4 (Four) business days after the General Meeting is closed (or deadline for accepting voting ballots in the event of holding the General Meeting in the form of absent voting) in the form of a report on the voting results made known to the persons entitled to participate in the General Meeting subject to the Federal Law “On Joint-Stock Companies” and pursuant to requirements of the Bank of Russia with respect to notification of a General Meeting.

14.17. Minutes of voting results shall be executed within 3 (Three) business days upon closing of the General Meeting in two copies. Both copies shall be signed by the Chairman of the General Meeting of Shareholders and Secretary of the General Meeting of Shareholders. Minutes of the General Meeting shall comply with requirements set by the law of the Russian Federation and the Bank of Russia.

## **15. BOARD OF DIRECTORS**

15.1. The Board of Directors shall perform general management of the Company, except for the matters referred to the terms of reference of the General Meeting by the legislation of the Russian Federation and these Articles.

The Board of Directors shall act on the basis of these Articles and Regulations on the Board of Directors approved by the General Meeting.

15.2. The following matters shall fall within the terms of reference of the Board of Directors:

- (1) to determine business priorities of the Company;
- (2) to convene annual and extraordinary General Meetings, except for the cases stipulated in clause 8 of article 55 of the Federal Law “On Joint-Stock Companies”;
- (3) to approve agenda of the General Meeting;
- (4) to fix the date of making the list of persons entitled to participate in the General Meeting and other matters falling within the terms of reference of the Board of Directors under provisions of chapter VII of the Federal Law “On Joint-Stock Companies” and connected with preparation and holding of the General Meeting;
- (5) to present to the General Meeting the matters stipulated in clause 13.2. hereof;
- (6) to increase the authorised capital by way of issue of (i) preferred shares or ordinary shares amounting to 25 (Twenty-five) per cent or less of previously issued ordinary shares by public offering or (ii) by way of distribution of shares among shareholders of the Company for account of the Company assets;
- (7) to place additional shares of the Company converted into preference shares placed by the Company of a certain type, convertible into ordinary shares or preferred shares of other types, if such a placement is not associated with an increase in the authorized capital of the Company as well as the placement of bonds and other equity securities, except shares;
- (8) to fix the price (perform monetary evaluation) of assets, price of allocation and redemption of securities in cases stipulated in the Federal Law “On Joint-Stock Companies”;
- (9) to adopt resolutions on membership (increasing the share) in other organisations, except for financial industrial groups, associations and other unions of commercial organisations, on termination of membership (reduction of the share) in such organisations and resolutions on disposing of shares and/or interests in other organisations held by the Company otherwise, including encumbrance;



- (10) to give recommendations on the amount of remunerations and compensations payable to members of the Audit Commission of the Company and fix the amount of remuneration of the Company Auditor;
- (11) to give recommendations on the amount of dividends on shares and payment procedure;
- (12) to utilise the reserve fund and other funds of the Company;
- (13) to approve regulations on subsidiaries and representative offices;
- (14) to adopt resolutions on approval of material transactions with respect to any property, the value of which is 25 (Twenty-five) to 50 (Fifty) per cent of the book value of assets of the Company in cases stipulated in article 79 of the Federal Law "On Joint-Stock Companies";
- (15) to adopt resolutions on approval of transactions (several interconnected transactions) made in the course of ordinary business with respect to any property, the value of which more than 25 (Twenty-five) per cent of the book value of assets of the Company as defined on the basis of its accounting statements as of the latest reporting date;
- (16) to adopt resolutions on approval of transactions with interest in cases stipulated in clause 83 of the Federal Law "On Joint-Stock Companies";
- (17) to approve the Registrar of the Company and terms and conditions of the agreement with it as well as termination of the agreement with it;
- (18) to fix the amounts of remunerations and compensations payable to the General Director and members of the Board, and approve terms and conditions of labour contracts concluded with them;
- (19) to elect the General Director and establish the collegial executive body of the Company (Board), determine the quantitative compositions of the Board and approve candidate members of the Board proposed by the General Director as well as early terminate the office of the General Director and members of the Board;
- (20) to approve one or more interconnected transactions made by the Company (except for transactions made in the course of ordinary business and transactions specified in subparagraphs (21) to (23), (28) and (31) of clause 15.2 of these Articles of Association of the Company), including acquisition, alienation, encumbrance, lease or other disposal of property, including money, if the amount of transaction or value of property leased amounts to 10 (Ten) million U. S. dollars or more (or its rouble equivalent calculated at the rate of the Central Bank of the Russian Federation as of the date of approval of such transaction);
- (21) to adopt resolutions on granting loans amounting to 10 (Ten) million U. S. dollars or more (or its rouble equivalent calculated at the rate of the Central Bank of the Russian Federation as of the date of approval of such transaction) to subsidiaries and affiliates of the Company and adopt resolutions on granting loans amounting to 2 (Two) million U.S. dollars or more (or its rouble equivalent calculated at the rate of the RF Central Bank as of the date of approval of such transaction) to any other persons;
- (22) to adopt resolutions on obtaining loans and credits amounting to 30 (Thirty) million U. S. dollars or more (or its rouble equivalent calculated at the rate of the Central Bank of the Russian Federation as of the date of approval of such transaction);
- (23) to adopt resolutions on assuming of any guarantee obligations by the Company (including suretyship and any obligations encumbering assets of the Company) as a security of obligations of any subsidiaries and affiliates of the Company to the amount of over 30 (Thirty) million U. S. dollars (or its rouble equivalent calculated at the rate of the Central Bank of the Russian Federation as of the date of approval of such transaction);
- (24) to elect the Corporate Secretary, approve Regulations of the Corporate Secretary of the Company;
- (25) to approve the schedule of meetings of the Board of Directors of the Company;
- (26) to give recommendations to the General Meeting of Shareholders with respect to adoption of resolutions specified in subparagraphs (2), (3), (6) to (8), (10), (16) to (24) of clause 13.2. of these

