

APPROVED

as amended

by the Annual General Meeting of JSC Acron
on May 29, 2014

**CHARTER OF THE
JOINT STOCK COMPANY
ACRON**

2014

The Open Joint Stock Company Acron (OGRN (Primary State Registration Number) 1025300786610), hereinafter referred to as the "Company," was established in accordance with Decree No. 721 of the President of the Russian Federation *On Organisational Measures to Reorganise State Enterprises and Voluntary Associations of State Enterprises into Joint-Stock Companies* dated July 1, 1992, by reorganisation of the Novgorod Production Association Azot registered by a resolution of the Novgorod administration No. 99-rg dated December 9, 1991. Acron is a legal successor to all of Azot's rights and obligations.

Open Joint Stock Company Acron was registered and entered into the state register of the Russian Agency of International Cooperation and Development on August 16, 1993 (certificate No. P-1814.16).

The Company conducts its business in accordance with the Civil Code of the Russian Federation, Federal Law of the Russian Federation *On Joint Stock Companies* (hereinafter referred to as the "Federal Law"), other regulations of the Russian Federation, this Charter and the Company's bylaws.

Article 1. Name and Domicile

- 1.1 The full official name of the Company
- In Russian
Открытое акционерное общество «Акрон»
 - In English
Joint Stock Company Acron
- 1.2 The abbreviated official name of the Company
- In Russian:
ОАО «Акрон»
 - In English:
JSC Acron.
- 1.3 The Company is domiciled at Veliky Novgorod, the Russian Federation, 173012.

Article 2. Legal Status

- 2.1 The Company is a legal entity, owning separate property, which is accounted for in its independent balance sheet; the Company may acquire and exercise on its own behalf property and personal non-property rights, incur obligations, and act as plaintiff and defendant in court.

The Company shall have round seals containing its official name, trademark and indication of domicile.

The Company shall have stamps and letterheads with its name, its logo, a duly registered trademark, and other means of visual identification.

The Company may duly open bank accounts in the Russian Federation and abroad.

- 2.2 The Company shall be liable for its obligations to the full extent of its assets.

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

shall not be liable for the Company's obligations and their risk of losses associated with the Company's business shall be limited to their investment in the Company's shares.

Company's shareholders may only be subject to vicarious liability for the Company's obligations in cases and to the extent provided by the current Russian law.

The government and governmental bodies shall not be liable for the Company's obligations; likewise, the Company shall not be liable for the obligations of the government or governmental authorities.

2.3 The Company has representative offices and one branch.

2.3.1 The Company's representative offices are domiciled at:

- Office 218, 12 Voiskovy Per., 220034 Minsk, Republic of Belarus
- Suite 131, 72 (A) Krasnoarmeyskaya Street, 03150 Kiev, Ukraine.
- 16 Hartom St., 1st floor, Jerusalem 9777516, State of Israel

2.3.2 The Odintsovo branch of the Company is located at Riding Hall, Gorki-10 Settlement, Odintsovo District, Moscow Region, 143030.

2.4 The Company is the universal legal successor of all liabilities (powers and obligations) of Closed Joint Stock Company Granit (registered under the Russian laws on October 16, 2002 under the Primary State Registration Number (OGRN) 1025300786818, domiciled at JSC Acron site, Veliky Novgorod, Russian Federation, 173012) reorganised through accession to Joint Stock Company Acron.

Article 3. Purpose and Business

3.1 The main purpose of the Company is to earn profit.

3.2 The main segments of the Company's business are:

- Production and sale of mineral fertilizers, chemicals, consumer goods and other products
- Provision of services for consideration
- Representation of foreign companies in the Russian Federation and of Russian-based companies abroad in accordance with the procedure stipulated by the current Russian law
- Telecommunication services and broadcasting audio programmes over the Company's network
- Promotion and rendering marketing, barter and intermediary services, including in the sphere of foreign trade, including export, import, customs clearance and forwarding of import cargoes
- Translation of documents in foreign languages
- Organisation of catering and other social services for the Company's employees; creation of and providing for the operation of cafes, restaurants and other commercial eating establishments
- Rendering support to users of the Company's products, as well as products of other enterprises and organisations
- Leasing services in the Russian Federation and abroad
- Protection of its own property
- Construction
- Holding exhibitions, trade fairs, auctions, tenders; their arrangement and technical

support

- Receipt, analysis, processing and distribution of commercial and R&D information, monitoring supply and demand for specific types of products
- Printing and publishing
- Repair of chemical and technological systems and manufacturing the equipment for repair and maintenance; design, construction, repairs and engineering, including in relation to facilities associated with fire and explosion hazards
- Development and sale of software products for technical and environmental monitoring of operations
- Development of environmentally friendly technologies, their use and sale
- Development of the means for environmental monitoring; providing biological testing of the environment in the regions where the industrial enterprises are located
- Leasing premises and equipment
- Serial, non-serial, recurrent and piece production of units which are subject to boiler inspection; manufacture of demountable load-handling mechanisms and containers
- Legal protection of industrial property
- Operation, reconstruction, modernisation, capital repair and expert testing of the safety of hoisting mechanisms and units which are subject to boiler inspection
- Operation of chemical, flammable, explosive and hazardous units and facilities
- Operation of hoisting mechanisms; fault detection, including non-destructive testing methods; engineering certification of units which are subject to boiler inspection
- Disease prevention measures; sanatorium and resort therapy; sports and cultural events (services)
- Adult and other types of education, including labour safety training for employers and employees.

3.3 The Company may carry out any other types of business not prohibited by federal laws.

The Company may engage in certain types of activities specified by federal laws, provided it has obtained special authorisation (licence).

3.4 Unless otherwise provided for by the Company's Charter or requirements of Russian regulatory instruments, the information on the Company's business, if necessary, is published in mass media registered outlets, including print periodicals: *Rossiyskaya Gazeta* and/or *Novgorod* and/or *Novgorodskie Vedomosti* and/or *Khimik* newspapers. The Company also posts documents and other information (materials) on the Company and its governing bodies' activity on its website at www.acron.ru.

