

**PLEASE NOTE: TEXT OF THIS DOCUMENT IN ENGLISH LANGUAGE IS A TRANSLATION PREPARED FOR INFORMATION PURPOSES ONLY. THE TRANSLATION MAY CONTAIN DISCREPANCIES AND OMISSIONS AND DOES NOT REPLACE THE RUSSIAN TEXT OF THIS DOCUMENT. IN ANY AND ALL CASES THE TEXT OF THIS DOCUMENT IN RUSSIAN LANGUAGE SHALL PREVAIL.**

**RATIFIED:**

By the resolution of the Annual general shareholder meeting of OJSC “Uralkali”

Minutes of the meeting N 35 of 05 June 2013

**CHARTER  
OF THE OPEN JOINT STOCK COMPANY “URALKALI”  
(New edition)**

## CONTENTS

1. LEGAL STATUS OF THE COMPANY .....	3
General provisions .....	3
Trademark name and location of the Company .....	4
Aims and objectives of the Company: .....	4
Structure of the Company .....	5
Branches and representative offices of the Company .....	5
Share register of the Company .....	5
Liability of the Company .....	5
2. CHARTER CAPITAL OF THE COMPANY.....	6
Size of charter capital of the Company. Placed and declared shares of the Company. Types of shares placed by the Company .....	6
Increase of the charter capital of the Company .....	6
Reduction of the charter capital of the Company.....	6
3. RIGHTS AND OBLIGATIONS OF THE SHAREHOLDERS OF THE COMPANY. PROVISION OF INFORMATION TO THE SHAREHOLDERS BY THE COMPANY .....	7
4. PLACEMENT OF SHARES, BONDS AND OTHER SECURITIES BY THE COMPANY. ACQUISITION OF PLACED SHARES BY THE COMPANY.....	8
5. RESERVE FUND OF THE COMPANY .....	8
6. DIVIDENDS OF THE COMPANY .....	9
7. STRUCTURE OF MANAGEMENT AND CONTROL BODIES OF THE COMPANY; RESPONSIBILITY OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE MEMBERS OF THE MANAGEMENT BOARD OF THE COMPANY; RESPONSIBILITY OF THE GENERAL DIRECTOR OF THE COMPANY .....	9
8. GENERAL MEETING OF SHAREHOLDERS.....	10
General provisions .....	10
Competence of the general meeting of shareholders.....	10
Procedure of adoption of resolutions by the general meeting of shareholders. Procedure of informing the shareholders of the Company of the resolutions of the general meeting of shareholders.....	11
Information on convocation of the general meeting of shareholders .....	11
Procedure of preparation and holding of the general meeting of shareholders .....	12
9. BOARD OF DIRECTORS OF THE COMPANY .....	14
General provisions .....	14
Competence of the Board of Directors.....	14
Election of the Board of Directors of the Company.....	16
Requirements to the members of the Board of Directors of the Company .....	16
Chairman of the Board of Directors of the Company .....	16
Meetings of the Board of Directors of the Company .....	17
10. EXECUTIVE BODIES OF THE COMPANY .....	17
General provisions .....	17
Management Board of the Company .....	18
General Director.....	19
11. REVISION COMMISSION OF THE COMPANY .....	20
Competence of the Revision Commission of the Company.....	20
Requirements to the members of the Revision Commission of the Company .....	21
Procedure of adoption of decisions by the Revision Commission of the Company.....	21
12. AUDITOR OF THE COMPANY .....	22
13. ACCOUNTING AND REPORTING OF THE COMPANY.....	22
14. LABOR RELATIONS OF THE COMPANY WITH ITS EMPLOYEES.....	22
15. REORGANIZATION AND LIQUIDATION OF THE COMPANY .....	23

**The Charter of the Open Joint Stock Company “Uralkali” (hereinafter the Charter) is a founding document of the Open Joint Stock Company “Uralkali” (hereinafter the Company).**

**The requirements of the Charter of the Company are mandatory for all managerial, control and executive bodies of the Company as well as for the shareholders of the Company.**

**The first edition of the Charter was ratified by the Property Management Committee of Perm Territory on 06.10.1992 and was registered by Berezniki City Administration of Perm Territory on 14.10.1992.**

**The current edition of the Charter has been developed in compliance with the Civil Code of the Russian Federation (Part I) dated 30.11.1994 N 51-FZ, the Federal Law “On Joint Stock Companies” of 26.12.1995 N 208-FZ (hereinafter the Federal Law “On Joint Stock Companies”) and other legal acts of the Russian Federation.**

**This Charter comes into effect for third parties at the moment of its registration in compliance with the procedure established under the legislation of the Russian Federation.**

**All amendments and changes to this Charter can be made only if a relevant resolution (s) has been adopted by the general meeting of the shareholders of the Company or by the Board of Directors of the Company in compliance with the procedure indicated under the Federal Law “On Joint Stock Companies” and in Compliance with the procedures established hereunder. All amendments and changes to this Charter come into effect upon state registration thereof.**

**The provisions of this Charter are applicable only if they do not contravene the law. If, due to changes in the legislation, any articles of this Charter come into conflict with the provisions of the legislation, they become invalid until the moment that the necessary changes are made and until such moment these contradicting provisions are not applicable.**

**Should the provisions of the Charter of the Company contradict the provisions of any internal documents of the Company established by the general meeting of shareholders, the provisions of the Charter of the Company shall prevail as far as third parties and the shareholders of the Company are concerned.**

## **1. LEGAL STATUS OF THE COMPANY**

### **General provisions**

1.1. The Company was founded by the Property Management Committee of Perm Territory as the result of reorganization of the state enterprise “Production association “Uralkali” and is the legal successor of the latter.

