

APPROVED
by Annual General Meeting of Shareholders of PJSC
MMC Norilsk Nickel

Minutes No.1 09/06/2017

ARTICLES OF ASSOCIATION
of Public Joint Stock Company
Mining and Metallurgical Company Norilsk Nickel

(Version 10)

2017

1. GENERAL PROVISIONS

1.1. Public Joint Stock Company Mining and Metallurgical Company Norilsk Nickel, hereinafter referred to as the Company, was established under the laws of the Russian Federation as a result of reorganization in the form of a spin-off from Open Joint Stock Company Norilsk Mining and Metallurgical Combine named after A.P. Zavenyagin and operates on the basis of the Civil Code of the Russian Federation, the Federal Law on Joint Stock Companies (hereinafter referred to as the Federal Law), other regulatory legal acts of the Russian Federation, and these Articles of Association.

1.2. The Company is a legal successor to OJSC Norilsk Mining and Metallurgical Combine named after A.P. Zavenyagin in terms of its rights and obligations in accordance with the separation balance sheet.

1.3. Prior to the approval of the revision of the Company's Articles of Association dated February 21, 2001, the Company had the following name: Open Joint Stock Company Norilsk Mining Company (OJSC NMC or OJSC Norilsk Mining Company).

Prior to the approval of the revision of the Company's Articles of Association dated May 13, 2015, the Company had the following name: Open Joint Stock Company Mining and Metallurgical Company Norilsk Nickel (OJSC MMC Norilsk Nickel)

1.4. The Company is a legal entity, owns separate property recorded on its separate balance sheet, and may, in its own name, acquire and exercise civil rights, assume civil duties, and be a plaintiff or a defendant in court.

1.5. The Company may open bank accounts within the Russian Federation and abroad under the prescribed procedure.

1.6. The Company shall have a round seal bearing its full official name in Russian and a reference to its location. The seal may contain the Company's corporate name in any foreign language or language of other nations of the Russian Federation. The Company shall be entitled to have stamps and letterheads with its name, its own logo, and a duly registered trademark and other means of visual identification.

1.7. The Company shall be held liable for its obligations with all its property, owned by the Company. The shareholders shall not be liable for its obligations and bear the risk of losses associated with the Company's activities to the extent of the value of their respective shareholdings. The Company shall not be held liable for any obligations of its shareholders.

2. NAME AND LOCATION OF THE COMPANY

2.1. The full corporate name of the Company shall be: Публичное акционерное общество «Горно-металлургическая компания «Норильский никель».

The short corporate name of the Company shall be: ПАО «ГМК «Норильский никель».

Full corporate name of the Company in the English language shall be: Public Joint Stock Company Mining and Metallurgical Company NORILSK NICKEL.

Short corporate name of the Company in the English language shall be: PJSC MMC

2.2. Location of the Company: Dudinka, Krasnoyarsk Krai, Russian Federation

3. SUBJECT AND OBJECTIVES OF ACTIVITIES OF THE COMPANY

3.1. The principal objective of the Company shall be making profit.

3.2. Core activities of the Company include:

- (1) Prospecting, exploration and development of mineral deposits;
- (2) Construction, operation and repair of surface facilities and underground mining workings and structures designed for prospecting, exploration and development of mineral deposits, as well as for mining and processing of ore and non-ore minerals;
- (3) Development of design and technical documentation for the existing mining sites and facilities;
- (4) Operation and repair of equipment, transfer mechanisms, communication facilities and transportation means, and ensuring the safety of production facilities and personnel; Blasting operations;
- (5) Operation of permanent explosive storage and explosive distribution facilities;
- (6) Ore concentration, hydro transportation of ore concentrates, operation of hydraulic structures;
- (7) Sale of primary metals produced through ore processing;
- (8) Sale of ore and ore concentrates;
- (9) Metallurgical processing of ore, ore concentrates, secondary non-ferrous and precious metals; production of non-ferrous and precious metal products, production of sulphur and sulphuric acid;
- (10) Generation, transmission, distribution and sale of electrical and thermal energy;
- (11) Storage of oil and oil products;
- (12) Operation of surface and underground water intakes, process/potable water supply and closed-circuit water systems;
- (13) Production and sale of technical- and process-grade oxygen;
- (14) Operation and maintenance of telephone and radio-relay communication systems;
- (15) Operation and maintenance of bulk plants and filling stations including mobile ones;

- (16) Assembly, setting-up and operation of electric/thermal energy supply equipment and consumer power units;
- (17) Shipping, forwarding and other operations related to transportation by sea, inland water and air transport;
- (18) Passenger and cargo transportation by motor road and railroad;
- (19) Construction, reconstruction, repair and maintenance of motor roads, railroads and traffic infrastructure;
- (20) Environmental activities and services;
- (21) Fire safety operations;
- (22) Operations involving the use of state secrets, protection of information containing state secret and/or provision of state secret protection services;
- (23) Development of town-planning documentation;
- (24) Architectural activities;
- (25) Health resort, health care and medical treatment services;
- (26) Design and exploration operations, including those related to the land use;
- (27) Construction-related topographic, geodetic and cartographic works;
- (28) Engineering surveys required for construction, design and erection of buildings and facilities of responsibility levels I and II;
- (29) Operation of urban and local utility systems;
- (30) Manufacture of construction materials, structures and items;
- (31) Educational services (secondary/high-school education, higher education, postgraduate professional education and related advanced training);
- (32) Precious metals refining;
- (33) Processing of precious metal scrap and waste into final products;
- (34) Geological survey, making and publishing of geological maps, including digital and electronic maps and charts;
- (35) Geophysical (including gravimetric) subsoil exploration;
- (36) Drilling of water wells and exploration wells to prospect solid and other minerals;
- (37) Production and exploratory well drilling;
- (38) Production and transportation of natural gas and gas condensate;

- (39) Processing of natural gas and gas condensate;
- (40) Export and import operations as provided by the laws of the Russian Federation;
- (41) Construction of oil and gas trunk pipeline facilities;
- (42) Designing of production and infrastructure facilities for oil and gas industry;
- (43) Operation of oil and gas trunk pipeline facilities;
- (44) Construction of production and infrastructure facilities of natural gas industry;
- (45) Operation of production and infrastructure facilities of natural gas industry;
- (46) Repair and assembly of oil and gas drilling rigs and equipment;
- (47) Personnel training (key professions) for potentially hazardous production operations and facilities;
- (48) Assembly of equipment for fire and explosion hazardous operations;
- (49) Repair of equipment for fire and explosion hazardous operations;
- (50) Borrowing of funds in the form of credits, credit facilities, overdrafts, loans, leasing, factoring;
- (51) Currency purchase-sale, other currency exchange transactions, hedging of currency risks by concluding currency, forward contracts involving foreign currency, currency swaps and similar transactions;
- (52) Placement of Company's available funds, including in foreign currency, in the form of deposit;
- (53) Company's opening of letters of credit, obtaining bank guarantees and Company's granting of suretyships to secure the obligations of the Key Companies of the Company Group before third parties;
- (54) Investment activities aimed at recovering, perfecting production of metal ores and other minerals, metallurgic production of precious metals;
- (55) Research and development activities;
- (56) Acquisition of goods, raw materials, work and services required for the core activities of Company.

3.3. In order to achieve its main objective, the Company shall be entitled to carry out any other business activities except those prohibited by the laws of the Russian Federation.

3.4. The Company can perform certain types of activities, the enumeration thereof governed by laws enforced by the Russian Federation, provided the Company has obtained the relevant permit (license), membership in a self-governed organization or permit issued by

the same granting access to a particular type of activity.

4. AUTHORIZED CAPITAL AND SHARES IN THE COMPANY

4.1. The authorized capital of the Company shall be formed out of the par values of the shares in the Company and be equal to RUB one hundred fifty eight million two hundred forty five thousand four hundred seventy six (158,245,476).

4.2. The authorized capital of the Company shall be divided into one hundred fifty eight million two hundred forty five thousand four hundred seventy six (158,245,476) ordinary registered shares with a nominal value of RUB one (1) each.

4.3. The authorized capital of the Company may be increased through increase of the par value of shares or issue of additional shares.

