

APPROVED
by the General Meeting of Shareholders of PJSC
"MegaFon"
September ____, 2016

CHARTER
OF JOINT STOCK COMPANY
«First Tower Company»

Moscow

CONTENTS

Article 1. General Information	3
Article 2. Trade name, registered address.....	3
Article 3. Legal status of the Company	3
Article 4. Purpose and types of business of the Company	3
Article 5. Charter capital and shares of the Company.....	4
Article 6. Bonds and other issued securities of the Company.....	5
Article 7. Rights and duties of shareholders	5
Article 8. Register of shareholders of the Company	7
Article 9. Distribution of profits and funds of the Company.....	8
Article 10. Management of the Company.....	9
Article 11. General Meeting of Shareholders.....	9
Article 12. Procedure for convening, preparing and holding the General Meeting of Shareholders.....	11
Article 13. Minutes of the General Meeting of Shareholders	13
Article 14. Board of Directors of the Company.....	13
Article 15. Procedure for convening, preparing and holding of the Board of Directors	17
Article 16. Minutes of the Board of Directors' meeting	20
Article 17. The sole executive body (Chief Executive Officer).	20
Article 18. Internal Auditing Committee (Internal Auditor), Auditor of The Company	21
Article 19. Records, reports and documents of the Company	22
Article 20. Confidentiality	23
Article 21. Liquidation and reorganization of the Company	23

Article 1. General Information

- 1.1 Joint Stock Company «First Tower Company» (hereinafter referred to as “the Company”) was established in accordance with the decision of the extraordinary General Meeting of Shareholders of Public Joint Stock Company “MegaFon” (Minutes No. __ dated _____), as a result of reorganization of Public Joint Stock Company “MegaFon” through a spin off, in compliance with the applicable laws of the Russian Federation.

Article 2. Trade name, registered address

- 2.1 Full trade name of the Company: Акционерное общество «Первая Башенная Компания».
Short trade name of the Company: АО «ПБК».
Full trade name of the Company in English: Joint Stock Company «First Tower Company».
Short trade name of the Company in English: JSC «FTC».
- 2.2 The registered address of the Company: Russian Federation, Moscow.

Article 3. Legal status of the Company

- 3.1 The Company is a legal entity established under the laws of the Russian Federation. The Company shall have its own solitary property recorded on a separate balance sheet and may in its name acquire, exercise intangible and non-property rights, assume obligations and act as a claimant and defendant in proceedings before general and arbitrazh courts and arbitration tribunals.
- 3.2 The Company shall have a round seal containing its full name in the Russian language and its registered address. The seal may also contain the name of the Company in any foreign language or any language of the peoples of the Russian Federation.
- 3.3 The Company may hold operating and other accounts in rubles or a foreign currency at banks and other lending institutions both in the Russian Federation and abroad.
- 3.4 The Shareholders shall not be liable for the obligations of the Company and shall bear the risk of losses related to its business within the value of the shares owned by them. Shareholders who have not fully paid up their shares shall bear joint liability for the obligations of the Company up to the unpaid value of shares held by them.
Shareholders may dispose of shares held by them without obtaining consent from other shareholders or the Company.
- 3.5 The Company may have interest in charter capital of other stock companies and other entities, establish and hold subsidiary and affiliate companies and establish other legal entities and organizations of any legal type permitted by the laws of the Russian Federation, both in the Russian Federation and abroad and both independently and jointly with other Russian or foreign legal entities (irrespective of their form of ownership or type of legal entity) and individuals in accordance with the laws of the Russian Federation and foreign states.
- 3.6 The Company may issue registrable securities and other securities in accordance with the laws of the Russian Federation and foreign states.

Article 4. Purpose and types of business of the Company

- 4.1 The primary purpose of the business of the Company is deriving profit from the provision of telecommunication services and carrying on other business activities.
- 4.2 The primary types of business of the Company are as follows:
(1) operations with real estate, including, without limitation, sale, preparation for sale, purchase and sale of own real estate, lease and rent of own real estate, provision of

- intermediary services (including as an agency) related to real estate, real estate management, including management of real estate operation, recording and technical inventory of real estate;
- (2) general construction works, including, without limitation, laying main pipelines, communication and power transmission lines, local and long-distance air and cable lines and power transmission lines, performance of related auxiliary work;
 - (3) installation of metal constructions, pre-fabricated structures of all types, utility equipment of buildings and structures, technological equipment, start-up and commissioning works; installation, repair and maintenance of electrical equipment;
 - (4) construction, reconstruction, restoration and operation of offices, residential and non-residential premises;
 - (5) R&D and other works;
 - (6) activities in the telecommunication sphere;
 - (7) implementation of any investment projects, including projects in the field of international and internal communications;
 - (8) advertising, marketing and market promotion services;
 - (9) wholesale, retail and commission trade;
 - (10) export and import of any goods, works or services;
 - (11) other activities that are not prohibited by the laws of the Russian Federation, including activities not specified in this Charter.
- 4.3 The Company may engage in certain types of activities, as provided for by law, only on the basis of a special authorization (license). If the conditions of issue of a special authorization (license) provide the authorized type activity be the Company's exclusive activity, the Company shall not, during the effective period of such special authorization (license), have the right to conduct other types of activities other than those types of activities stipulated by the special authorization (license) and those auxiliary or supplementary thereto.

Article 5. Charter capital and shares of the Company

- 5.1 The charter capital of the Company amounts to 5,000,000 (Five Million) Rubles.
- 5.2 The charter capital of the Company shall be formed of 50,000,000 (Fifty Million) ordinary registered shares with a par value of 10 (Ten) kopecks each.
All issued shares of the Company are registered shares in non-documentary form.
- 5.3 Additional shares may be issued by the Company only within the number of authorized shares specified in the Company's Charter.
Additionally, the Company may issue 100,000,000,000 (One Hundred Billion) ordinary registered shares with a par value of 10 (Ten) kopecks each (authorized shares).
- 5.4 Payment for shares may be effected by cash, securities, other property and proprietary rights, or any other rights which have monetary valuation.
- 5.5 The Company may acquire any shares which it has issued at a decision of the General Meeting of Shareholders in accordance with the Federal Law No.208-Φ3 dated December 26, 1995 "On Joint-Stock Companies" (hereinafter referred to as "the Federal Law "On Joint-Stock Companies").
- 5.6 The Company may pass a decision on the increase of the charter capital. The company's charter capital may be increased in the following manner:
- (1) through increase of the nominal value of the Company's shares; or
 - (2) through placement of additional Company's shares.

- 5.7 A decision to increase the Company's charter capital through increase of the nominal value of shares and placement of additional shares shall be taken by the General Meeting of Shareholders.
- 5.8 The increase of the charter capital of the Company through placement of additional shares can be performed using the Company's property. The increase of the charter capital of the company by means of increasing the nominal value of the shares can only be performed using the Company's property.
The amount of the increase of the charter capital of the Company using Company's property shall not exceed the difference between the value of the net assets of the Company and the sum of the charter capital and the reserve fund of the Company.
In case of increasing the charter capital of the Company using its property through the placement of additional shares, such shares shall be distributed among all shareholders. In this case each shareholder shall obtain the shares pro rata to the number of shares it owns. The increase of the charter capital of the Company using its property through the placement of additional shares resulting in appearance of fractional shares shall be prohibited.
- 5.9 The decision on increase of the Company's charter capital through the placement of additional shares shall define the number of additional ordinary shares to be issued within the number of authorized shares of this category (type), the method of the placement, the placement price for additional shares issued by means of subscription or the procedure for determination of such price, including the placement price or procedure for determination of the price of placement of additional shares for shareholders who have pre-emptive rights to purchase the issued shares, the form of payment for additional shares issued by means of subscription; other conditions for the placement may also be defined.
- 5.10 Any alterations and amendments to this Charter after any placements of the Company's shares, including amendments related to the increase of the Company's charter capital, shall be made on the basis of a decision by the General Meeting of Shareholders on the increase of the Company's charter capital, or any other decision serving the basis for the placement of shares or issued securities convertible into shares, and a registered placement report.
- 5.11 The company may, and, where the Federal Law "On Joint-Stock Companies" requires, must decrease its charter capital.
The charter capital of the Company may be decreased in the following manner:
(1) through the decrease of the nominal value of the Company's shares; or
(2) through the reduction of the total number of the Company's shares, including through the purchase and redemption of a part thereof.