The Company is the legal successor of the Open Joint Stock Company “Avtotransportnoye enterprise” which was reorganized in the form of merger of the latter with the Company.

The Company is the legal successor of the Open Joint Stock Company “Silvinit”, Closed Joint Stock Company “SP “Kama”, Closed Joint Stock Company Investment Company “Silvinit-Resource”, Open Joint Stock Company “Kama Mining Company” reorganized in the form of merger of above mentioned companies with the Company.

1.2. The Company is listed in the Unified State Register of Legal Entities under the main state registration number (MSRN) 1025901702188.

1.3. The Company is a legal entity and own separate assets which are accounted in the Company’s independent balance sheet. The Company can acquire assets and exercise other property rights on its own behalf, have obligations and be a plaintiff and a defendant in a court of law.

1.4. The Company is a commercial organization.

1.5. The Company was created for an unlimited period of time.

1.6. The Company has the right to open bank accounts in the Russian Federation and abroad in compliance with the applicable procedures.

1.7. The Company has round seals. The first seal of the Company contains its full trademark name, its trademark and information on its location.

The list of the round seals of the Company, their description and the procedure of their usage are established by an internal document of the Company approved by the General Director of the Company.

1.8. The Company has stamps and letter heads with its name as well as its own trademark registered in compliance with the procedures established under the legislation. The Company has the right to have its own emblem and other means of visual identification.

1.9. The “golden share” rule allowing the Russian Federation, the subjects of the Russian Federation or municipalities of the Russian Federation to participate in the management of the Company does not apply.

#### **Trademark name and location of the Company**

1.10. Trademark name of the Company:

Full:

In Russian	Открытое акционерное общество “Уралкалий”
In English	Open Joint Stock Company Uralkali

Short:

In Russian	ОАО “Уралкалий”
In English	OJSC Uralkali

1.11. Location of the Company: Russian Federation, 618426, Perm Territory, Berezniki, Pyatiletki Street, 63

#### **Aims and objectives of the Company:**

1.12. The main objective of the Company is to make a profit.

1.13. The Company has the right to undertake all kinds of activities which are not prohibited by the law, including:

- 1) Production of potash fertilizers and other chemical products;
- 2) Mining of potash and magnesium salts, their beneficiation, processing and realization;
- 3) surveying, exploration and mining of diamonds, gold and platinum; mining of other mineral resources;
- 4) production utilizing surety materials and other production waste;
- 5) geological prospecting and exploration;
- 6) surveying works;
- 7) topographic and geodesic activities;
- 8) disposal of production waste in underground workings;
- 9) transportation, including inter-city and international transportation;
- 10) loading/unloading works, transportation and logistics works and services;
- 11) shipping operations utilizing river, sea, auto, air and other types of transport;
- 12) manufacturing of construction materials, constructions and products;
- 13) installation, construction and repair works;
- 14) engineering surveys;
- 15) planning and project works;
- 16) standardization, unification of measurements, certification of products and services;
- 17) production of electrical and heat power;
- 18) provision of telecommunication services;
- 19) leasing of property;
- 20) foreign economic activity;
- 21) commercial intermediary/agency services;
- 22) investment activity;
- 23) organization of warehousing and storage;
- 24) procurement;
- 25) retail;
- 26) public catering;
- 27) processing of agricultural products;
- 28) provision of medical services;
- 29) health related services;

- 30) housing and utilities management;
- 31) educational activities;
- 32) organization of expos, exhibitions, trade-fairs, auctions, trading sessions in the Russian Federation and abroad;
- 33) cultural and educational activity;
- 34) Publishing, editorial and printing activities; publishing of newspapers and artwork, publishing of advertising and information materials and other printed products.

1.14. The Company possesses civil rights and obligations necessary to transact any kind of business activities which are not prohibited by the federal legislation.

1.15. The Company has the right to undertake the activities listed under the relevant federal laws only if the Company possesses the relevant permits (licenses).

### **Structure of the Company**

1.16. The organizational structure of the Company is established under the Regulations on the organizational structure of the Company.

### **Branches and representative offices of the Company**

1.17. The Company may establish branches and open representative offices in the territory of the Russian Federation in compliance with the Law “On Joint Stock Companies” and other federal laws.

The Company may establish branches and open representative offices outside of the Russian Federation in compliance with the legislation of the relevant foreign state unless otherwise stipulated under the international agreements of the Russian Federation.