4.4. A resolution to increase the authorized capital of the Company by increasing the par value of shares shall be passed by a General Shareholders' Meeting of the Company (hereinafter the General Meeting).

4.5. A resolution to increase the authorized capital of the Company by issuing additional shares shall be passed unanimously by all members of the Company's Board of Directors except as otherwise provided for by clauses 4.6-4.8 of these Articles of Association.

A resolution of the Board of Directors of the Company to increase the authorized capital of the Company by issuing additional shares shall be passed unanimously by all the members of the Board of Directors, with votes of the retired members of the Board of Directors not being taken into account.

4.6. Private offering of shares (or Company issuable securities convertible into shares) may be made only by a Meeting resolution to increase the Company's authorized capital by issuing additional shares (to issue Company issuable securities convertible into shares), which shall be passed by a three-quarter vote majority of the holders of voting shares attending the Meeting.

4.7. Public offering of ordinary shares representing more than twenty-five percent (25%) of the outstanding ordinary shares may be made only by a resolution of a Meeting adopted by a three-quarter vote majority of the holders of voting shares attending the Meeting.

4.8. Public offering of issuable securities convertible into ordinary shares representing more than twenty five percent (25%) of the outstanding ordinary shares may be made only by a resolution of a Meeting adopted by a three-quarter vote majority of the holders of voting shares attending the Meeting.

4.9. Additional shares in the authorized capital of the Company may be paid in cash, property items, stock (shares) in the authorized (share) capital of other business partnerships and companies, state and municipal bonds, as well as exclusive and other intellectual property rights and rights under license agreements, which can be valued in money, unless otherwise provided by law.

4.10. If additional shares of the Company are paid up with non-monetary assets, the monetary value of such assets contribution shall be determined by the Board of Directors of

the Company in accordance with the Federal Law and other laws and regulations of the Russian Federation.

4.11. The Company may decrease its authorized capital by reducing the par value of shares or reducing aggregate number thereof, including acquisition of a part of shares to the extent provided for by the Federal Law.

4.12. The Company may decrease its authorized capital by acquiring and cancelling a portion of shares. The Company may acquire outstanding shares in the Company upon a resolution of a Meeting to decrease the Company's authorized capital by acquiring a portion of outstanding shares in order to decrease the aggregate number thereof.

4.13. A resolution of the Company to decrease its authorized capital by reducing the par value of shares or by acquiring a portion of shares for the purpose of reducing the total number thereof shall be passed by a Meeting.

4.14. If the Company acquires any outstanding shares in the Company on the basis of a resolution of a Meeting to decrease the Company's authorized capital by acquiring a portion of outstanding shares in order to decrease the aggregate number thereof, such acquired shares shall be paid in accordance with Meeting resolution by cash, property items, shares (of stock) in charter (pooled) capital of other business partnerships and companies, state and municipal bonds, as well as exclusive and miscellaneous intellectual rights and rights under license agreements which are subject to monetary valuation, unless otherwise stipulated by the legislation

4.15. The Company has the right to acquire outstanding shares in the Company upon a Resolution of the Board of Directors.

4.16. The Company shall establish a reserve fund at a rate of fifteen per cent (15%) of the authorized capital. The reserve fund shall be formed out of annual allocation of five per cent (5%) of the Company's net profit until the fund reaches its prescribed amount. The reserve fund shall be used for covering Company's losses, bond redemption and/or buyout of shares if no other funds are available. The reserve fund shall not be used for any other purposes.

4.17. The register of the Company shareholders shall be maintained by an independent duly licensed party (Registrar).

5. RIGHTS OF SHAREHOLDERS

5.1. Shareholders shall have the right to:

- (1) Freely alienate their shares;
- (2) Receive dividends;
- (3) Receive a portion of the Company's assets in the event of liquidation of the Company;
- (4) Attend a General Meeting with the right to vote on all issues within its competence (on the basis of the one share – one vote principle, unless otherwise is provided for by the Federal Law or other regulations of the Russian

Federation);

- (5) Exercise their preemptive right to purchase additional shares and/or issuable convertible-into-shares securities offered in a public offering, pro rata to the amount of shares of the same category (class) held by them;
- (6) Obtain information on the Company's activities in accordance with the Federal Law, other regulations of the Russian Federation and the present Articles of Association;
- (7) Exercise other rights as provided for by the Federal Law, other legal regulatory acts of the Russian Federation, the Company's Articles of Association and resolutions of a Meeting adopted within its competence.

5.2. In cases provided for by the Federal Law, the owners of voting shares shall be entitled to demand from the Company to buy out all or a portion of their shares.

5.3. The Company may adopt resolutions to pay (declare) dividends on outstanding shares on the basis of performance results for the first quarter, half-year, nine months of the reporting year and/or on the basis of performance results for the reporting year, unless otherwise is provided for under the Federal Law. A resolution to pay (declare) dividends on the basis of performance results for the first quarter, half-year, nine months of the reporting year may be adopted within three months after the end of the relevant period. The Company shall be obliged to pay dividends declared on each category (class) of shares.

Resolution to pay (declare) dividends shall be adopted by a Meeting. The said resolution shall determine the amount of the dividend on shares of each category (class), the form of payment thereof, the procedure of non-monetary form dividend payment, the record date. Whereas the resolution about the record is approved solely on suggestion of the Board of Directors of the Company.

The record date, according to the resolution on payment (declaration) of dividend, shall not be prior to 10 days since the date of resolution on payment (declaration) of a dividend and later than 20 days since the adoption of the said resolution.

The amount of dividends may not exceed the amount recommended by the Company's Board of Directors.

Dividends shall be paid out of the Company's net profit. Dividends shall be paid by cash and, pursuant to the resolution of a Meeting, by securities or other property.

The timespan of dividend payment to a nominee holder of the shares and entrusted manager – professional participant in the securities market, who are listed in the shareholders' register, must not exceed 10 working days, whereas other persons listed in the shareholders' register shall count on 25 working days since the record date.

6. GENERAL MEETING OF SHAREHOLDERS

6.1. The highest governing body of the Company shall be the General Meeting. The General Meeting shall be held in the city of Moscow; the specific place for holding a Meeting shall be determined by the Board of Directors during preparation for the Meeting. The procedure for holding a General Meeting shall be set forth in the Regulations on the General

Meeting of Company Shareholders approved by the General Meeting.

6.2. The Company shall hold an annual General Meeting once a year. An annual General Meeting shall be held no earlier than three months and no later than six months after the end of the Company's accounting year. The annual General Meeting shall be convened by the Board of Directors of the Company.

6.3. Shareholder(s) holding no less than two per cent (2%) of voting shares in the Company shall have the right to propose items for inclusion thereof in the agenda of annual General Meeting and to nominate candidates to the Board of Directors and the Audit Commission of the Company to the extent provided for by the Federal Law. Proposals for the agenda of an annual General Meeting and a list of candidates nominated to the Board of Directors and the Audit Commission of the Company shall be delivered to the Company within ninety (90) days after the end of the reporting year. In addition to the information referred to in Paragraph 4 of Article 53 of the Federal Law, a shareholder's (shareholders') proposal to nominate candidates to the Company's Board of Directors or the Company's Audit Commission (hereinafter the Audit Commission) shall contain the information on candidates specified in paragraph 6.8 and candidate's written consent to take the relevant office.

6.4. The notice of a General Meeting shall be published in The Rossiyskaya Gazeta and The Taimyr newspapers as well as at the Internet site of the Company <http://www.nornik.ru> (hereinafter – the site of the Company) at least thirty (30) days prior to the date of the General Meeting (absentee ballot acceptance deadline if a General Meeting is held by absentee voting). The Company may additionally inform the shareholders of the scheduled General Meeting by publishing a notice of a General Meeting in other press edition or by informing shareholders about the General Meeting by e-mail. The Company has the right to announce the holding of the meeting prior to the date referred to in this paragraph.

In the cases stipulated by paragraphs 2 and 8 of clause 53 of the Federal Law, the announcement about a Meeting shall be made 50 days prior to its carrying out.