Article 6. Bonds and other issued securities of the Company

- 6.1 The Company has the right to issue bonds and other securities on the terms and conditions set forth by the current legislation of the Russian Federation.
- 6.2 The issuance by the Company of shares and other issued securities, including issued securities convertible into shares, shall be carried out in accordance with the Federal Law "On Joint-Stock Companies".

Article 7. Rights and duties of shareholders

- 7.1 A shareholder of the Company is recognized as a person owning shares of the Company on the basis set forth by the legislation of the Russian Federation and this Charter.

- 7.2 Each ordinary share of the Company gives to its holder an equal scope of rights¹. In the event that in accordance with the legislation of the Russian Federation, a shareholder owns a fractional share in the Company, this fractional share provides to its owner the scope of rights corresponding to the part of a whole share in the Company.
- 7.3 Shareholders-owners of voting shares of the Company have the right to participate in the General Meeting of Shareholders of the Company with the right to vote on all issues within its competence either personally or through their representatives.
- 7.4 Voting at the General Meeting of Shareholders shall be conducted according to the principle: “one voting share – one vote” except for cumulative voting in cases specified by the Federal Law “On Joint-Stock Companies”. All ordinary shares represent the voting shares of the Company.
- 7.5 Each shareholder of the Company has the right to receive a portion of the profit (dividends) of the Company to be distributed among shareholders pro rata to the number of shares owned by them.
- 7.6 In the event of the Company’s winding-up, each shareholder has the right to receive a part of the property left after the settlement with creditors in accordance with the procedure set forth by the legislation of the Russian Federation and this Charter.
- 7.7 Shareholders of the Company shall have a pre-emptive right to acquire additional shares or securities convertible into shares issued by way of open subscription, in the amount pro rata to the number of shares of that category (type) owned by them.
- 7.8 Shareholders of the Company voting against or not taking part in voting on an issue of placement of shares and securities convertible into shares by way of a closed subscription, have a pre-emptive right to acquire additional shares and securities convertible into shares, placed through a closed subscription, in the amount pro rata to number of shares of that category (type) owned by them. This right does not extend to the placement of shares and other securities convertible into shares by way of a closed subscription, only among shareholders, if the shareholders have the right to acquire the entire number of issued shares and other securities convertible into shares in the amount pro rata to number of shares of that category (type) owned by them.
- 7.9 Shareholders (a shareholder), holding in total not less than two percent of the voting shares of the Company, no later than sixty days following the end of the financial year, are entitled to include issues on the agenda of the annual General Meeting of Shareholders and to nominate candidates for election to the Board of Directors and the Revision Commission, provided that the number of such candidates shall not exceed the total number of members of the respective management body and the Company’s Auditor.
- 7.10 Shareholders (a shareholder) of the Company have the right to call a convocation of the Extraordinary General Meetings of the Shareholders, if on the date of such demand, the shareholders own not less than ten percent of the voting shares of the Company.
- 7.11 Shareholders (a shareholder) of the Company have the right to demand repurchase by the Company of all or part of its shares in accordance with legislation of the Russian Federation and this Charter, including in the event of:
- (1) adoption by the general meeting of shareholders of the Company a resolution on reorganization of the Company or consent to the performance or subsequent approval of a major transaction the subject of which is property with a value exceeding 50 percent of the book value of the Company’s assets calculated according to its accounting (financial) statements as of the last accounting date (including if it is also a related-party transaction), if they voted against the resolution on reorganization of the company or against the resolution on consent to the performance or subsequent approval of such major transaction, or did not participate in voting on these issues;

- (2) making amendments of changes and supplements to this Charter or adoption of the new edition of the Company's Charter which restricts their rights, provided they voted against the relevant resolution or did not take part in the voting.
- 7.12 The shareholders (shareholder), under an unanimously adopted resolution of the General Meeting of Shareholders of the Company, shall make contributions into the Company's property:
- (1) pro rata to the size of their shares in the Company's Charter capital;
 - (2) not pro rata to the size of their shares in the Company's Charter capital, so as to increase the share of such Shareholder compared to the other Shareholders of the Company, up to the payment by such Shareholder of 100% (One Hundred percent) of the total amount of the contribution to the Company's property.
- The contributions to the property of the Company shall be made in cash unless otherwise determined by the resolution of the General Meeting of Shareholders. Contributions into the Company's property do not increase the Charter Capital and do not change the nominal value of the shares of the Company.
- 7.13 To finance and support the Company's operations, the Shareholders (a shareholder), under an agreement with the Company, shall have the right, to make unremunerated contributions to the company's property at any time, in cash or in kind, shall not increase the Charter Capital of the Company and shall not change the nominal value of the shares. Contributions to the Company's property can consist of monetary funds, things, shares (stakes) in charter (share) capitals of other business partnerships and companies, government and municipal bonds. Such a contribution may also consist of exclusive and other intellectual rights and rights under license agreements subject to monetary evaluation, unless otherwise provided for by the laws of the Russian Federation. The provisions of the Civil Code of the Russian Federation on donation agreements do not apply to the agreements under which the contributions to the Company's property are made.
- The agreement under which the Shareholders (a Shareholder) make a contribution to the Company's property shall be preliminary approved by a decision of the board of directors (supervisory board) of the Company.
- 7.14 The Shareholders of the Company have the preemption right to purchase the shares sold by other shareholders for the price offered to third parties. If the Shareholders failed to exercise their pre-emption right during its term, the Company shall have the pre-emption right to purchase the shares offered for sale by other Shareholders for the price offered to a third party.
- 7.15 The shareholders of the Company shall have the pre-emption right to buy the shares in the Company in the event if they are disposed under other transactions than a sale and purchase agreement (exchange, payoff, etc.) for a price not lower than the market value of the shares as of the last reporting date set on the last reporting day.

Article 8. Register of shareholders of the Company

- 8.1 The Company shall procure that the register of shareholders of the Company is maintained and kept in accordance with the laws of the Russian Federation from the date of state registration of the Company.
- 8.2 Maintenance of the shareholders' register of the Company shall be executed by an independent organization officially licensed as per the laws of the Russian Federation.
- 8.3 The shareholders' register shall contain information on each registered person, the quantity and category (types) of shares, entered in the name of each registered person, and other information required by the laws of the Russian Federation.
- 8.4 Each person registered in the shareholders' register of the Company is obliged to promptly inform the registrar of the Company about any changes in his data. In case of failure to report any

changes to the registrar of the Company, the Company and the Company's registrar shall not be liable for any losses caused as a result of such failure.

- 8.5 Upon request of a shareholder or a nominal holder of shares, the Company's registrar must confirm their rights to shares by means of an extract from the register. The extract from the register is not a security; however, it confirms the holding by the person indicated in the relevant extract of the relevant number of the Company's shares.