1.18. The branches and representative offices of the Company are not legal entities; they may act on the basis of the regulations on the branch/representative office established by the Board of Directors of the Company. The Company vests its branches and representative office with property which is accounted both on the balance sheets of the branches/representative offices and the balance sheet of the Company.

Heads of branches and representative offices are appointed by the General Director of the Company and act based on the power of attorney issued by the General Director of the Company.

1.19. The branches and representative offices of the Company act on behalf of the Company. All responsibility and liability for the actions of the branches and the representative offices of the Company is borne by the Company.

1.20. The Company has the following representative office: Moscow Representative Office of OJSC “Uralkali”. Location: 119034, Moscow, Butikovskiy Pereulok, 7  
The Moscow Representative Office has a current bank account and an independent balance sheet which is part of the balance sheet of the Company.”

1.21. The Company has the following branch:

Branch of the Open Joint Stock Company “Uralkali” in Solikamsk.  
Location: Russian Federation, Perm Territory, 618540, Solikamsk, Mira Street, 14.

### **Share register of the Company**

1.22. The Company ensures proper keeping and maintenance of the share register of the Company in compliance with the legal norms of the Russian Federation.

1.23. The share register is in the custody of the registrar.

### **Liability of the Company**

1.24. The Company is liable under all its obligations with its assets and property.

1.25. The Company is not liable for the obligations of its shareholders.

1.26. The shareholders of the Company are not liable for the obligations of the Company and carry the risk of losses connected to the activities of the Company only within the value of the shares belonging to them.

1.27. The state and its bodies are not liable for the obligations of the Company; the Company is not liable for the obligations of the state and its bodies.

## **2. CHARTER CAPITAL OF THE COMPANY**

### **Size of charter capital of the Company. Placed and declared shares of the Company. Types of shares placed by the Company**

- 2.1. The charter capital of the Company is 1,468,007,945.5 rubles.
- 2.2. The charter capital of the Company is comprised of 2,936,015,891 ordinary registered shares of the Company, the face value of each share being 0.5 rubles, bought by the shareholders of the Company (hereinafter the outstanding shares).
- 2.3. All shares of the Company are registered and are issued in non-documentary/uncertificated form.
- 2.4. The Company has the right to additionally place 1,729,752,095 ordinary registered shares with the face value of 0.5 rubles each (hereinafter the authorized shares).
- 2.5. The declared ordinary shares of the Company provide the shareholders with the same rights as the already placed ordinary shares under this Charter.
- 2.6. The procedure and the conditions of share placement by the Company are established under the resolution of the Board of Directors of the Company to issue ordinary registered uncertificated shares of the Company.

### **Increase of the charter capital of the Company**

- 2.7. The charter capital of the Company may be increased through the increase of the nominal value of the shares or through the placement of additional shares.
- 2.8. The decision to increase the charter capital of the Company through the increase of the nominal value of the shares is made by the general meeting of the shareholders of the Company.
- 2.9. The decision to increase the charter capital of the Company through the placement of additional shares within the limits of the number of the declared shares, is made by the Board of Directors of the Company (with the exception of the cases when, under the Federal Law “On Joint Stock Companies” this decision is to be made only by the general meeting of shareholders). A unanimous vote of all the members of the Board of Directors is required for this decision; the votes of the former members of the Board of Directors are not counted.
- Should the Board of Directors be unable to reach a unanimous decision on this issue, the issue may be proposed for consideration of the general meeting of the shareholders of the Company.

### **Reduction of the charter capital of the Company**

- 2.10. The charter capital of the Company may be reduced through the reduction of the nominal value of the shares of the Company or the reduction of the total number of the shares, including by way of acquisition of a part of the shares by the Company in the cases provided under the Federal Law “On Joint Stock Companies”.
- 2.11. The charter capital of the Company may be reduced through buyback of a part of the shares of the Company by the Company or through cancellation of a part of the shares of the Company in compliance with the decision of the general meeting of the shareholders of the Company.
- 2.12. The charter capital of the Company is reduced in compliance with the procedure established by the federal legislation of the Russian Federation.
- 2.13. The Company has no right to reduce its charter capital if, as the result of such reduction, the charter capital of the Company becomes less than the minimum size of charter capital established under the Federal Law “On Joint Stock Companies” as of the date of submission of documents for state registration of the relevant changes in the Charter of the Company; in cases when in compliance with the Federal Law “On Joint Stock Companies” the Company must reduce its charter capital – as of the date of state registration of the Company.
- 2.14. The Company is obliged to reduce its charter capital in cases stipulated under the Federal Law “On Joint Stock Companies”.

