|  |  |
| --- | --- |
|  | APPROVED by the Annual General Meeting of Shareholdersof Lenenergo PJSC on \_\_.06.2017Minutes No. \_\_\_\_ of \_\_.06.2017 |

ARTICLES OF ASSOCIATION

**of Lenenergo, Public Joint Stock Company of the Power Industry and Electrification**

(revised version)

 St. Petersburg

2017

**Article 1. General provisions**

* 1. Lenenergo, Public Joint Stock Company (hereinafter referred to as the Company) is established by the Decree of the President of the Russian Federation dated August 14, 1992 No. 922 “On the reorganisation of state fuel-and-power sector enterprises and organisations into joint-stock companies”, the Decree of the President of the Russian Federation dated August 15, 1992 No. 923 “On the organisation of the Russian Federation power sector management in the privatisation conditions”, the Decree of the President of the Russian Federation dated November 5, 1992 No.1334 “On the implementation of the Russian Federation President’s Decree dated August 14, 1992 No. 922 “On the reorganisation of state fuel-and-power sector enterprises and organisations into joint-stock companies”.

The founder of the Company is the Committee on city property management of St. Petersburg – territorial Agency of the state property Committee of the Russian Federation. The Company is registered by the decision of the Registration Chamber under the St. Petersburg Administration on January 22, 1993 No. 2518.

The Company is the legal successor of the rights and obligations of the state enterprise “Lenenergo” Leningrad Power Production and Electrification Enterprise awarded the October Revolution Order and the 1st Grade Patriotic War Order within the boundaries defined in the Privatisation Plan of “Lenenergo” State Power Production and Electrification Enterprise, approved by the Chairman of the City Property Management Committee of the St.-Petersburg Administration on December 22, 1992.

* 1. The Company’s full corporate name in the Russian language – Публичное акционерное общество энергетики и электрификации «Ленэнерго», in the English language – Public JOINT-STOCK COMPANY “LENENERGO”. The Company’s previous full corporate name in the Russian language – Открытое акционерное общество энергетики и электрификации «Ленэнерго»; in the English language – JOINT-STOCK COMPANY “LENENERGO”.

The Company’s short corporate name in the Russian language – ПАО «Ленэнерго», in the English language – “LENENERGO” PJSC. The Company’s previous short corporate name in the Russian language – ОАО «Ленэнерго»; in the English language – “LENENERGO” JSC.

The Company’s location: the Russian Federation, St. Petersburg.

The Company’s address is indicated in the unified state register of legal entities.

The Company’s postal address: 196247, St. Petersburg, Constitution Square, 1.

* 1. The period of the Company’s duration shall be perpetual.

# Article 2. Legal Status of the Company

* 1. The legal status of the Company shall be regulated by the Russian Federation Civil Code, the Federal Law of 26.12.1995, No. 208-FZ, “On Joint Stock Companies” (hereinafter referred to as the Federal Law “On Joint Stock Companies”), other regulations of the Russian Federation, and these Articles of Association.
	2. The Company is a legal entity and a public joint stock company in accordance with the laws of the Russian Federation.
	3. The Company shall have its separate property and shall be liable for its obligations, it may on its own behalf acquire and exercise property rights and personal non-property rights, perform duties, act as a claimant and respondent in court.
	4. The Company may open bank accounts within and outside the Russian Federation in accordance with the prescribed procedure.
	5. The Company shall be liable for its obligations with all of the property belonging to it.

The Company shall not be liable for obligations of the state and its authorities or any obligations of its shareholders.

The shareholders of the Company shall not be liable for any obligations of the Company, except where otherwise provided for in the laws of the Russian Federation.

The shareholders may dispose of their shares without the consent of the other shareholders or the Company.

The shareholders of the Company shall bear the risk of loss associated with its activities to the extent of the value of their shareholdings.

* 1. The Company shall have a round seal bearing its full name in Russian and specifying its registered address.

The Company shall have stamps, letterheads bearing its corporate name, its own corporate logo, and a duly registered trademark and other visual identity means.

* 1. The Company shall have civil rights and obligations necessary to carry out any activities that are not forbidden by federal laws.
	2. The Company may establish branch offices and open representative offices in accordance with the provisions of the Civil Code of the Russian Federation, the Federal Act “On Joint Stock Companies” and other federal laws.

The Company’s branch offices and representative offices are not corporate entities and act on behalf of the Company and in accordance with the regulations approved by the Company.

Branch manager of any branch office or representative office of the Company shall be appointed by the sole executive body of the Company and shall act under the power of attorney issued by the Company.

The information on the Company’s branch offices and representative offices is stored the unified state register of legal entities.

The Company may have subsidiary business entities registered under the laws of the Russian Federation established in accordance with the Federal Law “On Joint Stock Companies”, other federal laws, and these Articles of Association or, if existing outside the Russian Federation, in accordance with the laws of the foreign country where a subsidiary is established, unless otherwise provided for in any international treaty of the Russian Federation.

For the purpose of these Articles, a business entity in which the Company holds over 20 (twenty) percent of voting shares (stakes) shall be qualified as a dependent company.

2.9. In case if the Company works with information constituting a state secret, the laws of the Russian Federation shall unconditionally prevail.

Court proceedings on any matters related to state secret shall be carried out within the Russian Federation according to the laws of the Russian Federation.

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

* 1. The principal purposes of the Company’s activities are the following:

1) generate revenue for the Company;

2) maintain effective and reliable operation of the facilities of the electric grid sector;

3) provide sustainable development of the electric grid sector;

4) provide reliable and high-quality power supply to consumers (in terms of delivery and transmission of

electricity).

* 1. For the purposes of revenue generation the Company shall be involved in the following activities:
* service delivery on electric power transmission and other services inseparably connected with the process of electric power supply of consumers;
* technological connection of power-consuming devices (power units) of legal entities and individuals to electrical networks;
* acquisition (purchase) of electric power from the wholesale market of electric power (capacity) from participants of retail markets and generating companies;
* acquisition (purchase) of heat from generating companies;
* electricity generation for own needs;
* generation of heat, supply (sale) of heat at the statutory rates in accordance with dispatcher schedules of heat loads, including – to population;
* designing, installation and adjustment at the site, operating and metrological support of the operations of electric power metering units;
* transmission of electric power and heat;
* electrical networks maintenance;
* heat supply networks maintenance;
* gas supply networks maintenance;
* engineering survey for the construction of 1st and 2nd responsibility levels buildings and constructions in accordance with the state standard;
* preparation of design documents for capital construction;
* construction, reconstruction and repairs;
* acting as a guaranteeing supplier of electric power, supply of electric power on the territory of its activity;
* geodesic operations;
* transportation of passengers by motor vehicles equipped for 8 (eight) people and more;
* transportation of cargo by railway;
* loading and unloading during railway transportation;
* transportation of dangerous cargo;
* development of communications facilities and communications service delivery;
* educational activities;
* storage of oil, gas and their derivates;
* sale of oil, gas and their derivates;
* medical activities;
* export and import operations;
* maintenance of dangerous production facilities;
* organisation and maintenance of production control over compliance of the requirements of industrial safety of dangerous production facilities;
* employers and employees trainings on job safety issues;
* scrap non-ferrous metal collection, processing and sale;
* scrap ferrous metal collection, processing and sale;
* organisation and performing of trainings on mobilisation, civil defense and emergency situation elimination activities issues;
* activities and services for the protection of information constituting commercial and state secrets;
* activities in the field of energy conservation and energy efficiency;
* activities in the field of energy inspection (energy audit) and provision of energy services;
* development of schedules on emergency restrictions of consumption mode;
* production of control measurements of flow, load and voltage levels in electrical networks of power supply;
* services for the certification of workplaces on working conditions;
* organisation of children’s recreation and healthcare, including packages of children’s health summer camps;
* activities related to the research, developmental and technological works, including designing, developing, implementing new and improving existing equipment, technologies, and methods to improve the reliability, quality, efficiency and sustainability of the power supply of consumers, creation of conditions for the development of the grid system of Russia, implementation of R&D programmes and innovative programmes, participation in the development of sectoral R&D funds;
* organisational, practical and preventive measures to ensure integrated security (antiterrorist and anticriminal protection, economic security, combating corruption and information security);
* other activities not prohibited by the legislation of the Russian Federation.

3.3. In cases provided for by law, the Company shall perform certain activities only in accordance with special permission (license), membership in a self-regulated organisation or a certificate of admission to a certain activity issued by a self-regulated organisation.

The Company’s right to perform an activity requiring a special permission (license), membership in a self-regulated organisation or a certificate of admission to a certain activity issued by a self-regulated organisation shall arise when such permission (license) is granted or on a date specified in such permission (license) or on a date when the Company becomes a member of a self-regulated organisation or when a certificate of admission to a certain activity is issued by a self-regulated organisation and shall terminate upon expiration of the term of such permission (license), membership in the self-regulated organisation or certificate of admission to a certain activity issued by the self-regulated organisation.

# Article 4. Authorised Capital of the Company

4.1. The authorised capital of the Company is composed of the par value of the Company’s shares purchased by its shareholders (outstanding shares).

The authorised capital of the Company is 8,617,049,631 (eight billion six hundred seventeen million, forty-nine thousand, six hundred thirty-one) rubles and 5 (five) kopecks.

4.2. The Company has placed the following uncertificated registered ordinary shares of the same par value of 1 (one) ruble:

1) A-type preference shares:

- 93,264,311 (ninety-three million, two hundred sixty-four thousand, three hundred eleven) shares with the total par value of 93,264,311 (ninety-three million, two hundred sixty-four thousand, three hundred eleven) rubles;

2) ordinary shares:

- 8,523,785,320 (eight billion five hundred twenty-three million seven hundred eighty-five thousand three hundred twenty) and 5/100 (five hundredths) shares with the total par value of 8,523,785,320 (eight billion five hundred twenty-three million seven hundred eighty-five thousand three hundred twenty) rubles and 5 (five) kopecks.

The authorised capital of the Company may be:

- increased by raising the par value of the shares or by placing additional shares;

- decreased by reducing the par value of the shares or by reducing their total quantity, including through the purchase and retirement of a part of the Company’s outstanding shares in accordance with these Articles of Association.

In addition to its outstanding shares the Company shall place ordinary non-documentary registered shares in the amount of 12,017,484,970 (twelve billion seventeen million, four hundred eighty-four thousand, nine hundred seventy), each with a par value of 1 (one) ruble, with the total par value of 12,017,484,970 (twelve billion seventeen million, four hundred eighty-four thousand, nine hundred seventy) rubles (authorised shares). Ordinary registered shares authorised by the Company shall grant their holders the rights provided for in paragraph 6.2 of Article 6 of these Articles of Association.

4.3. The authorised capital of the Company may be increased only after it is paid for in full.

Payment for any additional shares placed by the Company may be made through offsetting of claims against the Company in cases provided for in the Federal Law “On Joint Stock Companies”.

4.4. The authorised capital of the Company shall be decreased in accordance with the procedure in accordance with the laws of the Russian Federation and these Articles of Association.

The Company shall not be entitled to reduce its authorised capital if the amount of the Company’s authorised capital resulting from that reduction shall be less than the minimum authorised capital size specified in the Federal Law “On Joint Stock Companies” as of the date of applying for the state registration of the corresponding amendments to the present Articles, and in those cases when the Company must reduce its authorised capital in accordance with the Federal Law “On Joint Stock Companies” as of the Company’s state registration date.

The Company shall be obliged to decrease its authorised capital where provided for in the Federal Law “On Joint Stock Companies”.

# Article 5. Shares, bonds and other securities of the Company

5.1. The Company shall place ordinary shares, and one or several types of preference shares, bonds or any other securities in accordance with the procedure in accordance with the laws of the Russian Federation.

5.2. Conversion of ordinary shares into preference shares, bonds or any other securities shall not be permitted.

5.3. Placement of shares and other securities of the Company convertible into shares shall be performed in accordance with the legal acts of the Russian Federation.

5.4. In the cases provided for by the laws of the Russian Federation, the Company’s shareholders shall have the preemptive right to purchase additional shares and issue-grade securities convertible into shares placed by public offering in the amount proportional to the number of owned shares of this category (type).

5.5. If in the course of exercising the preemptive right to purchase additional shares, and during consolidation of shares, purchase by a shareholder of the whole number of shares shall be impossible, parts of shares (fractional shares) shall be formed.

A fractional share shall give the holder thereof the rights secured by a share of the appropriate category (type) in the scope corresponding to the part of a whole share it is equal to.

Fractional shares turnover shall be the same as the whole shares turnover. If one person acquires two and more fractional shares of the same category (type), these shares shall form one whole and (or) a fractional share equal to the sum of such fractional shares.

5.6. The Company shall be entitled to decide on the additional issue of shares within the limit of their declared quantity. The Company shall place additional shares and other issue-grade securities by means of subscription and conversion. In case of the increase of the authorised capital of the Company due to its property the Company shall place additional shares by means of shares distribution between shareholders.

The form of payment for the additional shares placed by means of subscription shall be defined by the decision on their placement and shall correspond to the legislation of the Russian Federation.

When payment for additional shares is made by non-monetary funds, the monetary value of contributed property is made by the Board of Directors of the Company in accordance with Article 77 of the Federal Law “On Joint Stock Companies”, and in cases stipulated by the legislation of the Russian Federation – by an independent appraiser (auditor). When payment for additional shares is made by non-monetary funds, payment for shares is made in accordance with the decision on their placement.

Payment for other issue-grade securities may be made only in cash.

5.7. The additional share shall not grant any voting rights until its complete payment.

In the case of non-payment or incomplete payment of the share on time, the share shall be placed at disposal of the Company.