Article 9. Distribution of profits and funds of the Company

- 9.1 The Company may take decisions to pay (declare) dividends on placed shares upon the results of the first quarter, six months, nine months of a financial year and (or) a financial year, unless otherwise provided by the Federal Law "On Joint-Stock Companies".
- 9.2 Decision to pay (declare) dividends upon the results of the first quarter, six months and nine months of a financial year may be taken within three months after the expiration of the relevant period. Decision to pay (declare) dividends upon the results of a financial year, to define the dividend amount and payment mode shall be taken by a General Meeting of Shareholders. The dividend amount payable cannot exceed the dividend amount recommended by the Board of Directors. The General Meeting of Shareholders of the Company shall have the right to decide not to pay any dividends on shares.
- 9.3 Dividend payment period shall be defined by the law of the Russian Federation. The Company may not set any preferences in relation to dividend payment periods and deadlines for separate holders of shares of similar category (type). Payment of dividends on shares of every category (type) shall be made simultaneously in favor to all holders of shares of such a category (type).
- 9.4 Dividends shall be paid in cash unless a different payment mode is specified by a decision of a General Meeting of Shareholders. General Meeting of Shareholders may take a decision to pay dividends in kind (including stock dividends provided that Company is a stock-holder).
- 9.5 The date determining persons entitled to receive dividends as per the decision on payment (declare) of dividends shall be at least 10 days following the date of the decision on payment (declare) of dividends and within 20 days from the date of such decision.
- 9.6 The Company shall not be entitled to make a decision on (declare) the payment of dividends on shares:
- (1) before the payment in full of the Company's charter capital;
 - (2) before the repurchase of all the shares to be repurchased in accordance with the Article 76 of the Federal Law "On Joint-Stock Companies";
 - (3) if, as of the date of such a decision, the Company meets the insolvency (bankruptcy) criteria in accordance with the laws of the Russian Federation on insolvency (bankruptcy), or if these criteria will arise as a result of the payment of the dividends;
 - (4) if, as of the date of such a decision the value of net assets of the Company is below the aggregate amount of its charter capital and reserve fund or will become below this amount as a result of passing such a decision;
 - (5) in other cases specified by the laws of the Russian Federation.
- 9.7 The Company shall not be entitled to pay the declared dividends on shares:
- (1) if, as of the date of payment the Company meets the insolvency (bankruptcy) criteria in accordance with the laws of the Russian Federation on insolvency (bankruptcy), or if these criteria will arise as a result of payment of the dividends;
 - (2) if, as of the date of payment the value of net assets of the Company is below the aggregate amount of its charter capital and reserve fund or will become below this amount as a result of the payment of dividends;
 - (3) in other cases specified by the laws of the Russian Federation.

- 9.8 The Company's reserve fund is established in the amount of five per cent of its charter capital. The reserve fund shall be formed by means of annual mandatory contributions of five per cent of net profits.
- The funds of the reserve fund are intended to cover losses of the Company and to redeem the Company's bonds and repurchase its shares in cases provided by the legislation of the Russian Federation and this Charter, if the Company does not have any other funds.
- The reserve fund shall not be used for any other purposes other than stipulated above.

Article 10. Management of the Company

- 10.1 The Company has the following management bodies:
- (1) the General Meeting of Shareholders;
 - (2) the Board of Directors of the Company;
 - (3) the sole executive body (Chief Executive Officer).

Article 11. General Meeting of Shareholders

- 11.1 The General Meeting of Shareholders shall be the supreme governing body of the Company. The following matters shall be within the competence of the General Meeting of Shareholders:
- (1) making amendments and supplements to this Charter or approval of a new version of the Charter;
 - (2) reorganisation of the Company;
 - (3) liquidation of the Company, appointment of the liquidation commission and approval of the interim and final liquidation balance sheets;
 - (4) determination of the number of members of the Board of Directors, their election, early termination of their authorities, and determination of the amount of remuneration payable to members of the Board of Directors and/or the procedure for compensation of expenses to members of the Board of Directors of the Company during their term of office;
 - (5) determination of the number, par value, category (type) of authorised shares and of the scope of rights attached to such shares;
 - (6) distribution of profits (including payment (declaration) of dividends, except for payment (declaration) of dividends based on the results of the first quarter, six months, nine months of the reporting year) and losses of the company based on the results of the reporting year;
 - (7) increase of the charter capital of the Company by means of increasing the par value of shares or by means of issue of additional shares;
 - (8) decrease of the charter capital by means of decreasing the par value of shares or by means of reduction of their aggregate number, including acquiring by the Company a portion of shares or canceling shares acquired or repurchased by the Company;
 - (9) election of the Revision Commission (Internal Auditor) of the Company and early termination of their authorities, and approval of the amount of remuneration and compensation payable to the Revision Commission (Internal Auditor) of the Company;
 - (10) approval of the auditor of the Company;
 - (11) payment (declaration) of dividends as a result of the first quarter, six months, nine months of a financial year;
 - (12) approval of annual reports, annual accounting (financial) statements, including profit and loss statements (profit and loss accounts) of the Company, as well as distribution of profits (including payment (declaration) of dividends, excluding the profit distributed as dividends upon the results of the first quarter, six months, nine months of a financial year) and losses of the Company upon the results of a financial year;

- (13) determination of the procedure for conducting the General Meeting of Shareholders;
 - (14) subdivision and consolidation of shares;
 - (15) adoption of decisions on consent to performance or subsequent approval of transactions provided for by Article 83 of the Federal Law "On Joint-Stock Companies";
 - (16) adoption of decisions on consent to performance or subsequent approval of major transactions provided for by Article 79 of the Federal Law "On Joint-Stock Companies";
 - (17) acquisition by the Company of its issued shares in cases provided by the Federal Law "On Joint-Stock Companies";
 - (18) participation and discontinuation of participation of the Company in financial-industrial groups, associations, and other unions of commercial organizations;
 - (19) approval of internal documents regulating the functions of the Company's bodies;
 - (20) assigning to the shareholders (shareholder) obligations to make a contribution to the Company's property;
 - (21) deciding upon any other matters provided by the Federal Law "On Joint-Stock Companies" attributed to competence of the General Meeting of Shareholders.
- 11.2 Matters falling within the competence of the General Meeting of Shareholders, except for the matters specified in Subclauses (1) – (6), (9), (10), (16), (19) and (20), can be referred to the competence of the Board of Directors under a decision of the General Meeting of Shareholders adopted unanimously by all shareholders of the Company.
- 11.3 Any decisions on matters referred to in paragraphs (2), (7) and (14)-(19) of Article 11.1 of this Charter shall be adopted by the General Meeting of Shareholders only upon proposal by the Company's Board of Directors.
- 11.4 Any decisions on the matter referred to in paragraph (20) of Article 11.1 of this Charter shall be adopted by the General Meeting of Shareholders unanimously.
Any decisions on matters referred to in paragraphs (1)-(3), (5), (16) and (17) of Article 11.1 of this Charter, and decisions on decrease of the Company's charter capital through reduction of the nominal value of shares, issuance of shares (issued securities convertible into shares) by means of closed subscription, shall be adopted by the General Meeting of Shareholders by a three-quarter majority of votes of the shareholders who are owners of voting shares and take part in the General Meeting of Shareholders.
Decisions on any other matters referred to in Article 11.1 of this Charter shall be adopted by the General Meeting of Shareholders by a simple majority of votes of the shareholders who are owners of voting shares and take part in the General Meeting of Shareholders unless otherwise provided by the Federal Law "On Joint-Stock Companies"
- 11.5 The Company must hold an annual General Meeting of Shareholders each year. An annual General Meeting of Shareholders shall be conducted not earlier than three months and not later than six months after the end of a financial year. Any other General Meetings of Shareholders are extraordinary meetings.
An annual General Meeting of Shareholders shall elect the Board of Directors, the Revision Commission, and approve the Company's Auditor, and shall approve the Company's annual report, annual accounting (financial) statements, including a profits and losses statement (profits and losses statement) of the Company (except for the cases when these issues fall within the competence of the Board of Directors of the Company), and distribution of profits (including payment (declaration) of dividends, except for profits distributed as dividends based on results of the first quarter, six months, nine months of a financial year) and losses of the Company based on results of a financial year, and other documents in accordance herewith.
An annual General Meeting of Shareholders is entitled to consider any other matters which are within the competence of the General Meeting of Shareholders of the Company.
- 11.6 When the decisions are made by one shareholder who owns all the shares, the resolutions on issues pertained to the competence of the General Meeting of the Company's Shareholders shall

be adopted by such Shareholder unilaterally and executed in writing. In this case the provisions of Chapter VII of the Federal Law "On Joint Stock Companies" and this Charter determining the procedure for preparation, convocation and holding of the General Meeting of Shareholders shall not apply except for the provisions regulating the terms of holding of Annual General Meeting Of Shareholders.