Article 4. Authorised Capital and Shares

4.1 The Company has authorised capital of two hundred and two million six hundred and seventy thousand (202 670 000) roubles.

4.2 The Company issued (placed) forty million five hundred and thirty-four thousand (40 534 000) ordinary registered uncertificated shares at a par value of five (5) roubles.

4.3 In addition to its existing outstanding shares, the Company may offer thirty-two million one hundred and ninety thousand (32,190,000) ordinary registered uncertificated shares at par value of five (5) roubles each (authorised shares).

When placed, the authorised shares (additionally placed shares) shall confer upon their holders the same rights as previously placed ordinary shares. Subject to the current law

and this Charter, such holders shall be entitled to attend general meetings and to vote on all matters reserved to them; to receive dividends and, in the event of the Company's liquidation, to receive the respective part of its assets. After the authorised shares have been placed, their holders shall be entitled to dispose of them without prior consent of other shareholders.

- 4.4. The Company may increase its charter capital by increasing the par value of its shares or offering additional shares.

The Company may increase its charter capital by means of a public or private offering of its shares.

The procedure for increasing the Company's charter capital shall be regulated by this Charter and the current Russian law.

- 4.5 The Company may, and if required by law, shall decrease its charter capital. The Company may decrease its charter capital by decreasing the par value of shares or decreasing their number, including through buyback of some outstanding shares as provided by the law.

The Company may buy back its outstanding shares upon resolution by its general meeting authorizing a decrease in the Company's charter capital through buyback of outstanding shares to decrease their total number.

Own shares repurchased by the Company pursuant to a resolution of the Company's general meeting authorizing a decrease in the Company's charter capital through buyback of outstanding shares to decrease their total number shall be cancelled upon their purchase.

The Company's Board of Directors may resolve to purchase the Company's outstanding shares. Shares purchased by the Company pursuant to this paragraph shall not confer any voting rights, shall not be included in the vote count and shall not be entitled to any dividends. Such shares shall be sold at a price at least equal to their market value within one year after they have been purchased; otherwise the general meeting shall resolve to decrease the Company's charter capital by cancelling the above shares.

A consideration received by the Company hereunder may be in the form of cash, securities and/or other property which has monetary value.

- 4.6 By resolution of the Company's general meeting, the Company may consolidate its outstanding shares, converting two or more shares of the Company into one new share of the same category (type). In this case, the Company's Charter shall be amended to reflect changes in the par value and the number of the Company's authorised outstanding shares of the respective category (type).

- 4.7 By resolution of the Company's general meeting, the Company may split its outstanding shares, converting one share of the Company into two or more new shares of the same category (type). In this case, the Company's Charter shall be amended to reflect changes in the par value and number of the Company's authorised outstanding shares of the respective category (type).

Article 5. Shareholder Rights

- 5.1 Rights of ordinary shareholders: Ordinary shares of the Company shall confer upon their holders equal rights.

Subject to current Russian law and this Charter, shareholders holding the Company's ordinary shares may participate in general meetings and vote on all matters reserved to them, shall have the right to receive dividends and, in the event of the Company's liquidation, shall have the right to receive a part of its assets.

- 5.2 Shareholders shall be entitled to dispose of their shares without the consent of other shareholders or the Company.
- 5.3 The holders of the Company's ordinary stock shall enjoy other rights and shall bear other obligations in accordance with the current Russian law and the Company's Charter.

Article 6. Company's Shareholder Register

- 6.1 The Company shall cause its Shareholder Register to be maintained and kept in accordance with Russian laws and regulations.
- 6.2 The Company's Shareholder Register is kept by a registrar having a licence as provided for by the law, which registrar is subject to approval by the Company's Board of Directors.
- 6.3 If the Company chooses to engage a registrar to maintain and keep its Shareholder Register, the Company shall not be released from its liability for maintaining and keeping such a Register.
- 6.4 The Company's Shareholder Register shall contain information on each registered shareholder, the number and categories (types) of shares held by each registered shareholder and other information as provided under the current Russian law.
- 6.5 Upon request of a shareholder or its nominee, the Shareholder Register holder shall confirm such shareholder's rights to shares by issuing an excerpt from the Shareholder Register. Such excerpt shall not constitute a security.
- 6.6 A person entered into the Company's Shareholder Register shall inform the holder of the Register in a timely fashion of any changes to his/her details. Should such a person fail to provide such updated details, no liability shall be borne by the Company or the registrar in connection with any resulting losses.

Article 7. Dividends

- 7.1 The Company may adopt resolutions to pay (declare) dividends on outstanding shares according to the results of the first three, six and nine months of the fiscal year and/or according to the results of the fiscal year, unless otherwise provided for by the Federal Law. A resolution to pay (declare) dividends based for the first three, six and nine months of the fiscal year may be adopted within three months of the end of the corresponding period.
- 7.2 Dividends are paid from the Company's after tax profits (net profit), unless otherwise stipulated by the Russian law. The Company reports on its net profit in its financial statements.

- 7.3 Any resolution to pay (declare) dividends shall be adopted by the Company's general meeting. Such resolution shall specify the amount of dividends on shares of each category (type), form of payment, procedure of dividend payment in kind, and the record date determining the persons entitled to dividends.
- The resolution to pay (declare) dividends as far as the setting the record date determining the persons entitled to dividends is concerned, shall only be passed at the suggestion of the Board of Directors.
- 7.4 The dividend amount may not exceed the amount recommended by the Company's Board of Directors.
- 7.5 Dividends shall be paid to the persons who were holders of the respective category (type) of shares or who exercised the powers attached to such shares pursuant to federal laws at close of business on the record date determining the persons entitled to dividends, which record date is stipulated by the resolution to pay dividends.
- 7.6 Dividends shall be paid to a nominee holder and a trustee (being a professional participant of the stock market) registered on the shareholder register no more than ten (10) business days, and to other persons registered on the shareholder register – no more than twenty-five (25) business days after the record date determining the persons entitled to dividends.
- 7.7 Dividends shall be paid in cash and/or other assets where the relevant resolution is passed by the Company's general meeting. Dividends in monetary form shall be paid as a cash transfer.
- 7.8 Any shares transferred to the Company's ownership, including the shares at the Company's disposal as a result of acquisition, redemption or otherwise in compliance with the current Russian law, are not entitled to dividends.