6.5. In the course of preparation for a General Meeting, the Company's Board of Directors (or other persons as provided for by the Federal Law) shall determine:

- (1) The form of the General Meeting (personal attendance or absentee voting);
- (2) The date, place and time of the General Meeting (including the start and end of shareholders registration), and the postal address for forwarding the completed ballots, or, if the General Meeting is held by absentee voting, the deadline for receipt of absentee ballots and the postal address for forwarding the completed absentee ballots;
- (3) The date for making the list of the persons entitled to attend the General Meeting;
- (4) The deadline for accepting shareholders' proposals on nomination of candidates for election to the Board of Directors of the Company, if the agenda of the Extraordinary Meeting contains the issue re electing members of the Board of Directors of the Company;
- (5) The agenda of the General Meeting;
- (6) The procedure for notifying the shareholders of the convocation of the General

Meeting;

- (7) The list of information (materials) to be provided to shareholders in the course of preparation for the General Meeting and the method of provision thereof;
- (8) The form and wording of the voting ballot, as well as the wording of decisions on the agenda of the Meeting, which shall be sent electronically (in the form of electronic documents) to nominee shareholders registered in the Company's shareholders register;
- (9) The rules of procedure of the General Meeting (total duration of the General Meeting, breaks, time limits for reports and speeches on each item and for discussion thereof, etc.);
- (10) Secretary of the Meeting.

By the decision of the Board of Directors, when preparing for the Meeting, it may be possible to fill out an electronic form of voting ballots on the Internet website. In this case, the Board of Directors shall specify the web site address where persons entitled to participate in the Meeting can fill out the electronic form of the ballots.

6.6. The notice of a General Meeting shall contain:

- (1) Full corporate name and location of the Company;
- (2) Form of the General Meeting (personal attendance or absentee voting);
- (3) Date, place and time of the General Meeting (including the start and end time for shareholders registration), and postal address for forwarding the completed ballots, or, if the General Meeting is held by absentee voting, the deadline for receipt of absentee ballots and the postal address for forwarding the completed absentee ballots;
- (4) Internet web-site address where the electronic form of the ballot can filled out, if such option was made available by the decision of the Board of Directors, when preparing for the Meeting;
- (5) Date for making the list of the persons entitled to attend the General Meeting;
- (6) Agenda of the General Meeting, indicating the person proposing each item on the agenda of the General Meeting;
- (7) Procedure for providing persons eligible to participate in the Meeting of the shareholders with necessary information (materials), and contact details;
- (8) Categories (types) of shares, whose holders are eligible to vote on all or some items of the Meeting agenda

6.7. Information (materials) to be provided to the persons entitled to attend a General Meeting in the course of preparation for the General Meeting shall include the Annual Report. annual accounting (financial) statements including the auditors' opinion and report of the Audit Commission based on the results of the audit of the annual accounting (financial)

statements and annual report; recommendations of the Board of Directors re distribution of profits, including the size of the dividend on the Company's shares and procedure for its payment, and the Company's losses based on the reporting year results; information on candidates to the Company's Board of Directors, the Audit Commission and executive bodies of the Company; availability of written consent of candidates nominated for election to the relevant body of the Company; draft amendments to the Company Articles of Association or a draft new revision of the Company's Articles of Association; draft by-laws of the Company; draft resolutions of the General Meeting; opinion of the Audit Committee of the Board of Directors with regard to the auditors' report; report of the Board of Directors containing the Board's well-grounded position on the items included in the agenda of the General Meeting, recommendations of the Board of Directors in relation to the candidates to the Board of Directors, information provided for by Paragraph 5 of Article 32.1 of the Federal Law as regards shareholders; agreements concluded during the year by the date of the Meeting; resolutions of the Company's Board of Director re major transactions; report on related party transactions concluded by the Company in reporting year. By a resolution of the Company's Board of Directors the shareholders may be informed of special opinions of the members of the Company's Board of Directors.

6.8. Information on candidates to the Company's Board of Directors and the Audit Commission shall include:

- (1) First name, patronymic, last name;
- (2) Date of birth;
- (3) Educational background;
- (4) Employment record for the last five years;
- (5) Record of convictions, if any, for economic crimes and crimes against the State, as well as cases of administrative liability in the field of entrepreneurship or finance, taxes and levies, securities;
- (6) Number of shares in the Company held by the candidate;
- (7) List of all offices held by the candidate in the management bodies of other legal entities (with indication of full names of such legal entities and the date from which the candidate has been holding each such office);
- (8) with respect to a candidate to the Board of Directors – an indication of whether such candidate complies with the requirements to an Independent Director set forth by these Articles of Association and if such candidate is nominated as an Independent Director, then such candidate's written confirmation shall be provided that he/she complies with all such requirements.

6.9. The list of persons entitled to participate in the Meeting shall be prepared in accordance with the rules of the securities legislation of the Russian Federation for drawing up the list of persons exercising the rights attached to securities.

Record date of the persons entitled to participate in the Meeting shall not be earlier than ten (10) days after the date of adoption of the resolution to convene the General Meeting and shall not be more than twenty five (25) days or, in cases specified in Paragraph

2 of Article 53 of the Federal Law, fifty five (55) days prior to the date of the General Meeting.

In the event of a Meeting with agenda containing the issue re reorganization of the Company, the record date for the persons entitled to participate in such Meeting shall not be earlier than thirty five (35) days before the date of the Meeting.

Information on the record date for persons eligible to participate in the Meeting shall be disclosed not less than five (5) days before such date.

6.10. Any General Meeting other than an annual General Meeting shall be considered an extraordinary Meeting. An extraordinary General Meeting shall be convened by the Company's Board of Directors at its own initiative or upon a request of the Audit Commission, the Company external auditor, or shareholder(s) owning at least ten per cent (10%) of voting shares in the Company as of the date the request is submitted.

6.11. The Company's Board of Directors shall convene an extraordinary General Meeting upon a request of the Audit Commission, the Company external auditor, or shareholder(s) owning at least ten per cent (10%) of the voting shares of the Company. A decision to convene or refuse to convene an extraordinary General Meeting upon a request of the Audit Commission, the Company's external auditor, or shareholder(s) owning at least ten per cent (10%) of voting shares in the Company, shall be taken by the Board of Directors within five (5) days after the request is made. Such decision shall be communicated to the persons requesting the convocation of an extraordinary General Meeting within three (3) days after the taking thereof. A decision to refuse convocation of an extraordinary General Meeting may be taken only in the cases provided for in the Federal Law.

6.12. An extraordinary General Meeting convened upon a request of the Audit Commission, the Company's external auditor, or shareholder(s) owning at least ten per cent (10%) of the voting shares in the Company shall be held within forty (40) days after the request for its convocation is submitted. If the proposed agenda of the extraordinary General Meeting contains an item on the election of the Board of Directors members, such General Meeting shall be held within seventy five (75) days after the request to convene such General Meeting is submitted.

6.13. The Board of Directors shall not alter the wording of the agenda items or resolutions on these items, or change the proposed form for holding the extraordinary General Meeting convened upon a request of the Audit Commission, the Company's external auditor, or shareholder(s) owning at least ten per cent (10%) of voting shares in the Company.

6.14. If the Board of Directors fails to make a decision on convocation of the extraordinary General Meeting within the established period of time or decides to refuse to convene the extraordinary General Meeting, the Company body or person requesting convocation of such General Meeting may refer to court with a claim to enforce the Company to hold such extraordinary Meeting.

6.15. If the proposed agenda of the extraordinary General Meeting includes an item re election of members of the Company's Board of Directors, the shareholder(s) holding in the aggregate at least two per cent (2%) of voting shares in the Company may nominate candidates to the Company's Board of Directors, the number of which may not exceed the numeric composition of the Board of Directors of the Company. Such proposals shall be

delivered to the Company at least thirty (30) days prior to the date of the extraordinary General Meeting.

6.16. The right to participate in a General Meeting may be exercised by a shareholder either in person or by a proxy. At the General Meeting, a shareholder's proxy shall exercise the authority based on the provisions of federal laws or regulations issued by duly authorized governmental bodies or local self-government bodies, or by a power of attorney made in writing in accordance with the requirements of federal laws. A shareholder may at any time replace his/its proxy at the General Meeting or attend the General Meeting personally.