Articles;

(27) to concede the exclusive right to any trademark, surrender any patent, enter into licensing agreement for employment of any patent or trademark;

(28) to bring or settle any action, arbitration or any other proceedings, which is material for the Company business or to the amount over 35 (Thirty-five) million U. S. dollars (or its rouble equivalent calculated at the rate of the Central Bank of the Russian Federation as of the date of approval);

(29) to approve any transaction (one or more interconnected transactions) made by the Company (irrespective of the amount of such transaction) in connection with acquisition, alienation, pledge, leasing or other disposal of immovable property;

(30) to adopt resolutions on the Company's exercising of authorities of a shareholder (member) of any other organisation, including voting at any meetings of shareholders (members) of any organisation and nomination of candidates to their boards of directors (supervisory boards), collegial executive bodies, audit commissions (auditors), as well as candidates to the sole executive bodies;

(31) to adopt resolutions on approval of transactions with bills of exchange (issue own bills of exchange of the Company; to use bills of exchange issued by any third parties; avalise bills of exchange of third parties), including the cases where the value of such bill of exchange exceeds 10 (Ten) million U. S. dollars (or its rouble equivalent calculated at the rate of the Central Bank of the Russian Federation as of the date of approval). In this case, if the Company effects the said transactions with bills of exchange, the integrated value of which exceeds 30 (Thirty) million U.S. dollars (or its rouble equivalent calculated at the rate of the Central Bank of the Russian Federation as of the date of approval), within 30 (Thirty) days, all subsequent transactions with bills of exchange within the said period may be effected on the basis of approval of such transactions by the Board of Directors only;

(32) to adopt resolutions on the Company's entering into depositary agreements (custody account agreements), agreements on modification and amendment of such depositary agreements, approval of documents connected with cancellation or termination of such depositary agreements, under which shares of joint-stock companies held by the Company are accounted;

(33) to approve issue or withdrawal of powers of attorney authorising attorneys of the Company to dispose of and do any other acts with respect to shares of joint-stock companies held by the Company;

(34) to approve and introduce amendments and modifications into the Regulations on the Audit Committee at the Board of Directors, Regulations on the Strategic Development Committee at the Board of Directors and Regulations on the Committee for Appointment and Remuneration at the Board of Directors;

(35) to approve and terminate the office of members of the Audit Committee at the Board of Directors, Committee for Appointment and Remuneration at the Board of Directors and Strategic Development Committee at the Board of Directors;

(36) to adopt resolutions on the Company's acquisition of bonds and any other securities non-convertible into shares of the Company;

(37) to approve the annual budget, strategic development plan, financial and economic plan of the Company;

(38) to resolve any other matters stipulated in the Federal Law "On Joint-Stock Companies".

15.3. No matters falling within the terms of reference of the Board of Directors shall be referred to the General Director, Board of the Company or General Meeting.

15.4. Members of the Board of Directors shall annually be elected by the annual General Meeting subject to the procedure stipulated in these Articles. Members of the Board of Directors shall be elected by cumulative voting. On cumulative voting, the number of votes held by each shareholder shall be multiplied by the number of persons to be elected to the Board of Directors, and any shareholder may cast such votes for one candidate or distribute them among two or more candidates. Candidates having

the biggest number of votes shall be deemed elected to the Board of Directors.

The term of office of members of the Board of Directors shall commence from the time of their election by the annual General Meeting until the time of election of new members of the Board of Directors by the next annual General Meeting.

Persons elected to the Board of Directors may be re-elected for an unlimited number of times. By resolution of the General Meeting, office of all members of the Board of Directors may be terminated ahead of time.

In the event of termination of office of the Board of Directors ahead of time, the office of the newly elected Board of Directors shall remain effective until the time of election (re-election) of new members of the Board of Directors at the nearest annual General Meeting.

15.5. Any member of the Board of Directors may resign by giving a written notice thereof to the Company at least 45 (Forty-five) calendar days in advance. In this case, the office of such member of the Board of Directors shall be deemed terminated from the time of election of new members of the Board of Directors at an extraordinary General Meeting.