The shares, placed at the disposal of the Company, shall not grand any voting rights, shall not be taken into account when counting votes, and shall not earn dividends. Such shares must be sold by the resolution of the Board of Directors at a price not lower than their market value not later than one year from the date of purchase. Otherwise, the General Meeting of Shareholders shall adopt a decision to decrease the authorised capital by redemption of these shares.

# Article 6. Rights and Obligations of Shareholders of the Company

* 1. Shareholder of the Company shall be a person holding shares of the Company on the grounds stipulated by the laws of the Russian Federation and these Articles.
	2. Each ordinary share of the Company shall provide its holder with the same scope of rights.

The shareholders – owners of ordinary registered shares of the Company shall be entitled to:

1. take part personally or by proxy in the Company’s General Meeting of Shareholders with a right to vote on all issues falling within their responsibility;
2. make proposals to the agenda of the General Meeting of Shareholders according to the procedure stipulated by the laws of the Russian Federation and these Articles;
3. obtain information about the Company's activity and examine documents of the Company in accordance with the Federal Law “On Joint Stock Companies”, other regulatory legal acts and these Articles;
4. receive the dividends declared by the Company;
5. acquire additional shares placed by means of subscription and issue-grade securities convertible into shares in proportion to the quantity of shares of that category (type) that they hold where specified in the laws of the Russian Federation;
6. receive part of the Company’s property in case of liquidation of the Company;
7. appeal against decisions of management bodies of the Company that lead to civil law consequences, in the cases and in accordance with the laws of the Russian Federation;
8. claim compensation for loss made to the Company;
9. challenge transactions conducted by the Company for reasons specified in the laws of the Russian Federation and invoke the consequences of their invalidity as well as the consequences of invalidity of void transactions of the Company;
10. enter into an agreement for the exercise of its corporate rights (corporate agreement) among themselves as well as with the Company’s creditors and other third parties;
11. exercise other rights specified in the laws of the Russian Federation and these Articles.
	1. Based on the agreement with the Company for the purpose of financing and support of the Company shareholders shall make non-refundable contributions in monetary or other form that do not increase the authorised capital of the Company and do not change the par value of shares (contributions to the Company’s property).

The agreement on the basis of which shareholders make contributions to the Company’s property shall be preliminarily approved by the Board of Directors of the Company.

* 1. The shareholders – owners of ordinary registered shares of the Company shall:

1) participate in the formation of the Company’s assets in the necessary amount, in the manner, by the means and within the time provided for in the laws of the Russian Federation or the Articles of Association of the Company;

2) not disclose any confidential information concerning operations of the Company;

3) participate in making decisions without which the Company may not continue its activities in accordance with the law if their participation is necessary for making such decisions;

4) refrain from actions that are known to be aimed as inflicting damage to the Company;

5) refrain from any acts (omission) that significantly impede or make impossible the achievement of the Company’s objectives;

6) notify the Company of entering into a corporate agreement;

7) notify in advance other shareholders of the Company of the intent to file a claim to the court on challenging the decision of the General Meeting of Shareholders as well as on compensation for damages incurred by the Company or accepting a transaction as invalid or invoking the consequences of transaction invalidity by giving a notice in writing that shall be received by the Company at least five days before the date of application to the court.

Shareholders of the Company may have other obligations provided for in the laws of the Russian Federation or these Articles of Association.

* 1. The Company shall not be entitled to pay dividends on ordinary shares before payment of dividends on

preference shares of type A.

* 1. Preference shares of type A of the Company shall provide its holders with the same scope of rights and have the same par value.

The shareholders – owners of preference shares of type A shall be entitled to:

1. receive the dividends declared by the Company.

If the amount of annual dividends payable by the Company for each ordinary share in a certain year exceeds the amount payable as a dividend for each preference share of type A, the size of the dividend payable on the latter shall be increased to the size of the dividend payable on ordinary shares.

The Company shall not have the right to pay dividends on ordinary shares before it pays dividends on preference shares of type A.

2) have the preemptive right to acquire publicly placed additional shares of the Company and issue-grade securities convertible into the Company’s shares in proportion to the number of their preference shares of that type;

3) attend the Company’s General Meeting of Shareholders with a right to vote on issues pertaining to the Company’s reorganisation and liquidation;

4) participate in the Company’s General Meeting of Shareholders with a right to vote on issues relating to amendments to the Company’s Articles of Association restricting the rights of holders of preference shares of type A.

Any decision on such amendments shall be deemed accepted if supported by at least three-fourths of votes held by the voting shareholders attending the General Meeting of Shareholders, except for the votes of the holders of preference shares of type A, and three-fourths of votes held by all shareholders – owners of preference shares of type A.

5) participate in the Company’s General Meeting of Shareholders with a right to vote on all issues of its responsibility starting from the meeting following the Annual General Meeting of Shareholders which, for any reason, does not decide to pay dividends or decides to pay partial dividends on preference shares of type A.

The right of shareholders – owners of preference shares of type A to attend the General Meetings of Shareholders shall terminate from the date of the first full payment of dividends on such shares.

6) participate in the Company’s General Meeting of Shareholders with a right to vote on the issue related to application for the delisting of such type of preference shares. Any decision on such issues shall be deemed accepted if supported by at least three-fourths of votes held by the voting shareholders attending the General Meeting of Shareholders, except for the votes of shareholders – owners of preference shares of type A, and three-fourths of votes held by shareholders – owners of preference shares of type A.

* 1. The Company shall not be entitled to pay dividends on preference shares of type A following a procedure different from the procedure provided for in these Articles of Association.

6.8. In the event of the Company’s liquidation, the Company’s property remained after the creditors’ claims are met shall be distributed by the liquidation Commission between shareholders in the following order of priority:

* first, payments for shares which shall be bought back according to Article 75 of the Federal Law “On Joint-Stock Companies”;
* second, payment of accrued and unpaid dividends on preference shares of type A and the par (liquidation) value payable in relation to the holders of preference shares of type A;
* third, distribution of the Company’s property among ordinary shares holders and holders of preference shares of type A.

If the Company does not have sufficient property to pay accrued and unpaid dividends and the liquidation value defined in these Articles to all shareholders – owners of preference shares of type A, the property shall be distributed among the shareholders – owners of preference shares of type A in proportion to their shares of this type.

# Article 7. Dividends

* 1. The Company shall be entitled, based on the results of the first quarter, six, or nine months of the financial year and (or) based on the results of the financial year, to decide on (declare) payment of dividends on the Company’s outstanding shares. Any decision to pay (declare) dividends based on the results of the first quarter, six, or nine months of the financial year may be made within three months after the end of the relevant period.

The Company shall be obliged to pay dividends declared on shares of each category (type), unless otherwise provided for in the Federal Law “On Joint Stock Companies”.

* 1. The decision to pay (declare) dividends shall be made by the General Meeting of Shareholders of the Company.

This decision shall define the size of dividends on shares of each category (type), the form of their payment, the order of non-monetary payment, the date for people to receive dividends.

The decision that sets the date for people entitled to receive dividends shall be adopted only by the proposal of the Board of Directors of the Company.

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

The General Meeting of Shareholders of the Company shall make a decision on non-payment of dividends on shares of certain categories (types) as well as on payment of dividends on preference shares in incomplete amount, the size of dividends thereon is defined by paragraph 7.3 of Article 7 of these Articles of Association.

* 1. The total amount of dividends on each preference share shall be 10 (ten) percent of net profit of the Company for the last financial year, determined pro rata to the quantity of sold preference shares of type A.
	2. The Company shall not decide on (declare) payment of dividends on shares:
* until the Company’s authorised capital is paid in full;
* until all shares to be bought back under Article 76 of the Federal Law “On Joint Stock Companies” have been bought back;
* if on the date of such decision the Company meets the insolvency (bankruptcy) criteria under the laws of the Russian Federation on insolvency (bankruptcy) or if these criteria are met as a result of dividend payment;
* if on the date of such decision the net asset value of the Company is less than its authorised capital and reserve funds and the excess of the liquidation value of outstanding preference shares specified in these Articles of Association over the par value or becomes so following such decision;
* otherwise as provided for in federal laws.
	1. The Company may not pay declared dividends on shares:
* if on the date of such payment the Company meets the insolvency (bankruptcy) criteria under the laws of the Russian Federation on insolvency (bankruptcy) or if these criteria are met as a result of dividend payment;
* if on the date of such payment the net asset value of the Company is less than its authorised capital and reserve funds and the excess of the liquidation value of outstanding preference shares specified in these Articles of Association over the par value or becomes so following such decision;
* otherwise as provided for in federal laws.

Upon cessation of the circumstances specified in this paragraph, the Company shall pay the declared dividends to the shareholders.

* 1. Source for dividend payment is the profit of the Company after tax (net profit of the Company). Net profit of the Company is defined by the data presented in the Company’s accounting reports.
	2. The period of dividend payment to a nominee shareholder and a professional securities market participant trustee registered in the shareholder register shall not exceed 10 working days, and the period of dividend payment to other people registered in the shareholder register shall be 25 working days after the date on which the people entitled to receive dividends are determined.

The date for people entitled to receive dividends, set by the decision on payment (declaration) of dividends, shall not be earlier than 10 days after the date of such decision on payment (declaration) of dividends and later than 20 days after the date of such decision.

Dividends are to be paid to the persons that hold shares of the relevant category (type) or the persons that exercise the rights attaching thereto under federal laws at the close of trading on the date on which the people entitled to receive dividends are determined in accordance with the decision on payment (declaration) dividends.

Payment of dividends in cash shall be made by bank transfer by the Company or, on its instructions, by the registrar who keeps the Company’s shareholder register or by a credit institution.

Payment of dividends in cash to the individuals whose rights on shares are recorded in the Company’s shareholder register shall be made by bank transfer into their accounts details which are in the Company’s registrar. In the case of missing bank account details payment of dividends in cash is made by postal transfer. Payment of dividends in cash to any other persons whose rights on shares are recorded in the Company’s shareholder register is made by bank transfer into their accounts. The Company’s obligation on payment dividends to specified persons is deemed fulfilled from the date when money is accepted by a federal postal organisation, or from the date when money is received by the credit institution that maintains the bank account of the person entitled to receive such dividends, and if this person is the credit institution – into its account.

 The persons that are entitled to receive dividends and whose rights on shares are recorded with any nominee shareholder shall receive dividends in cash in accordance with the procedure provided for in the securities laws of the Russian Federation. Any nominee shareholder that receives dividends and fails to perform the obligation to deliver such dividends as provided for in the securities laws of the Russian Federation for any reason beyond the control of such nominee shareholder shall return them to the Company within 10 days after the expiration of a period of one month after the expiration date of the dividend payment period.

* 1. Any person failing to receive dividends because the Company or the registrar does not have the exact and necessary address or bank details, or due to any other delay on the part of the creditor shall have the right to submit a request to pay such dividends (unclaimed dividends) within three years after the decision on payment such dividends.

If any deadline for requests to pay unclaimed dividends is missed, such deadline may not be reset unless any person entitled to receive dividends fails to submit such request on account of violence or threats.

Upon the expiration of such period, the declared dividends that have not been claimed by any shareholder shall be restored as part of the Company’s undistributed profit, and the obligation to pay such dividends shall terminate.

# Article 8. Funds of the Company

* 1. The Company shall set up a reserve fund equal to 15 (fifteen) percent of its authorised capital.

The amount of obligatory annual deductions to the reserve fund of the Company shall be at least 5 (five) percent of the Company's net profit, until the reserve fund reaches its fixed value.

* 1. The reserve fund of the Company shall be created to cover the Company’s losses, redeem the Company’s bonds and buy back the Company’s shares if there are no other funds available for these purposes.

The reserve fund may not be used for any other purposes.

* 1. The Company shall have the right to create a special Employee Share Ownership Fund, formed out of net profit.

The funds of the Employee Share Ownership Fund shall be spent for the sole purpose of purchasing the Company’s shares that are sold by the Company’s shareholders for further placement by employees.

Any funds gained by the Company’s employees from the sale of shares that were purchased at the expense of the Employee Share Ownership Fund shall be directed to the form the specified Fund.

* 1. The Company shall be entitled to form other funds, which ensure its business and financial activities as a subject of civil laws in accordance with the requirements of the laws of the Russian Federation.

# Article 9. Management and Control Bodies of the Company

* 1. The Company’s management bodies shall include:
* General Meeting of Shareholders of the Company (further – General Meeting);
* Board of Directors of the Company (further – Board of Directors);
* Management Board of the Company (further – Management Board);
* Director General of the Company (further – Director General).
	1. The Company’s control body for financial and business activities shall be the Internal Audit Commission of the Company (further - Internal Audit Commission).