Article 12. Procedure for convening, preparing and holding the General Meeting of Shareholders.

12. 1 Notification of the General Meeting of Shareholders is delivered to the each person specified in the list of persons entitled to participate in the General Meeting of Shareholders by any of the following means:
- (1) handed over against signature;
 - (2) sent to the e-mail address of the relevant person specified in the register of shareholders of the Company;
 - (3) sent by text message to the contact phone number or e-mail address specified in the register of shareholders of the Company, stating the procedure for familiarization with the notice about the General Meeting of Shareholders.
12. 2 The General Meeting of Shareholders shall take place in the City of Moscow.
12. 3 Proposals for inclusion of matters into the agenda and proposals of candidates for management bodies and other bodies of the Company can be submitted and demands for carrying out an Extraordinary Meeting of Shareholders can be provided by mail to the address of the Company or through correspondence with the registry or another department of the Company authorized to accept written correspondence addressed to the Company.
12. 4 The Chairman of the General Meeting of Shareholders is the Chairman of the Company's Board of Directors. In case of his absence or refusal to chair the General Meeting of Shareholders, the Chairman of the General Meeting of Shareholders shall be elected from the present members of the Board of Directors by simple majority of votes of the registered shareholders. In the event when none of the present members of Board of Directors receives the required number of votes required for the election as the Chairman of the General Meeting of Shareholders, or in the event that the Board of Directors was not formed, the functions of the Chairman of the General Meeting of Shareholders, by resolution of the General Meeting of Shareholders (adopted by a simple majority of votes of the holders of voting shares participating in the General Meeting of Shareholders) may be delegated to an officer of the Company.
- The Chairman of the General Meeting of Shareholders:
- (1) declares the opening of the General Meeting of Shareholders and the completion of its work;
 - (2) holds the General Meeting of Shareholders;
 - (3) establishes breaks in the work of the General Meeting of Shareholders, and declares their beginning and ending;
 - (4) oversees the procedure for carrying out the General Meeting of Shareholders;
 - (5) takes measures to support or re-establish the order at the General Meeting of Shareholders;
 - (6) organizes answers to questions and announcements by the shareholders;
 - (7) provides directions to distribute information and materials to shareholders participating in the General Meeting of Shareholders of the Company;
 - (8) signs on behalf of the General Meeting of Shareholders resolutions and memoranda to be published or distributed among third parties;
 - (9) receives documents and materials from the bodies of the General Meeting of Shareholders;

- (10) signs the minutes of the General Meeting of Shareholders.
12. 5 The General Meeting of Shareholders may independently elect the Secretary of the General Meeting of Shareholders from the Company's officials; such a decision shall be made by simple majority of votes of the registered shareholders.
12. 6 The functions of the Secretary of the Company's General Meeting of Shareholders include:
- (1) composing a list of persons entitled to participate in the General Meeting of Shareholders;
 - (2) organising the registration of participants of the General Meeting of Shareholders;
 - (3) composing a list of persons entitled to receive dividends;
 - (4) composing a list of shareholders entitled to demand buy-out of their shares in cases stipulated by the laws of the Russian Federation;
 - (5) composing a list of persons who have the pre-emptive right to acquire new shares and issued securities convertible into the shares;
 - (6) identifying persons interested in the Company's transactions, for the purposes of approval of such transactions by the General Meeting of Shareholders;
 - (7) keeping and signing a protocol of the General Meeting of Shareholders;
 - (8) preparing draft resolutions on the matters included in the agenda;
 - (9) organizing responses to questions and statements of shareholders;
 - (10) informing shareholders participating in the General Meeting of Shareholders about the order in which it will be held and its regulations;
 - (11) making amendments and supplements to draft resolutions based on the results of discussing the matters in the agenda;
 - (12) preparing information (materials) to be provided to persons entitled to participate in the General Meeting of Shareholders;
 - (13) ensure that persons entitled to participate in the General Meeting of Shareholders have access to information (materials) provided in preparation for holding the General Meeting;
 - (14) explaining to the shareholders participating in the General Meeting of Shareholders the order and procedure regarding convening the General Meeting of Shareholders;
 - (15) providing extracts and notes from the list of persons entitled to participate in the General Meeting of Shareholders;
 - (16) sending voting ballots to persons included in the list of persons entitled to participate in the General Meeting of Shareholders;
 - (17) collection of the completed voting ballots received by the Company;
 - (18) informing the shareholders of the results of the voting at the General Meeting of Shareholders, and of the decisions made.
12. 7 The place of the registration of the persons participating in the General Meeting of Shareholders shall be the address at which the General Meeting of Shareholders is held.
12. 8 If it is impossible to held the General Meeting of Shareholders in one day, a break shall be made until the morning of the following day, provided, however, that the following meeting of the General Meeting of Shareholders may not start before 9 a.m. of the following day (local time).
12. 9 In case provided for by the Federal Law "On Joint-Stock Companies", the voting at the General Meeting of Shareholders may be performed by means of voting ballots.
12. 10 The Company's Board of Directors determines the form and text of such ballots in accordance with the Federal Law "On Joint-Stock Companies".
12. 11 Voting ballots shall be sent to each person who has the right to participate in the General Meeting of Shareholders, in accordance with the procedure set out in the Federal Law "On Joint-Stock Companies".
12. 12 While determining the form and text of the ballots, the Board of Directors may, in addition to the requirements imposed by the laws of the Russian Federation, set a requirement that a registration number and certification stamp to be included in each ballot.

Article 13. Minutes of the General Meeting of Shareholders

- 13.1. Minutes of the General Meeting of Shareholders shall be made no later than three business days after closing the General Meeting of Shareholders. The Minutes of the General Meeting of Shareholders shall be signed by the Chairman and the Secretary of the General Meeting of Shareholders.
- 13.2. The Minutes of the General Meeting of Shareholders shall contain the information as required by the laws of the Russian Federation.
- 13.3. The documents adopted or approved by the decisions of the General Meeting of Shareholders shall be enclosed to the Minutes of the General Meeting of Shareholders, as well as to the Minutes on the results of the voting.
- 13.4. Minutes of the Company's General Meeting of Shareholders shall be kept by the Company at the address of the executive bodies of the Company for the duration and in accordance with the procedure established by the laws of the Russian Federation.
- 13.5. If necessary, a copy of minutes of the General Meeting of Shareholders and/or extracts from minutes of the General Meeting of Shareholders are provided and signed by the Secretary of the General Meeting of Shareholders and certified with the Company's round seal.
- The following information shall be, *inter alia*, indicated in an extract:
- (1) date and number of the minutes;
 - (2) matter on the agenda in respect of which the extract is requested;
 - (3) whether there was a quorum for the respective matter on the agenda, and the results of voting on such a matter; and
 - (4) decisions adopted on the respective matter on the agenda.