### **3. RIGHTS AND OBLIGATIONS OF THE SHAREHOLDERS OF THE COMPANY. PROVISION OF INFORMATION TO THE SHAREHOLDERS BY THE COMPANY**

3.1. Shareholders – owners of the ordinary shares of the Company in compliance with the Federal Law “On Joint Stock Companies” and this Charter have the right:

3.1.1. to participate in the management of the Company, including:

- Participate in the general meeting of the shareholders of the Company with the right to vote on all issues under its competence;
- Make proposals to include various issues into the agenda of the general meeting of the shareholders of the Company;
- Make proposals to nominate candidates for different bodies of the Company;

The requirements for the form and content of proposals for the agenda of the general meeting of the shareholders of the Company as well as of proposals to nominate candidates to the Board of Directors and the Revision Commission of the Company, the procedure of review of such proposals and the making of decisions on such proposals by the Board of Directors of the Company are established by the Federal Law “On Joint Stock Companies” and **the Regulations on the general meeting of the shareholders of the Company**, ratified by the general meeting of the shareholders of the Company.

The shareholders (shareholder) who own a total of at least 2 percent of the voting shares of the Company have the right to proposed issues for the agenda of the annual general meeting of shareholders and to nominate candidates to the Board of Directors of the Company and the Revision Commission of the - the number of the nominated candidates may not exceed the number of the members of the relevant body. The indicated proposals must be received by the Company not later than 2 months after the end of the financial year.

The requirements for the form and content of proposals to nominate candidates and the procedure of review of such proposals and the making of decisions on such proposals by the Board of Directors of the Company are established by the Federal Law “On Joint Stock Companies” and **the internal documents of the Company** approved by the general meeting shareholders of the Company.

- Submit requests to convene an extraordinary general meeting of the shareholders of the Company;

The requirements for the content and the form of a demand to convene an extraordinary general meeting of the shareholders of the Company and the procedure of their review by the Board of Directors of the Company are established under the Federal Law “On Joint Stock Companies” and **the Regulations on the General Meeting of the Shareholders of the Company**, ratified by the general meeting of the shareholders of the Company.

3.1.2. Receive information on the operations of the Company and study its accounting and other documentation in compliance with the Federal Law “On Joint Stock Company” and this Charter;

3.1.3. Participate in the distribution of profits;

3.1.4. Receive dividends;

3.1.5. Receive part of the property (or its monetary value) of the Company remaining after the settlements with the Company’s creditors in case of liquidation of the Company.

The shareholders of the Company have other rights established under the Civil Code of the Russian Federation, the Federal Law “On Joint Stock Companies” and this Charter.

3.2. Each ordinary share provides its owner with the same rights.

3.3. Voting shares are fully paid-up shares, with the exception of the shares owned by the Company.

3.4. The shareholders must:

- Comply with the requirements of this Charter and other internal documents of the Company indicated under this Charter;
- Pay for the shares upon their placement in compliance with the terms, forms and procedures established under the legislation, this Charter and the permission to place/issue shares;
- Not disclose confidential information on the activities of the Company.

The shareholders of the Company have other obligations established under the Civil Code of the Russian Federation, the Federal Law “On Joint Stock Companies” and other legal acts of the Russian Federation, the legal acts and norms established by the federal executive authority for the securities market, under this Charter and the resolutions of the general meeting of the shareholders of the Company which fall within its competence.

3.5. The shareholders who have not paid in full for their shares upon the placement of these shares are jointly and severally liable for the obligations of the Company within the unpaid part of the shares belonging to them.

3.6. The Company is obliged to safe-keep and to provide the shareholders with access to the documents listed under the clause 1 of the Article 89 of the Federal Law “On Joint Stock Companies”.

The Company provides the shareholders with access to the documents listed under the clause 1 of the Article 89 of the Federal Law “On Joint Stock Companies” at the location of the Company’s sole executive body.

Only those shareholders who have at least 25 percent of the voting shares of the Company may have access to the accounting reports and the minutes of the meetings of the Management Board of the Company.

The documents indicated under the Clause 1 of the Article 89 of the Federal Law “On Joint Stock Companies” must be provided by the Company within seven days from the date of demand of the shareholder to study these documents at the location of the executive body of the Company.

At the request of the shareholder, the Company may provide the shareholder with copies of the documents listed under the Clause 1 of the Article 89 of the Federal Law “On Joint Stock Companies” for a fee.

The fee charge by the Company for the making of these copies may not exceed the net costs of making of these copies. The Company provides the shareholder with an invoice not later than five (5) business days following the date of receipt of the request of the shareholder.

The Company is obliged to provide the shareholder with the copies of the relevant document not later than five (5) business days following the date of receipt of a document confirming the making of the payment per the invoice of the Company.

#### **4. PLACEMENT OF SHARES, BONDS AND OTHER SECURITIES BY THE COMPANY. ACQUISITION OF PLACED SHARES BY THE COMPANY**

4.1. The Company has the right to place additional shares, bonds and other securities by subscription or conversion. In case that the charter capital of the Company is increased at the cost of the property of the Company, the Company must place additional shares by distributing them amongst its shareholders.

4.2. If the Company places shares and securities, which may be converted into shares, by subscription, the Company has the right to conduct private subscription/offering or public subscription/offering.

4.3. The Company has the right to acquire the shares placed by the Company in compliance with the resolution of the general meeting of the shareholders to reduce the charter capital of the Company through buyback of the placed shares of the Company in order to reduce their total number. If it is necessary to acquire the Company’s placed shares for other reasons, the Company has the right to acquire these shares based on the decision of the Board of Directors of the Company.