Article 8. Bonds and other Equity Securities

- 8.1 The Company may offer its bonds and other equity securities as provided under the Russian securities law.
- 8.2 The Company may offer its bonds and other equity securities by resolution of its Board of Directors.
- 8.3 A bond is a security certifying the right of its holder to receive from the person issuing the bond the nominal value of the bond or other property equivalent within the time limit provided for by the bond. The bond also entitles its holder to the percentage of its nominal value as fixed by the bond or other property rights.

Article 9. Governing Bodies

- 9.1 The Company's governing bodies are:
- General meeting
 - Board of Directors
 - Managing Board, a collegial executive body
 - Chief Executive Officer (President), a sole executive body.

- 9.2 The authority, rights, obligations, liability, convocation and proceedings of the Company's governing bodies shall be as defined pursuant to the current Russian law, this Charter and the Company's bylaws.

Article 10. General Meeting

- 10.1 The Company's supreme governing body is its general meeting.
- 10.2 The Company shall convene an annual shareholders meeting each year, not earlier than two months and not later than six months after the end of the fiscal year.
- 10.3 Any general meetings held in addition to the annual meetings shall be considered extraordinary. An extraordinary shareholders meeting shall be convened by resolution of the Board of Directors of the Company at its own discretion, or by request of the Company's Internal Audit Team, the Company's auditor, or any shareholder(s) holding not less than ten (10) per cent of the Company's voting shares as of the request date.
- 10.4 The following matters shall be reserved to the Company's general meeting:
- 10.4.1 Making changes or amendments to the Company's Charter or approving a revised Charter
 - 10.4.2 Reorganisation of the Company
 - 10.4.3 Liquidation of the Company, appointment of a liquidation committee, approval of interim and final liquidation balances
 - 10.4.4 Election of members to the Board of Directors and early termination of their powers
 - 10.4.5 Definition of the quantity, par value, category (type) of authorised shares and rights provided by these shares
 - 10.4.6 Increasing the Company's charter capital by increasing the par value of shares
 - 10.4.7 Decreasing the Company's charter capital by decreasing the par value of shares, acquiring a portion of shares for the purpose of reducing their total number, or by cancelling shares acquired or repurchased by the Company
 - 10.4.8 Election of members to the Company's Internal Audit Team and early termination of their powers
 - 10.4.9 Approval of the Company's auditor
 - 10.4.10 Payment (declaration) of dividends for the first three, six and nine months of the fiscal year
 - 10.4.11 Approval of annual reports and annual accounting statements, including the Company's income statements (income accounts), as well as the profit distribution (including payment (declaration) of dividends, except for profit distributed as dividends for the first three, six or nine months of the fiscal year) and losses for the fiscal year
 - 10.4.12 Definition of procedures for the general meeting
 - 10.4.13 Election of members to the counting committee and early termination of their powers
 - 10.4.14 Share splits and consolidations
 - 10.4.15 Adoption of resolutions on approval of interested transactions in cases stipulated by the Federal Law
 - 10.4.16 Adoption of resolutions on approval of major transactions in cases stipulated by the Federal Law
 - 10.4.17 Repurchase by the Company of its outstanding shares with the aim of reducing

the outstanding stock (decreasing the charter capital)

- 10.4.18 Adoption of a resolution on participation in financial and industrial groups, associations and other unions of commercial organisations
 - 10.4.19 Approval of internal bylaws regulating the procedures of the Company's bodies
 - 10.4.20 Resolution to apply for listing of the Company shares and/or issuable securities of the Company convertible into the Company shares
 - 10.4.21. Resolution to apply for delisting of the Company shares and/or issuable securities of the Company convertible into its shares
 - 10.4.22. Other matters stipulated by the law.
- 10.5 Issues reserved to the general meeting may not be delegated to the executive body of the Company.

Issues reserved to the general meeting may not be delegated to the Board of Directors of the Company, except for the issues stipulated by the Federal Law.

- 10.6 A general meeting shall not be entitled to discuss or adopt resolutions on issues not reserved to it under the Federal Law.

A general meeting shall not adopt resolutions on issues not included in the agenda or change the agenda.

- 10.7 The general meeting shall adopt resolutions on the issues specified in sub-clauses 10.4.2, 10.4.6 and 10.4.14 to 10.4.19 hereof, as well as resolutions to decrease the Company's charter capital by decreasing the par value of shares only upon the proposal of the Board of Directors of the Company.

- 10.8 general meeting resolutions on the issues specified in sub-clauses 10.4.1 to 10.4.3, 10.4.5, 10.4.17 and 10.4.21 hereof shall be adopted by a majority of three-fourths of the votes of shareholders holding voting shares and participating in the general meeting.

General meeting resolutions on other issues put to vote shall be adopted by a majority of votes of shareholders holding voting shares of the Company and participating in the general meeting, unless otherwise provided for by the Federal Law.

- 10.9 Unless mandatory requirements for other time limits are stipulated by the Federal Law, the notice of an annual shareholders meeting shall be given at least thirty (30) days before the date of the meeting; notice of an extraordinary shareholders meeting shall be given at least twenty (20) days before the date of the meeting.

A notice of a general meeting shall be made in the following order:

- Published in print media, specifically in the registered mass media outlet *Rossiyskaya Gazeta* daily newspaper (registered on September 28, 1993, registration No. 302), as well as posted on the Company's website at <http://www.acron.ru>
- Or – by resolution of the Company's Board of Directors passed during preparations for the general meeting – sent to each person on the list of persons entitled to participate in the general meeting by registered mail or to each such person by hand against receipt.