Article 14. Board of Directors of the Company

- 14.1 The Board of Directors of the Company shall exercise general administration over the Company's activity, except for the matters referred by the laws of the Russian Federation and this Charter to the competence of the General Meeting of Shareholders.
- 14.1 If the Board of Directors was not established, its functions shall be performed by the General Meeting of Shareholders of the Company, except for decisions related to holding the General Meeting of Shareholders and approval of its agenda. Decisions on holding the General Meeting of Shareholders and approval of its agenda shall be made by the Sole Executive Body (Chief Executive Officer).
- 14.2 The following matters shall fall within the competence of the Board of Directors of the Company:
- (1) determination of the Company's priority trends of activities and development strategy;
 - (2) approval of the budget of the Company and material amendments and additions thereto;
 - (3) convening of the Annual and Extraordinary General Meetings of the Shareholders;
 - (4) approval of the agenda for the General Meeting of Shareholders;
 - (5) determination of the date for composing a list of persons entitled to participate in the General Meeting of Shareholders, and other matters relating to preparation and holding of the General Meeting of Shareholders referred to the competence of the Board of Directors of the Company in accordance with the laws of the Russian Federation;
 - (6) determination of the price (monetary value) of property, placement price and redemption price of issued securities in cases stipulated by the laws of the Russian Federation;
 - (7) election (appointing) of the Chief Executive Officer and early termination of his/her powers, and determination of the amount of remuneration and compensation to be paid to the Chief Executive Officer; approval of the terms and conditions of the agreement with the Chief Executive Officer of the Company;

- (8) recommendations relating to the amount of remuneration and compensation to be paid to the members of the Revision Commission of the Company and the Auditor's fees;
- (9) recommendations relating to the amount of dividends on shares and the procedures for payment thereof;
- (10) use of the reserve fund and other funds of the Company;
- (11) adoption of internal documents of the Company with the exception of documents within the competence of the General Meeting of Shareholders, Chief Executive Officer of the Company;
- (12) establishment and liquidation of affiliated organizations, opening and closing of representative offices of the Company and, according to the Chief Executive Officer's proposals, appointment of the head of branches and representative offices of the Company;
- (13) approval of the agreement under which the Shareholders (a Shareholder) make a contribution to the Company's property;
- (14) consent to the performance or subsequent approval of transactions in cases specified in Chapter X of the Federal Law "On Joint-Stock Companies";
- (15) consent to the performance or subsequent approval of the transactions specified in Chapter XI of the Federal Law "On Joint-Stock Companies";
- (16) submission for the decision of the General Meeting of Shareholders of the issue on consent to the performance or subsequent approval of a major transaction the subject-matter of which is a property with a value of 25 to 50 percent of the balance sheet value of the assets of the Company in the event that the Board of Directors cannot reach an unanimous decision on the approval of such transaction;
- (17) approval of transactions (several interrelated transactions) related to the attraction of funds by the Company, provision by the Company of funds to legal entities and individuals, including, without limitation, credits, loans, guarantees, issue of bonds (bonded loans), issue and acquisition of bills of exchange, transfer of loans and (or) transfer of receivables under any circumstances related to the attraction of funds, including the above ones, in the event if, as a result of such transfer, the Company acquires the debtor's or creditor's obligations thereunder;
- (18) approval of transactions (several interrelated transactions) related to construction, modernization, reconstruction, repair of communication facilities and communication lines, as buildings and (or) parts of buildings containing communication facilities (parts of communication facilities) and lines, and other assets and (or) equipment needed for the operation and maintenance of communication facilities and communication lines, provided that the value of the property or the liabilities of the company under these transactions is equal to or greater than 1,000,000,000 (One Billion) Rubles;
- (19) approval of transactions (several interrelated transactions) related to acquisition by the Company, directly or indirectly, of the property title (property rights), except for communication facilities (parts of communication facilities) and communication lines, land plots, buildings and (or) parts of buildings containing communication facilities (parts of communication facilities) and lines, as well as auxiliary equipment and (or) facilities needed for the operation and maintenance of communication facilities and communication lines, provided that the value of the property or the liabilities of the company under these transactions is equal to or greater than 200,000,000 (Two Hundred Million) Rubles;
- (20) approval of transactions (several interrelated transactions) related to disposal by the Company of the property title (property rights), or creating the possibility of such disposal (sale and purchase, exchange, donation, pledge, contribution to a simple partnership, to the charter capital and (or) property of a business company, lease, except for lease of the following property (property rights): communication facilities (parts of communication

- facilities) and communication lines, land plots, buildings and (or) parts of buildings containing communication facilities (parts of communication facilities) and communication lines, and other transactions), provided that the value of the property or the liabilities of the company under these transactions is equal to or greater than 200,000,000 (Two Hundred Million) rubles; approval in accordance with this paragraph is not required if the said transaction (interrelated transactions) is subject to approval in accordance with Subparagraph (21), Paragraph 14.2. hereof;
- (21) approval of transactions (several interrelated transactions) related to disposal by the Company of the following property (property rights), or creating the possibility of such disposal (sale and purchase, exchange, donation, pledge, contribution to a simple partnership, to the charter capital and (or) property of a business company, and other transactions): communication facilities (parts of communication facilities) and communication lines, land plots, buildings and (or) parts of buildings containing communication facilities (parts of communication facilities) and communication lines, regardless of the value of the property or the liabilities of the company under these transactions;
 - (22) approval of the registrar of the Company, the terms and conditions of the agreement with the registrar and the termination of such agreement;
 - (23) decisions of the Company's participation and cease of participation in other entities, excluding those specified in paragraph (18) of Article 11.1 of the Charter;
 - (24) approval of entry by the Company into agreements for the establishing of partnerships, joint ventures and any type of simple partnership agreement (joint venture agreement);
 - (25) appointment and dismissal of executives directly (indirectly) subordinated to the Chief Executive Officer of the Company, and implementation in the Company of the relevant policy for remuneration of the executives directly (indirectly) subordinated to the Chief Executive Officer of the Company;
 - (26) approval of the Company's organizational structure and of the total number of employees of the Company;
 - (27) other matters concerning the general administration over the Company's activity provided by this Charter and the laws of the Russian Federation.
- 14.3 The decisions of the Board of Directors on the issue specified in Subparagraph (14) of Paragraph 14.2 of this Charter shall be approved unanimously by all members of the Board of Directors. Decisions on all other matters falling within the competence of the Board of Directors shall be resolved by a simple majority of votes of the members of the Board of Directors of the Company participating in the meeting, unless a greater number of votes is required by the laws of the Russian Federation.
- 14.4 Decisions at meetings of the Board of Directors mentioned in the Article 14.2 of the Charter shall be made by a simple majority of votes of the members of the Board of Directors present at the meeting.
- 14.5 Each member of the Board of Directors of the Company shall have one vote at any meeting of the Board of Directors of the Company. No member of the Board of Directors of the Company may assign his right to vote to any other person even if this other person is a member of the Board of Directors of the Company as well.
- 14.6 The total number of members of the Company's Board of Directors shall be determined by resolution of the General Meeting of Shareholders
- 14.7 Members of the Board of Directors shall be elected by the General Meeting of Shareholders for a term expiring at the next annual General Meeting of Shareholders and may be re-elected an unlimited number of times. The powers of members of the Company's Board of Directors may be terminated earlier by virtue of the resolution of the General Meeting of Shareholders. The

resolution of the General Meeting of Shareholders on early termination of powers may be adopted in respect of all members of the Board of Directors.