6.17. Voting at a General Meeting shall be by ballots. The voting ballot shall be sent by registered letter to each person registered in the Company's shareholders register and entitled to participate in the Meeting, not later than twenty (20) days before the date of the Meeting. If the e-mail address of a person registered in the shareholder register is indicated in the shareholders register, the ballot to such person can be sent in the form of an electronic message to the e-mail address of the person specified in the Company's shareholders register.

6.18. The receipt by the Company's registrar of messages containing expression of will of persons entitled to participate in the Meeting, not registered in the Company's shareholders register and who, in accordance with the requirements of the securities legislation of the Russian Federation, instructed the persons responsible for recording their rights to shares re voting, shall be deemed to be voting by ballots. The General Meeting shall be deemed competent (have the quorum) if shareholders holding in the aggregate more than one-half of the votes of the outstanding voting shares in the Company participate in the General Meeting.

Shareholders registered for participation in the Meeting, including those registered at Internet web-site specified in Meeting Notice, as well as the shareholders whose ballots were received or whose e-ballots were filled in at the Internet web-site specified in Meeting Notice within the time limit set by by the Federal Law shall be deemed to have participated.

Shareholders, whose ballots were received or whose e-ballots were filled in at the Internet web-site specified in Meeting Notice before the end date of ballots collection, shall be deemed to have participated in the Meeting held in the form of absentee voting.

Shareholders, who in accordance with the requirements of the securities legislation of the Russian Federation instructed the persons responsible for recording their rights to shares re voting, shall be deemed to have participated in the Meeting held in the form of absentee voting if messages containing expression of will of such persons were received not later than two (2) days before the date of the Meeting or end date of ballots collection.

7. AUTHORITY OF THE GENERAL MEETING OF SHAREHOLDERS

7.1. The following matters shall fall within the authority of the General Meeting:

7.1.1. Changes in and amendments to the Company Charter or approval of a new revision of the Company Articles of Association;

7.1.2. Reorganization of the Company;

7.1.3. Liquidation of the Company, appointment of a liquidation commission and

approval of the interim and final liquidation balance sheets;

7.1.4. Election of members of the Board of Directors, and early termination of their office;

7.1.5. Determination of the total number, par value and category (type) of authorized shares and the rights granted by these shares;

7.1.6. Increase of the Company's authorized capital by increasing the par value of shares or Company's issuing additional shares in the Company as provided for by the Federal Law;

7.1.7. Decrease of the Company's authorized capital by decreasing the par value of shares, Company's acquisition of a portion of shares in order to reduce the total number thereof, or cancellation of the acquired or redeemed shares by the Company;

7.1.8. Election of members of the Audit Commission and early termination of their office;

7.1.9. Approval of the Company's auditor;

7.1.10. Approval of the Company's annual reports, annual accounting (financial) statements;

7.1.11. Determination of the procedure for conducting General Meetings;

7.1.12. Splitting and consolidation of shares;

7.1.13. Authorization of transactions or subsequent approval thereof in cases provided for by Article 83 of the Federal Law;

7.1.14. Authorization or subsequent approval of major transactions in cases provided for by Article 79 of the Federal Law;

7.1.15. Approval of applying for delisting of the Company's shares and/or the Company's issue-grade securities convertible to its shares;

7.1.16. Approval of resolutions on the Company's participation in financial and industrial groups, associations and any other unions of commercial organizations;

7.1.17. Approval of internal documents regulating the activities of the Company's bodies;

7.1.18. Payment (declaration) of dividends on basis of the performance results of the first quarter, first six months and first nine months of a fiscal year;

7.1.19. Distribution of profit, including payment (declaration) of dividends, except for profit distributed as dividends for the performance results of the first quarter, half-year, nine months of a reporting year, and Company's losses in accordance with the performance results of a reporting year;

7.1.20. Delegation of the powers of the sole executive body of the Company to a

management company (manager);

7.1.21. Election and termination of office of the President of the Company;

7.1.22. Other matters envisaged by the Federal Law.

7.2. The General Meeting shall adopt resolutions on the matters put to the vote by a majority vote of the owners of voting shares in the Company participating in the General Meeting, unless a greater majority is required by these Articles of Association or by the laws of the Russian Federation.

7.3. Resolutions on the matters set forth in clauses 7.1.1-7.1.3, 7.1.5 and 7.1.15 of these Articles of Association as well as issues re Authorization or subsequent approval of major transactions where subject matter is a property whose value exceeds 50 percent of the book value of the Company's assets shall be adopted by the General Meeting by a three-quarter majority vote of the shareholders owning the voting shares in the Company participating in the General Meeting.

7.4. Resolutions on the matters set forth in clauses 7.1.1-7.1.3, 7.1.6, 7.1.7, 7.1.12-7.1.14 and 7.1.16-7.1.20 hereof shall be adopted by the General Meeting only when proposed by the Board of Directors.

7.5. Resolutions on the matter specified in clause 7.1.15 hereof shall become effective, provided only that the total number of shares, in relation to which the redemption claims have been made, does not exceed the number of shares, which can be redeemed by the Company subject to the limitation set in clause 5 of article 76 of the Federal Law.

7.6. A resolution of the General Meeting may be adopted without holding the Meeting (without joint attendance of shareholders for the discussion of the items on the agenda and the adoption of resolutions put to the vote) by means of absentee voting.

7.7. Shareholders shall be informed of the resolutions adopted by the General Meeting and of the results of the voting pursuant to the procedure and within the time limits established by the Federal Law.

7.8. Determination of the quorum, counting of the voting results and other functions of the Counting Commission shall be performed by the Registrar of the Company.

7.9. The Company shall post the Meetings of the Meeting at the Company's site no later than two (2) days after the minutes have been made up.

8. BOARD OF DIRECTORS OF THE COMPANY GENERAL DIRECTOR OF THE COMPANY

8.1. The Company's Board of Directors (hereinafter the Board of Directors) shall be the collective management body of the Company and carry out the general management of the Company's activities, with the exception of the matters reserved by the Federal Law and these Articles of Association for the General Meeting.

8.2. Members of the Board of Directors shall be elected at the annual General Meeting in accordance with the procedure established by the Federal Law and shall hold their office until the next annual General Meeting.

8.3. The Board of Directors shall consist of 13 members. The Board of Directors may recommend to the General Meeting to amend these Articles of Association in order to change the number of members of the Board of Directors. The Board of Directors in the new numeric strength thereof shall be elected only after the adoption by the General Meeting of the relevant amendments to these Articles of Association by the Meeting and state registration thereof. Until the Board of Directors in the new numeric strength is reelected, the authority and the procedure for the adoption of resolutions by the then current Board of Directors shall not change. The Board of Directors shall provide to the shareholders its recommendations with respect to candidates to the Board of Directors, including with respect to Independent Directors.

8.4. The Chairman of the Board of Directors shall be elected from among the members of the Board of Directors by a majority vote of all members of the Board of Directors. The Board of Directors shall be entitled at any time to re-elect its Chairman by a majority vote of all members of the Board of Directors.

8.5. In exercising their rights and performing their duties, members of the Board of Directors shall act in the interests of the Company and exercise rights and perform duties reasonably and in good faith in relation to the Company. They shall be liable to the Company for any losses to the Company caused by them. Members of the Company Board of Directors bear liability for proven instances of unreasonable bad faith or unreasonable actions with no exception to action (or omission) not complying with regular civil transactions or ordinary entrepreneurial risks. In such cases members of the Board of Directors who voted against the resolution that incurred losses on the Company, and those that acted in good faith by not voting shall not be made liable.

8.6. By a resolution of the General Meeting, during the period of performance of their duties the members of the Board of Directors may be paid remuneration and/or compensation for expenses related to their performance of the functions of the members of the Board of Directors; third party liability coverage may be acquired for the members of the Board of Directors in connection with performance of their activities, and agreements may be concluded with them for the indemnification of losses they may incur in connection with performance of their duties.

8.7. The Chairman of the Board of Directors, or, in his/her absence, one of the members of the Board of Directors elected by the Board of Directors shall organize the work of the Board of Directors, convene and hold its meetings, provide keeping of Minutes of meetings, perform the functions of the presiding person at meetings.