15.6. Only an individual may be a member of the Board of Directors. Member of the Board of Directors need not be a shareholder of the Company.

The person holding the post of the General Director and Board members in aggregate can not exceed one quarter of the members of the Board of Directors and may not be the Chairman of the Board of Directors.

15.7. The Board of Directors shall have 11 (Eleven) members.

15.8. The Chairman of the Board of Directors shall be elected by members of the Board of Directors from their number by a majority of votes of members of the Board of Directors participating in the voting. The General Director may not be the Chairman of the Board of Directors at the same time.

The Board of Directors may re-elect its Chairman at any time by a majority of votes of members of the Board of Directors participating in the voting.

The Chairman of the Board of Directors shall organise its work, convene meetings of the Board of Directors and establish their agenda, preside meetings of the Board of Directors, cause minutes to be kept at meetings of the Board of Directors and preside the General Meeting.

15.9. In the absence of the Chairman of the Board of Directors, a member of the Board of Directors shall act as the Chairman by resolution of the Board of Directors adopted by a majority of members of the Board of Directors participating in the voting.

15.10. The Chairman of the Board of Directors may convene the meeting of the Board of Directors on his own initiative, on request of members of the Board of Directors, Audit Commission or Company Auditor or shareholders holding 2 (Two) or more per cent of voting shares in the Company or the Board or General Director. These Articles and Regulations on the Board of Directors shall determine the procedure of convening and holding meetings of the Board of Directors.

Should the Chairman of the Board of Directors be unable to convene a meeting of the Board of Directors due to any objective cause, including illness or business trip, the Secretary of the Board of Directors may convene such meeting of the Board of Directors on request of the persons specified in the first paragraph of clause 15.10 hereof.

By resolution of the Chairman of the Board of Directors, a meeting of the Board of Directors may be held in the form of absent voting (using questionnaires).

15.11. Meetings of the Board of Directors shall be held on a regular basis in accordance with the working schedule approved at a meeting of the Board of Directors but at least once a quarter.

The first meeting of newly elected Board of Directors after the General Meeting shall be held immediately after the General Meeting if the majority of elected members of the Board of Directors are

present at such meeting. Otherwise, the first meeting of the newly elected Board of Directors after the General Meeting shall be convened by the General Director within 5 (Five) business days from the date of holding the General Meeting, at which the members of the Board of Directors were elected.

Should the General Director fail to convene the meeting of the Board of Directors within the said period irrespective of the reasons, any member of the Board of Directors may convene the first meeting of the Board of Directors. The agenda of such meeting shall include the election of the Chairman of the Board of Directors and the Secretary of the Board of Directors. The initiator of the first meeting of the newly elected Board of Directors shall give a written notice of the first meeting of the Board of Directors to all members of the Board of Directors proposing to participate in the meeting in connection with election of the Chairman of the Board of Directors and Secretary of the Board of Directors.

15.12. At least 14 (Fourteen) days prior to the date of a meeting of the Board of Directors, notice of such meeting of the Board of Directors shall be given to each member of the Board of Directors to the address or number specified by him by registered letter or by any other convenient means of communication (including telegraph, teletype, telephone, electronic or other communications).

Every such notice shall *inter alia* state the agenda of the meeting of the Board of Directors with a description of items to be discussed at such meeting. All the materials necessary for preparation for the meeting of the Board of Directors and subject to discussion at such meeting shall be given to every member of the Board of Directors by registered letter or any other convenient means of communication (including telegraph, teletype, telephone, electronic or other communications) at least 14 (Fourteen) days prior to the date of the meeting of the Board of Directors.

If any meeting of the Board of Directors shall be held within a shorter period pursuant to the legislation of the Russian Federation, the period of giving the notice together with the necessary materials shall be reduced. The said period shall also be reduced if it is necessary to solve any questions urgently.

Any member of the Board of Directors receiving the notice specified in the first paragraph of clause 15.12 hereof shall within 7 (Seven) calendar days prior to the date of the meeting of the Board of Directors notify the Secretary of the Board of Directors whether he will participate in the meeting of the Board of Directors or not.

15.13. The quorum for holding a meeting of the Board of Directors shall constitute at least 6 (Six) elected members of the Board of Directors. The Chairman of the Board of Directors shall determine the quorum prior to the commencement of such meeting. When determining the quorum and voting results, the written opinion of any member of the Board of Directors absent at the meeting on the items on the agenda shall be taken into account. No meeting of the Board of Directors may be held in the absence of a quorum.

Should the number of members of the Board of Directors become less than the number forming the said quorum, the Board of Directors shall resolve on holding an extraordinary General Meeting for the purpose of election of new Board of Directors. The remaining members of the Board of Directors may only adopt the resolution on convening such extraordinary General Meeting.