# Article 10. General Meeting

10.1. General Meeting is the Company’s supreme management body.

10.2. The General Meeting’s responsibilities include:

1) adding amendments and supplements to the Company’s Articles of Association or approval of a revised version of the Company’s Articles of Association, except for the cases established by the Federal Law “On Joint Stock Companies”, and the issues concerning establishment, reorganisation, liquidation and activities of subsidiaries and representative offices;

2) reorganisation of the Company;

3) liquidation of the Company, appointment of a liquidation commission, and approval of interim and final liquidation balance sheets;

4) election of members of the Company’s Board of Directors and early termination of their powers;

5) determination of the quantity, par value, category (type) of authorised shares and rights attaching thereto;

6) increase of the Company’s authorised capital by raising the par value of the shares or by placing additional shares;

7) decrease of the Company’s authorised capital by reducing the par value of the shares, by the Company’s purchase of some shares in order to reduce their total quantity, and by retirement of the shares acquired or bought out by the Company;

8) election of members of the Company’s Internal Audit Commission and early termination of their powers;

9) approval of the Company’s Auditor;

10) establishment of the procedure of the General Meeting;

11) approval of annual reports of the Company and annual financial statements of the Company;

11.1.) distribution of profits, including payment (declaration) of dividends except for any profits distributed as dividends based on the results of the first quarter, six, or nine months of the financial year, and losses of the Company for the financial year;

12) payment (declaration) of dividends based on the results of the first quarter, six, or nine months of the financial year;

13) share splitting and consolidation of shares;

14) making a decision on placement by the Company of bonds convertible to shares, and other issue-grade securities convertible to shares;

15) making decisions on consent on performing transactions or on subsequent approval of transactions in cases under Article 83 of the Federal Law “On Joint Stock Companies”;

16) making decisions on consent on performing major transactions or on subsequent approval of as specified in Article 79 of the Federal Law “On Joint Stock Companies”;

17) making a decision on the Company’s participation in financial industrial groups, associations, and other groupings of commercial entities;

18) approval of internal documents governing the activities of the Company’s bodies;

19) making decisions on payment of remuneration and (or) compensation for members of the Audit Commission;

20) making a decision on payment of remuneration and (or) compensation for members of the Board of Directors;

21) making a decision on filing an application for delisting of the Company’s shares and (or) the Company’s issue-grade securities convertible into its shares;

22) making decisions regarding other issues under the Federal Law “On Joint Stock Companies.

* 1. Issues falling within the responsibility of the General Meeting may not be delegated to the Board of Directors, the Management Board, and the Director General.

General Meeting shall not be entitled to discuss or adopt decisions on any issues falling beyond its responsibility as specified in the Federal Law “On Joint Stock Companies”.

* 1. Decision of the General Meeting on the issue put on voting shall be made by a majority of votes of the shareholders – owners of the Company’s voting shares participating in the meeting, unless otherwise provided by the Federal Law “On Joint Stock Companies”. On each issue put to the vote only a separate (independent) decision can be made.
	2. Decisions of the General Meeting require a three-quarters majority of votes of the shareholders – owners of the Company’s voting shares participating in the General Meeting on the following issues:
* adding amendments and supplements to the Company’s Articles of Association or approval of a revised version of the Company’s Articles of Association;
* reorganisation of the Company;
* liquidation of the Company, appointment of a liquidation commission, and approval of interim and final liquidation balance sheets;

- determination of the quantity, par value, category (type) of authorised shares and rights attaching thereto;

* decrease in the Company’s authorised capital by reducing the par value of the shares;
* placement of shares by closed subscription by decision of the General Meeting on increase of the authorised capital of the Company by placing additional shares;
* placement by public offering of ordinary shares constituting more than 25 (twenty-five) percent of the previously placed ordinary shares;
* making decisions on approval of a large-scale transaction in respect to property the value of which exceeds 50 (fifty) percent of the balance value of the Company's assets;
* making decisions on filing an application for delisting of the Company’s shares and (or) the Company’s issue grade securities convertible into its shares;
* the Company’s purchase of outstanding shares in cases provided for in the Federal Law “On Joint Stock Companies”.
* other issues specified in the Federal Law “On Joint Stock Companies”.

The decision on consent on performing a transaction or on subsequent approval of a transaction being an interested one in accordance with Article 83 of the Federal Law “On Joint Stock Companies” is made by the General Meeting of Shareholders of the Company with the majority of votes of all disinterested in a transaction shareholders – holders of voting shares taking part in the voting.

The decision on payment (declaration) of dividends on preference shares of type A shall be made by majority of votes of shareholders – owners of voting shares of the Company participating in the meeting. Thus, the votes of shareholders – owners of preference shares of this type for voting options “against” and “abstained” shall not be counted when counting the votes, and in determining the quorum for decision on the specified issue.

* 1. Decisions on the issues specified in subparagraphs 2, 5, 7 and 13–20 of paragraph 10.2 of Article 10 of the Company’s Articles of Association, the issues in relation to a decrease in the authorised capital by reducing the par value of shares and to determining the date of the list of the persons entitled to dividends shall be adopted by the General Meeting only subject to a proposal by the Company’s Board of Directors.
	2. The General Meeting shall not be entitled to adopt any decisions on the issues, which are not included to the agenda, or change the agenda.

Decisions adopted by the General Meeting on any issues not included to the agenda of the General Meeting (except where attended by all of the Company’s shareholders) or with failure to comply with the responsibility of the General Meeting, in the absence of a quorum for the General Meeting, or without such majority of votes held by shareholders as necessary to adopt decisions shall be invalid whether or not they are appealed by recourse to court proceedings.

* 1. Voting at the General Meeting shall be carried out according to the principle “one voting share – one vote”, except for cumulative voting on elections of the Board of Directors.

10.9. The General Meeting may be held at the place of location of the Company, or in Moscow.

The exact address of the place the General Meeting would take shall be determined by the Board of Directors while deciding matters related to arrangement of the General Meeting of Shareholders.

#

# Article 11. Holding of the General Meeting

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

The Annual General Meeting of Shareholders shall elect the Company’s Board of Directors, the Company’s Audit Commission, approve the Company’s Auditor, approve the annual report of the Company presented by the Company’s Board of Directors, annual accounting statements, as well as distribution of profit including (including payment (declaration) of dividends, except for the profit distributed as dividends according to the results of the first quarter, six months, nine months of the financial year), and losses of the Company by results of the financial year, as well as decide on other issues falling within the responsibility of the General Meeting of Shareholders of the Company.

 11.2. The General Meeting shall be held in the form of a co-presence of shareholders (representatives of shareholders) to discuss the issues of the agenda and decide on the issues put on voting, or, if necessary, in the form of an absentee voting (by polling).

The General Meeting which agenda includes the issues specified in paragraph 11.1 of Article 11 hereof may not be held in the form of a co-presence.

The procedure for holding the General Meeting shall be approved by the General Meeting.

11.3. The functions of the Counting Commission at the General Meeting shall be performed by a professional participant of the securities market, being the holder of the Register of shareholders of the Company (the Registrar of the Company).

11.4. The list of persons entitled to participate in the General Meeting shall be compiled in accordance with the Russian legislation requirements on securities for compiling the list of persons exercising the rights on securities.

The date determined (fixed) for persons entitled to participate in the General Meeting may not be set earlier than 10 (ten) days from the date of the decision on holding the General Meeting of Shareholders of the Company and more than 25 (twenty-five) days before the date of the General Meeting of Shareholders of the Company, in case under paragraph 14.7 of Article 14 of these Articles of Association, – more than 55 (fifty-five) days before the date of the General Meeting.

In case of the General Meeting’s agenda includes the issue regarding reorganisation of the Company, the date defined (fixed) for persons entitled to participate in such meeting may not be set more than 35 (thirty-five) days before the date of the General Meeting of Shareholders.

The information about the date defined (fixed) for persons entitled to participate in the General Meeting of Shareholders of the Company is disclosed at least 7 (seven) days before the date of the meeting.

The list of persons entitled to participate in the General Meeting of Shareholders except for information about their voting ballots is presented by the Company for sharing on request of persons included in this list and holding at least 1 (one) percent of votes. The data that allows to identify individuals included in this list except for surnames, names, patronymic names shall be provided only with such persons’ consent.

* 1. The announcement of holding the General Meeting of Shareholders shall be published on the corporate website of the Company at www.lenenergo.ru not later than 30 (thirty) days before the date of the meeting.

The announcement about holding the General Meeting of Shareholders as a result of the decision made by the Board of Directors can additionally be sent to those shareholders who provided the Company or the registrar with their email addresses where such messages can be sent to.

In the case provided for by paragraph 14.7 of Article 14 hereof, the announcement of holding the Extraordinary General Meeting shall be made not later than 50 (fifty) days before the date of the meeting.

The Announcement of holding the General Meeting of Shareholders shall specify:

- full corporate name of the Company and location of the Company;

- form of the General Meeting of Shareholders (a meeting or an absentee voting);

- date, place (including information about the premises) and time of the General Meeting of Shareholders, and the postal address where completed ballots to be sent to;

- date defined (fixed) for persons entitled to participate in the General Meeting of Shareholders;

- agenda of the General Meeting of Shareholders;

- procedure to get familiar with information (materials) subject to submission at preparation to the holding of the General Meeting of Shareholders, and address(es) where such information is available;

- categories (types) of shares holders of which are entitled to vote on all or several issues of agenda of the General Meeting of Shareholders;

- email address where completed ballots can be sent to, and (or) website address where electronic ballot form can be filled in if such conditions of sending and filling in of ballots are under the decision of the Board of Directors of the Company adopted during the preparation to the General Meeting of Shareholders;

- information about the documents that shall be presented for admission to the premises of the General Meeting of Shareholders, if the access to the premises is not free.

- time when the registration of persons participating in the General Meeting of Shareholders starts.

In case if a person registered in the Company’s shareholder register is a nominal shareholder the announcement on holding the General Meeting of Shareholders and information (materials) that has to be provided to persons entitled to participate in the General Meeting of Shareholders during the preparation to the General Meeting of Shareholders is presented in accordance with the Russian legislation requirements on securities for provision of information and materials to persons exercising the rights of securities.

The Company shall be entitled to keep information about the announcement sent under the present Article for five years from the date of holding the General Meeting of Shareholders.

* 1. During the General Meeting of Shareholders all agenda issues are voted upon only by ballots. Form and text of ballots are approved by the Board of Directors. Received by the registrar of the Company voting ballots of persons entitled to participate in the General Meeting of Shareholders, not registered in the Company’s shareholder register, and giving instructions on voting to persons who record their rights on shares in accordance with the Russian legislation requirements on securities are considered to be voting ballots.

Voting ballots shall be delivered against signature to each person specified in the list of persons entitled to participate in the General Meeting of Shareholders (his or her representative) registered for participation in the General Meeting of Shareholders.

Ballots for voting on the agenda issues shall be sent to shareholders by registered mail to the address specified in the list of persons entitled to participate in the General Meeting of Shareholders, or delivered against signature to each person registered in the Company’s shareholder register and entitled to participate in the General Meeting of Shareholders not later than 20 (twenty) days before the date of the General Meeting of Shareholders.

Each person included in the list or his or her representative is given one copy of a ballot on all issues or one copy of two or more ballots for voting on different issues.

* 1. The information (materials) on agenda issues of the General Meeting of Shareholders shall be available to the persons entitled to participate in the General Meeting of Shareholders to get familiar hereof in the premises of the Executive body of the Company and other places which addresses are specified in the announcement of holding the General Meeting of Shareholders within 20 (twenty) days, and in the case of holding the General Meeting of Shareholders, which agenda contains of the issue of reorganisation of the Company – within 30 (thirty) days before the date of the General Meeting of Shareholders, as well as published on the website www.lenenergo.ru.

The specified information (materials) shall be available to persons participating in the General Meeting of Shareholders during the time the Meeting is held.

The Company strives to ensure the availability of materials for the General Meeting of Shareholders not less than 30 days before the date of the meeting.

The procedure of familiarisation of the persons entitled to participate in the General Meeting with the information (materials) on agenda issues of the General Meeting and the list of such information (materials) shall be determined by the decision of the Board of Directors.

* 1. A Shareholder shall have the right to participate in the General Meeting either personally, or by proxy.

If a share is transferred after the date of compilation of the list and prior to the date of the General Meeting, a person included in the list of persons entitled to participate in the General Meeting must issue to a transferee a power of attorney to vote, or must vote at the General Meeting according to the instructions of a transferee of the shares. This rule shall also apply to every consequent transfer of a share.

If a share in the Company is joint property of several persons, they obtain one ballot for voting on all the issues or one ballot for each of them, for voting on miscellaneous issues, the rights to vote at the General Meeting shall be exercised at their discretion by one of the co-holders or through their common representative.

The powers of each of the said persons shall be duly certified.

* 1. If the General Meeting is held in the form of joint presence, the persons included in the list of persons entitled to participate in the General Meeting (their representatives) shall have the right to participate in this meeting or send filled in ballots to the Company, or fill in electronic ballot form on the website the address of which is written in the announcement on holding the General Meeting of Shareholders if such conditions of filling in ballots are approved by the Board of Directors of the Company during the preparation of the General Meeting of Shareholders.
	2. For a vote represented by a voting ballot to be counted in determining the quorum or summing up the results of voting, it shall be received by the Company not later than 2 (two) days prior the General Meeting date. The General Meeting shall be deemed competent (quorum is present), if Shareholders (their representatives) holding in total more than a half of the votes of the allotted voting shares in the Company have been registered at the moment of closure of registration for participation in the Meeting.

The Shareholders who have been registered for participation in the General Meeting including registration via the Internet on the website stated in the announcement (in case if this opportunity was approved by the decision of the Board of Directors), as well as the shareholders whose voting ballots were received or electronic ballot forms were filled in on the specified website (in case if this opportunity was approved by the decision of the Board of Directors) not later than two days prior to the General Meeting of Shareholders shall be considered participating in the Meeting.

The Shareholders who in accordance with the Russian legislation requirements on securities gave instructions on voting to persons recording their rights on shares, and whose voting ballots have been received not later than two days prior to the General Meeting of Shareholders shall be considered participating in the Meeting.

If the agenda of a General Meeting includes matters to be voted by different classes of voters, quorum for decision-making on such matters shall be counted separately.

Absence of quorum for decision-making on any matters to be voted by one structure of voters shall not affect decision-making on any other matters voting upon, which shall be carried out by another group of voters, quorum for which is present.

* 1. In the absence of a quorum for the Annual General Meeting of Shareholders, second General Meeting of Shareholders of the Company should be held with the same agenda. In the absence of a quorum for the Extraordinary General Meeting of Shareholders, second General Meeting of shareholders of the Company may be held with the same agenda.