8.8. Meetings of the Board of Directors shall be held in accordance with these Articles of Association as often as necessary but not less than once every six weeks. Meetings shall be convened by the Chairman of the Board of Directors at his/her own initiative or at the request of a member of the Board of Directors, the Audit Commission, external auditor of the Company, the Management Board, the President or shareholders (or their representatives) holding in the aggregate at least ten per cent (10%) of ordinary shares in the Company. Such a request shall be submitted in writing and outline the reasons for convocation of the meeting.

In the case provided for by Article 83 of the Federal Law, the meeting may also be convened at the request of a member of the Management Board and/or a shareholder (shareholders) holding at least one (1) percent of the Company's voting

shares.

The procedure for convening and holding the Board of Directors meetings shall be determined by the Company's internal document, the Regulations of the Board of Directors.

The Company shall notify the members of the Board of Directors of a related party transaction no later than 5 days before the date of its conclusion in the manner and within the time limits specified for notifications of meetings of the Board of Directors.

8.9. The Board of Directors may pass resolutions by absentee vote.

8.10. Resolutions of the Board of Directors shall be adopted by a majority vote of the members of the Board of Directors participating in the meeting, unless otherwise provided for by the laws of the Russian Federation or by these Articles of Association.

Resolutions on the matters envisaged in paragraphs 9.3.5 (with regard to submitting for Meeting's consideration the matters specified in paragraphs 7.1.1, 7.1.7., 7.1.17, 7.1.20), 9.3.9 (except for the cases where acquisition of shares, bonds and other securities placed by the Company is obligatory due to law), 9.3.17.2, 9.3.18, 9.3.20, 9.3.22, 9.3.27-9.3.32, 9.3.34 of these Articles of Association shall be adopted by no less than ten (10) votes of the members of the Board of Directors.

A resolution on the matters provided for by paragraph 9.3.41 shall be passed by the Board of Directors by a vote majority of the elected members of the Board of Directors

8.11. Members of the Board of Directors acting concurrently as members of the Company's executive bodies shall not vote to determine the amount of remuneration and/or compensation payable to, or to approve the terms of agreements with, the President and members of the Company's Management Board.

8.12. When determining whether the quorum is present and results of the voting at the Board of Directors' meeting, a written opinion of a Board member absent from the Board meeting shall be taken into account provided that such written opinion was received by the Board of Directors before the meeting.

8.13. Each member of the Board of Directors shall have one vote at the Board meetings. At equality of votes when making a resolution, the Chairman of the Board of Directors shall not have a casting vote.

8.14. The Meeting of the Board of Directors shall be competent (have the quorum), if at least one half of the elected members of the Board of Directors attend the meeting.

If the agenda of the Meeting of the Board of Directors includes the matters specified in paragraph 9.3.1 of these Articles of Association as well as matters related to submitting to the General Meeting any matters related to reorganization or liquidation of the Company, increase in the Company's Authorized Capital, the meeting of the Board of Directors shall be competent (have the quorum), if at least two thirds of the elected members of the Board of Director attend the meeting, provided that at least one Independent Director participates in the meeting, if such member of the Board of Directors was elected and not considered as retired from the Board of Directors.

If the agenda of the Meeting of the Board of Directors includes the matters specified in paragraph 9.3.5 (with regard to submitting to the General Meeting the matters specified in paragraphs 7.1.1, 7.1.7, 7.1.17, 7.1.20), 9.3.9 (except for the cases where acquisition of shares, bonds and other securities placed by the Company is obligatory due to law), 9.3.17.2, 9.3.18, 9.3.20, 9.3.22, 9.3.27-9.3.32, 9.3.34 of these Articles of Association, the meeting of the Board of Director shall be competent (have the quorum), if at least ten (10) of the elected members of the Board of Directors attend the meeting.

If the agenda of the Meeting of the Board of Directors includes the matters specified in subparagraph 9.3.13.1 Of these Articles of Association the meeting of the shall be competent, if at least two thirds of the elected members of the Board of Directors attend the meeting.

8.15. An Independent Director is a member of the Board of Directors who meets the independence criteria established by the trading organizer responsible for the Company's shares listing.

An Independent Director shall refrain from actions that may compromise his/her independent status. If after the election of an Independent Director to the Board of Directors such director ceases to be an independent director due to any changes or new circumstances, such director shall promptly notify the Board of Directors thereof (through the Corporate Secretary) in writing and give a detailed report of all such changes and new circumstances.

8.16. Minutes of all meetings of the Board of Directors shall be kept in accordance with the procedure established by the Federal Law. All Minutes shall be signed by the person presiding at the meeting of the Board of Directors, who is responsible for the Minutes accuracy, and by the secretary of the Board of Directors.

8.17. In order to consider on a preliminary basis the most important matters and prepare recommendations for the Board of Directors for the purposes of making decisions on such matters, the Board of Directors shall establish Board of Directors Committees.

Committees of the Board of Directors shall be headed by members of the Board of Directors who are not members of the Company's executive bodies and shall include Independent Directors as their members. A member of the Board of Directors may be a head of no more than two committees.

The Board of Directors of the Company shall approve the Regulations ruling the activities of the Board Committees. Such Regulations shall indicate the number of members in the relevant committee, the minimum number of Independent Directors that must be members of the respective committee, and shall contain other provisions relating to the activities of Board Committees.

Recommendations and draft resolutions of the Board of Directors proposed by the Board Committees shall be included by the Chairman of the Board of Directors into the materials connected with the agenda of the Meeting of the Board of Directors without any change thereof.

8.18. Members of the Board of Directors are obliged to disclose the information on Company securities owned by them, transactions on Company securities carried out by them and on conclusion of contracts being derivative financial instruments, the underlying asset of which is such securities, as provided by the laws being in force.

9. AUTHORITY OF THE BOARD OF DIRECTORS

9.1. The Board of Directors shall be authorized to make decisions related to the general management of the Company's activities, with the exception of the matters referred to the General Meeting.

9.2. Matters referred by the Federal Law and this Charter to the Board of Directors shall not be delegated to the Company's executive bodies.

9.3. The following matters shall fall within the authority of the Board of Directors:

9.3.1. Determination of the Company's business priorities, development concepts and strategies and methods of their implementation, approval of the Company's plans and budgets, and approval of changes to the Company's plans and budgets;

9.3.2. Convocation of annual and extraordinary General Meetings, except for the cases set forth in the Federal Law;

9.3.3. Approval of the agenda of the General Meeting;

9.3.4. Determination of the record date for persons entitled to participate in a General Meeting, and other issues referred to the Company's Board of Directors in accordance with the Federal Law and related to the preparation for, and holding of, a General Meeting;

9.3.5. Submission of the issues set out in paragraphs 7.1.1 – 7.1.3, 7.1.6, 7.1.7, 7.1.12 – 7.1.14 and 7.1.16 - 7.1.20 of these Articles of Association for consideration by a General Meeting;

9.3.6. Increase of the Company's authorized capital by placing additional shares by the Company within the extent and categories (classes) of authorized shares;

9.3.7. Approval of a decision on the issue of securities by the Company, and approval of securities placement results report and securities prospectus in accordance with the federal laws and other regulations;

9.3.8. Placement by the Company of bonds and other issuable securities, including bonds convertible into shares and other issuable securities convertible into shares in the cases provided for in the Federal Law;

9.3.9. Acquisition of shares, bonds and other securities issued by the Company, in the cases provided for in the Federal Law;

9.3.10. Determination of price (monetary value) of property and of the offering and/or price for buyout of issuable securities in the cases provided for in the Federal Law;

9.3.11. Approval of applying for listing of the Company's shares and/or the Company's issue-grade securities convertible to its shares;

9.3.12. Approval of recommendations re the voluntary and mandatory offers received by the Company;

9.3.13. Establishment of the Company's executive bodies and termination of their authority;

9.3.13.1. determination of the size of remuneration and compensation payable to the Company's President; approval and modification of an agreement determining his/her rights and obligations;