15.14. The agenda of any meeting of the Board of Directors shall contain items proposed for consideration by members of the Board of Directors, Audit Commission, Company Auditor, shareholders holding 2 (Two) or more per cent of voting shares in the Company, General Director or Board.

15.15. Meetings of the Board of Directors may be held by way of attendance of members of the Board of Directors or, in exceptional cases, by means of a conference call between members of the Board of Directors, some or all of whom are in different places, provided that each participant of such conference call can hear all the other participants.

The place of the meeting of the Board of Directors held by means of such conference call shall be the place, where most of members of the Board of Directors are present. If any meeting of the Board of Directors is held by means of a conference call, within 1 (One) day after such meeting each member of the Board of Directors shall send his filled-in questionnaire with the voting results to the Chairman of

the Board of Directors or to the person, who presided the meeting under clause 15.9. hereof to the fax number specified in the notice of such meeting of the Board of Directors.

In this case, resolutions of the Board of Directors shall be adopted by voting using such questionnaires, and the quorum and voting results of the meeting of the Board of Directors shall be determined on the basis of the questionnaires so received.

Any member of the Board of Directors absent at the meeting or not participating in the conference call may send his written opinion (including, without limitation, by fax) to the Company. Such written opinion shall be counted in determining the voting results at any meeting of the Board of Directors, if received in a registered letter with delivery confirmation (by an international delivery service with serving against signature) to the postal address of the Company (addressed to the Chairman of the Board of Directors) or to the fax number specified in the notice of such meeting of the Board of Directors or delivered by hand to the Secretary of the Board of Directors against signature prior to the appropriate meeting of the Board of Directors.

15.16. Resolutions of the meeting of the Board of Directors shall be adopted by a majority of votes of members of the Board of Directors present at the meeting unless the Federal Law “On Joint-Stock Companies”, these Articles or Regulations on the Board of Directors stipulate otherwise. Each member of the Board of Directors shall have one vote when solving any questions at the meeting of the Board of Directors.

Resolutions of the Board of Directors on the matters specified in subparagraphs (6), (7) and (14) of clause 15.2. hereof shall be adopted unanimously by all elected members of the Board of Directors, but no votes of resigned members of the Board of Directors shall be counted.

No transfer of the voting right by a member of the Board of Directors to any other person, including the other members of the Board of Directors, shall be allowed.

In the event of equality of votes, the Chairman of the Board of Directors shall have the casting vote. If any member of the Board of Directors acts as the Chairman of the Board of Directors under clause 15.9. hereof, such member shall not have the casting vote in voting.

15.17. Minutes shall be kept at any meeting of the Board of Directors. Such minutes shall be executed within 3 (Three) days after such meeting (following the last day of acceptance of questionnaires in the event of absent voting), and comply with requirements of clause 4 of article 68 of the Federal Law “On Joint-Stock Companies”.

Minutes of any meeting of the Board of Directors shall be signed by the chairman of such meeting, who shall be responsible for the correctness of such minutes, and the Secretary of the Board of Directors.

Minutes of meetings shall be available for inspection by any shareholder, member of the Board of Directors or his representative at the registered address of the Company or in such other place as defined by the Board of Directors under provisions hereof.

15.18. Any member of the Board of Directors may obtain any information on the Company, its subsidiaries and legal entities directly or indirectly controlled by the Company from the Secretary of the Board of Directors if he believes that such information is necessary for him to act as a member of the Board of Directors of the Company. The Company officers, including the General Director of the Company, shall within 5 (Five) business days furnish the Secretary of the Board of Directors with the required information or give a reasoned written explanation specifying the reason of impossibility to furnish the information within the said period. The Secretary of the Board of Directors shall transfer the said information to the member of the Board of Directors requesting such information within 3 (Three) business days.

15.19. Each member of the Board of Directors shall keep secret of all confidential information on the Company, which becomes known to him as a result of exercising his rights and obligations of a member of the Board of Directors, disclose all information on his affiliates prior to his election to the Board of Directors and within 15 (Fifteen) business days upon any change therein. Any member of the Board of Directors, who did not participate in the voting or voted against any resolution adopted by the Board of

Directors in contravention of the procedure stipulated in these Articles or legislation of the Russian Federation, may appeal to a court against such resolution if that resolution violates his rights and legitimate interests. Such appeal may be filed to the court within 1 (One) month upon the date, when the adopted resolution became or should have become known to the member of the Board of Directors.

## **16. EXECUTIVE BODIES OF THE COMPANY**

16.1. The sole executive body of the Company - the General Director - and collegial executive body of the Company - the Board - shall manage the day-to-day operations of the Company.

The number of members of the Board shall be determined by the Board of Directors but it shall not be less than 7 (Seven) and more than 15 (Fifteen) members. Members of the Board shall be approved by the Board of Directors for a period of 1 (One) year.

The General Director shall present the candidatures of the Board members to the Board of Directors within 5 (five) days upon his election by the Board of Directors. The Board of Directors may reject any specific candidatures of the Board members.