The decision to convene the second General Meeting of Shareholders shall be approved by the Board of Directors of the Company.

The second General Meeting of Shareholders convened to replace the failed one shall be competent if attended by shareholders holding in aggregate not less than 30 percent of the voting shares of the Company.

During the second General Meeting of less than 40 (forty) days after the failed General Meeting, the persons entitled to attend the General Meeting shall be determined in accordance with the list of persons eligible for participation in the General Meeting are defined (fixed) on the date on which the persons who were entitled to participate in the failed General Meeting were defined (fixed).

In the absence of a quorum for a court decision of the Annual General Meeting of Shareholders, the second General Meeting of Shareholders must be held with the same agenda no later than 60 days. In this case an additional appeal to the court is not required. The Second General Meeting of Shareholders is convened and held by a person or a body of the Company set forth in the court's decision and, if such person or body of the Company have not called the Annual General Meeting of Shareholders in a particular court term, the next meeting shall be convened and held by other persons or bodies of the Company applied to the court, provided that such persons or bodies of the Company are listed in the court's decision.

In the absence of a quorum for a court decision of the Extraordinary General Meeting of Shareholders, the second General Meeting of Shareholders is not performed.

* 1. The Minutes of the General Meeting of Shareholders shall be made not later than 3 (three) working days after submission to the Company of bulletins in duplicate. Both copies shall be signed by the Chairperson of the General Meeting of Shareholders and the Secretary of the General Meeting of Shareholders (Corporate Secretary).

The Minutes of the General Meeting of Shareholders is published on the official website of the Company in the information and telecommunication network Internet at the following address: www.lenenergo.ru not later than 3 (three) days from the date of its compilation.

* 1. Decisions approved by the General Meeting of Shareholders and the voting results may be announced at the General Meeting of Shareholders during which the vote was taken, and should be brought to the attention of the persons included in the list of persons entitled to participate in the General Meeting of Shareholders, in the form of the Report on voting results in the manner provided for the announcement of holding the General Meeting of Shareholders not later than 4 (four) working days after the date of closing the General Meeting of Shareholders.

In case if for the date of making the list of persons entitled to participate in the General Meeting of Shareholders registered in the Company’s shareholder register the person was a nominal holder of shares, the Report on voting results shall be presented to a nominal holder of shares in accordance with the Russian legislation requirements on securities for providing persons exercising the rights on securities with the information and materials.

# Article 12. Holding of the General Meeting of Shareholders in the Form of Absentee Voting

* 1. The decision of the General Meeting of Shareholders may be approved without a meeting (joint presence of Shareholders for discussion of the issues on the agenda and decision-making on the issues put on voting) in the form of absentee voting (by polling).

Voting on the issues of the agenda of the General Meeting of Shareholders held in the form of absentee voting shall be carried out only by ballots. Form and text of voting ballots are confirmed by the Board of Directors.

 Received by the registrar of the Company voting ballots of persons entitled to participate in the General Meeting of Shareholders, not registered in the Company’s shareholder register, and giving instructions on voting to persons who record their rights on shares in accordance with the Russian legislation requirements on securities are considered to be voting ballots.

* 1. The General Meeting of Shareholders, the agenda of which includes the issues related to elections of the Board of Directors of the Company, Audit Commission of the Company, approval of the Auditor of the Company, as well as the issues provided for by subparagraph 13 of paragraph 10.2 of Article 10 hereof, shall not be held in the form of absentee voting.

# The new General Meeting of Shareholders instead of a failed General Meeting of Shareholders shall not be held in the form of absentee voting (by polling), if the failed Meeting was to be held in the form of joint presence.

* 1. A list of persons entitled to participation in absentee voting on the issues of the agenda of the General Meeting of Shareholders shall be compiled in accordance with in accordance with the Russian legislation requirements on securities for compiling the list of persons exercising the rights on securities.

The date defined (fixed) for persons entitled to participate in absentee voting on agenda issues of the General Meeting of Shareholders cannot be set earlier than 10 (ten) days from the date of decision on holding the General Meeting of Shareholders and more than 25 (twenty-five) days before the expiration date of reception of ballots by the Company.

In case if the General Meeting of Shareholders the agenda of which includes the issue on the Company’s reorganisation the date defined (fixed) for persons entitled to participate in such meeting cannot be set more than 35 days before the date of the General Meeting of Shareholders.

Information about the date defined (fixed) for persons entitled to participate in the General Meeting of Shareholders of the Company shall be disclosed no less than 7 (seven) days prior to this date.

12.4. The announcement of holding the General Meeting of Shareholders by absentee voting is published on the website of the Company in the Internet at www.lenenergo.ru not later than 30 (thirty) days before the expiration date of reception of ballots by the Company.

The announcement of holding the General Meeting of Shareholders in accordance with the decision of the Board of Directors can additionally be sent via email to those shareholders of the Company who gave their email addresses to the Company or the registrar, and where such announcements can be sent to.

The announcement of holding the General Meeting of Shareholders shall contain:

- the full corporate name of the Company and location the Company;

- the form of holding the General Meeting of Shareholders (meeting or absentee voting);

- the date for the receipt of voting ballots and postal address for sending completed ballots;

- the date set for persons entitled to participate in the General Meeting of Shareholders;

- the agenda of the General Meeting of Shareholders;

- procedure to get familiar with information (materials) subject to submission at preparation to the holding of the General Meeting of Shareholders, and address(es) where such information is available.

- email address where ballots can be sent to, and (or) website address where electronic ballot forms can be filled in if such conditions of sending and (or) filling in of ballots are approved by the decision of the Board of Directors of the Company during the preparation to the General Meeting of Shareholders;

- categories (types) of shares holders of which are entitled to vote on all or several issues of agenda of the General Meeting of Shareholders.

In case if a person registered in the Company’s shareholder register is a nominal shareholder the announcement on holding the General Meeting of Shareholders and information (materials) that has to be provided to persons entitled to participate in the General Meeting of Shareholders during the preparation to the General Meeting of Shareholders is presented in accordance with the Russian legislation requirements on securities for provision of information and materials to persons exercising the rights of securities.

The Company shall be entitled to keep information about the announcement sent under the present Article for five years from the date of holding the General Meeting of Shareholders.

12.5. Ballots for voting on issues of the agenda shall either be sent by registered letter to the address indicated in the list of persons entitled to participation in the General Meeting of Shareholders, or delivered against signature to each person registered in the Company’s shareholder register and indicated in the list of persons entitled to participation in the General Meeting of Shareholders not later than 20 (twenty) days prior to the last date of receipt of voting ballots by the Company. Each person included in the list of persons entitled to participation in the General Meeting of Shareholders shall be given one voting ballot for voting on all issues or two or more ballots for voting on different issues.

The procedure of checking the information (materials) on issues of the agenda of the General Meeting of Shareholders by the persons entitled to participation in the General Meeting of Shareholders, as well as the list of such information (materials) shall be determined by the decision of the Board of Directors of the Company.

12.6. The General Meeting of Shareholders held in the form of absentee voting, shall be deemed competent (has a quorum) if attended by the shareholders owning in the aggregate more than half votes of placed voting shares of the Company.

Shareholders whose ballots were received and (or) whose electronic ballot forms were filled in on the website specified in the announcement of holding the General Meeting of Shareholders (if such opportunity was approved by the Board of Directors of the Company) before the indicated expiry date of reception of ballots by the Company, as well as shareholders who in accordance with the Russian legislation requirements on securities gave instructions on voting to persons recording their rights on shares if their voting ballots were received before the expiry date of reception of ballots shall be defined as participating in the General Meeting of Shareholders held in the form of absentee voting.

12.7. The Minutes on voting results shall be drawn up and signed by the Company's Registrar not later than 3 (three) working days after the expiry date of accepting ballots in two copies.

The Minutes of the General Meeting of Shareholders shall be made not later than 3 (three) working days after the expiry date of accepting ballots in two copies. Both copies shall be signed by the Chairperson of the General Meeting of Shareholders and the Secretary of the General Meeting of Shareholders (Corporate Secretary).

The Minutes of the General Meeting of Shareholders is published on the official website of the Company in the information and telecommunication network Internet at the following address: www.lenenergo.ru not later than 3 (three) days from the date of its compilation.

12.8. Decisions approved by the General Meeting of Shareholders and the voting results shall be brought to the attention of the persons included in the list of persons entitled to participate in the General Meeting of Shareholders in the form of the Report on voting results in the manner provided for the announcement of holding the General Meeting of Shareholders not later than 4 (four) working days after the expiry date of reception of ballots if the General Meeting of Shareholders was held in the form of absentee voting.

In case if for the date of making the list of persons entitled to participate in the General Meeting of Shareholders registered in the Company’s shareholders register the person was a nominal holder of shares, he or she shall be provided with the Report on voting results in accordance with the Russian legislation requirements on securities for giving information and materials to persons who record rights on securities.

# Article 13. Proposals to the Agenda of the Annual General Meeting

* 1. Shareholders (a shareholder) being in aggregate owners of at least 2 (two) percent of voting shares of the Company are entitled to propose issues to the agenda of the Annual General Meeting of Shareholders and nominate candidates to the Board of Directors and the Audit Commission of the Company, which number cannot exceed the quantitative structure of the appropriate body. Such proposals shall be submitted to the Company no later than 60 (sixty) days after the end of the reporting year.
	2. The proposal on introducing issues to the agenda of the General Meeting and the proposal on nomination of candidates shall be made in writing indicating the name (title) of the submitting shareholders (a shareholder), quantity and category (type) of shares owned by them and shall be signed by the shareholder(s) or their representatives. Shareholders (a shareholder) of the Company who are not registered in the Company’s shareholder register shall have the right to propose issues to the agenda of the Annual General Meeting of Shareholders and propose candidates by giving the corresponding instructions to a person who records their rights on shares. Such instructions are given in accordance with the Russian legislation requirements on securities.

The proposal on introducing issues to the agenda of the General Meeting shall contain the wording of each proposed issue, while a proposal on nomination of candidates – surname, name, patronymic and the data of the document proving the identity (series and (or) number of document, date and place of issue, name of authority having issued the document) of each proposed candidate, name of authority, the name of the body for election to which he is invited.

* 1. The Board of Directors must consider the proposals received and decide on inclusion in the agenda of the General Meeting or on refusal in inclusion in the specified agenda not later than 5 (five) days after the end of the period specified in paragraph 13.1 of this Article.

The Board of Directors shall have the right to refuse to include the issues submitted by shareholders (a shareholder) in the agenda of the General Meeting, and to include the nominated candidates into the list of candidatures for voting on elections to the corresponding body of the Company on the bases stipulated by the Federal Law “On Joint Stock Companies” and other legal acts of the Russian Federation.

* 1. The motivated decision of the Board of Directors on the refusal to include an issue on the agenda of the General Meeting or the candidate into the list of candidatures for voting on elections to the corresponding body of the Company shall be sent to shareholders (a shareholder) who proposed the issue or nominated the candidate not later than 3 (three) days from the date of its approval. Proposals from persons not registered in the Company’s shareholder register who gave instructions to a person recording their rights on shares, the decision of the Board of Directors of the Company is sent to such persons not later than 3 (three) days from the date of its approval in accordance with the Russian legislation requirements on securities for giving information and materials to persons who record rights on securities. The Board of Directors shall not be entitled to make amendments in wordings of issues proposed to be add to the agenda of the General Meeting of Shareholders, and in wordings of decisions on such issues (in case of their existence).

In addition to the issues proposed for inclusion in the agenda of the General Meeting of Shareholders, and in case of absence of such proposals, absence or insufficient number of candidates proposed by shareholders for formation of the corresponding body, the Board of Directors may include issues in the agenda of the General Meeting or candidates into the list of candidatures at its discretion.

# Article 14. Convening of the Extraordinary General Meeting

* 1. Any General Meeting of Shareholders other than the Annual General Meeting of Shareholders shall be extraordinary.

The Extraordinary General Meeting shall be held in accordance with the decision of the Board of Directors of the Company on its own initiative or at the request of the Company’s Audit Commission, the Company’s Auditor, and any shareholders (a shareholder) holding at least 10 (ten) percent of the Company’s voting shares as of the date of the request. Such General Meeting of Shareholders shall be held within 40 (forty) days from the date of the request to hold the Extraordinary General Meeting of Shareholders of the Company except for the case provided in paragraph 14.7 of these Articles of Association.

* 1. A request on convocation of the Extraordinary General Meeting shall contain issues to be included in the agenda of the General Meeting of Shareholders of the Company.

The persons (a person) who have requested convocation of the Extraordinary General Meeting of Shareholders of the Company shall have the right to present a draft decision of the Extraordinary General Meeting of Shareholders of the Company, a proposal on the form of holding thereof. In case a request on convocation of the Extraordinary General Meeting of Shareholders contains a proposal on nomination of candidates, the relevant provisions of Article 13 of these Articles of Association shall apply thereto.

The Board of Directors may not introduce changes to wordings of issues included in the agenda, wordings of decisions on such issues and the proposed form of holding the Extraordinary General Meeting of Shareholders convened at the request of the Company’s Audit Commission, the Company’s Auditor, or any shareholders (a shareholder) holding at least 10 (ten) percent of the Company’s voting share.

* 1. In case a request on convocation of the Extraordinary General Meeting is produced by shareholders (a shareholder), it must contain the names (corporate names) of shareholders (a shareholder) who request convocation of such Meeting, and the quantity and category (type) of their (his or her) shares of the Company.

A request on convocation of the Extraordinary General Meeting shall be signed by the persons (a person) who request convocation of the Extraordinary General Meeting of Shareholders of the Company.