The Company may additionally by resolution of the Company's Board of Directors notify its shareholders of a general meeting through other mass media (TV, radio), including *Novgorod*, *Novgorodskie Vedomosti*, and *Khimik* newspapers.

10.10 The general meeting notice shall contain the following details:

- 10.10.1 Full official name of the Company and its domicile
- 10.10.2 The form of the general meeting (meeting or absentee vote)
- 10.10.3 The date, place and time of the general meeting; the postal address at which completed ballots may be forwarded; if a general meeting is to be held in the form of an absentee vote, the deadline for admission of voting ballots and the postal address to which the completed ballots should be sent
- 10.10.4 The time at which the attendee registration is to be opened
- 10.10.5 The date on which the list of persons entitled to participate in the general meeting is compiled
- 10.10.6 The agenda of the general meeting
- 10.10.7 The procedure of disclosing information (documents) which is to be disclosed to the shareholders to prepare for the general meeting, and address(es) at which such information is available
- 10.10.8 Other information provided under the current law.

10.11 When preparing the general meeting, the Company's Board of Directors shall determine:

- 10.11.1 The form of the general meeting (meeting or absentee vote)
- 10.11.2 The date, place and time of the general meeting; if the Federal Law provides for sending completed ballots to the Company, the postal address to which the completed ballots may be forwarded; if a general meeting is to be held in the form of an absentee vote, the deadline for admission of voting ballots and the postal address to which the completed ballots should be sent
- 10.11.3 The date on which the list of persons entitled to participate in the general meeting is compiled
- 10.11.4 The agenda of the general meeting
- 10.11.5 The procedure for notifying shareholders of the general meeting
- 10.11.6 A list of the information (materials) provided to shareholders in the course of preparation for the general meeting and the procedure of its provision
- 10.11.7 The form and text of the voting ballot if voting is carried out by ballot
- 10.11.8 In case a general meeting is planned, the time at which the attendee registration is to be opened.

The general meeting shall be convened and held in accordance with this Charter and the Company's bylaws to be approved by the general meeting.

10.12 Shareholder(s) whose aggregate ownership is not less than two (2) per cent of the Company's voting shares shall be entitled to include items into the agenda of an annual shareholders meeting and nominate candidates to the Board of Directors of the Company, and the Internal Audit Team of the Company, whose number may not exceed the quantity of members of the corresponding body.

Such proposals must be received by the Company not later than thirty (30) days after the end of the fiscal year.

10.13 A proposal by shareholders to put items on the general meeting agenda or nomination shall be made in writing, with the name of the shareholder(s) initiating the proposal or the nomination, the number and the category (type) of shares held by him/her (them), and shall be signed by such shareholder(s).

A proposal to put items on the general meeting agenda shall contain the wording of each proposed item, and a proposal to nominate candidates shall contain the name of each proposed candidate, the name of the body where the candidate is proposed and other data stipulated by the Company's bylaws.

A proposal to put items on the general meeting agenda may contain the wording of the resolution on each proposed item.

- 10.14 The Board of Directors may not change the wording of items proposed to be included in the general meeting agenda or the wording of resolutions on such items.

The Company's Board of Directors may, at its own discretion, put items on the general meeting agenda or nominate candidates to the Company's bodies, in addition to the items proposed by the shareholders, or in the event that shareholders propose no items or nominees, or the number of suggested nominees is not sufficient to form the respective body.

- 10.15 The Board of Directors shall consider all proposals received and decide to include them on the agenda of the general meeting or refuse to include them in the said agenda within five days after the expiration of the term specified in Clause 10.12 hereof. Issues proposed by the shareholder(s) are to be included in the agenda of the general meeting, and nominees proposed by the shareholder(s) are to be included in the list of nominees for election to the respective body, unless:

- The shareholder(s) failed to comply with the terms stipulated in Clause 10.12 hereof
- The shareholder(s) does(do) not hold the number of voting shares stipulated in Clause 10.12 hereof
- The proposal does not meet the requirements set forth in Clause 10.13 hereof
- The item proposed for the agenda of the general meeting is not reserved to the general meeting and/or does not meet the requirements of the Federal Law or other laws of the Russian Federation.

- 10.16 A reasonable refusal by the Company's Board of Directors to include a proposed item in the agenda of the general meeting or to include a proposed nominee in the list of nominees for election to the respective body shall be forwarded to the shareholder(s) who made the proposal or suggested the nominee within three (3) days after such a resolution was passed.

- 10.17 A general meeting shall be deemed duly constituted (shall have a quorum), provided it was attended by shareholders holding a total of more than fifty per cent of the votes on the Company's outstanding voting shares.

A shareholder shall be deemed to have attended the general meeting provided that such shareholder registered for the meeting or provided that such shareholder's ballot was received no less than two days before the date of the meeting. For an absentee vote, a shareholder shall be deemed to have participated in the vote provided such shareholder's ballot was received before the admission deadline.

- 10.18 Votes shall be cast at the general meeting on the principle of one vote per voting share, unless a cumulative vote is held in the cases specified by the Federal Law.

- 10.19 general meeting resolutions may be adopted without convening a meeting (defined as the

joint presence of shareholders to discuss agenda items and adopt resolutions on the items put to vote) by means of an absentee vote.

When the general meeting agenda includes items on electing the Company's Board of Directors or the Internal Audit Team, approving the Company's auditor, or the issues stipulated by sub-clause 10.4.11 hereof, the meeting may not be held in the form of an absentee vote.

- 10.20 Voting on items on the agenda of a general meeting that is held in the form of an absentee vote may only be cast by submitting voting ballots drawn up in accordance with the Federal Law.

If a general meeting is held as an absentee vote, the voting ballot is to be forwarded to shareholders on the list of those entitled to attend the general meeting at least twenty (20) days before the date of the general meeting.

Voting ballots must be sent by registered mail.

- 10.21 The Chair of the Board of Directors presides over a general meeting. Upon his/her written statement, the Board of Directors may appoint another chair at a general meeting, including a person who is not a member of the Board of Directors.
- 10.22 Resolutions at a general meeting shall be binding upon the Board of Directors, the Managing Board, and the Chief Executive Officer, as well as all the Company's employees.