Members of the Board need not be employees of the Company. They may be, in particular, directors of its subsidiaries.

The executive bodies shall be accountable to the Board of Directors and General Meeting.

The General Director shall also act as the Chairman of the Board.

The Board shall be established, and its authorities may be early terminated by resolution of the Board of Directors.

The General Director shall be elected by the Board of Directors for a period of 1 (One) year. The Board of Directors may adopt a resolution on early termination of the office of the General Director.

The General Director shall act on the basis of these Articles and Regulations on the General Director approved by the General Meeting.

16.2. The terms of reference of the executive bodies of the Company shall include all the matters of management of day-to-day operations of the Company, except for the matters falling within the terms of reference of the General Meeting or Board of Directors.

The executive bodies of the Company shall organise implementation of resolutions of the General Meeting and Board of Directors.

The Board shall act on the basis of these Articles and Regulations on the Board approved by the General Meeting.

The following matters shall fall within the terms of reference of the Board:

(1) to adopt resolutions on approval of transactions with bills of exchange (issue own bills of exchange of the Company; to use bills of exchange issued by any third parties; avalise bills of exchange of third parties), if the value of such bill of exchange exceeds 3 (Three) million U. S. dollars (or its rouble equivalent calculated at the rate of the Central Bank of the Russian Federation as of the date of approval). In this case, if the Company effects the said transactions with bills of exchange, the aggregate value of which exceeds 15 (Fifteen) million U. S. dollars (or its rouble equivalent calculated at the rate of the Central Bank of the Russian Federation as of the date of approval), within 30 (Thirty) days, all subsequent transactions with bills of exchange within the said period may be effected on the basis of approval of such transactions by the Board only, and if the Company effects the said transactions with bills of exchange, the aggregate value of which exceeds 30 (Thirty) million U. S. dollars (or its rouble equivalent calculated at the rate of the RF Central Bank as of the date of approval), within such period, all subsequent transactions with bills of exchange within the said period may be effected on the basis of approval of such transactions by the Board of Directors only in accordance with subparagraph (31) of clause 15.2. hereof;

(2) to develop and implement the general strategy of development of the Company subsidiaries,

including establishing a unified production, technical, financial, pricing, sales, social and personnel policy and coordination of operations of the Company subsidiaries;

- (3) to organise efficient working management of day-to-day operations of the Company, including:
  - 3.1. development of a consolidated opinion of the Company management, development and implementation of current economic policy of the Company with respect to the primary activities of the Company: marketing and sales, manufacturing, investment and innovation activities, economy and finance, personnel and social schemes;
  - 3.2. approval and control of monthly and quarterly manufacturing and shipping programmes (in the context of annual control figures approved by the Board of Directors within the framework of the annual budget of the Company) for the Company, subsidiaries and associated companies of the Company;
  - 3.3. approval and control of utilisation of quarterly income and expenditure budgets (IEB), profit and loss account and quarterly cash flow budgets (CFB) of the Company (in the context of annual control figures approved by the Board of Directors within the framework of the annual budget of the Company);
  - 3.4. approval and control of utilisation of budgets of subsidiaries and associated commercial companies of the Company;
- (4) to regularly inform the Board of Directors on the financial status of the Company, priority programmes implementation, transactions and resolutions, which may materially influence the Company progress;
- (5) to carry out the necessary financing, administrative and technical support of the General Meeting, Board of Directors and Audit Commission of the Company;
- (6) to analyse and summarise the results of operations of specific organisation departments of the Company and develop recommendations on improvement of operations of both such organisation departments of the Company and the Company as a whole;
- (7) to prepare proposals on the basic parameters and conditions of securities issue and dividend policy;
- (8) to adopt resolutions on any other questions of financial and economic operations of the Company prior to presentation of such questions to the Board of Directors for resolution;

The quorum for the Board meetings shall constitute at least a half of the elected members of the Board. Resolutions of the Board meetings shall be adopted by a majority of votes of the Board members participating in the meeting unless these Articles stipulate otherwise. When resolving on any matter, each member of the Board shall have one vote.

Should the number of the Board members become less than the number constituting the quorum, the Board of Directors shall resolve on election of new members of the Board.

16.3. The General Director shall convene meetings of the Board on his own initiative as defined by the General Director but at least once a month. The General Director shall preside the Board meetings, and, in his absence, any Board member elected by a majority of the participating Board members may preside the meeting.

Notice of the Board meeting shall be given to each member of the Board. Such notice shall state, *inter alia*, the agenda of the Board meeting with a description of matters to be discussed at such meeting. All the materials necessary for preparation for the Board meeting and subject to the discussion at such meeting shall be presented to each member of the Board.

No transfer of the voting right by a member of the Board to any other person, including the other members of the Board, shall be allowed.

16.4. The General Director shall be the Chairman of the Board, superintend its work, convene the Board and determine the agenda of every meeting.

The General Director of the Company shall represent the Board at General Meetings and meetings of the

Board of Directors.