4.4. The payment for the acquired shares placed by the Company may be in monetary form; they can be paid for utilizing other securities and property rights which have monetary value and by other assets.

4.5. The Company has no right to adopt the decision to acquire its earlier placed shares in the cases indicated under the Federal Law “On Joint Stock Companies”.

#### **5. RESERVE FUND OF THE COMPANY**

5.1. The reserve fund of the Company is formed utilizing net profits of the Company.

5.2. The reserve fund of the Company is formed in the amount of fifteen (15) percent of its charter capital.

The reserve fund of the Company is formed from mandatory annual payments until the moment it reaches the size indicated hereunder. The amount of annual payments may not be less than five (5) percent of the net profit of the Company until the moment it reaches the size indicated hereunder.

The reserve fund of the Company is intended for covering of losses of the Company, bond retirement and buy-back of the shares of the Company in the event that other funds are unavailable.



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

5.3. The funds of the Company are managed by the Board of Directors of the Company.

## **6. DIVIDENDS OF THE COMPANY**

6.1. Dividends are part of the net profit of the Company distributed amongst the shareholders of the Company proportionately to the number, category and type of shares belonging to them.

6.2. The Company has the right to declare the payment of dividends as the result of the first quarter, six months and nine months of the financial year and/or as the result of the financial year declare the payment of dividends on placed shares.

6.3. The decision to pay dividends (declaration) is adopted by the general meeting of the shareholders of the Company. The size of the dividends may not exceed the amount recommended by the Board of Directors of the Company.

The decision to pay dividends (declaration) based on the results of the first quarter, six months and nine months of the financial year, their size and term of payment may be adopted within three months following the end of the relevant period. The decision to pay dividends based on the result of the financial year is adopted upon establishment of the distribution of profits for the reporting financial year.

6.4. The dividends are paid in monetary form.

6.5. The list of persons eligible to receive dividends is prepared on the record date of the general meeting of shareholders which will review the decision to pay dividends. In order to prepare the list of persons who are eligible to receive dividends, the nominal holder must provide information on persons in whose interests he holds the shares.

6.6. The Company does not have the right to adopt the decision (declare) to pay dividends or to pay declared dividends in the cases provided under the Federal Law "On Joint Stock Companies".

6.7. The procedure of calculation and payment of dividends on the shares of the Company is established under the **Regulations on the Dividend Policy of the Company**, ratified by the Board of Directors of the Company.

## **7. STRUCTURE OF MANAGEMENT AND CONTROL BODIES OF THE COMPANY; RESPONSIBILITY OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE MEMBERS OF THE MANAGEMENT BOARD OF THE COMPANY; RESPONSIBILITY OF THE GENERAL DIRECTOR OF THE COMPANY**

7.1. The management of the Company is conducted by the management bodies of the Company.

7.2. The management bodies of the Company are:

- The general meeting of shareholders;
- The Board of Directors;
- The Management Board (collegial executive body);
- The General Director (sole executive body).

7.3. The Revision Commission of the Company is the body of control over the financial and economic activity of the Company.

7.4. The members of the Board of Directors of the Company, the members of the Management Board of the Company, and the General Director of the Company must act in the best interest of the Company, exercise their rights and perform their obligations properly and in good faith.

7.5. The members of the Board of Directors of the Company, the members of the Management Board of the Company, and the General Director of the Company are liable to the Company for the losses suffered by the Company due to their wrongful acts (non-action) if otherwise not provided under the federal laws of the Russian Federation.

The members of the Board of Directors and the members of the Management Board of the Company who have voted against the decision that lead to losses for the Company or those who have not participated in the voting, are not held liable.

7.6. The Company and the shareholders of the Company, who own at least one (1) percent of ordinary shares of the Company, have the right to submit a lawsuit to a court of law against a member of the Board of Directors, member of the Management Board of the Company and/or the General

Directors of the Company claiming compensation for losses suffered by the Company in the cases provided under the Clause 2 of the Article 71 of the Federal Law “On Joint Stock Companies”.

## **8. GENERAL MEETING OF SHAREHOLDERS**

### **General provisions**

8.1. The general meeting of the shareholders of the Company is the supreme management body of the Company.

8.2. The Company must hold the general meeting of the shareholders annually not earlier than two (2) months and not later than six (6) months after the end of the financial year.

8.3. The meetings of the shareholders which are held in addition to the annual general meeting are extraordinary.

8.4. The resolutions of the general meeting of the shareholders of the Company may be adopted (forms of the general meetings of the shareholders of the Company):

- In presentia (joint presence of the shareholders in order to discuss the issues on the agenda and adoption of resolutions put up for voting);
- In absentia, by poll (without the joint presence of the shareholders).