9.3.13.2. determination of the number of members of the Management Board, election and termination of powers of members of the collective executive body – Company Management Board (upon presentation by the President of the Company), determination of the size of remuneration and compensation payable to the members of the Company's Management Board, and approval and modification of the agreement terms defining their rights and obligations and cancellation of such agreements;

9.3.14. Recommendations re candidate for auditor; determination of the size of remuneration and compensation payable for the Company's auditor services;

9.3.15. Recommendations on the size of remuneration and compensation payable to members of the Audit Commission;

9.3.16. Approval of the Company's Registrar and terms and conditions of the agreement therewith, as well as termination of agreement therewith;

9.3.17. Recommendations on the amount of dividends on shares;

9.3.17.1. Recommendations on the amount of dividend payable in monetary form;

9.3.17.2. Recommendations on the amount of dividend on shares payable in non-monetary form and procedure for payment thereof;

9.3.18. Approval and amendment of the Company's dividend policy;

9.3.19. Use of reserve and other funds of the Company;

9.3.20. Approval of the Company's internal documents, except for internal documents, the approval of which is reserved by the Federal Law for the General Meeting, and other internal documents the approval of which is reserved by these Articles of Association for the Company's executive bodies;

9.3.21. Approval of IT policy;

9.3.22. Approval and amendment of the Company's sales and marketing policy;

9.3.23. Preliminary approval of the Annual Report and annual accounting (financial) statements;

9.3.24. Establishment (liquidation) of branches and opening (closing) of representative offices of the Company; approval of Regulations thereof;

9.3.25. Authorization or subsequent approval of major transactions in cases provided for by the Federal Law;

9.3.26. Authorization or subsequent approval of related party transactions in cases provided for by the Federal Law;

9.3.27. Approval of any transactions of the Company (both individual and several interrelated), the party to which is (i) a shareholder of the Company holding independently or jointly with its affiliates (disclosed to the Company or public) owning more than 5% of voting shares in the Company or (ii) person disclosed to the Company as affiliated person of the said Company shareholder.

This paragraph shall not apply, if the said transactions (i) are major transaction or related party transactions scope of application of provisions of the Chapters X and XI of the Federal Law, respectively, or (ii) to be concluded with one or more Key Companies of the Group.

9.3.28. Making decisions (i) on Company's participation, change of its participation and termination of its participation in other organizations (excluding those listed in sub-paragraph 7.1.16 hereof), if such participation, change of the participation size or termination of participation are connected with acquisition or alienation of securities or participation shares in the charter capitals of business entities/organizations, (ii) on making Company's transactions (both individual and several mutually related) on acquisition, alienation or encumbrance of any securities (including shares in the Company, securities of a foreign issuer certifying the rights to shares in the Company, other securities convertible in shares in the Company) and participation shares in the charter capitals of business entities/organizations as well as (iii) on conclusion of contracts being derivative financial instruments in relation to securities, if the market value of the relevant securities/participation shares specified in sub-clauses (i)-(iii) above, exceeds the amount making up the equivalent of USD 5,000,000 (five million) at the exchange rate of the Central Bank of the Russian Federation as on the date of such decision.

This paragraph shall not apply, if the said transactions (i) to be approved in accordance with provision of paragraph 9.3.27 of the Article of Association of (ii) are major transactions or related party transactions scope of application of provisions of the Chapters X and XI of the Federal Law, respectively, or (iii) to be concluded with one or more Key Companies of the Group.

9.3.29. Approval of any transactions of the Company (both individual and several interrelated) on acquisition and (or) alienation by the Company of (i) enterprises and any other forms of participation in business (except for securities and participation shares), registered and (or) located outside the Russian Federation (irrespective of whether such business exists as a legal entity or not), (ii) exclusive rights to intellectual activity results or individualization facilities owned by the persons established outside the Russian Federation and not being citizens of the Russian Federation, (iii) any real property and land plots located outside the Russian Federation or other property, the ownership right to which is transferred from the time of the registration thereof in the official registers outside the Russian Federation, to use such property and (iv) any licenses, concessions and other rights to develop and mine minerals outside the Russian Federation, if the market value of the relevant property or rights specified in sub-clauses (i)-(iv) above exceed an amount making up USD five million (5,000,000) at the exchange rate of the Central Bank of the Russian Federation as on the date of the transaction approval.

This paragraph shall not apply, if the said transactions (i) to be approved in accordance with provision of paragraphs 9.3.27 and 9.3.28 of the Article of Association of (ii) are major

transactions or related party transactions scope of application of provisions of the Chapters X and XI of the Federal Law, respectively, or (iii) to be concluded with one or more Key Companies of the Group;

9.3.30. approval of any transactions of the Company (single transactions and related transactions), where the cost thereof or value of acquired or disposed of property exceeds the amount equal to equivalent of USD twenty million (20,000,000 US dollars) at the exchange rate of the Central Bank of the Russian Federation as of the date of approval, except for transactions concluded in the normal course of business.

This paragraph shall not apply, if the said transactions (i) to be approved in accordance with provision of paragraphs 9.3.27 - 9.3.29 of the Article of Association of (ii) are major transactions or related party transactions scope of application of provisions of the Chapters X and XI of the Federal Law, respectively, or (iii) to be concluded with one or more Key Companies of the Group;

9.3.31. Approval of any transactions of the Company (single transactions and related transactions), concluded in the normal course of business where the cost thereof or value of acquired or disposed of property exceeds the amount equal to equivalent of USD twenty million (200,000,000 US dollars) at the exchange rate of the Central Bank of the Russian Federation as of the date of approval.

This paragraph shall not apply, if the said transactions (i) to be approved in accordance with provision of paragraphs 9.3.27 - 9.3.30 of the Article of Association of (ii) are major transactions or related party transactions scope of application of provisions of the Chapters X and XI of the Federal Law, respectively, or (iii) to be concluded with one or more Key Companies of the Group;

9.3.32. Approval of limits and contractors under transactions specified by paragraph 9.4 of the Articles of Association;

9.3.33. Approval of instructions for the Company's voting at general meetings of shareholders (participants) of other business entities, in the charter capital of which the Company holds shares (participatory interests), on matters related to a change of size of the charter capital, reorganization or liquidation of such entities and on the conclusion by Russian companies of transactions deemed major in accordance with Federal Law, as well as on the conclusion by foreign companies of transactions subject to approval by the Company as a shareholder participant) in such foreign companies in accordance with the jurisdiction of their incorporation except for the cases provided for in paragraph 9.3.43.

The present paragraph shall not apply if the transactions stipulated by item one of the present paragraph are concluded between the Company and one or several Key companies of the Group on one hand and one or several Key companies of the Group, on the other hand;

9.3.34. Issues related to the procedure of Company's voting at general meetings of shareholders (participants) of the Key Companies of the Group, which shares (participation interests in the charter capital) are owned by the Company, on the matters:

- (i) on amendments and additions to the Articles of Association of such companies or approval of the Articles of Association except for amendments and additions connected with change of the authorized capital (subject to Company's holding directly or indirectly (through other legal entities) 100% of voting shares (shares

in the authorized capital) in such Key Company both prior to and in accordance with results of the change of the authorized capital), change of the name, location, postal address, introduction or change of the information on the succession, changing the number of authorized shares, the term of powers of the sole executive body, the number of members of the Board of Directors, the Audit Commission;

- (ii) on approval or introduction of amendments in the internal documents regulating the activities of the bodies of such companies and accounting policy;
- (iii) on marketing strategy;
- (iv) on termination of the powers of the management company of such companies;
- (v) on approval of transactions of such companies meeting the criteria specified in paragraphs 9.3.27-9.3.31 of the Articles of Association.
- (vi) on approval of limits and contractors under transactions specified by paragraph 9.4 of the Articles of Association;

The Key Companies of the Group in this the Articles of Association shall imply the companies, in which the Company owns directly or indirectly (through other legal entities) 50% of voting shares (participation interests in the authorized capital).