The General Director may act on behalf of the Company without proxy in accordance with resolutions of the Board and do the following acts and things on behalf of the Company:

- (1) represent the Company before any third parties (individuals and legal entities of any form of incorporation, institutions, organisations, governmental and municipal authorities, local authorities, courts, arbitration courts and tribunals, etc.);
- (2) issue powers of attorney for presentation of the Company interests before any third parties with regard to subparagraph (33) of clause 15.2 hereof. The General Director may transfer all or any part of his authorities to another person by his respective order;
- (3) enter into transactions on behalf of the Company under the law of the Russian Federation and these Articles;
- (4) have the right of first signature on financial documents;
- (5) adopt resolutions and issue orders on operational matters of the Company activities;
- (6) approve the staffing table, approves the staffing, claim and (or) change the Company's by-laws (regulations, rules, procedures and other internal documents) within its competence, engage (enter into agreements) and dismiss employees of the Company, encourage and impose penalties on them in accordance with the procedure established by the Russian Federation legislation and these Articles;
- (7) resolve on business trips of the Company employees;
- (8) organise accounting and bookkeeping of the Company;
- (9) organise maintenance of the register of shareholders of the Company;
- (10) submit the annual statement and balance sheet of the Company for approval by the Board of Directors and General Meeting;
- (11) organise disclosure of information by the Company pursuant to the securities market legislation, publish in mass media the data stipulated in the legislation of the Russian Federation and other legal instruments;
- (12) dispose of the Company property for maintenance of its day-to-day operations within the limits set by the legislation of the Russian Federation and these Articles;
- (13) submit the personal composition of the Board members to the Board of Directors for approval;
- (14) adopt resolutions on any other matters connected with the Company administration and business;
- (15) do any other acts and things stipulated in these Articles and applicable legislation of the Russian Federation.

16.5. Rights and obligations of the General Director and Board members shall be fixed by the legislation of the Russian Federation, other legal instruments of the Russian Federation and the agreement concluded by each of them with the Company. The Chairman of the Board of Directors or any person authorised by the Board of Directors shall sign such agreement on behalf of the Company.

Neither the General Director nor the Board members may hold an office in any other organisation without consent of the Board of Directors.

No person being a member, officer or employee of a legal entity competing with the Company may be the General Director or a member of the Board, except for subsidiaries of the Company and other legal entities directly or indirectly controlled by the Company.

16.6. The General Meeting may resolve on transferring authorities of the sole executive body of the Company to a commercial organisation (managing company) or individual entrepreneur (manager) under an agreement. No resolution on transfer of authorities of the sole executive body of the Company to any managing company or manager may be adopted by the General Meeting without suggestion of the Board of Directors.



Powers of the sole executive body of the Company may be transferred to a management company or manager for a period of 1 (One) year or less.

16.7. The Board of Directors may adopt a resolution to suspend the authorities of such managing company or manager. Together with the said resolution, the Board of Directors shall adopt a resolution on establishing a temporary sole executive body of the Company (General Director) and holding an extraordinary General Meeting for solving the question of cancellation of authorities of such managing company (manager) and establishing a new sole executive body of the Company.

Such resolution shall be adopted by a three-fourths majority of votes of members of the Board of Directors but no votes of resigned members of the Board of Directors shall be counted.

## **17. LIABILITY OF MEMBERS OF THE BOARD OF DIRECTORS, MEMBERS OF THE BOARD AND GENERAL DIRECTOR (MANAGING ORGANISATION OR MANAGER)**

17.1. When exercising their rights and performing their duties, members of the Board of Directors, General Director, members of the Board, temporary sole executive body and managing company or manager as well as a person who has the ability to determine the actual activities of the Company, including the ability to give instructions to other persons listed in this paragraph of these Articles, shall act in the best interests of the Company, exercise their rights and perform their duties with respect to the Company reasonably and in good faith.

17.2. The persons referred to in paragraph 17.1 of these Articles, must compensate at the request of the Company or its shareholders, acting in the interests of the Company, the losses caused by their fault to the Company, if it is proved that, in exercising their rights and performing their duties, they acted in bad faith or unreasonable, including if their actions (inaction) did not meet the usual conditions of civil turnover or normal entrepreneurial risk.

Members of the Board of Directors and members of the Board who voted against the decision that caused losses to the Company or, in good faith, did not participate in the vote shall not be liable in accordance with this paragraph.

In the case of a loss caused jointly to the Company, the persons referred to in this paragraph shall be obliged to pay damages jointly and severally.

Agreement on the elimination or limitation of liability of the Board of Directors, General Director, members of the Board, temporary sole executive body, as well as managing organization or manager for committing unfair and unreasonable actions shall be void.

## **18. CONTROL OVER THE COMPANY OPERATIONS**

18.1. The Audit Commission shall be elected for by a majority of votes of the General Meeting for the purpose of controlling financial and economic activities of the Company and compliance of the Company with the legislation of the Russian Federation.