Article 11. Board of Directors

- 11.1 The Board of Directors of the Company shall carry out general management of the Company's business, excluding matters reserved to the general meeting in accordance with the Federal Law.
- 11.2 Resolution of issues concerning the general management of the Company's business shall be within the competence of the Board of Directors of the Company, except for issues referred to the competence of a general meeting by the Federal Law.
- 11.3 The following issues shall be referred to the competence of the Board of Directors of the Company:
- 11.3.1 Determining the priority segments for the Company's business
 - 11.3.2 Convening annual and extraordinary shareholders meetings of the Company, except for cases stipulated by the Federal Law
 - 11.3.3 Approving the agendas of general meetings
 - 11.3.4 Determining the date for compiling the list of persons entitled to participate in a general meeting and other issues referred to the competence of the Board of Directors of the Company by the Federal Law and related to the convening and holding of general meetings, as well as appointment of the secretary for the relevant general meeting of the Company
 - 11.3.5 Increasing the Company's charter capital by offering additional shares within the limits of the authorised capital in terms of quantity and categories (types)
 - 11.3.6 Placement by the Company of additional shares into which preferred shares of the specific type (placed by the Company and convertible into ordinary shares) or preferred shares of other types are converted, unless such placement is associated

- with an increase in the Company's authorised capital, as well as offering by the Company of its bonds or other issuable securities except shares
- 11.3.7 Determining the price (monetary value) of property, the offering price (or procedure of setting the offering price) and the redemption price of equity securities in cases stipulated by the Federal Law
 - 11.3.8 Repurchasing outstanding Company's shares (excluding redemption of a portion of outstanding shares to reduce their total number, thus reducing authorised capital) and acquiring outstanding Company's bonds and other securities in cases stipulated by the Federal Law or other federal laws
 - 11.3.9 Forming executive bodies of the Company and early termination of their powers; approving employment contracts with the person acting in the capacity of the sole executive body and members of the collegial executive body, including remuneration and bonus conditions, imposing qualification criteria and requirements for remuneration of such persons, as well as representing the Company in its interests and exercising its powers and discharging its obligations as the employer in relations with the person acting in the capacity of the sole executive body
 - 11.3.10 Providing recommendations on the amount of remuneration and compensation paid to members of the Internal Audit Team of the Company and determining the amount of the auditor's fee
 - 11.3.11 Providing recommendations to the general meeting on the amount of a dividend on shares and the procedure for its payment
 - 11.3.12 Allocating the reserve fund and other funds of the Company
 - 11.3.13 Approving the Company's bylaws, except for internal documents reserved to the general meeting by the Federal Law, as well as other internal documents of the Company, the approval of which is reserved to the Company's executive bodies by this Charter
 - 11.3.14 Establishing subsidiaries and opening the Company's representative offices
 - 11.3.15 Approving major transactions in cases stipulated by the Federal Law
 - 11.3.16 Approving interested transactions in cases stipulated by the Federal Law
 - 11.3.17 Approving the Company's Registrar and the terms and conditions of the agreement therewith, as well as the termination of the agreement with it
 - 11.3.18 Resolving on the Company's investing into and divesting of stakes in other organisations (excluding organisations listed in Sub-clause 10.4.18 hereof)
 - 11.3.19 Delegating issues stipulated by Sub-clauses 10.4.2, 10.4.6, 10.4.14 to 10.4.19 of hereof to a general meeting
 - 11.3.20 Approving internal control procedures in relation to the Company's business and financial operations, and establishing the Company's unit responsible for supervising internal control procedures in relation to the Company's business and financial operations
 - 11.3.21 Approving principal provisions (policy) of the Company's risk management and supervising the development of the Company's risk management system
 - 11.3.22 Electing the Chair of the Board of Directors and Deputy Chair of the Board of Directors
 - 11.3.23 Appointing secretary to the Board of Directors
 - 11.3.24 Passing resolutions on issuing Company's equity securities (additional securities), releasing offering prospectus and issue (additional issue) reports, and making amendments and addenda thereto
 - 11.3.25 Resolving on establishing and terminating the committees of the Board of Directors, approving regulations for the committees of the Board of Directors and amending the same; electing and early terminating members and chairpersons of

the Board of Directors committees

- 11.3.26 Referring to the Company's general meeting issues related to approving, amending or supplementing Regulations on general meeting, Board or Directors, Managing Board or Internal Audit Team; and
- 11.3.27 Approving the list of the Company's inside information, regulation on access to the Company's inside information, rules of its confidentiality protection and control over compliance with requirements of the current Russian law for inside information use and protection procedures, as well as establishing the Company's unit (officer) responsible for control over compliance with requirements of the current Russian law for inside information use and protection procedures
- 11.3.28. Approving principal provisions (policy) of dividend payments based on the Company's performance
- 11.3.29. Approving principal provisions (policy) of disclosing (providing) information about the Company's activity and establishing control over disclosing (providing) information by the Company
- 11.3.30. Approving principal anti-corruption provisions (policy) and establishing control over fighting corruption in the course of the Company's activity
- 11.3.31. Matters requiring resolution of the Company's Board of Directors pursuant to the rules of the organised trading conducted in compliance with the laws of Russia or a foreign state (including securities listing (delisting) requirements)
- 11.3.32. Other matters provided for by this Charter and the current Russian law.
- 11.4 Issues referred to the competence of the Board of Directors of the Company cannot be referred to the executive bodies of the Company.
- 11.5 The Board of Directors shall be elected by a general meeting as provided by the Federal Law, this Charter and the Regulation on the Company's Board of Directors for a term until the next annual shareholders meeting, and shall consist of seven (7) members. If no general meeting is held within the term stipulated by the Federal Law, the powers of the Board of Directors shall be terminated, excluding their powers to prepare, convene and hold the annual general meeting.
- 11.6 A person elected to the Company's Board of Directors may be re-elected for an unlimited number of terms. Only individuals may be members of the Board of Directors. Persons who are not Company shareholders may serve as members of the Board of Directors.
- Members of the Company's collegial executive body may not account for more than one fourth of the total number of members of the Board of Directors. The chief executive officer of the Company may not simultaneously serve as the Chair of the Board of Directors.
- 11.7 Members are elected to the Board of Directors by cumulative vote: the number of votes held by each shareholder is multiplied by the number of persons to be elected to the Board of Directors, and the shareholder may cast the resulting number of votes for one nominee or distribute the votes among two or more nominees. The nominees who received the most votes shall be deemed elected to the Board of Directors. The general meeting may resolve to terminate the powers of any members of the Board of Directors before their terms are up.
- 11.8 The Company's general meeting may resolve to remunerate members of the Board of