Members of the Board of Directors of the Company shall be elected through the cumulative voting. Cumulative voting provides that the number of votes held by a shareholder is multiplied by the number of persons to be elected to the Board of Directors and the shareholder is entitled to cast all votes obtained by such multiplication for one candidate or distribute them between two or more candidates.

The candidates with the most number of votes shall be deemed elected to the Board of Directors.

14.8 A member of the Board of Directors of the Company shall be entitled to:

- (1) require from the Chief Executive Officer to provide information (materials) and explanations on matters related to the affairs of the Company where such information is necessary for making decisions within the competence of the Board of Directors of the Company;
- (2) require that the member's opinion on agenda matters or decisions considered and/or made be recorded in the Minutes of the Board of Directors;
- (3) request that a meeting Board of Directors of the Company be convened.

14.9 A member of the Board of Directors of the Company shall be obliged to:

- (1) exercise their rights and perform their duties in the capacity of member of the Board of Directors in a good faith, reasonable and responsible manner and in the interests of the Company and within their authorities;
- (2) at the request of the Secretary of the Board of Directors provide information which may be necessary to the Company for compliance with requirements or recommendations prescribed by international standards, the laws of the Russian Federation and, where applicable, foreign laws;
- (3) refrain from actions which may create an actual or potential conflict of interests between the member of the Board of Directors and/or their affiliates on the one part and the interests of the Company and/or its affiliates on the other part. Where such a conflict of interests exists or may potentially arise, the member of the Board of Directors must notify this fact to the Secretary of the Board of Directors of the Company in writing;
- (4) refrain from actions which may lead to disclosure of confidential information.

Members of the Board of Directors of the Company may not without prior written consent of the Board of Directors acquire participation interests, shares or other securities in, or be elected to management bodies of legal entities being competitors of the Company.

Members of the Board of Directors must maintain confidentiality of information, documents and materials containing confidential information received by them during their term as member of the Board of Directors and for a period of five years after ceasing to be a member of the Board of Directors of the Company.

14.10 The Chairman of the Board of Directors of the Company shall be elected by the members of the Board of Directors of the Company from amongst their number and may be re-elected at any time. The Chairman of the Board of Directors shall have a casting vote in the event of a tied member vote.

In the event that the Chairman of the outgoing Board of Directors is elected to a new Board of Directors, he or she will continue to act as the Chairman until the Chairman of the new Board of Directors is elected. In the event that the Chairman of the outgoing Board of Directors is not elected to the new Board of Directors, the duties of the Chairman shall be performed by the oldest member of the Board of Directors until a new Chairman is elected.

Members of the Board of Directors of the Company may elect a deputy Chairman of the Board of Directors. In the event of absence of the Chairman, all his or her authorities, including execution of documents, shall be exercised by the deputy, and in the event of absence of the deputy – by

one of the members of the Board of Directors (as acting chairman) elected by the members of the Board of Directors by a simple majority of votes of the members present at the meeting.

The Chairman of the Board of Directors shall:

- (1) arrange for the work of the Company's Board of Directors;
- (2) determine the presence of a quorum at meetings of the Board of Directors;
- (3) convene meetings of the Board of Directors;
- (4) chair meetings of the Board of Directors;
- (5) organize for minutes to be maintained at meetings of the Board of Directors;
- (6) chair the General Meeting of Shareholders.

- 14.11 The Secretary of the Board of Directors shall be appointed by the Chairman of the Board of Directors of the Company; if the Chairman of the Board of Directors is absent, the functions of the Secretary of the Board of Directors may be assigned to another officer of the Company by decision of the Board of Directors of the Company.

The Secretary of the Board of Directors shall:

- (1) accept requests to convene, and send notices of, meetings of the Board of Directors;
- (2) send voting ballots, documents and materials prepared for meetings of the Board of Directors in accordance with this Charter;
- (3) collect filled in voting ballots and written opinions from members of the Board of Directors;
- (4) maintain Minutes of meetings of the Board of Directors and prepares Minutes in accordance with absentee ballots;
- (5) where necessary, ensure transcription or audio recording of meetings of the Board of Directors and subsequent storage of such records;
- (6) perform the functions of the Secretary of the Committees of the Board of Directors;
- (7) perform other functions in accordance with this Charter, other internal documents of the Company and instructions from the Chairman of the Board of Directors.

The date of receipt by the Secretary of the Board of Directors of documents and materials referred to in this Article shall be the date of their receipt by the Board of Directors.

Article 15. Procedure for convening, preparing and holding of the Board of Directors

- 15.1 Meetings of the Board of Directors of the Company may be held in the following forms:
- (1) in person (requiring the presence of members of the Board of Directors at the meeting);
 - (2) in absentia (by way of circulation of resolutions without members of the Board of Directors required to be present at the meeting);
 - (3) mixed form (requiring the presence of members of the Board of Directors of the Company at the meeting with acceptance of written opinions of members of the Board of Directors absent from the meeting).
- 15.2 Meetings of the Board of Directors of the Company shall be held at the registered address of the Company unless otherwise provided by a decision of the Board of Directors of the Company at a previous meeting.
- 15.3 The first meeting of a newly elected Board of Directors shall be held immediately following the General Meeting of Shareholders at which the Board of Directors was elected and the announcement of the results of voting on elections to the Board of Directors. The second meeting of the Board of Directors shall adopt a schedule of meetings of the Board of Directors for the following six months.
- 15.4 The Chairman of the Board of Directors shall convene meetings of the Board of Directors at his/her own discretion or at the request of any member of the Board of Directors, the Internal Audit Committee (Internal Auditor), the Auditor or the Chief Executive Officer. The format of meeting of the Board of Directors shall be decided by the person initiating the meeting.

- 15.5 Persons and bodies of the Company entitled to request a meeting of the Board of Directors to be convened shall forward to the Secretary of the Board of Directors a request to convene a meeting of the Board of Directors not later than twenty days prior to the proposed date of the meeting.
- 15.6 Within ten days from the date of such request, the Chairman of the Board of Directors shall either resolve to convene a meeting of the Board of Directors, set a date of a meeting or absentee voting, or refuse to convene a meeting.
- 15.7 A refusal to convene a meeting of the Board of Directors, including the reasons for such refusal, shall be sent to the person or management body of the Company requesting the meeting of the Board of Directors within three days from the Chairman resolving or refusing to convene the meeting.
- 15.8 Notices of meeting of the Board of Directors shall be sent by the Secretary of the Board of Directors to each member of the Board of Directors by electronic mail or by facsimile with confirmation of transmission.
Notices must be sent to members of the Board of Directors not later than ten days prior to the scheduled date of meeting, with the exception of circumstances referred to in Article 15.9 hereof, and must contain all required information prescribed by the legislation of the Russian Federation.
- 15.9 To enable the Board of Directors to make prompt decisions related to compliance with the laws and being reasonable and necessary for the normal functioning of the business of the Company, the time limits applicable to the convening meetings of the Board of Directors and holding absentee voting and to the sending the relevant notices and materials may be amended in accordance with this Charter.
In such circumstances, the Chairman of the Board of Directors, when determining the time limits applicable to the convening of meetings of the Board of Directors and holding absentee voting and to the sending the relevant notices and materials shall independently assess the opportunity of members of the Board of Directors to review the necessary materials and make a considered decision.
- 15.10 A quorum for the purposes of meetings shall be constituted if at least half the elected members of the Board of Directors are present at a meeting.
The presence of a quorum shall be determined by the Chairman of the Board of Directors at the opening of the meeting of the Board of Directors, taking into account properly submitted written opinions on matters on the agenda from members of the Board of Directors not presenting at the meeting. Such written opinions shall be deemed as properly submitted if they have been addressed to the Secretary of the Board of Directors by post with acknowledgement of receipt or by facsimile with confirmation of transmission or delivered to the Secretary by hand against signature.
For meeting held in absentee voting, the presence of a quorum shall be determined separately for each agenda matter.
The absence of a quorum with respect to certain agenda matters shall not constitute a ground for declaring a meeting as aborted. In such circumstances, the minutes of the meeting shall state that no quorum was present with respect to such agenda matters and consequently no decisions were made.
- 15.11 By decision of a majority of the members of the Board of Directors presenting at a meeting, any meeting may be adjourned for a period not exceeding 2 (Two) days.
- 15.12 Following the adoption by the Chairman of the Board of Directors of the decision to hold an absentee voting, all members of the Board of Directors shall be provided with notices of the meeting in absentia containing the resolutions put for voting and with voting ballots.
Ballots shall bear the names of the respective members of the Board of Directors and shall be prepared by the Secretary of the Board of Directors in accordance with draft resolutions.
A ballot of a member of the Board of Directors must contain the following:
(1) wording of matters put for voting;