Terms of reference and operating procedures of the Audit Commission shall be determined in the Federal Law "On Joint-Stock Companies", these Articles and Regulations on the Audit Commission approved by the General Meeting.

The Audit Commission shall consist of 3 (Three) members. The term of appointment of the Audit Commission shall commence from the time of election thereof by the General Meeting and expire at the time of election (re-election) of the Audit Commission by the next annual General Meeting.

No member of the Audit Commission may simultaneously be a member of the Board of Directors or hold any other office in the managerial bodies of the Company.

Inspection (audit) of financial and economic operations of the Company shall be carried out in accordance with the results of the Company operations in a year or at any time on the initiative of the Audit Commission, resolution of the General Meeting, Board of Directors or on request of any shareholder(s) of the Company holding in the aggregate at least 10 (Ten) per cent of voting shares in the Company.

On request of the Audit Commission, any persons holding offices in the managerial bodies of the Company shall present documents on financial and economic operations of the Company.

No shares held by any member of the Board of Directors or any other person holding an office in the managerial bodies of the Company may vote in election of members of the Audit Commission.

By resolution of the General Meeting, the members of the Audit Commission of the Company shall be paid remuneration, and their expenses incurred in connection with their office shall be compensated during the period of their office. The amount of such remunerations and compensations shall be fixed by resolution of the General Meeting.

18.2. The Audit Commission may require convening an extraordinary General Meeting under article 55 of the Federal Law “On Joint-Stock Companies”.

18.3. The Auditor of the Company shall carry out the audit of financial and economic operations of the Company under the law of the Russian Federation on the basis of the agreement concluded with it. The Company shall annually engage an auditor to verify and validate the annual accounting (financial) statements. Only an independent (not connected by property interests with the Company or its shareholders) company may be appointed the Company Auditor.

The General Meeting shall approve the Company Auditor. The Board of Directors shall fix the amount of remuneration of the auditor.

The audit of the Company operations shall be carried out at any time on request of the Company shareholders, whose share in the authorised capital of the Company amounts to 10 (Ten) or more per cent. In the event of such request, the General Director shall enter into an agreement of audit with the Company Auditor within two weeks. The Company Auditor’s opinion (report) on the results of the Company audit shall be forwarded to all shareholders of the Company by registered letter or delivered to each shareholder by hand against signature.

18.4. On the basis of the results of financial and economic operations of the Company, the Audit Commission or Company Auditor shall draw out a conclusion in compliance with the requirements of article 87 of the Federal Law “On Joint-Stock Companies”.

## **19. REGISTRAR**

19.1. Registrar of the Company is an independent professional participant of the securities market carrying out activities in keeping the register of holders of registered securities and having a statutory license.

The Registrar is appointed by the General Meeting in accordance with these Articles.

19.2. The Registrar shall perform the following functions:

- (1) maintaining the register of shareholders of the Company;
- (2) verification of authority and registration of persons participating in the General Meeting;
- (3) identification of quorum of the General Meeting;
- (4) explanation of the issues arising out of exercising by shareholders (or their representatives) of voting rights at the General Meeting;
- (5) explanation of the order of voting on the issues put to a vote;
- (6) provision of established voting procedure and shareholders' rights to vote;
- (7) vote counting;
- (8) execution of the Minutes on the voting results;
- (9) confirmation of adoption of the decision by the General Meeting and the list of members of the Company present at its adoption;
- (10) transfer of voting ballots to the archives;

(11) other functions in accordance with the legislation of the Russian Federation.

## **20. FUNDS AND NET ASSETS**

20.1. The Company shall establish a reserve fund of 5 (Five) per cent of its authorised capital.

The reserve fund of the Company shall be formed by way of obligatory annual deductions of at least 5 (Five) per cent of the net profit until it amounts to 5 (Five) per cent of the authorised capital of the Company.

The reserve fund of the Company shall be used to cover its losses, redeem bonds of the Company and repurchase shares of the Company in the event of absence of any other funds. The reserve fund shall not be used for any other purpose.

20.2. The Board of Directors may determine the procedure of forming any other funds of the Company, amounts of deductions thereto and the procedure of utilisation thereof.

20.3. The net asset value of the Company shall be assessed on the basis of accounting figures subject to the procedure established by the Ministry of Finance of the Russian Federation and the Bank of Russia.

## **21. FINANCIAL ACCOUNTING AND REPORTING**

21.1. The Company may maintain accounting and present financial statements subject to the procedure established by the legislation of the Russian Federation and other legal instruments of the Russian Federation as well as pursuant to the requirements of the International Accounting Standards.

The General Director shall be responsible for organisation, status and reliability of accounting in the Company, due presentation of the annual report and other financial statements to the relevant authorities as well as for information on the Company operations to be presented to shareholders, creditors and mass media subject to the Federal Law “On Joint-Stock Companies”, other legal instruments of the Russian Federation and these Articles.

The financial year of the Company shall be from January 1 through December 31.