Directors and/or reimburse them for any expenses incurred by them in such capacity. The amount of remuneration and reimbursements shall be determined by the general meeting.

- 11.9 Meetings of the Board of Directors shall be held as necessary.

Meetings of the Board of Directors of the Company shall be convened by the Chair of the Board of Directors of the Company at his/her discretion, as well as upon request of a member of the Board of Directors, the Company's Internal Audit Team, the Company's auditor or the Company's executive bodies.

The procedure for convening and holding meetings of the Company's Board of Directors shall be determined by the Regulation on the Board of Directors, which is to be approved by a general meeting of the Company.

The Board of Directors of the Company may adopt resolutions by an absentee vote.

The procedure for holding absentee votes shall be regulated by the Regulations on the Board of Directors.

- 11.10 The Board of Directors meeting shall be deemed constituted (have a quorum), if not less than half of the elected members of the Board of Directors participate in it. If the number of members on the Board of Directors becomes less than the number constituting a quorum, the Board of Directors shall convene an extraordinary shareholders meeting to elect new members to the Board. The remaining members on the Board of Directors may only pass resolutions to convene such extraordinary shareholders meeting.

- 11.11 When calculating the quorum and voting results on agenda items at the meeting of the Board of Directors, the written opinion of a member of the Board of Directors of the Company who is absent from the meeting of the Board of Directors shall be taken into account.

- 11.12 Resolutions at meetings of the Board of Directors of the Company shall be adopted by a majority of the votes of members of the Board of Directors of the Company participating in such meetings of the Board of Directors, unless the Federal Law, this Charter or Regulation on the Board of Directors provide for a greater majority of votes for the relevant resolutions to be passed.

When transacting matters at a meeting of the Board of Directors, each member of the Board of Directors shall have one vote.

No member of the Board of Directors may delegate its voting rights to any other persons, including other members of the Board of Directors.

If there is a deadlock on a resolution to be adopted by the Board of Directors, the Chair shall have the casting vote.

- 11.13 The Chair of the Board of Directors shall be elected by the members of the Board of Directors from their number by a majority vote. The Chair shall organise the activities of the Board of Directors, convene its meetings and preside over them, order the recording of meeting minutes and preside over general meetings. One or more Deputy Chairs shall be elected from among the members of the Board of Directors by a majority vote of all members of the Board of Directors.

- 11.14 Minutes of the meetings of the Board of Directors are to be recorded and executed within three days after the date of the meeting. The form of the minutes shall be in conformance with the current Russian law.
- 11.15 Resolutions of the Board of Directors shall be binding for the executive bodies of the Company, the Chief Executive Officer (President) and employees.
- 11.16 The Board of Directors may form committees consisting of Board members to explore the most important matters reserved to the Board of Directors and to provide recommendations for resolutions on such matters.

Article 12. Managing Board

- 12.1 The Managing Board is the collegial executive body of the Company carrying out day-to-day management of the Company's business.
- 12.2 The Managing Board shall act in accordance with the legislation of the Russian Federation, this Charter and the Regulation on the Managing Board of the Company, which is to be approved by a general meeting of the Company.
- 12.3 The Managing Board shall report to the Board of Directors and the general meeting.
- 12.4 The Managing Board of the Company consists of six (6) members (the Chair and members of the Managing Board). Members of the Managing Board shall be elected by the Board of Directors as proposed by the Chief Executive Officer and/or members of the Board of Directors in accordance with the procedure stipulated by this Charter and the Regulation on the Managing Board of the Company.
- 12.5 Persons elected as members of the Managing Board shall acquire their powers upon the adoption by the Board of Directors of a resolution on election of members of the Managing Board. The persons elected as members of the Managing Board may be re-elected an unlimited number of times.
- 12.6 A member of the Managing Board can only be an individual. A member of the Managing Board does not need to be a shareholder of the Company.
- 12.7 In case of early termination of the powers of members of the Managing Board, their powers shall be deemed terminated upon the adoption by the Board of Directors of a resolution on early termination of powers of members of the Managing Board.
- 12.8 The following issues shall be reserved to the Managing Board of the Company:
 - 12.8.1 Considering and making recommendations on key issues of the Company's day-to-day business
 - 12.8.2 Coordinating the implementation of resolutions passed by a general meeting and the Board of Directors of the Company
 - 12.8.3 Preparing information, materials and proposals on issues proposed for consideration of the Board of Directors and a general meeting