- (2) voting options “for”, “against” and “abstained” for each matter;
- (3) deadline for submission of ballots;
- (4) postal address and facsimile number for submission of ballots;
- (5) surname and initials of the member of the Board of Directors.

In the event of a vote on a resolution with respect to interested party transactions, the ballots of those members of the Board of Directors which are deemed to be interested parties shall state that they may not vote on the said resolution.

15.13 Materials necessary for making decisions on the agenda matters of the meeting shall be sent to the members of the Board of Directors by electronic mail or published on an external electronic recourse not later than ten days prior to the scheduled date of the meeting in absentia, with the exception of circumstances referred to in Article 15.9 hereof.

15.14 Following receipt of notices, members of the Board of Directors shall fill in the ballots and within the time limits specified therein submit them to the Secretary of the Board of Directors by electronic mail (scanned copy) or by facsimile with confirmation of transmission. The originals of ballots shall be sent by post with acknowledgement of receipt or hand delivered to the Secretary of the Board of Directors against signature.

Signatures on ballots must be made by the members of the Board of Directors personally.

Votes of the members of the Board of Directors shall be valid only in relation to agenda matters for which only one voting option is selected.

15.15 Members of the Board of Directors who submitted signed originals of ballots papers to the Secretary of the Board of Directors not later than the date specified in the ballots shall be deemed to have participated in the meeting.

The deadline for the acceptance of ballots shall be not earlier than ten days from the date on which they are circulated, provided that members of the Board of Directors may by an unanimous decision prescribe a shorter period of time.

15.16 In the event that originals of ballots submitted as at the last date of receipt of ballots reveal an absence of a quorum in respect of all agenda matters, the meeting of the Board of Directors shall be deemed aborted. In this event the Secretary of the Board of Directors shall prepare minutes declaring the meeting as aborted. The minutes shall be signed by the Chairman and Secretary of the Board of Directors.

15.17 A ballot may be declared partially or wholly invalid by joint decision of the Chairman and Secretary of the Board of Directors in the following events:

- (1) no signature of the member of the Board of Directors casting the vote;
- (2) ballot is not filled in;
- (3) ballot is not in the prescribed form;
- (4) marks of any kind are made against more than one voting option;
- (5) ballot contains corrections or erasures, or additional items, candidates, comments or other markings have been added to it;
- (6) it is not possible to conclusively determine from the ballot the voting option chosen by the member of the Board of Directors;
- (7) other grounds for invalidating of the ballot prescribed by the laws of the Russian Federation or this Charter.

The declaration of a ballot invalid with respect to the vote on one or more resolutions specified in the ballot shall not be a ground for excluding such ballot for the purposes of determining the presence of a quorum or the counting of votes cast in respect to other resolutions.

The following ballots shall be excluded for the purposes of determination of presence of quorum and from voting on any resolutions of a meeting of the Board of Directors:

- (1) not signed by the member of the Board of Directors;
- (2) received after the deadline for their submission;

- (3) in which more than one voting option is selected in respect of a single agenda matter or no voting option is selected for at least one agenda matter.
- 15.18 The date of a meeting held in absentia shall be the last date of acceptance of ballots, however, where the ballots of all members of the Board of Directors are submitted prior to that date, the date of receipt of the last ballot may be declared as the date of meeting.

Article 16. Minutes of the Board of Directors' meeting

- 16.1 There shall be kept minutes of meetings of the Board of Directors.
The minutes of meeting of the Board of Directors shall be prepared not later than three days following the day on which it is held and shall be circulated amongst the members of the Board of Directors. Not later than fourteen days following the circulation of the minutes, members of the Board of Directors may submit their written opinions with respect to the minutes. The minutes shall be signed by the Chairman of the Board of Directors, who shall be responsible for the accuracy thereof, as well as by the Secretary of the Board of Directors. Where necessary, the minutes may be signed by members of the Board of Directors. Written opinions expressed by members of the Board of Directors, voting ballots and, at the discretion of the Chairman of the Board of Directors, materials on the agenda matters of the meeting, shall be attached to the minutes.
- 16.2 Minutes of a meeting of the Board of Directors held in absentia must be prepared not later than three days from the last day of acceptance of ballots.
- 16.3 Minutes of meeting must be accessible for perusal by each shareholder (or their representative) and each member of the Board of Directors at the address of the Company.
Copies of minutes of meeting of the Board of Directors and/or extracts therefrom shall be certified with signature of the Secretary of the Board of Directors and round seal of the Company.

Article 17. The sole executive body (Chief Executive Officer).

- 17.1 The Chief Executive Officer shall administrate day-to-day activities of the Company, except for the matters falling within the competence of the General Meeting of Shareholders and the Board of Directors of the Company.
- 17.2 To administrate day-to day activities of the Company, the Board of Directors of the Company shall elect the Chief Executive Officer of the Company. The Board of Directors of the Company shall determine the period of time for which the Chief Executive Officer shall be elected. The employment agreement with the Chief Executive Officer shall be signed by the Chairman of the Board of Directors of the Company or a person authorized by the Board of Directors of the Company.
The term of office of the Chief Executive Officer is one year.
- 17.3 The Chief Executive Officer of the Company may hold offices in the management bodies of other organizations only with the consent of the Board of Directors of the Company.
- 17.4 The Board of Directors of the Company shall be entitled at any time to adopt a resolution on early termination of powers of the Chief Executive Officer.
- 17.5 The following matters, *inter alia*, shall fall within the competence of the Chief Executive Officer of the Company:
- (1) to exercise operative administration of the Company's activities;
 - (2) to develop and present to the Board of Directors of the Company annual working plans of the Company, annual balance sheets, profit and loss accounts and other accounting documentation;

- (3) to ensure implementation of decisions adopted by the General Meeting of Shareholders and the Board of Directors of the Company;
 - (4) to approve estimates of expenses in connection with the preparation and holding of the General Meetings of Shareholders of the Company;
 - (5) to submit the budget of the Company and amendments and/or supplements thereto for approval to the Board of Directors of the Company;
 - (6) to submit for consideration to the Board of Directors of the Company reports on the current activities of the Company, on fulfillment of the budget and also to present to the Board of Directors of the Company for its consideration the annual report of the Company;
 - (7) to inform the Board of Directors on a regular basis of the financial condition of the Company, on the performance of the programs of priority, on transactions and decisions which may materially affect the Company's condition;
 - (8) to provide all the required materials to the Revision Commission (Internal Auditor) and to the auditor of the Company.
 - (9) to act without a power of attorney on behalf of the Company, to represent the Company in its relations with state bodies and organizations, legal entities and individuals; to open bank settlement and other accounts and to issue powers of attorney;
 - (10) to enter on the Company's behalf into any civil law transactions, to dispose of the Company's property to the extent permitted by the employment contract and/or the laws of the Russian Federation and assuming the requirements of the approval of the transactions by the General Meeting of Shareholders or the Board of Directors of the Company;
 - (11) to organize the work of the Company's structural subdivisions, to adopt its administrative and organizational structure and personnel schedules;
 - (12) to conclude employment contracts with the Company's employees, determination of the policy on the provision to the Company's employees of benefits and compensation, and to approve regulations on procedure for bonus payment to the Company's employees;
 - (13) approving internal documents of the Company except for documents which shall be approved by the General Meeting or other management bodies of the Company;
 - (14) to make decisions, issue orders, instructions and other documents within his or her competence;
- 17.6 Any other matters which do not fall within the competence of the General Meeting of Shareholders and the Board of Directors pursuant to the Federal Law "On Joint-Stock Companies" and this Charter shall also fall within the competence of the Chief Executive Officer of the Company.