Subparagraph 9.3.34(v) shall not apply if mentioned transactions are concluded between the Company and one or several Key companies of the Group on one hand and one or several Key companies of the Group, on the other hand;

9.3.35. Control over execution of budgets approved by the Board of Directors;

9.3.36. Establishment of Committees of the Board of Directors, election of members of committees and termination their powers, election of chairmen of committees, approval of the Regulations on such committees;

9.3.37. Election and termination of the Chairman of the Board of Director and its deputy (deputies).

9.3.38. Approval of appointment (dismissal) of the Corporate Secretary, determination of the terms of the agreement with him, including amount of the remuneration of the Corporate Secretary; approval of the Regulations thereon;

9.3.39. Approval of principles and approaches to the risk management and internal control system of the Company, supervision over the functioning of the risk management system and internal control;

9.3.40. Adoption of resolution on appointment to (termination of) office of the Head of a Company's Business Unit responsible for internal audit, including amount of his/her remuneration; approval of Regulations on the Company's Business Unit responsible for internal audit;

9.3.41. Election and termination of powers of managers of Control Department's services (controllers), approval of Regulations on the Control Department and amendment

thereof;

9.3.42. Supervision over the corporate governance and its financial and economic activities, evaluation of the performance of the Company's President and members of the Management Board of the Company, control over the implementation of decisions of the Board of Directors, review of reports on the Company's financial and economic activities submitted by the Management Board;

9.3.43. Assessment of the Board of Directors performance, including consideration of the issue re sufficiency of the number of the Board of Directors members to the Company needs and interests of shareholders, evaluation of the professional qualifications of the members of the Board of Directors;

9.3.44. Evaluation of nominated members of the Board of Directors, including the adoption of resolution on compliance of candidates for the Board of Directors with independence criteria;

9.3.45. Recognition of nominated member of the Board of Directors, member of the Board of Directors as independent one.

9.4. Transactions of the Company or Key Companies of the Company's Group meeting the criteria specified in clause 9.3.31 of the Articles of Association, shall not require approval thereof by the Company's Board of Directors, if such transactions are made within the activities provided for by clauses 3.2(51) – 3.2(54) of the Articles of Association, with counterparts and within the limits approved by the Board of Directors of the Company except where such transactions are to be approved by the Board of Directors of the Company due to the requirements of law.

9.5. Related transactions for the purposes of this Article 9 shall mean transactions entered into with the same person or its affiliates (disclosed to the Company or the publicly) either concurrently or within a short period of time (maximum 3 months), which are:

- (i) homogeneous by their legal nature, or
- (ii) if such transactions are: interdependent and/or secure the same commitment and/or concluded with respect to the property of the same or different kind, but intended to be used for one purpose (for example, mixed property constituting a single production facility).

9.6. For the purposes of paragraphs 9.3.30 and 9.3.31 of the Articles of Association, the transactions concluded in the course of normal business activities of the Company shall imply the transactions made within the core types of Company's activities specified in clause 3.2 of the Company's Articles of Association , including transactions on Company's acquisition of raw stock and materials (including rent of real estate properties for accommodation of offices), work and services required for performance of core activities types, sales of products, works and services to companies of the Group (including but not limited to agent activities), on obtaining and granting of trade and commercial credit and use of bank overdrafts related to settlement account used to service the Company's current activities.

10. EXECUTIVE BODIES OF THE COMPANY

10.1. The management of the Company's day-to-day operations shall be carried out

by the President of the Company (the sole executive body) and the Management Board of the Company (the collective executive body). The President of the Company (hereinafter the President) and the Management Board of the Company (hereinafter the Management Board) shall perform their duties in strict compliance with the Federal Law, other laws and regulations of the Russian Federation, these Articles of Association, internal documents of the Company and agreements to be concluded with the President and members of the Management Board.

10.2. Rights and obligations of the President and members of the Management Board with regard to the management of day-to-day operations of the Company shall be regulated by the Federal Law, other regulations of the Russian Federation, these Articles of Association, internal documents of the Company and an agreement determining their rights and obligations to be concluded between the Company and every such officer. The said agreements shall be signed by the Chairman of the Board of Directors or another person authorized by the Board of Directors. By the Resolution of the Board of Directors, during the period the President and members of the management Board perform their duties, the Company may acquire third party liability coverage in connection with their performance as members of the Company's executive bodies, and may enter into agreements with them on the indemnification by the Company of losses they may incur in connection with performance of their duties.

10.3. The President shall be elected by the General Meeting for an indefinite term. The General Meeting shall have the right to terminate the authority of the President at any time.

The members of the Management Board shall be elected by the Board of Directors for an indefinite term. The Board of Directors may terminate the authority of the members of the Management Board at any time.

10.4. The President shall act on behalf of the Company without a power of attorney, including, among other things, representing the Company's interests, entering into transactions on behalf of the Company, taking decisions on participation, modification of participation size and termination of participation of the Company in other entities (except for the entities specified in subparagraph 7.1.16 and in the events specified in subparagraph 9.3.28 of the Articles of Association), approving manning schedules, issuing orders and giving instructions binding on all employees of the Company, approving internal documents of the Company that regulate production, technological, financial, accounting, economic, personnel, social, labour, health and safety and records management issues, and shall make decisions concerning other aspects of the Company's day-to-day operations, unless the Articles of Association reserves such decisions for a General Meeting, the Board of Directors or the Management Board.

10.5. The President shall perform functions of the Chairman of the Management Board.

10.6. With regard to the matters reserved to the Management Board, the President shall act in accordance with decisions of the Management Board.

10.7. The Management Board shall manage the Company's operations within the limits of its authority as determined by the Articles of Association, and shall ensure the implementation of resolutions adopted by the General Meeting and the Board of Directors.

10.8. The following matters shall fall within the authority of the Management Board:

10.8.1. Preparation of draft amendments to the Company's Articles of Association for their further review by the Board of Directors;

10.8.2. Preparation and presentation of quarterly reports on financial and economic activity of the Company to the Board of Directors;

10.8.3. Preparation of recommendations on entering into the following transactions the approval of which is reserved for the General Meeting or the Board of Directors:

- (i) major transactions
- (ii) related party transactions which cost or the cost of acquired or alienated property in line with these transactions is superior to the amount equivalent to USD five million (5,000,000) at the rate of RF Central Bank as to the date of preparation of proposals;
- (iii) subject to approval pursuant to paragraphs 9.3.27 - 9.3.31 of these Articles of Association.

10.8.4. Analysis and appraisal of the results of the Company's financial and economic operations, including the results of performance of the earlier approved plans and programs; review of reports and other information on the performance of the Company, its subsidiaries, branches and representative offices;

10.8.5. Development of proposals on the use of the reserve fund of the Company;

10.8.6. Preliminary review of materials to be presented at the Board of Directors' meeting in connection with determining the Company's business priorities, development concept and strategies, as well as methods of their implementation, approval of the Company's plans and budgets as well as approval of changes in the Company's plans and budgets;

10.8.7. Decisions on appointment and dismissal of heads of branches and representative offices of the Company, definition of their labour agreement conditions.

10.8.8. Preliminary review of instructions for the Company's voting at general meetings of shareholders (participants) of other business entities, by shares (participation interests in the charter capital), which are owned by the Company, in the events provided for by clause 9.3.33 of these Articles of Association.

10.8.9. Preliminary review of annual reports of the Company;

10.8.10. Review of Corporate Social Responsibility Reports

10.8.11. Establishment of Budget Committee, approval of Regulations on the committee, termination of the Budget Committee;

10.8.12. Risk management and internal control activities and procedures;

10.9. In exercising their rights and performing their duties, President and members of

the Management Board shall act in the interests of the Company and exercise rights and perform duties reasonably and in good faith in relation to the Company. They shall be liable to the Company for any losses to the Company caused by them.

Members of the Company Management Board bear liability for proven instances of unreasonable bad faith or unreasonable actions with no exception to action (or omission) not complying with regular civil transactions or ordinary entrepreneurial risks. In such cases members of the Management Board who voted against the resolution that incurred losses on the Company, and those that acted in good faith by not voting shall not be made liable.

10.10. The President shall be held liable for organizing the work involving the use of information considered as state secret, as well as for implementation of a system for protecting such information; he/she shall arrange for proper recording and maintenance of employees' personal documents and ensure that the Company and its employees duly perform their responsibilities arising under the Federal Law "On Defense".