- 12.8.4 Approving forward-looking plans for the Company's operations, including business plans of the Company
- 12.8.5 Drawing up a production programme and setting production volumes
- 12.8.6 Considering and drawing up recommendations on organizing new production units, revamping and technical upgrading
- 12.8.7 Considering and drawing up recommendations on implementing the Company's social development programme
- 12.8.8 Ensuring systematic improvement of labour conditions, living conditions, leisure facilities and medical services for the Company's employees and their families and improvement of the Company's social development in general
- 12.8.9 Coordinating the work of organisation departments and their effective interaction
- 12.8.10 Controlling product quality and improvement
- 12.8.11 Recruitment
- 12.8.12 Appointing the secretary to the Managing Board
- 12.8.12 Adopting resolutions in accordance with its competence on other issues proposed to the Managing Board by the Chief Executive Officer or other members of the Managing Board.
- 12.9 The Managing Board shall adopt resolutions on issues within its competence at its meetings or by an absentee vote. When determining the presence of a quorum for the agenda items and the voting results thereof at a meeting of the Managing Board, the written opinion of a member of the Managing Board who is absent from the meeting shall be taken into account.
- 12.10 The Chief Executive Officer or acting Chief Executive Officer shall exercise the functions of Chair of the Managing Board. One or several Deputy Chairs of the Managing Board shall be appointed from among the members of the Managing Board by the Chair of the Managing Board.
- 12.11 Meetings of the Managing Board shall be convened by the Chief Executive Officer or acting Chief Executive Officer when necessary.
- 12.12 A meeting of the Managing Board shall be deemed duly constituted (have a quorum) if attended by at least one-half of the elected members of the Managing Board. In the event that the number of members of the Managing Board is less than the number required for quorum, the powers of members of the Managing Board shall terminate.
- 12.13 Resolutions at a meeting of the Managing Board shall be adopted by a majority of votes of the members of the Managing Board participating in the meeting. If there is a deadlock, the Chair of the Managing Board shall cast the deciding vote.
- 12.14 When voting at meetings of the Managing Board, each member of the Managing Board

shall have one vote. A member of the Managing Board may not transfer his/her voting right to another member or other persons.

- 12.15 The rights and obligations of the Managing Board's members with respect to management of the Company's day-to-day business shall be determined by the Federal Law, the Regulation on the Managing Board and the agreement concluded between each of them and the Company. The agreement on behalf of the Company shall be signed by the Chair of the Board of Directors or a person authorised by the Board of Directors.

The Board of Directors may at any time resolve on early termination of authority of the Managing Board members (early termination of agreements with each member of the Managing Board) and establishment of another collegial executive body of the Company.

- 12.16 A member of the Managing Board may hold offices in governing bodies in other organisations only subject to the approval by the Company's Board of Directors.

Article 13. Chief Executive Officer (President)

- 13.1 Management of the day-to-day activities of the Company shall be effected by the Chief Executive Officer (President), being the sole executive body of the Company.

The names of the office – Chief Executive Officer and President – are interchangeable.

- 13.2 The Chief Executive Officer (President) shall be appointed and dismissed by the Board of Directors.

- 13.3 The rights and obligations of the Chief Executive Officer (President) shall be determined by the laws and regulations of the Russian Federation, this Charter, the Regulation on the Managing Board of the Company and the agreement entered into between the Company and the Chief Executive Officer (President). The Board of Directors may at any time terminate the agreement with the Chief Executive Officer (President).

- 13.4 The general meeting may, by its resolution, contract a for-profit organisation (managing company) or an individual (manager) to act as the Company's sole executive body.

The general meeting may resolve to contract a managing company or a manager to act as the Company's sole executive body only upon presentation of the Company's Board of Directors.

- 13.5 Issues relating to the management of the Company's day-to-business shall be reserved to the Chief Executive Officer (President), except for issues reserved to the general meeting, the Board of Directors and the Managing Board of the Company.

- 13.6 Within the scope of his/her authority, the Chief Executive Officer of the Company shall:

- 13.6.1 Represent the Company's interests and act without a Power of Attorney on behalf of the Company

- 13.6.2 Dispose of the Company's cash and other assets, subject to the current law and this Charter

- 13.6.3 Have the primary authority to sign financial and payment documents

- 13.6.4 Transact on behalf of the Company, subject to the current law and this Charter
- 13.6.5 Carry out day-to-day management of the Company's operations and direct management of the Managing Board
- 13.6.6 Approve Company's organisational chart and organise the functions and effective interfacing of the Company's divisions
- 13.6.7 Issue Powers of Attorney on behalf of the Company
- 13.6.8 Organise the Company's accounting and reporting
- 13.6.9 Approve job descriptions, issue orders and give instructions that are binding for all the Company's employees, except in cases stipulated by this Charter
- 13.6.10 Approve the staff schedule, hire and dismiss the Company's employees, enter into labour agreements with the Company's employees, and apply incentive measures and impose penalties upon them
- 13.6.11 Organise and provide for the implementation of resolutions passed by a general meeting, the Board of Directors and the Managing Board of the Company
- 13.6.12 Provide for timely release of the Company's information in accordance with the current law
- 13.6.13 Provide for information disclosure in accordance with the applicable Russian regulations and internal documents of the Company
- 13.6.14 Ensure provision of information upon request by members of the Board of Directors, the Managing Board and shareholders of the Company
- 13.6.15 Propose to the Board of Directors nominees for election to the Managing Board
- 13.6.16 Appoint Deputy Chairs of the Managing Board
- 13.6.17 Organise record-keeping at the Managing Board meetings
- 13.6.18 Approve internal documents of the Company regulating the matters referred to the scope of authority of the Company's executive bodies
- 13.6.19 Perform other actions necessary for achieving the Company's goals and its normal operation, in accordance with the current law and this Charter except the issues reserved to the general meeting, the Board of Directors and the Managing Board of the Company.
- 13.7 The powers of the Chief Executive Officer (President) shall commence upon adoption by the Board of Directors of the Company of a resolution to appoint the Chief Executive Officer (President) and shall terminate upon adoption by the Board of Directors of the Company of a resolution to terminate the powers of the Chief Executive Officer (President).
- 13.8 Should the Chief Executive Officer (President) temporarily fail to exercise his/her

functions, the person appointed acting Chief Executive Officer (President) of the Company shall exercise his/her functions. An Acting Chief Executive Officer (President) shall be appointed by order of the Chief Executive Officer (President) and shall act on behalf of the Company within the term and limits of the powers determined by the corresponding order of the Chief Executive Officer (President) and a Power of Attorney issued by the Chief Executive Officer (President) on behalf of the Company.

- 13.9 The Company's Board of Directors may at any time by its respective resolution terminate power of the Company's Chief Executive Officer before their expiration and appoint a new Chief Executive Officer.