### **Competence of the general meeting of shareholders**

8.5. The following issues fall within the competence of the general meeting of the shareholders of the Company:

1) Making of amendments and changes to the Charter of the Company and ratification of the new editions of the Charter with the exception of the cases provided under the Federal Law “On Joint Stock Companies”;

2) Reorganization of the Company;

3) Liquidation of the Company, appointment of the liquidation committee and approval of the intermediate and final liquidation balance sheets of the Company;

4) Establishment of the head count of the Board of Directors of the Company, election of its members and early termination of its authority;

5) Establishment of the number, nominal value, price, category (type) of the declared shares and the rights provided by these shares;

6) Increase of the charter capital of the Company by increasing the nominal value of the shares or by placing additional shares in the cases provided under the federal legislation and this Charter;

7) Reduction of the charter capital of the Company by reduction of the nominal value of the Company, by buy-back of the placed shares by the Company in order to reduce their total number and by cancellation of the acquired or bought-back shares by the Company;

8) Election of the Revision Commission of the Company and early termination of its authority;

9) Appointment of the auditor of the Company;

10) Ratification of annual budgets, annual accounting statements, profit and loss statements of the Company, distribution of profits including the payment (declaration) of dividends, with the exception of the profits distributed as dividends based on the results of the first quarter, six months and nine months of the financial year, and the losses of the Company based on the results of the financial year;

10.1) Payment (declaration) of dividends based on the results of the first quarter, six months and nine months of the financial year;

11) Establishment of the procedure of the general meeting of the shareholders;

12) Share split and consolidation;

13) Approval of major transactions in the cases provided under the Article 83 of the Federal Law “On Joint Stock Companies”;

14) Approval of major transaction in the cases provided under the Article 79 of the Federal Law “On Joint Stock Companies”;

15) Acquisition of the placed shares by the Company in compliance with the cases provided under the Federal Law “On Joint Stock Companies”;

16) Decision to participate in financial and industrial groups, association and other associations of commercial organizations;

17) ratification of internal documents: Regulations on the General Meeting of Shareholders of the Company, Regulations on the Board of Directors of the Company, Regulations on the Management Board of the Company, Regulations on the Revision Commission of the Company, Regulations on Remuneration and Reimbursement of the Members of the Board of Directors of the Company;

18) Adoption of a decision to apply for delisting of the shares of the Company and (or) other issuable securities of the Company which may be converted into the Company's shares;

19) Resolution of other issues indicated under the Federal Law "On Joint Stock Companies".

8.6. The general meeting of the shareholders of the Company does not have the right to review and resolve the issues which do not fall within its competence in compliance with the Federal Law "On Joint Stock Companies".

Should there be discrepancies between the provisions of the Charter and the internal documents of the Company, ratified by the general meeting of the shareholders, the provisions of the Charter of the Company shall prevail for third parties and the shareholders of the Company.

**Procedure of adoption of resolutions by the general meeting of shareholders. Procedure of informing the shareholders of the Company of the resolutions of the general meeting of shareholders.**

8.7. The resolutions of the general meeting of the shareholders of the Company on the issue of the agenda put up for voting is adopted by the majority vote of the shareholders – owners of the voting shares of the Company, unless otherwise provided by the Federal Law "On Joint Stock Companies" or this Charter.

8.8. The resolutions on the issues indicated under the sub-clauses 2, 6, 11-17 of the Clause 8.5 of this Charter are adopted by the general meeting of the shareholders of the Company based only on the proposal of the Board of Directors of the Company.

8.9. The resolutions on the issues indicated under the sub-clauses 1-3, 5 and 15 of the Clause 8.5 of this Charter are adopted by the general meeting of the shareholders by a three-fourths majority vote of the shareholders – owners of the voting shares of the Company participating in the general meeting of the shareholders.

8.10. The general meeting of the shareholders of the Company does not have the right to adopt resolutions on the issues that are not included in the agenda of the meeting, nor do they have the right to change the agenda of the general meeting of the shareholders of the Company.

8.11. The resolutions adopted by the general meeting of the shareholders of the Company and the results of voting at the general meeting are announced at the general meeting of the shareholders which voted for these issues or are made known to the persons who have the right to participate in the general meeting of the shareholders of the Company within ten (10) days following the date of preparation of the protocol on the results of voting by publishing a report on the results of voting in the mass media indicated under the Clause 8.13 of this Charter.

**Information on convocation of the general meeting of shareholders**

8.12. Announcements of the convocation of the general meetings of shareholders of the Company must be made not later than thirty (30) days prior to the date of the meeting unless the legislation of the Russian Federation provides for a greater period.

If the proposed agenda of the general meeting of the shareholders of the Company contains the issue of election of the Board of Directors of the Company, an announcement of convocation of the meeting must be made not later than seventy (70) days prior to the date of the meeting.

8.13. The form of notification of the shareholders of the Company – publication of an announcement of holding of the general meeting of shareholders in the following periodical: the daily newspaper "Rossiyskaya Gazeta" (founded by the Government of the Russian Federation, registration number 302). In addition, an announcement of the general meeting of shareholders shall be placed on the Internet on the website of the Company at the following address: [www.uralkali.com](http://www.uralkali.com).