10.11. President and Members of the Management Board are obliged to disclose information on Company securities owned by them, transactions on Company securities carried out by them and on conclusion of contracts being derivative financial instruments, the underlying asset of which is such securities, as provided by the laws being in force.

10.12. The Company shall notify the members of the Management Board of a related party transaction no later than 5 days before the date of its conclusion in the manner and within the time limits specified for notifications of meetings of the Management Board.

11. CORPORATE SECRETARY

11.1. The Corporate Secretary shall be elected by the Board of Directors for a term of three years. The Board of Directors may terminate the powers of the Corporate Secretary at any time.

11.2. Corporate Secretary:

- (1) Participates in organizing the preparation and holding of Meetings in accordance with the requirements of the current legislation of the Russian Federation, the Articles of Association and other internal documents of the Company;
- (2) Ensures preparation and holding of Meetings in accordance with the requirements of the current legislation of the Russian Federation, the Articles of Association and other internal documents of the Company;
- (3) Ensures functioning of the Board of Directors and provide assistance to members of the Board of Directors in performing their functions;
- (4) Participates in improvement of Company's corporate management system and practice;
- (5) Administers Corporate Secretary Office;

- (6) Certify extracts from resolutions of the management bodies of the Company and copies of documents;
- (7) Carries out other functions stipulated by internal documents of the Company.

12. CONTROL OVER FINANCIAL AND BUSINESS ACTIVITY OF THE COMPANY

12.1. The Control over financial and economic operations of the Company shall be carried out by the Audit Commission.

12.2. The General Meeting shall elect the Audit Commission of five (5) members. The procedure of its activities shall be defined by the Regulations of the Audit Commission approved by the General Meeting.

Members of the Audit Commission may not at the same time be members of the Board of Directors or hold any other positions in the Company's management bodies.

12.3. The Audit Commission shall audit the Company's performance annually upon completion of a fiscal year or at any other time at the initiative of the Audit Commission, upon a resolution of the General Meeting or the Board of Directors, or upon the request of shareholders holding in the aggregate not less than ten per cent (10%) of voting shares in the Company.

12.4. At the request of the Audit Commission, members of the Company's management bodies shall make available documents on financial and economic operations of the Company.

12.5. An external auditor shall audit financial and economic operations of the Company in accordance with regulations of the Russian Federation under a contract to be entered into between the Company and the auditor.

12.6. Based on the results of the audit of financial and business operations, the Audit Commission and external auditor shall issue reports, the contents of which shall be determined by federal laws and other regulations of the Russian Federation.

12.7. The Audit Commission and the external auditor shall be entitled to demand convocation of an extraordinary General Meeting in accordance with the procedures provided for by the Federal Law.

13. ACCOUNTING AND REPORTING OF THE COMPANY. DOCUMENTS OF THE COMPANY. COMPANY DETAILS.

13.1. The Company shall keep accounting records and submit financial statements as provided for by the Federal Law and other regulations of the Russian Federation.

Along with the accounting (financial) statements prepared in accordance with the law on accounting, the Company prepares consolidated financial statements in compliance with International Financial Reporting Standards.

Consolidated financial statements are submitted to the shareholders of the Company through its posting on the Company's official website. The annual consolidated financial

statements are published within three (3) days after the date of the audit report, but not later than one hundred and twenty (120) days after the end of the reporting year. The interim consolidated financial statements are published within three days after the date of its compilation, but no later than sixty (60) days after the end of the reporting period for which this reporting is prepared.

13.2. The Company shall keep its documents and provide access to these documents for shareholders as provided for by the Federal Law and other laws and regulations of the Russian Federation.

13.3. The President of the Company shall be responsible, as provided for by the Federal Law, other regulations and the Charter of the Company, for organization, condition and reliability of the accounting records of the Company, as well as for the timely filing of the annual report and other financial statements with the relevant authorities and for submission of the information on the Company's operations to shareholders, creditors and mass media.

13.4. Members of the Board of Directors and executive bodies of the Company may not disclose any confidential or insider information, except in cases where such disclosure is required by applicable laws of the Russian Federation, and may not use confidential or insider information for any purposes not related to their professional activities. The insider information shall mean any precise and specific information,

which has not been distributed or made available (including information considered as commercial and other secret protected by law), the disclosure of which may have a significant impact on the price of financial instruments, foreign currency and (or) goods and which is referred to the information included in the corresponding list of insider information specified in the law.

13.5. Members of the Board of Directors and executive bodies of the Company shall be liable for disclosure of confidential and insider information in accordance with applicable laws of the Russian Federation.

13.6. The annual report of the Company shall be subject to prior approval by the Board of Directors at least thirty (30) days prior to the date of the annual General Meeting. The annual report of the Company shall contain (inter alia) the list of shareholders holding five per cent (5%) or more of voting shares in the Company according to the register of the Company shareholders, and report of the Board of Directors.

13.7. The following documents shall be kept by the Company:

- (1) The Articles of Association of the Company; all duly registered alterations and amendments to the Company Articles of Association; incorporation resolution; and the certificate of the state registration of the Company;
- (2) Documents evidencing the Company's title to property recognized on its balance sheet;
- (3) internal documents of the Company;
- (4) Regulations on the branches and representative offices of the Company;
- (5) Annual reports;

- (6) Accounting records;
- (7) Accounting (financial) statements;
- (8) Minutes of General Meetings, meetings of the Board of Directors, the Audit Commission and the Management Board;
- (9) Voting ballots and powers of attorney (copies thereof) for participation in General Meetings;
- (10) Reports of independent appraisers;
- (11) Lists of the Company's affiliates;
- (12) List of persons entitled to attend General Meetings, to receive dividends, as well as other lists made by the Company in order to secure the shareholders' rights in accordance with the requirements of the Federal Law;
- (13) Reports of the Audit Committee of the Company, the auditor, the state and municipal bodies of financial control;
- (14) Securities prospectuses, issuer's quarterly reports and other documents containing information subject to publication or disclosure by other methods in accordance with the Federal Law and other federal laws;
- (15) Notices of the conclusion of shareholders' agreements sent to the Company and lists of the persons who have concluded such agreements;
- (16) Judicial acts on disputes regarding incorporation of the Company, management of the Company or interest held in the Company;
- (17) Other documents as provided for in the Federal Law, the Company Articles of Association and internal documents, resolutions of the General Meetings and Board of Directors, organs of control of the Company, as well as documents contemplated by laws and regulations of the Russian Federation;

13.8. The Company shall provide its shareholders with access to the documents referred to in paragraph 13.7 hereof, provided that the accounting records and Minutes of meetings of the Management Board may only be made available to shareholder(s) owning in the aggregate at least twenty-five per cent (25%) of voting shares in the Company.

13.9. The Company shall be bound to disclose:

- (1) Annual report of the Company, its annual account statements;
- (2) Securities prospectus to issue shares of the Company in the cases provided for by laws and regulations of the Russian Federation;
- (3) Notice of the General Meeting as required by the Federal Law and these Articles of Association;

- (4) Lists of the Company's affiliates as provided by the legal acts of the Russian Federation;
- (5) Other information as may be required by applicable laws and regulations of the Russian Federation.

13.10. The Company's affiliates shall notify the Company in writing of any shares they hold in the Company, indicating the number and category (type) of such shares, not later than ten (10) days from the date of their acquisition.

If as a result of a failure to provide or untimely provision of the aforementioned information through the affiliate's fault the Company suffers property damage or loss, such affiliate shall be held liable to the Company to the extent of such damage.

14. FINAL PROVISIONS

14.1. Upon a resolution of a General Meeting, the Company may be reorganized in accordance with the procedures established by laws and other regulations of the Russian Federation.

14.2. The Company may be liquidated:

- on a voluntary basis upon a resolution of the General Meeting in accordance with the procedures set forth by the Civil Code of the Russian Federation and subject to the requirements of the Federal Law and these Articles of Association;
- upon a court's order on the grounds set forth by the Civil Code of the Russian Federation.

Liquidation of the Company shall entail its termination without universal legal succession of rights and obligations by any successors.

14.3. In the event of a change of the ownership structure, or reorganization or liquidation of the Company, or upon termination of operations involving the use of state secrets, the President shall take necessary steps to ensure protection of such information and carriers thereof.