Article 14. Internal Audit Team

- 14.1 To control the financial and economic activities of the Company, a general meeting shall elect the Internal Audit Team of the Company. The Internal Audit Team of the Company shall consist of five (5) people.
- 14.2 A member of the Internal Audit Team shall have qualifications adequate to the needs of the Internal Audit Team authority, i.e. proficient in accounting and financial reporting.
- 14.3 Members of the Company's Internal Audit Team may not be members of the Board of Directors of the Company or hold other offices in the Company's governing bodies.
- 14.4 The operation of the Company's Internal Audit Team shall be determined by the Regulation on Internal Audit Team approved by the general meeting.
- 14.5 To control the Company's financial and business operations, the scope of the Internal Audit Team's authority includes verification of the Company's accounts.
- 14.6 To achieve its objectives, the Internal Audit Team shall audit the Company's financial and business operations for a year and at any time at its own discretion or as instructed by a resolution of the general meeting, the Board of Directors or as requested by Company's shareholder(s) holding in aggregate at least ten (10) per cent of the Company's voting shares.
- 14.7 When requested by the Internal Audit Team, the Company's officers shall produce documents evidencing any financial or business operations of the Company.
- 14.8 For its audits, the Internal Audit Team may engage independent experts, auditors and other specialists.

Article 15. Accounting and Reporting

- 15.1 The Company shall keep its accounts and disclose financial statements as provided by the current Russian law.
- 15.2 Accounting (financial) statements of the Company shall make a fair presentation of the Company's financial position as of the reporting date and its financial performance. Accounting (financial) statements of the Company shall be denominated in the Russian Federation currency, unless otherwise stipulated by the Russian laws.
- 15.3 Annual accounting (financial) statements of the Company shall be prepared for the

reporting (fiscal) year which corresponds to a calendar year from January 1 through December 31 (inclusive).

Article 16. Reserve Fund

- 16.1 The Company shall maintain a reserve fund in the amount of fifteen (15) per cent of the Company's charter capital.
- 16.2 The Company shall make annual allocations to the reserve fund in the amount of not less than five (5) per cent of the Company's net profit until the reserve fund achieves a determined amount.
- 16.3 The Company's reserve fund shall serve to cover the Company's losses as well as redeem bonds of the Company and repurchase the Company's shares if no other sources of financing are available.

Article 17. Responsibilities of Directors and Officers

- 17.1 Members of the Board of Directors and the Managing Board, Chief Executive Officer, temporary sole executive body of the Company, managing company or a manager, when exercising their respective rights and obligations, shall act for the Company's benefit in good faith and with due care.
- 17.2 Members of the Board of Directors and the Managing Board, Chief Executive Officer, temporary sole executive body of the Company, as well as managing company or a manager shall bear liability to the Company as provided by the current Russian law.
- 17.3 Members of the Board of Directors and the Managing Board, Chief Executive Officer, temporary sole executive body of the Company, as well as managing company or a manager shall be held liable for maintaining confidentiality of information constituting commercial secret of the Company and any other legally protected secret, as well as of the inside information or any other confidential information of the Company, in accordance with the current Russian law.

Article 18. Regulatory Disclosures

- 18.1 The Company shall disclose the following information:
 - Annual report and financial statements
 - Offering prospectus in cases provided by the current Russian regulations
 - Notices of general meetings in accordance with the Federal Law
 - Lists of the Company's affiliates
 - Other information as required by the Russian law.

Article 19. Dissolution and Reorganisation

- 19.1 The Company may, by a resolution of the general meeting, initiate its voluntarily reorganisation as described in the Federal Law. Other grounds and the Company's reorganisation procedures are as set forth in the Civil Code of the Russian Federation and other Federal Laws.

The Company may be reorganised through merger, consolidation, division, split-off or

conversion.

- 19.2 The Company may be dissolved voluntarily, by the resolution of the general meeting, in accordance with the Civil Code of the Russian Federation and subject to other regulations and this Charter.

The Company may be dissolved by a court resolution on the grounds stipulated by the Civil Code of the Russian Federation. The Company's dissolution shall result in its termination without any assignment of rights and obligations to other persons under the procedure of legal succession.

- 19.3. Upon its appointment, the liquidation committee shall assume all powers related to the Company's management.

The liquidation committee shall publish a statement on the dissolution of the Company and the procedure and terms for the creditors to present their claims in printed media outlet that publishes data on state registration of legal entities. The term for submitting demands by creditors may not be less than two months following the date of publication of the statement on the Company's dissolution.

- 19.4 If, on the date the resolution on its dissolution is passed, the Company has no obligations to its creditors, its assets shall be distributed among shareholders as provided by the current Russian law.

- 19.5 The liquidation committee shall take measures to identify creditors and receive accounts receivable, as well as to notify creditors in writing of the Company's dissolution.

Upon expiration of the term for creditors to submit demands, the liquidation committee shall draw up an interim liquidation balance sheet containing a description of the Company's assets, demands submitted by creditors and the results of their consideration.

- 19.6 The interim liquidation balance sheet shall be approved by the general meeting of the Company.

If cash owned by the Company under dissolution are insufficient to satisfy creditors' claims, the liquidation committee shall sell other assets of the Company at a public auction under the procedure determined for enforcement of court awards.

- 19.7 The liquidation committee shall distribute cash payments among the creditors of the Company under dissolution in accordance with the interim liquidation balance sheet pursuant to the procedure established by the current Russian law.

- 19.8 Upon the conclusion of creditor settlements, the liquidation committee shall draw up a liquidation balance sheet to be approved by the general meeting.

- 19.9 Company's assets remaining after creditor settlements shall be distributed by the liquidation committee among shareholders as determined by the Federal Law.

- 19.10 The Company's dissolution shall be deemed completed, and the Company shall be deemed terminated when the state registration authority makes a corresponding entry to the Uniform State Register of Legal Entities.

19.11 The liquidation committee shall bear material liability for any damage caused by it to the Company, shareholders and third parties in accordance with the current Russian law.