8.14. The list of information (materials) which are to be provided to the shareholders in

preparation for the general meeting of the shareholders of the Company and the procedure according to which the shareholders may familiarize themselves with this information, are established by the Board of Directors of the Company in compliance with the Federal Law “On Joint Stock Companies”, other norms and legal acts of the Russian Federation and the Regulations on the General Meeting of the Shareholders of the Company.

8.15. The information (materials) must be provided to the shareholders in preparation for the general meeting of the shareholders of the Company within twenty (20) days, and in case the agenda of the general meeting of the shareholders of the Company contains the issue of reorganization of the Company – within thirty (30) days prior to the date of the general meeting of the shareholders of the Company – the information (materials) must be made available to the persons who have the right to participate in the general meeting of the shareholders at the address of the executive body of the Company and other places where addresses are included in the notification of the convocation of the general meeting of the shareholders of the Company. The indicated information (materials) must be made available to the persons taking part in the general meeting of the shareholders of the Company during the meeting.

Following the request of any person who has the right to participate in the general meeting of the shareholders, the Company provides this person with copies of the indicated documents.

The fee charge by the Company for the production of these copies may not exceed the cost of their production. The Company provides the shareholder requesting the copies with an invoice within two (2) business days following the receipt of the request of the shareholder.

The Company must provide the shareholder with copies of the relevant documents not later than two (2) working days following the date of receipt of documents confirming payment made by the shareholder by the Company.

#### **Procedure of preparation and holding of the general meeting of shareholders**

8.16. While preparing for the general meeting of the shareholders of the Company, the Board of Directors of the Company:

##### **Establishes:**

- The form of the general meeting of the shareholders of the Company;
- The date, place and time of the beginning of registration of the persons taking part in the general meeting of the shareholders of the Company (with the exception of the case when the general meeting of the shareholders is held in absentia);
- The date when the voting ballots are to be sent (delivered in person) to the shareholders;
- The postal address (postal addresses) to which completed ballots must be sent;
- The date and time of the end of receipt of completed voting ballots;
- The record date;
- The agenda of the general meeting of the shareholders of the Company;
- The list of information (materials) which is provided to the shareholders in preparation for the general meeting of the shareholders of the Company and the procedure for its provision to the shareholders;
- The procedure of notification of the shareholders of the general meeting of the shareholders;
- The form and the wording of the voting ballot;

##### **Approves and appoints:**

- The structure and the membership of the organizational committee of the general meeting of the shareholders;
- The Chairman of the organization committee of the general meeting of the shareholders and his/her deputies;
- The Presiding Chairman and Secretary of the general meeting of the shareholders;
- The presidium of the general meeting of the shareholders;
- The speakers on the issues of the agenda;
- The wording of the notification of the shareholders of the general meeting of the shareholders;
- The voting instructions;
- The annual report for its further approval by the general meeting of the shareholders of the

Company;

- The report of the General Director to the annual general meeting of the shareholders of the Company;
- Information on the candidates for the bodies of the Company and candidates for the auditor of the Company presented to the general meeting of the shareholders of the Company;

**Recommends for further approval/ratification by the general meeting of the shareholders of the Company:**

- The procedure for the general meeting of the shareholders of the Company for its further approval by the general meeting of the shareholders;
- Amendments and changes to the Charter of the Company, the new edition of the Charter of the Company;
- Amendments and changes to the internal documents of the Company approved by the general meeting of the shareholders as well as the new editions of these internal documents of the Company;
- Distribution of profits;
- Size and procedure of dividend payment;
- Auditor of the Company;
- Other draft resolutions in compliance with the provisions of the Federal Law “On Joint Stock Companies” and this Charter.

The agenda of the annual general meeting of the shareholders of the Company must include the issue of election of the Board of Directors of the Company, the Revision Commission of the Company, approval of the auditor of the Company and other issues indicated under the sub-clause 10 of the Clause 8.5 of this Charter.

8.17. The procedure of the general meeting of the shareholders of the Company is proposed by the Board of Directors of the Company and is ratified by the general meeting of the shareholders of the Company at the beginning of each meeting in compliance with the procedure indicated under the clause 8.7 of this Charter.

8.18. Voting at the general meeting of the shareholders on the issues of the agenda is done by means of voting ballots.

The Company sends its shareholders voting ballots and receives completed voting ballots from the shareholders in compliance with the terms established by the Federal Law “On Joint Stock Companies” and the resolution of the Board of Directors of the Company.

Voting ballots are sent to the shareholders of the Company by registered mail or are delivered to the shareholders in person, in which case the shareholder must sign for the receipt of the voting ballot.

8.19. Only one variant of voting will be counted while counting the votes. The voting ballots which are completed incorrectly with regard to this rule will be considered invalid and the votes contained in them will not be counted.

In cases when the voting ballots contain several voting items, the fact that the above rule is not met with regard to one or several voting items does not lead to invalidation of the whole voting ballot.

8.20. Based on the results of voting, the counting board prepares a protocol on the results of voting which is signed by the members of the counting board. The protocol on the results of voting is prepared not later than three (3) business days after the closing of the general meeting of the shareholders or the date of the end of receipt of completed voting ballots when the general meeting of the shareholders is held in absentia.