21.2. The Audit Commission shall confirm the reliability of data contained in the annual statement of the Company and annual accounts.

Prior to the Company’s publishing of documents under article 92 of the Federal Law “On Joint-Stock Companies”, the Company shall engage an auditor, which is not privy in estate with the Company or its shareholders, for the purpose of annual audit and confirmation of annual accounts.

21.3. The annual statement on operations of the Company and balance sheet with the conclusion of the Audit Commission or Company Auditor shall be submitted to the General Meeting for approval.

The annual statement of the Company shall be subject to a preliminary confirmation by the Board of Directors at least 30 (Thirty) days prior to the date of holding the annual General Meeting.

21.4. The Company shall keep the following documents:

- (a) agreement of establishing the Company;
- (b) Articles of Association of the Company, duly registered amendments to and modifications of the Articles of Association of the Company, resolution on incorporation of the Company and certificate of state incorporation of the Company;
- (c) documents certifying rights of the Company to the property in its balance;
- (d) internal documents of the Company;
- (e) resolutions on subsidiaries or representative offices of the Company;
- (f) annual statements;
- (g) account forms;

- (h) accounting statement documents;
- (i) minutes of General Meetings (resolutions of the shareholder holding all voting shares of the Company), meetings of the Board of Directors, Audit Commission and Board;
- (j) voting papers and powers of attorney (copies of powers of attorney) for participation in the General Meeting;
- (k) reports of independent appraisers;
- (l) lists of the Company affiliates;
- (m) lists of persons entitled to participate in the General Meeting, entitled to dividends and any other lists made by the Company for shareholders' exercising of their rights under the Federal Law "On Joint-Stock Companies";
- (n) conclusions of the Audit Commission, Company Auditor, governmental and municipal financial control authorities;
- (o) prospectuses, quarterly issuer reports and any other documents containing any information, which is subject to publication or other disclosure under the law of the Russian Federation;
- (p) notification of the conclusion of shareholder agreements sent to the Company, as well as the lists of those who have signed such agreements;
- (q) judicial acts on disputes related to the establishment of the Company, its management or participation in it;
- (r) other documents stipulated in the Federal Law "On Joint-Stock Companies", these Articles, internal documents of the Company, resolutions of the General Meeting, Board of Directors, General Director and Board as well as documents stipulated in legal instruments of the Russian Federation.

The Company shall hold the said documents at the business address of the General Director subject to the terms and conditions stipulated by the federal securities market executive body;

21.5. The Company shall provide its shareholders with access to documents specified in clause 21.4 hereof pursuant to the applicable legislation. Account forms and minutes of the Board meetings shall be available to any shareholder(s) holding in the aggregate at least 25 (Twenty-five) per cent of voting shares in the Company. The above documents shall be presented by the Company in terms and conditions stipulated by the Article 91 of the Federal Law "On Joint-Stock Companies" and regulations of the Bank of Russia. On request of any person having access to the above documents, the Company shall provide him with copies of the said documents. Payment charged by the Company for such copies shall not exceed the cost of production thereof.

## **22. REORGANISATION AND LIQUIDATION OF THE COMPANY**

22.1. The Company may be voluntarily reorganised subject to the procedure set forth in the Federal Law "On Joint-Stock Companies".

The laws of the Russian Federation shall determine other grounds and procedure of reorganisation of the Company.

22.2. The Company may be reorganised in the form of a merger, takeover, separation, split-off or transformation. Reorganization of the Company is permitted with a combination of its various forms, and with the participation of two or more legal entities.

The property of companies established as a result of reorganisation shall be formed for the account of property of the reorganised companies.

The Company shall be deemed reorganised from the time of state registration of newly emerging legal entities, except for the case of reorganisation in the form of a takeover.

The Company shall be reorganised by resolution of the General Meeting.

The decision on reorganization may be invalidated, and reorganization may be deemed failed in

accordance with applicable law.

22.3. The Company may be liquidated on a voluntary basis in accordance with the procedure set forth in the Civil Code of the Russian Federation subject to the requirements of the Federal Law “On Joint-Stock Companies” and these Articles. The Company may be liquidated by resolution of the court on the grounds stipulated in the Civil Code of the Russian Federation.

Liquidation of the Company shall involve its termination without any transfer of rights and obligations to any third parties by way of succession.

22.4. The Company shall be reorganised and liquidated in accordance with the procedure stipulated by the applicable legislation of the Russian Federation.

22.5. In the event of the Company reorganisation, all its documents (administrative, financial, economic, personnel and other documents) shall be duly transferred to its legal successor.

In the event of the Company liquidation and in the absence of any legal successor, its permanent storage documents of a scientific and historical importance shall be transferred to the archives of Mosgorarchive association in governmental custody, and the personnel documents (orders, personal records, personal accounts, account cards, etc.) shall be transferred in custody of the archive of the administrative district, in which the Company is situated.

The transfer and graduation of documents shall be performed by the Company at its own expense pursuant to the requirements of archive authorities.