Article 18. Internal Auditing Committee (Internal Auditor), Auditor of The Company

- 18.1 In order to ensure control over financial and operating activities of the Company, the General Meeting of Shareholders shall elect the Revision Commission (Internal Auditor). Revision Commission (Internal Auditor) shall be elected by the General Meeting of Shareholders until the next annual General Meeting of Shareholders.
- 18.2 The competence of the Revision Commission (Internal Auditor) is determined by the Federal Law "On Joint-Stock Companies."
- 18.3 Members of the Revision Commission of the Company may not hold any other positions in any management bodies of the Company. Members of the Revision Commission may be re-elected without any limitation.
The amount of remuneration and compensations payable to the members of the Revision Commission shall be determined by the General Meeting of Shareholders of the Company.

- 18.4 Upon audit of financial and operating activities of the Company, the Revision Commission (Internal Auditor) of the Company prepares a report which shall contain the following information:
- (1) confirmation of accuracy of data contained in the reports and other financial documents of the Company; and
 - (2) information concerning the facts of a violation of the procedure for maintaining of bookkeeping records and submission of financial reports as stipulated by laws and regulations of the Russian Federation, and other violations of the laws and regulations of the Russian Federation in the course of financial and operating activities of the Company.
- 18.5 The procedure regulating the activities of the Revision Commission (Internal Auditor) of the Company and its interaction with other bodies of the Company shall be determined by the Regulations on the Revision Commission of the Company approved by the General Meeting of Shareholders of the Company.
- 18.6 The Company's Auditor shall be approved at the General Meeting of Shareholders for the period until the following annual General Meeting of Shareholders.
- 18.7 The Auditor of the Company is responsible for audit of financial and operating activities of the Company in accordance with the laws of the Russian Federation and pursuant to an agreement executed with the Company.
The amount of remuneration for the Auditor's services shall be determined by the Company's Board of Directors.

Article 19. Records, reports and documents of the Company

- 19.1 The Company shall maintain true and complete accounting records and prepare accounting (financial) statements, maintain statistical records and prepare statements in accordance with the existing generally accepted principles of accounting and preparation of financial statements in the Russian Federation, and to perform tax accounting and submit tax reports in accordance with the laws of the Russian Federation. The Company must submit to its shareholders financial statements of the results of its activities. The financial year of the Company shall run from January 1 to December 31.
- 19.2 In accordance with the laws of the Russian Federation, the Chief Executive Officer of the Company shall be responsible for the organization, maintenance and accuracy of the Company's books and records and timely submission of the annual report and other financial information to the competent authorities, and information concerning the activity of the Company to shareholders, lenders and mass-media.
- 19.3 The accuracy of information contained in the annual report and annual accounting (financial) statements of the Company shall be confirmed by the Revision Commission (Internal Auditor) of the Company. For the purposes of audit and confirmation, the Company must engage an auditor who shares no property interest with the Company or its shareholders.
- 19.4 The Company shall keep the following documents:
- (1) the Foundation Agreement of the Company;
 - (2) the Charter of the Company, any amendments thereto which are duly registered, the decision on the foundation of the Company; certificate of state registration of the Company;
 - (3) documents confirming the Company's rights to property on its balance;
 - (4) internal documents of the Company;
 - (5) regulations on branches and representative offices of the Company;
 - (6) annual reports;
 - (7) accounting documents;
 - (8) accounting (financial) statements;
 - (9) minutes of the General Meetings of Shareholders,

- (10) voting ballots and powers of attorney (copies thereof) for participation in the General Meeting of Shareholders;
 - (11) reports of independent appraisers;
 - (12) lists of affiliated persons of the Company;
 - (13) lists of persons entitled to participate in the General Meeting of Shareholders, entitled to receive dividends and other lists composed by the Company and necessary for exercise by the Shareholders of their rights in accordance with the requirements of the laws of the Russian Federation;
 - (14) statements by the Auditing Committee (Internal Auditor) of the Company, the Auditor of the Company, state and municipal financial supervisors;
 - (15) securities prospectuses, quarterly reports of the issuer and other documents containing information subject to publication or another disclosure in accordance with the laws of the Russian Federation;
 - (16) notifications of the entering into shareholders agreements submitted to the Company, and lists of persons who entered into such agreements;
 - (17) judicial acts on disputes relating to the foundation of the Company, its management or participation in the Company;
 - (18) other documents stipulated by the Federal Law "On Joint-Stock Companies", this Charter, internal documents of the Company, decisions of the General Meeting of Shareholders, other management bodies of the Company, and documents stipulated by the laws of the Russian Federation.
- 19.5 The Company must ensure that the shareholders have access to documents in accordance with the laws of the Russian Federation and provide the shareholders with copies of such documents. The payment charged by the Company for provision of these copies shall not exceed the expenses for their preparation.

Article 20. Confidentiality

- 20.1 Any confidential information about the Company shall be provided to employees of the Company, bodies and persons who have the right to demand such information in accordance with the laws of the Russian Federation. No confidential information shall be provided to any other persons.
- 20.2 If any foreign persons are shareholders of the Company, the Company must set up a system of measures in accordance with the laws of the Russian Federation which are aimed at prevention of getting access by them to information which is categorized as state secrets.
- 20.3 Any information on operating activities of the Company obtained by the members of the Board of Directors as a result of performance of their duties is confidential and shall not be disclosed.

Article 21. Liquidation and reorganization of the Company

- 21.1 The Company may be voluntarily reorganized or liquidated in accordance with the procedure established by the laws of the Russian Federation and this Charter. The Company may be liquidated by a court judgment on the grounds provided for by the laws of the Russian Federation.
- 21.2 Reorganization of the Company (in the form of merger, accession, division, spin-off or transformation (change of the organizational form)) shall be made by a decision of the General Meeting of Shareholders. In the circumstances established by the laws of the Russian Federation, the reorganization of the Company in the form of its division or spin-off of one or more legal entities shall be made by a decision of competent state authorities or a court judgment.
- 21.3 In the event of voluntary liquidation, the General Meeting of Shareholders of the Company makes a decision on liquidation of the Company and appointment of the liquidation commission.

- 21.4 From the date of the appointment of the liquidation commission, it shall acquire all powers relating to the management of the activities of the Company. The liquidation commission shall act on behalf of the Company in court.
- 21.5 Liquidation of the Company shall be deemed completed, and the Company shall be deemed liquidated, from the date of making the respective entry into the unified state register of legal entities by the state registration authority.
- 21.6 The conditions and procedure for reorganization and liquidation which are not stipulated herein shall be regulated by the laws of the Russian Federation.