* 1. The Board of Directors shall decide on convocation of the Extraordinary General Meeting of Shareholders of the Company or on refusal to convene it within 5 (five) days from the date of a request of the Company’s Audit Commission, the Company’s Auditor or any shareholders (a shareholder) holding at least 10 (ten) percent of the Company’s voting shares.
	2. Decision of the Board of Directors on convocation of the Extraordinary General Meeting of Shareholders of the Company or grounded decision on refusal to convene it shall be sent to the persons who request its convocation not later than within 3 (three) days from the date of such decision. In case the Company receives a request on convocation of the Extraordinary General Meeting of Shareholders from the persons who are not registered in the shareholder register of the Company and have requested (given an instruction) to the person, who accounts for their rights on shares, the stated decision of the Board of Directors of the Company shall be sent to these persons not later than within 3 (three) days from the date of such decision in accordance with the regulations of the securities laws of the Russian Federation for provision of the information and materials to the persons who exercise rights on securities.
	3. If within the time specified in paragraph 14.4 of Article 14 of these Articles of Association, the Board of Directors decides not to convene the Extraordinary General Meeting of Shareholders of the Company, or approves the decision to refuse to convene it, the body of the Company, or the person who had requested its convocation, shall be entitled to appeal to court with a demand to compel the Company to hold the Extraordinary General Meeting of Shareholders.

The decision of the court to compel the Company to hold an Extraordinary General Meeting of Shareholders indicates the dates and procedure for its holding.

Execution of the court decision shall be entrusted to the claimant or on his or her application to the authority of the Company, or any other person with their consent. This body cannot be the Board of Directors of the Company.

At the same time, this body of the Company or a person who, in accordance with the decision of the court, shall hold an Extraordinary General Meeting of Shareholders has all the powers stipulated by the Federal Law “On Joint-Stock Companies” necessary to convene and hold the meeting.

If in accordance with the decision of the court the claimant shall hold an Extraordinary General Meeting of Shareholders, the costs of preparing and holding this meeting can be reimbursed by the decision of the General Meeting of Shareholders at the expense of the Company

14.7. If the proposed agenda of an Extraordinary General Meeting contains the matter on elections of members of the Board of Directors:

14.7.1. The General Meeting of Shareholders shall be held within 75 (seventy-five) days from the date of submitting the request on holding the Extraordinary General Meeting of Shareholders of the Company. In this case, the Board of Directors of the Company shall be obliged to establish the date by which shareholders’ proposals on nomination of candidates for elections to the Board of Directors of the Company.

14.7.2. The shareholders (shareholder) of the Company owning in total at least 2 (two) percent of the Company’s voting shares, shall have the right to nominee candidates for elections to the Board of Directors, whose number cannot exceed the number of members of the Board of Directors.

Such proposals must be received by the Company not later than 30 (thirty) days before the date of holding the Extraordinary General Meeting.

The Board of Directors must shall be obliged to consider the proposals received and decide on their inclusion in the agenda of the Extraordinary General Meeting of Shareholders or on refusal in inclusion thereof in the said agenda not later than within 5 (five) days upon expiration of the term specified in paragraph 2 of this subparagraph.

14.7.3. The date of making the list of persons entitled to participate in the General Meeting of Shareholders of the Company cannot be established earlier than 10 (ten) days from the date of decision on holding the General Meeting of Shareholders of the Company, and more than 55 (fifty-five) days before the date of holding the General Meeting of Shareholders of the Company.

14.7.4. The announcement on holding the Extraordinary General Meeting of Shareholders shall be made not later than 50 (fifty) days before the date of holding thereof.

# 14.8. In cases when in accordance with the Federal Law “On Joint Stock Companies” the Board of Directors of the Company is obliged to decide on holding an Extraordinary General Meeting of Shareholders to elect new members of the Board of Directors of the Company, such General Meeting of Shareholders shall be held within 70 (seventy) days from the moment of decision on holding thereof by the Board of Directors of the Company.

# Article 15. Board of Directors

* 1. The Board of Directors of the Company is a collegial management body that controls the activities of the sole executive body of the Company and performs other functions vested in it by law or the Articles of Association of the Company. The responsibility of the Company’s Board of Directors shall include the general management of the Company’s activities except for any issues that, in accordance with these Articles of Association and the Federal Law “On Joint Stock Companies” fall within the responsibility of the General Meeting.

The responsibility of the Board of Directors shall include the following issues:

1. determine the priority areas of the Company’s activities and development strategy;
2. convene the Annual and Extraordinary General Meetings, except for the cases specified in paragraph 14.6 of Article 14 of these Articles of Association, and announce the date of the new General Meeting instead of the failed one due to the absence of quorum;
3. approve the agenda of the General Meeting;
4. define the date of the list of the persons entitled to participate in the General Meeting of Shareholders, define the date of the list of the persons entitled to receive dividends, approve the budget of holding the General Meeting of Shareholders of the Company and other issues associated with the preparation and holding of the General Meeting of Shareholders of the Company and other issues related to the preparation and holding of the General Meeting of Shareholders of the Company;
5. elect the secretary of the General Meeting;
6. submit for review by the General Meeting of Shareholders the issues specified in subparagraphs 2, 5, 7 and 13–20 of paragraph 10.2 of Article 10 of these Articles of Association, the issue related to a decrease in the authorised capital of the Company by reducing the par value of shares, and the issue in relation to determining the date of the list of the persons entitled to dividends;
7. decide on the Company’s placement of additional shares into which the Company’s outstanding preference shares of a certain type are converted, which shares are convertible into ordinary or preference shares of other types, in case provided that such placement does not involve any increase in the Company’s authorised capital, and on the Company’s placement of bonds and other issue-grade securities except for shares; issue of Eurobonds and determining the policy of the Company regarding the issue of issue-grade securities (except for shares) and Eurobonds;
8. approve decisions on the issue (additional issue) of securities, issue prospectus, report on the issue (additional issue) of securities and notification on results of the issue (additional issue) of securities; approve reports on the purchase of shares from the Company’s shareholders, reports on the retirement of shares, and reports on the Company’s shareholders’ requests to purchase their shares; taking decisions on accepting offers (acceptance) related to purchase of additional shares, placed by public offering after expiration of the preemptive right term;
9. determine the value (money value) of the property and the offering price, or the procedure for determining the offering price, and the buyback price of issue-grade securities in cases specified in the Federal Law “On Joint Stock Companies”, and in addressing issues referred to in subparagraphs 11, 21, 22, 35 of paragraph 15.1. of these Articles of Association;
10. acquire shares, bonds, and other issue-grade securities placed by the Company in the cases stipulated by the Federal Law “On Joint Stock Companies”;
11. alienate (sale) shares of the Company, placed at the disposal of the Company as a result of their acquisition or redemption from the Company’s shareholders, and in other cases stipulated by the Federal Law “On Joint Stock Companies”;
12. make recommendations concerning the size of remuneration and compensation payable to members of the Audit Commission and set the size of the Auditor’s fees;
13. make recommendations concerning the size of dividends on shares and the procedure for dividend payment;
14. use the Company’s reserve fund and other funds, approve the Company’s internal documents, defining the procedure for forming and using the Company’s funds; approve the budgets of using the funds from the special purpose funds of the Company, and consider the results of the execution of the budgets of using the funds from the special purpose funds of the Company;
15. approve the Company’s internal documents, except for internal documents that, in accordance with these Articles of Association, shall be approved by the General Meeting or other Company’s executive bodies;
16. review the investment programme, including amendments hereto and a quarterly report on the results of their implementation;
17. approve the business plan (adjusted business-plan) and consider the quarterly report on its implementation (for the first quarter, first six, nine months, the financial year) and approve (adjust) the lists and values of control indicators of cash flow of the Company;
18. preliminary approve the annual report, annual accounting (financial) statements, distribution of profit and losses of the Company for the financial year;
19. set up (liquidate) branch offices and open (liquidate) representative offices of the Company;
20. decide on the Company’s participation in other organisations (on joining an operating organisation or establishing a new organisation, including approval of constituent documents) and on the acquisition, disposal, and encumbrance of shares and stakes in the authorised capitals of organisations in which the Company participates, on the change in the ownership interest in the relevant organisation, and termination in the ownership interest of the Company in other organisations except for the decisions specified in subparagraph 17 of paragraph 10.2 of Article 10 of these Articles of Association;
21. decide on entering by the Company into a single or several interconnected transactions on alienation, transfer to pledge or other encumbrance of shares and stakes of subsidiaries and dependent companies, not engaged in the production, transmission, dispatching, distribution and sales of electric and heat energy, if market value of shares or stakes which are the subject of transaction defined in accordance with the conclusion of an independent appraiser, exceeds 30 000 000 (thirty million) rubles, and in other cases (amounts) defined by separate decisions of the Board of Directors of the Company;
22. define the Company’s credit policy regarding the issuance by the Company of loans, conclusion of credit agreements and loan agreements, issue of guarantees, acceptance of obligations under a bill (issue of a promissory note and a bill of exchange), transfer of property in pledge and taking decisions on executing by the Company the specified transactions in cases when the procedure for making decisions thereon is not determined by the Company’s credit policy, and adopt in the manner, prescribed by the credit policy of the Company, decisions on bringing the debt position of the Company in compliance with the limits established by the credit policy;
23. authorise major transactions in the cases specified in Chapter X of the Federal Law “On Joint Stock Companies”;
24. authorise transactions specified in Chapter XI of the Federal Law “On Joint Stock Companies”;
25. approve the Company’s registrar and the terms and conditions of the contract therewith and the termination thereof;
26. decide on the election of the Chairperson of the Board of Directors and on early termination of his or her powers;
27. decide on the election of the Vice-Chairperson of the Board of Directors and on early termination of his or her powers;
28. decide on the election of the Corporate Secretary of the Board of Directors and on early termination of his or her powers;
29. decide on the suspension of the powers of a management organisation (manager);
30. decide on appointment of the Acting Director General of the Company in cases defined by separate decisions of the Board of Directors of the Company, and bringing him or her to disciplinary responsibility;
31. consider the annual (quarterly) reports of the Director General on the Company’s activities (including the performance by the Director General of his or her official duties), on performance of decisions of the General Meetings and the Board of Directors;
32. approve the procedure for the Company’s interaction with economic entities whose shares and stakes are held by the Company;
33. define the position of the Company (representatives of the Company), including instructions to participate or not participate in voting on the issues on the agenda, vote for or against or abstain from voting, on the following issues on the agenda of General Meetings of Shareholders (members) of issues on the agendas of General Meetings of Shareholders (Members) of subsidiaries and dependent companies (further - SDCs) and Meetings of Boards of Directors of SDCs:

a. define agendas of the General Meeting of Shareholders (Members) of SDCs (except for those SDCs, in which 100 (one hundred) percent of the authorised capital is owned by the Company);

b. reorganise or liquidate SDCs;

c. determine the number of members of management and control bodies of SDCs, nominate and elect such members and decide on early termination of their powers; nominate and elect the sole executive body of SDC and decide on early termination of his or her powers;

d. determine the quantity, par value, category (type) of the authorised shares of SDCs and rights attaching thereto;

e. increase the authorised capital of SDCs by increasing the par value of shares or placing additional shares;

f. place SDCs’ securities convertible into ordinary shares;

g. decide on the splitting and consolidation of SDCs’ shares;

h. approve major transactions entered into by SDCs;

i. decide on participation of SDCs in other organisations (on joining an operating organisation or establishing a new organisation) and on the acquisition, disposal, and encumbrance of shares and stakes in the authorised capital of organisations in which SDCs participate, and on the change in the ownership interest in the relevant organisation;

j. approve decisions on SDCs entering into transactions (including several associated transactions) in connection with the acquisition, disposal or possible disposal of the property that constitutes fixed assets, intangible assets, and construction-in-progress intended for the generation, transmission, dispatching, and distribution of electricity and heat in the instances (to the extent) defined by the procedure for the Company’s interaction with entities the Company participates in, which is approved by the Board of Directors of the Company;

k. about amendments and alterations to the constituent documents of SDCs;

l. about determination of the procedure for remuneration payments to members of the Board of Directors and the Audit commission of SDCs;

m. about reduction of the authorised capital of SDCs by reducing the par value of shares by SDCs’ acquisition of part of shares to reduce their total number, and through redemption of purchased or repurchased shares by SDCs;

n. about definition of the SDC’s credit policy regarding the issuance of loans, conclusion of credit agreements and loan agreements, issue of guarantees, acceptance of obligations under a bill (issue of a promissory note and a bill of exchange), transfer of property in pledge and taking decisions on executing by the SDC of the specified transactions in cases when the procedure for making decisions thereon is not determined by the credit policy of the SDC, and adopt in the manner prescribed by the credit policy of the SDC decisions on bringing the debt position of the SDC in compliance with the limits established by the credit policy of the SDC, about consideration of the report on the credit policy of the SDC, about approval of credit plan of the SDC, about approval of the Plan of perspective development of the SDC, the adjusted Plan for the future development of the SDC, on consideration of the report on implementation of Plan of perspective development of the SDC.

o. about approval of the business plan (adjusted business-plan) of SDCs;

р. about consideration of the report on implementation of the business-plan of SDCs for the reporting year.

1. determine the position of the Company (representatives of the Company) on the following issues of agendas of meetings of the Boards of Directors of SDCs (including instruction to take or not to take part in the voting on agenda issues, to vote on draft decisions FOR, AGAINST, or ABSTAINED):

a. about determination of the position of representatives of SDCs on issues of agendas of the General Meetings of Shareholders (participants) and meetings of the Boards of Directors of the companies affiliated and dependent in relation to SDCs concerning making (approval of) transactions (including several interrelated transactions) connected with acquisition, alienation or possibility of alienation of property constituting fixed assets, intangible assets, objects of incomplete construction, the purpose of using which is production, transmission, dispatching, distribution of electric and heat energy in cases (amounts) defined by the order of the Company's interaction with organisations in which the Company participates, approved by the Board of Directors of the Company;

b. about determination of the position of representatives of SDCs on issues of agendas of the General Meetings of Shareholders (participants) and meetings of the Boards of Directors of the companies affiliated and dependent in relation to SDCs engaged in the production, transmission, dispatching, distribution and sale of electric and heat energy, about reorganisation, liquidating, increasing the authorised capital of such companies by increasing the par value of shares, or by placing additional shares, about placement of securities convertible into ordinary shares;

1. preliminary approve the decisions on entering of the Company into:

a. transactions involving non-current assets of the Company in the amount exceeding 10 (ten) percent of the balance value of non-current assets of the Company according to accounting statements on the last reporting date;

b. transactions (including several interrelated transactions) connected with acquisition, alienation or possibility of alienation of property constituting fixed assets, intangible assets, objects of incomplete construction, the purpose of using which is production, transmission, dispatching, distribution of electric and heat energy in cases (amounts) defined by separate decisions of the Company’s Board of Directors, or, if the specified cases (amounts) are not determined by the Board of Directors of the Company;

c. transactions (including several interrelated transactions) connected with acquisition, alienation or possibility of alienation of property constituting fixed assets, intangible assets, objects of incomplete construction, the purpose of using which is not production, transmission, dispatching, distribution of electric and heat energy in cases (amounts) defined by separate decisions of the Company’s Board of Directors, or, if the specified cases (amounts) are not determined by the Board of Directors of the Company;

d. transaction for the period over 5 years for the transfer for temporary possession and use or temporary use of property, transmission facilities, or receiving temporary possession and use or temporary use of property, in cases (amounts) defined by separate decisions of the Board of Directors of the Company, or, if these cases (amounts) are not determined by the Board of Directors;

1. nominate candidates for election to the position of the sole executive body, other management bodies, control bodies, as well as the candidacy of auditor of the organisations in which the Company participates, and which carry out production, transmission, dispatching, distribution and sale of electric and heat energy, as well as repair and service activities;
2. approve the candidacy of independent appraiser (appraisers) for defining the value of shares, property and other assets of the Company in cases stipulated by the Federal Law “On Joint Stock Companies”, these Articles of Association, and separate decisions of the Board of Directors;
3. define the housing policy of the Company in regard to granting corporate support to the Company's employees in improvement of their living conditions in the form of subsidies, compensation of costs, interest free loans and decision making on the provision by the Company of specified support in cases when the procedure of its provision is not determined by the housing policy of the Company;
4. preliminary approve the collective agreement, agreements concluded by the Company within the framework of regulation of the social and labor relations, as well as approval of the documents on non-state pension provision of the Company’s employees;
5. approve the candidacy of the financial consultant attracted in accordance with the Federal Law “On Securities Market”, and the candidates of organisers of securities issuance and advisers on the transactions directly related to raising funds in the form of public borrowings;
6. elect the Company’s Director General and early terminate his powers, including taking the decision on early termination of the employment contract with him;
7. preliminary approve the decisions on making transactions connected with gratuitous transfer of the Company's property or property rights (requirements) towards itself or a third party; transactions connected with release from property obligation towards itself or a third party; transactions connected with gratuitous rendering by the Company of services (execution of works) to third parties in cases (amounts), determined by separate decisions of the Board of Directors of the Company, and making decisions about executing by the Company the specified transactions in cases when the abovementioned cases (amounts) are not determined;
8. preliminary approve the transactions which can entail emergence of obligations in foreign currency (or obligations which value is bound to foreign currency), transactions with derivative financial instruments, in cases and amounts determined by separate decisions of the Board of Directors of the Company, and also if the specified cases (amounts) are not determined by the Board of Directors; define the policy of the Company in regard to transactions with derivative financial instruments;
9. define the procurement policy of the Company, including approval of the Regulations on procurement of goods, works and services, approval of the Head of the Central procurement body of the Company and its members, approval of procurement plans and adoption of other decisions in compliance with the documents regulating procurement activities approved in the Company;
10. approve the method of calculation and assessment of key performance indicators (KPI) of the Director General of the Company, their target values (adjusted values) and reports on their implementation;
11. decide on nominating the Director General of the Company for submission to state awards;
12. define the Company’s policy regarding the increase of reliability of networks and other grid facilities including approval of strategic programmes of the Company on reliability increase of the grid complex, development of grid complex and its safety;
13. determine the quantitative composition of the Management Board, elect members of the Management Board, establish remuneration and compensations paid to them, early terminate their powers;
14. approve the organisational structure of the Company’s executive office and amendments hereto;
15. approve the Regulations on material incentives for the Director General, the Regulations on material incentives for top managers of the Company; approve the list of top managers;
16. сall to disciplinary liability of the Company’s Director General and members of the Company’s Management Board and stimulate them in accordance with labor legislation of the Russian Federation;
17. approve candidates for certain positions in the executive office of the Company determined by the Board of Directors of the Company;
18. determine the Company’s policy in the field of insurance, monitor the insurance coverage of the Company, including the approval of candidatures of the Company’s Insurers;
19. apply for listing of the Company's shares and (or) issue-grade securities of the Company convertible into the Company’s shares;
20. decide on the accession of the Company to the branch and cross-industry standards, regulations and other documents in the grid sector in various areas of the Company's activity, including technical regulation;
21. define the principles and approaches to the organisation of the internal audit activities, risk management and internal control systems in the Company;
22. assess key operational risks (both financial and non-financial risks), and set the acceptable level of risks for the Company;
23. arrange the analysis and assessment of the functioning of the risk management and internal control system including on the basis of the data in reports regularly received from the Company’s executive bodies, internal audit division and external auditors. and the Executive Bodies of the Company at least once per year;
24. annually review the issues of the organisation, functioning and effectiveness of the risk management and internal control system in the Company;
25. control and organise activities of the internal audit division, including approval of the Regulation on internal audit division, approve and conclude a conract with an external independent organisation in case of its engagement in exercising internal audit, approve the plan of internal audit activity, the report on the implementation of the plan of internal audit activity and budget of the internal audit, approval of the appointment, dismissal and remuneration of the head of internal audit, review the results of quality assessment of functions of the internal audit division;
26. control over compliance of activities of the Company’s executive bodies approved by the Company's strategy; review the reports of the General Director and members of the Management Board on the implementation of the strategy approved by the Company;
27. recommendations to the executive bodies of the Company on any issues of the Company’s activity;
28. other issues referred to the responsibility of the Board of Directors by the Federal Law “On Joint Stock Companies” and these Articles of Association;
	1. The issues referred to the responsibility of the Board of Directors cannot be delegated to the Management Board or the Director General of the Company.
	2. The members of the Board of Directors, when exercising their rights and discharging their duties should be obliged to act in the interests of the Company, to exercise their rights and fulfill duties in relation to the Company reasonably and in good faith.
	3. The members of the Board of Directors shall be held responsible to the Company for any damages caused to the Company by their wrongful acts (inaction) unless other grounds and the amount of liability are not established by Federal laws.

The members of the Board of Directors, who voted against the resolution which entailed losses to the Company, or who did not participate in the vote shall not be held responsible.

# Article 16. Election of the Board of Directors

The Board of Directors shall comprise 13 (thirteen) members.

* 1. The members of the Board of Directors shall be elected at the Annual General Meeting in accordance with the procedure prescribed by the Federal Law “On Joint Stock Companies” and these Articles of Association, for the period until the next Annual General Meeting

In case the Annual General Meeting is not held within the terms established by paragraph 11.1 of Article 11 of these Articles of Association, the powers of the Board of Directors shall be terminated, except for the powers on preparation, convocation and holding the Annual General Meeting.

* 1. Elections of members of the Board of Directors shall be made by cumulative voting

The number of votes belonging to each shareholder shall be multiplied by the number of persons to be elected to the Board of Directors, and the shareholder shall be entitled to give votes thus received completely for one candidate or distribute them between two and more candidates.

The candidates who received the majority of votes shall be deemed elected members of the Board of Directors

* 1. Only a natural person can be a member of the Board of Directors.
	2. The persons elected to the Board of Directors may be reelected unlimited number of times.
	3. By the decision of the General Meeting the powers of all members of the Board of Directors may be early terminated. In the case of the election of the Board of Directors at the Extraordinary General Meeting, the members of the Board of Directors shall be deemed elected for the period up to the date of the Annual General Meeting.

#

# Article 17. Chairperson of the Board of Directors

* 1. The Chairperson of the Board of Directors shall be elected by the members of the Board of Directors by a majority vote of the total number of the members of the Board of Directors.

The Board of Directors may at any time re-elect its Chairperson by a majority vote of the total number of votes of the members of the Board of Directors.

* 1. The Chairperson of the Board of Directors shall organise the work of the Board of Directors, convene its meetings and preside over them, organise keeping of minutes at meetings, and chair the General Meeting.
	2. In case of the absence of the Chairperson of the Board of Directors his or her functions shall be performed by the Vice-Chairperson of the Board of Directors, elected from among the members of the Board of Directors by a majority vote of the total number of the members of the Board of Directors, or another member of the Board of Directors by resolution of the Board of Directors.

# Article 18. Meetings of the Board of Directors

* 1. Meetings of the Board of Directors shall be held as necessary but at least once in six weeks. The meeting of the Board of Directors shall be convened by the Chairperson of the Board of Directors (or the Vice-Chairperson of the Board of Directors in cases stipulated by paragraph 17.3 of Article 17 of these Articles of Association) on his or her own initiative, at the request of a member of the Board of Directors, the Audit Commission, the Auditor, the Management Board, od the Director General.
	2. The member of the Board of Directors, who is absent during an in-person meeting of the Board of Directors, shall have the right to write his or her opinion on the agenda issues.

Any written opinion of the member of the Board of Directors, absent at the meeting of the Board of Directors, shall be taken into account when determining a quorum and voting results on issues on the agenda in accordance with the procedure prescribed by the Regulations of the Board of Directors activity approved by the General Meeting.

* 1. Decisions of the Board of Directors may be approved by absentee voting (by polling). At the absentee voting all members of the Board of Directors shall receive materials on the agenda issues and questionnaire for voting with indication of the date by which the questionnaire completed and signed by the Board member must be submitted to the Board of Directors.
	2. Transfer of the right to vote by a member of the Board of Directors to another person including another member of the Board of Directors, is not allowed.
	3. Decisions at a meeting of the Board of Directors shall be approved by majority vote of the members of the Board of Directors participating in the meeting, except for the cases stipulated by the Federal Law “On Joint Stock Companies” and these Articles of Association.

In cases when the Board of Directors’ decision on a transaction must be approved simultaneously on several grounds (established by these Articles of Association and Chapter X or Chapter XI of the Federal Law “On joint Stock Companies”), the procedure of its approval shall apply only to the provisions of the Federal Law “On joint Stock Companies”.

* 1. Decisions of the Board of Directors shall require a majority of three quarters of votes of the members of the Board of Directors (the votes of retired members of the Board of Directors are not considered) on the following issues:

- on suspension of powers of the managing company (manager) and on appointment of the Acting Director General of the Company;

- on convocation of the Extraordinary General Meeting in the cases stipulated in paragraphs 21.19., 21.20 of Article 21 of these Articles of Association.

The decision to approve a related-party transaction shall be adopted by the Board of Directors in accordance with Article 83 of the Federal Law “On Joint Stock Companies”.

* 1. Decisions of the Board of Directors on the issues stipulated by subparagraphs 21, 22, 32-35 of paragraph 15.1 of Article 15 of these Articles of Association shall be taken by a two-thirds majority vote of the members of the Board of Directors participating in the meeting.
	2. When solving issues at the meeting of the Board of Directors, each member of the Board of Directors shall have one vote. In the case of an equality of votes during the vote, the Chairperson of the Board of Directors shall have a deciding vote.
	3. The quorum for holding the meeting of the Board of Directors at solving the issues adopted by a simple majority vote of the members of the Board of Directors shall amount to at least half of the elected members of the Board of Directors.

In the case when the number of members of the Board of Directors becomes less than the number constituting the specified quorum, the Board of Directors shall decide on holding an Extraordinary General Meeting to elect new members of the Board of Directors. The remaining members of the Board of Directors may make a decision only on convocation of such Extraordinary General Meeting. In this case, the quorum for holding the meeting of the Board of Directors shall be not less than half of the remaining members of the Board of Directors.

* 1. The Minutes shall be kept at the meeting of the Board of Directors. The Minutes of the meeting of the Board of Directors shall be prepared not later than 3 (three) days after holding the meeting, and shall be signed by the Chairperson of the meeting and the Secretary of the Board of Directors (Corporate Secretary) who are responsible for its correctness. The Minutes shall be accompanied by all the materials on the agenda issues of the meeting and the documents approved by the Board of Directors.

Upon approval of decisions by the Board of Directors by absentee voting, questionnaires for voting signed by the members of the Board of Directors shall be attached to the Minutes.

* 1. The procedure of adopting decisions by the Board of Directors shall be regulated by Regulation on the Board of Directors activity approved by the General Meeting.
	2. Decisions of the Board of Directors adopted with violation of the responsibility of the Board of Directors, if the quorum for the meeting of the Board of Directors of the Company is absent, or without necessary for decision-making of a majority vote of the members of the Board of Directors of the Company, shall have no power whatever of appeal against them in court.

**Article 19. Committees of the Board of Directors of the Company**

19.1. Committees of the Board of Directors shall be formed by the decision of the Board of Directors.

19.2. Committees of the Board of Directors shall be formed to study the issues falling within the responsibility of the Board of Directors, or studied by the Board of Directors in order to control activity of the Company’s executive body, and making the necessary recommendations to the Board of Directors and the Company’s executive body.

19.3. The rules of activity, procedure of formation, responsibility and term of powers of the committees of the Board of Directors shall be determined by separate decisions of the Board of Directors.

**Article 20. Corporate Secretary of the Company**

20.1. For the purpose of appropriate observance in the Company of the procedure for preparing and holding the General Meeting of Shareholders and activities of the Board of Directors, the Board of Directors of the Company may elect the Corporate Secretary of the Company, who reports directly to the Board of Directors. The Corporate Secretary of the Company is an official of the Company, ensuring that the Company complies with current legislation, these Articles of Association and internal documents of the Company, guaranteeing the rights and legal interests of the Company’s shareholders.

20.2. Status of the Corporate Secretary, requirements to his or her candidacy, procedure of appointment and termination of powers of the Corporate Secretary, his or her subordination and the procedure of cooperation with the Company’s executive bodies and structural divisions, and other issues related to the Corporate Secretary’s activities shall be determined by the Regulations on the Corporate Secretary.

# Article 21. Executive Bodies

* 1. The sole executive body, the Director General of the Company, and the collegial executive body, the Management Board of the Company, shall be in charge of the Company’s day-to-day activities.
	2. The Director General and the Management Board shall be accountable to the General Meeting and the Board of Directors of the Company.

The Company's executive bodies on a regular basis shall report to the Board of Directors of the Company for the establishment and operation of an effective system of risk management and internal control, and shall be held responsible for its effective functioning.

* 1. The Director General of the Company shall act on behalf of the Company without a power of attorney, including subject to the restrictions specified in the applicable laws, these Articles of Association, and decisions adopted by the Company’s General Meeting of Shareholders, the Board of Directors and the Management Board adopted in accordance with their responsibility.

The responsibility of the Director General shall include all matters related to the management of the Company’s day-to-day activities, except for any issues falling within the responsibility of the General Meeting, the Board of Directors, or the Management Board of the Company. The Director General shall:

1. ensure the implementation of the Company’s action plans necessary to attain its objectives;
2. arrange for keeping the Company’s records and accounts;
3. dispose of the Company’s property, enter into transactions on behalf of the Company, issue powers of attorney, and open the Company’s settlement and other accounts with banks and other credit institutions (and, as provided for in law, with organisations that are professional participants in the securities market);
4. issue orders, approve (accept) directives, local regulatory documents, and other internal documents of the Company on the issues within his or her responsibility, give instructions which shall be binding upon all employees of the Company;
5. approve the Regulations for the Company’s branch offices and representative offices;
6. approve the Regulations on bonus payments of employees of the Company;
7. approve the [staff schedule](https://www.linguee.ru/%D0%B0%D0%BD%D0%B3%D0%BB%D0%B8%D0%B9%D1%81%D0%BA%D0%B8%D0%B9-%D1%80%D1%83%D1%81%D1%81%D0%BA%D0%B8%D0%B9/%D0%BF%D0%B5%D1%80%D0%B5%D0%B2%D0%BE%D0%B4/staff%2Bschedule.html) and official salaries of the Company’s employees in accordance with the general structure of the Company’s executive body, approve the method of calculation and assessment of key performance indicators (KPI) of the Company, their target values (adjusted values) and reports on their implementation;
8. exercise the rights and perform the obligations of an employer in relation to the Company’s employees as provided for in labor law;
9. distribute duties among the deputies of the Company’s Director General;
10. prepare the business plan (adjusted business plan) and the report on the results of its implementation, and approve and adjust cash flows according to the list and values of control indicators of cash flow of the Company approved by the Board of Directors with the obligatory subsequent submission to the Board of Directors;
11. submit for review by the Company’s Board of Directors the reports on financial and business activities of the Company, reports on execution of decisions of the General Meeting and the Board of Directors;
12. not later than 45 (forty-five) days before the date of holding the Annual General Meeting submit for review by the Board of Directors the annual report, annual accounting (financial) statements of the Company, distribution of profit and loss of the Company;
13. bear responsibility for organising the work with information constituting a state secret, and for creation of conditions for the state secrets protection;
14. resolve other issues related to the Company’s day-to-day activities, except for any issues falling within the responsibility of the General Meeting, the Board of Directors, and the Management Board of the Company;
15. perform the functions of the Chairman of the Company’s Management Board.
	1. The Director General of the Company shall be elected by the Company’s Board of Directors by the majority of members of the Board of Directors participating in the meeting.
	2. The Company's Management Board shall act on the basis of these Articles of Association and the Regulations on the Management Board approved by the General Meeting of Shareholders, which establish the terms and procedure for convening and holding its meetings and the procedure of decision-making.
	3. The following issues shall fall under the responsibility of the Management Board:
16. elaboration and submission for consideration by the Board of Directors of perspective plans on implementation of the basic activities of the Company;
17. preparation of the Annual Report of the Company, the report on fulfillment by the Management Board of decisions of the General Meetings of Shareholders and of the Board of Directors of the Company;
18. consideration of reports of deputies Director General of the Company, heads of structural divisions of the Company about results of implementation of approved plans, programmes, instructions, consideration of reports, documents and other information about the activities of the Company and its subsidiaries and dependent companies;
19. establishment of social benefits and guarantees for employees of the Company;
20. taking decisions on the issues referred to the responsibility of the supreme management bodies of the entities, 100 (one hundred) percent of the authorised capital of which is owned by the Company (including subparagraphs 33, 34 of paragraph 15.1. of Article 15 of these Articles of Association);
21. taking decisions on entering into transactions, the subject of which is property, works and services which cost makes from 5 (five) to 25 (twenty-five) percent of the balance value of the Company’s assets according to accounting statements on the last reporting date (except for the cases stipulated by subparagraph 35 of paragraph 15.1 of these Articles of Association);
22. effective risk management within current activities of the Company; approval of budget for risk management in the Company within the limits approved by the decision of the Board of Directors of the Company; resolution of cross-functional (performed by several structural units) tasks of risk management;
23. preparation of the business plan (adjusted business-plan) and the quarterly report on its implementation (for the first quarter, first six, nine months, the financial year);
24. other issues of current activities of the Company in accordance with the decisions of the General Meeting of Shareholders, the Board of Directors of the Company and issues presented to the Management Board for review by the Company's Director General.

21.7. The quantitative composition of the Management Board may not be less than 3 (three) persons and shall be determined by the decision of the Board of Directors.

The members of the Management Board of the Company shall be elected by the Board of Directors of the Company on the proposal of the Director General.

In case of rejection by the Board of Directors of the Company of the candidates to the Management Board of the Company proposed by the Director General, the Board of Directors of the Company shall be entitled to elect to the Management Board the candidates proposed by a member (members) of the Board of Directors of the Company.

21.8 The Management Board shall be deemed authorised, if not less than half of the elected members of the Management Board participates in the meeting (in absentee voting).

21.9. All decisions shall be made by the Management Board by a simple majority of votes of those members of the Management Board present at the meeting (participating in absentee voting). In the case of an equality of votes, the Chairperson of the Management Board shall have a deciding vote.

21.10. Any transfer of the right to vote by a member of the Management Board to another person, including another member of the Management Board, is not allowed.

21.11. The rights and obligations of the Director General and the members of the Management Board in relation to managing the Company’s day-to-day activities shall be subject to the laws of the Russian Federation, these Articles of Association, and the employment contract between each of them and the Company.

21.12. The Director General of the Company and the members of the Management Board may not simultaneously hold office in other organisations’ management bodies or have any other gainful employment at other organisations without the consent of the Company’s Board of Directors.

21.13. The employment contract with the Director General and members of the Management Board on behalf of the Company shall be signed by the Chairman of the Company’s Board of Directors or the person authorised by the Company’s Board of Directors.

21.14. The terms of the employment contract, including its part related to the term of powers, shall be determined by the Board of Directors, or a person authorised by the Board of Directors to sign the employment contract in accordance with paragraph 21.13. of this Article.

21.15. The rights and obligations of the employer on behalf of the Company in respect of the Director General and members of the Management Board shall be performed by the Board of Directors, or a person authorised by the Board of Directors, in accordance with the procedure determined by the resolutions of the Board of Directors.

21.16 The Board of Directors may at any time adopt a decision on termination of powers of the Director General, members of the Management Board, and on establishing new executive bodies.

Termination of powers of the Director General and members of the Management Board shall be carried out on the grounds established by the legislation of the Russian Federation and the contract concluded with the Company.

21.17. By the decision of the General Meeting, the powers of the sole executive body of the Company may be transferred under the contract to a managing company, or a manager.

21.18. The rights and obligations of the managing company (manager) in managing current activities of the Company shall be determined by legislation of the Russian Federation and the contract concluded with the Company.

The contract on behalf of the Company shall be signed by the Chairperson of the Board of Directors, or a person authorised by the Board of Directors.

The terms of the contract, including its part related to the term of powers, shall be determined by the Board of Directors, or a person authorised by the Board of Directors.

21.19. The General Meeting of Shareholders may at any time decide on early termination of powers of the managing company (manager).

The Board of Directors shall be entitled to decide on suspension of powers of the managing company or the manager. Simultaneously with the specified decision, the Board of Directors of the Company shall be obliged to accept the decision to appoint Acting Director General and on holding an Extraordinary General Meeting of Shareholders to decide on early termination of powers of the managing company (manager) and, unless a different decision is taken by the Board of Directors, on transfer of powers of the sole executive body to a managing company (manager).

21.20. In case the managing company (manager) cannot perform its duties, the Board of Directors shall be entitled to adopt a decision to appoint Acting Director General of the Company and on holding an Extraordinary General Meeting of Shareholders to decide on early termination of powers of the managing company (manager) and, unless a different decision is taken by the Board of Directors, on transfer of powers of the sole executive body of the Company to another managing company or manager.

21.21. The Acting Director General shall manage current activities of the Company within the responsibility of the executive bodies of the Company, if the Board of Directors decides otherwise.

21.22. The Director General, the Acting Director General, members of the Management Board and managing company (manager) when exercising their rights and discharging their duties are obliged to act in the interests of the Company, to exercise their rights and fulfill duties in relation to the Company reasonably and in good faith.

21.23. The Director General, the Acting Director General, members of the Management Board and managing company (manager) shall be held responsible to the Company for any damages caused to the Company by their wrongful acts (inaction) unless other grounds and the amount of liability are not established by Federal laws.

21.24. Appointment to the positions involving access to information classified as a state secret shall be possible only after issuance of this permit in the order established by legislative and other normative acts of the Russian Federation.

21.25. In case of temporary absence of the Director General (due to illness, business trip, or vacation) the performance of his or her duties may be entrusted upon the order of the Director General of the Company to one of his or her deputies only in the absence of a decision of the Board of Directors of the Company on the appointment of the Acting Director General of the Company.

# Article 22. Audit Commission and Auditor of the Company

* 1. The General Meeting shall elect the Audit Commission to exercise control over the Company’s financial and business activities with a term of 1 (one) year (until the date of the next Annual General Meeting).

The Audit Commission shall comprise 5 (five) members.

* 1. The powers of all or separate members of the Audit Commission may be early terminated by the decision of the General Meeting. In the case of electing the Audit Commission or its individual members at the Extraordinary General Meeting, the Audit Commission shall be deemed elected for the period up to the date of the Annual General Meeting. The members of the Audit Commission of the Company cannot simultaneously be members of the Board of Directors of the Company, or hold other positions in the management bodies of the Company.
	2. The Audit Commission shall:
1. confirm accuracy of the data contained in the annual report, annual accounting (financial) statements of the Company;
2. analyse the Company’s financial condition, reveal reserves for improving the Company’s financial condition and develop recommendations for the Company’s management bodies;
3. organise and carry out audits (inspections) of the Company’s financial and business activities, in particular:
4. inspection (audit) of financial, accounting, payment and settlement and other documentation of the Company related to the implementation of the Company's financial and business activities for its compliance with the legislation of the Russian Federation, these Articles of Association and other internal documents of the Company;
5. inspection and analysis of the financial condition of the Company, its solvency, functioning of the internal control system and risk management system, liquidity of assets, ratio of own and borrowed funds, correctness and timeliness of accrual and payment of interest on bonds, income on other securities;
6. control over safety and use of fixed assets;
7. control over observance of the established order of write-off of debt of insolvent debtors on the Company’s losses;
8. monitor the expenditure of funds of the Company in accordance with the approved business plan and budget of the Company;
9. control over formation and use of the reserve fund and other funds of the Company;
10. verification of timeliness and correctness of conducting settlement operations with counterparts and the budget, and settlement operations on remuneration, social insurance, accrual and payment of dividends and other settlement operations;
11. check of economic operations of the Company, carried out in accordance with existing agreements;
12. check of compliance when using material, labor and financial resources in financial and business activity of existing contracts, norms and standards, approved estimates and other documents regulating the Company’s activities;
13. check of the cash and property of the Company, efficient use of assets and other resources of the Company, identification of causes of non-productive losses and expenses, revealing of reserves for improving financial condition of the Company;
14. audit of the implementation of earlier issued instructions on elimination of infringements and drawbacks, previously revealed by the Audit Commission of the Company;
15. delivery of recommendations for the management bodies of the Company;
16. implementation of other actions (measures) associated with audit of financial and business activities of the Company.
	1. The Audit Commission shall be entitled to request the convocation of the Extraordinary General Meeting.

The Audit Commission shall be obliged to demand convening of the Extraordinary General Meeting in case of revelation of grave violations in financial and business activities of the Company.

* 1. The order of activity of the Audit Commission shall be determined by internal document of the Company approved by the General Meeting.

The Audit Commission, in accordance with the decision on carrying out of inspections (audit), shall be entitled to attract specialists for such inspections (audits) in relevant fields of law, economics, finance, accounting, management, economic security and other fields of knowledge, not holding any positions in the Company, and specialised organisations, to apply to the Company to enter into civil law contracts with the above professionals and organisations.

* 1. Inspection (audit) of financial and business activity of the Company shall be carried out by results of the Company for the year and can be exercised at any time upon the initiative of the Audit Commission of the Company, the General Meeting of Shareholders, the Board of Directors, or upon request of a shareholder (shareholders) of the Company owning an aggregate of at least 10 (ten) percent of voting shares of the Company.
	2. Persons holding positions in the management bodies of the Company shall be obliged to present documents on financial and business activities of the Company upon the request of the Audit Commission of the Company.

22.7.1. By results of the audit of the Company’s financial and business activity the Audit Commission of the Company shall prepare a report, which should contain:

- verification of the data contained in the Company's annual report, annual accounting (financial) statements;

- information on the facts of violation of procedure for accounting and submission of financial statements, and implementation of financial and economic activities.

22.7.2. By decision of the General Meeting of Shareholders, the members of the Audit Commission of the Company during the performance of their duties may receive remuneration and (or) compensation for the expenses connected with the execution of their duties. The amount of such remuneration and compensation shall be established by decision of the General Meeting of Shareholders.

* 1. To carry out an annual audit and to confirm annual financial statements of the Company, the General Meeting of Shareholders shall approve annually the Auditor of the Company, not connected by property interests with the Company and its shareholders.

The Auditor shall be approved annually at the Annual General Meeting.

* 1. The amount of payment for the Auditor's services shall be determined by the Board of Directors.
	2. The auditor shall audit financial and business activities of the Company in accordance with the requirements of the legislation of the Russian Federation and on the basis of the contract concluded hereof.
	3. By results of audit of the financial and business activities of the Company, the Auditor shall prepare a report, which should contain:

- confirmation of reliability of the data contained in accounting (financial) statements of the Company;

- information on the facts of violation by the Company of the order of conducting accounting and submission of accounting (financial) statements established by legal acts of the Russian Federation, and legal acts of the Russian Federation in the implementation of the Company's financial and business activities.

The procedure and terms of compiling the report on the audit of financial and business activities of the Company shall be defined by legal acts of the Russian Federation based on the contract signed with the Company's Auditor.

# Article 23. Accounting and Financial Statements of the Company

* 1. The Company shall keep accounting and submit accounting (financial) statements in the order established by the legislation of the Russian Federation and these Articles of Association.
	2. The Executive Body of the Company shall be held responsible for organisation, state and accuracy of accounting in the Company, timely submission of the accounting (financial) statements to the relevant state authorities, and the information about the Company’s activities submitted to its shareholders, creditors and mass media in accordance with the laws of the Russian Federation and these Articles of Association
	3. The accuracy of the data contained in the Company's annual report and annual accounting (financial) statements shall be confirmed by the Audit Commission. The Company shall be obliged to engage for annual audit of annual accounting (financial) statements the Auditor not connected by property interests with the Company and its shareholders.
	4. Annual report, annual accounting (financial) statements, distribution of profit and loss of the Company shall be subject to prior approval by the Board of Directors of thee Company not later than 30 (thirty) days before the date of the Annual General Meeting of Shareholders of the Company.

# Article 24. Storage of Documents by the Company. Provision of Information by the Company

* 1. The Company shall keep the following documents:
1. the decision to establish the Company;
2. the Articles of Association of the Company, amendments and supplements hereto registered in accordance with the prescribed procedure, the certificate on the state registration of the Company;
3. documents confirming the Company’s right to the property accounted for in its balance sheet;
4. internal documents of the Company approved by the management bodies of the Company;
5. regulations for the Company’s branch offices and representative offices;
6. annual financial reports;
7. prospectuses of securities, quarterly reports of the issuer and other documents containing information being subject to publication or disclosure otherwise in accordance with Federal laws;
8. records and accounts;
9. accounting (financial) statements;
10. minutes of General Meetings of Shareholders, meetings of the Board of Directors and the Audit Commission;
11. ballots for voting and powers of attorney (copies thereof) to participate in the General Meeting;
12. independent appraisers’ reports;
13. lists of the Company’s affiliates;
14. lists of the persons entitled to participate in the General Meeting and of the persons entitled to receive dividends, and other lists made by the Company for the exercise by shareholders of their rights in accordance with the Federal Law “On Joint Stock Companies”;
15. statements by the Audit Commission, the Auditor, governmental and municipal financial supervision authorities;
16. notices of signed shareholders’ agreements sent to the Company and lists of the persons that have entered into such agreements;
17. court rulings on disputes related to incorporating, managing, or holding a stake in the Company;
18. other documents required by the laws of the Russian Federation, the Company’s Articles of Association, the Company’s internal documents, and decisions of the Company’s management bodies.
	1. The Company shall keep the documents specified in paragraph 24.1 hereof at the Company’s registered address in accordance with the procedure and within the period required by the Bank of Russia.
	2. In case of the Company's reorganisation, all documents shall be transferred in the prescribed manner to its successor.
	3. Upon liquidation of the Company, the documents of permanent storage, having scientific and historical value shall be transferred for state storage to the Federal Archival Service of Russia, documents on personnel (orders, personal files and card records, personal accounts, etc.) shall be deposited in the state archive of St. Petersburg.

The transfer and ordering of documents shall be carried out in accordance with requirements of archive bodies.

Information about the Company shall be provided to them in accordance with the requirements of the legislation of the Russian Federation.

* 1. The Company shall provide shareholders of the Company with access to the documents specified in paragraph 24.1 hereof, subject to the restrictions established by the legislation of the Russian Federation.

 Accounting documents shall be made available to the shareholder(s) holding an aggregate of at least 25 (twenty-five) percent of the Company’s voting shares.

* 1. Information about the Company shall be disclosed by the Company in accordance with the Federal Law “On Joint Stock Companies” and other laws and regulations of the Russian Federation. In the case of non-payment of the Company’s expenses on copying of the Company’s documents in accordance with the preliminary received and fulfilled Request, the term of submission of documents’ copies in accordance with the [successive](https://www.linguee.ru/%D0%B0%D0%BD%D0%B3%D0%BB%D0%B8%D0%B9%D1%81%D0%BA%D0%B8%D0%B9-%D1%80%D1%83%D1%81%D1%81%D0%BA%D0%B8%D0%B9/%D0%BF%D0%B5%D1%80%D0%B5%D0%B2%D0%BE%D0%B4/successive.html) requests shall be calculated from the date of payment
	2. The Company shall provide shareholders and employees of the Company with access to the information in compliance with the requirements of legislation on state and commercial secret.

# Article 25. Reorganisation and Liquidation of the Company

25.1. The Company may be reorganised on a voluntary basis through a merger, takeover, split-up, spin-off, and transformation, and on the grounds and in the manner stipulated by the Civil Code of the Russian Federation and Federal laws.

25.2. The Company may be transformed into a limited liability company, or into a production cooperative.

25.3. The Company shall be deemed to be reorganised, except for the cases of reorganisation through a takeover, as of the state registration of the legal entities established as a result of the reorganisation.

In the case of the Company’s reorganisation through its takeover of any other company, the Company shall be deemed to be reorganised as of the time when the dissolution of the taken over company is registered on the Uniform State Register of Juridical Persons.

Assets of the companies as a result of reorganisation shall be formed only at the expense of the property of theses reorganised companies.

25.4. The proposal for the reorganisation of the Company shall be submitted by the Board of Directors. The decision on the reorganisation of the Company shall be adopted by the General Meeting.

Not later than 30 (thirty) days from the date of the decision on the Company’s reorganisation, and when the Company is reorganised through merger or take-over – from the date of the decision of the last of the entities involved in the merger or take-over, the Company shall notify in writing the creditors of the Company and publish the notice on the adopted decision in a printed publication meant for publishing data on state registration of legal entities. The creditors of the Company within 30 (thirty) days from the date of such notification, or within 30 (thirty) days from the date of publication of the notice of the decision shall have the right to request in writing early termination or performance of the obligations of the Company and compensation for their losses.

25.5. Upon reorganisation of the Company, except for reorganisation through a spin-off, all of its rights and obligations shall pass to the legal successor(s). When the Company is reorganised through a spin-off, part of the rights and obligations of the reorganised Company shall be transmitted to the new entity (entities).

25.6. The Board of Directors shall solve the issues related to the preparation and holding the General Meetings of Shareholders of the companies founded as a result of reorganisation of the Company through spin-off or split-up (further – spin-off companies):

- define the form, date, place and time of the General Meeting of Shareholders of a spin-off company and the postal address completed ballots to be sent to;

- define the agenda of the General Meeting of Shareholders of a spin-off company;

- determine the date of the list of persons entitled to participate in the General Meeting of Shareholders of a spin-off company;

- define the procedure of notification of shareholders on convocation of the General Meeting of Shareholders of a spin-off company;

- define the list of information (materials) to be presented to shareholders during preparation to the General Meeting of Shareholders of a spin-off company, and the procedure of presentation thereof;

- consider the proposals of shareholders of spin-off companies on the inclusion of the candidates nominated by them in the list of persons for voting on elections to the bodies of each spin-off company. The procedure for submission of such proposals, and the procedure for its consideration by the Board of Directors of the Company shall be established by the decision of the General Meeting of Shareholders of the Company on reorganisation;

- submit draft articles of association of a spin-off company for consideration by the General Meeting of Shareholders of each spin-off company;

- approve the form and text of ballots in case of voting by ballots;

- form the working bodies of the General Meeting of Shareholders of a spin-off company;

- set the start time of registration of the persons participating in the General Meeting of Shareholders of a spin-off company, held in the form of a co-presence.

25.7. In the absence of quorum for holding the General Meeting of Shareholders of a spin-off company not later than 40 (forty) days after the failed General Meeting of Shareholders the spin-off company a repeated General Meeting of Shareholders the spin-off company should be held with the same agenda. The repeated General Meetings of Shareholders of spin-off companies are empowered (have a quorum) if attended by the shareholders of the spin-off companies owning in aggregate not less than 30 (thirty) percent of the votes of distributable ordinary shares of the spin-off company.

25.8. When holding a repeated General Meeting of Shareholders of the spin-off company after the failed General Meeting of Shareholders of the spin-off company, the persons entitled to participate in the General Meeting of Shareholders of the spin-off company shall be determined in accordance with the list of persons entitled to participate in the failed General Meeting of Shareholders of the spin-off company.

25.9. The announcement of holding a repeated General Meeting of Shareholders of spin-off companies and ballots shall be sent to the shareholders of the spin-off companies by registered mail not later than 20 (twenty) days before the date of holding the repeated General Meeting of Shareholders of spin-off companies. The announcements shall be also published in a publication prescribed by the Articles of Association of the Company for the publication of announcements of holding the General Meeting of Shareholders of the Company.

25.10. In case the decision on one or more issues of the agenda of the General Meeting of Shareholders of the spin-off company is not made, then not later than 40 (forty) days after the General Meeting of Shareholders of the spin-off company, where no decisions were made on one or more issues, a repeated General Meeting of Shareholders of the spin-off company shall be held. The agenda of the General Meeting of Shareholders of the spin-off company shall include only those issues decisions on which were not adopted by the General Meeting of Shareholders of the spin-off company. During such repeated General Meeting of Shareholders, the persons entitled to participate in the General Meeting of Shareholders of the spin-off company shall be determined in accordance with article 51 of the Federal Law “On Joint Stock Companies”.

25.11. The announcement of holding a repeated General Meeting of Shareholders of spin-off companies and ballots shall be sent to the shareholders of the spin-off companies by registered mail not later than 20 (twenty) days before the date of the repeated General Meeting of Shareholders of spin-off companies. The announcements shall be also published in a publication prescribed by the Articles of Association of the Company for the publication of announcements of holding the General Meeting of Shareholders of the Company.

25.12. The Board of Directors of the Company shall be held responsible for preparations for holding the repeated General Meetings of Shareholders of all spin-off companies.

25.13. Other issues related to preparation and holding the General Meetings of Shareholders of spin-off companies shall be resolved by the General Meeting of Shareholders of the Company within the framework of the issue on the reorganisation of the Company through spin-off or split-up.

25.14. The liquidation of the Company shall entail its dissolution without any transfer of its rights and obligations to legal successors.

25.15. The Company may be liquidated on a court decision or on a voluntary basis in accordance with the procedure set forth in the Civil Code of the Russian Federation, the Federal Law “On Joint Stock Companies” and these Articles of Association.

25.16. In the case of a voluntary liquidation of the Company, the General Meeting upon the request of the Board of Directors shall adopt the decision on the Company’s liquidation, and shall appoint a liquidation commission.

Candidates for the liquidation commission shall be nominated by the Board of Directors. The decision to appoint a liquidation commission shall be adopted by the General Meeting by a majority of three quarters of votes of the shareholders – owners of voting shares participating in the General Meeting.

25.17. Since the appointment of the liquidation commission, it shall assume all the powers to manage the Company’s affairs.

The liquidation commission shall be held responsible for damage impaired to the shareholders and third parties it in the process of liquidation of the Company.

25.18. The procedure for the liquidation and distribution of the property remaining after completion of settlements with creditors shall be governed by the Civil Code of the Russian Federation and the Federal Law “On Joint Stock Companies”.

25.19. The liquidation of the Company shall be deemed completed, and the Company shall be deemed terminated from the moment of entering of the corresponding record into the uniform state register of legal entities.

25.20. In the organisation, liquidation of the Company or termination of the works containing information constituting state and commercial secret, the Company shall ensure the safekeeping of this information and its carriers through the development and implementation of secrecy, data protection, countering technical intelligence, security and fire protection.