When the protocol on the results of voting at the general meeting of the shareholders of the Company is prepared and signed, the voting ballots are placed under seal by the counting board and transferred to the archive of the Company for keeping.

8.21. The protocol on the results of voting is attached to the minutes of the meeting of the general meeting of the shareholders of the Company.

8.22. The minutes of the general meeting of the shareholders must be prepared not later than three (3) business days after the closing of the general meeting of shareholders in two copies. Both copies are signed by the presiding chairman and the secretary of the general meeting of the shareholders of the Company.

8.23. The counting board verifies the authority of the persons participating in the general meeting of the shareholders and registers them; the counting board determines whether the general meeting of the shareholders has a quorum and answers the questions of the shareholders related to their rights to vote on the items of the agenda; ensures that the established procedure of voting and the rights of the shareholders are observed and respected; counts votes and prepares the results of voting; prepares a protocol on the results of voting and transfers completed voting ballots to the archive of the Company.

8.24. The functions of the counting board of the Company are performed by the registrar of the Company.

8.25. Other issues connected with the procedure of preparation and holding of the general meeting of the shareholders of the Company are established under the Federal Law “On Joint Stock Companies” and the **Regulations on the General Meeting of the Shareholders of the Company**

## **9. BOARD OF DIRECTORS OF THE COMPANY**

### **General provisions**

9.1. The Board of Directors of the Company is responsible for the general management of the Company with the exception of the issues which fall within the competence of the general meeting of the shareholders of the Company in compliance with the Federal Law “On Joint Stock Companies”.

9.2. The Board of Directors of the Company is elected by the general meeting of the shareholders of the Company.

The members of the Board of Directors of the Company receive remuneration for their service and compensation for their expenses connected with their obligations as the members of the Board of Directors. The amount and the procedure of payment of such remuneration and compensation are established under the **Regulations on Remunerations and Compensations Paid to the Members of the Board of Directors of the Company**, ratified by the general meeting of the shareholders of the Company.

### **Competence of the Board of Directors**

9.3. The following issues fall within the competence of the Board of Directors of the Company:

- 1) establishment of strategic plans of the Company;
- 2) establishment of priority areas of business of the Company;
- 3) establishment of the budget of the Company;
- 4) utilization of reserve and other funds of the Company;
- 5) convocation of annual and extraordinary meetings of the shareholders of the Company with the exception of the cases listed under the clause 8, Article 55 of the Federal Law “On Joint Stock Companies”;
- 6) establishment of agendas of general meetings of shareholders;
- 7) establishment of record dates for the general meeting of shareholders and other issues connected with preparation to general meetings of shareholders which fall within the competence of the Board of Directors of the Company in compliance with the provisions of the Chapter VII of the Federal Law “On Joint Stock Companies” and this Charter;
- 8) preliminary approval of annual reports of the Company;
- 9) recommendations to the general meeting of the shareholders of the Company on the amount of remuneration and compensation paid to the members of the Revision Commission of the Company;
- 10) recommendations to the general meeting of the shareholders of the Company on the procedure of profit and loss distribution based on the results of the financial year; recommendation to the general meeting of the shareholders of the Company on distribution of profits as dividends based on the results of the first quarter, six months and nine months of the financial year.
- 11) Recommendations to the general meeting of the shareholders of the Company on the size of dividends for the shares of the Company and the procedure of their payment;
- 12) Election of the Chairman of the Board of Directors of the Company and his/her deputies;
- 13) Establishment of the head count and appointment of the members of the Management Board

of the Company;

14) Appointment of the General Director of the Company and early termination of his/her authority. Establishment of the terms and conditions of the contract with the General Director of the Company;

15) Establishment of aims and priority areas of work for the General Director of the Company and control over the fulfillment of the General Director's rights and responsibilities; exercising other authority of the employer in relations with the General Director of the Company;

16) Confirmation in office of the persons directly subordinate to the General Director in compliance with the organizational structure adopted in the Company;;

17) Increase of the charter capital of the Company by placement of additional shares not exceeding the number of declared shares and in compliance with the type (category) of shares established under the clause 2.9 of this Charter;

18) Placement of bonds and other issuable securities by the Company except shares;;

19) Decision to issue securities, approval of the securities prospectus, report on the results of the emission of securities and approval of amendments and changes thereto;

20) Acquisition of the shares placed by the Company and other securities in the cases provided under the Federal Law "On Joint Stock Companies";

21) Approval of the report on the results of the acquisition of shares, acquired in compliance with the clause 1, Article 72 of the Federal Law "On Joint Stock Companies";

22) Decision on the disposal of the shares placed by the Company and owned by the Company;

23) Establishment and liquidation of branches; establishment and liquidation of the representative offices of the Company; ratification of the regulations on branches and representative offices;;

24) Approval of major transactions in cases provided under the Chapter X of the Federal Law "On Joint Stock Companies";

25) Approval of transactions set under the Chapter XI of the Federal Law "On Joint Stock Companies";

26) Giving of consent to the General Director of the Company and the members of the Management Board of the Company to concurrently combine employment in other organizations with their employment in the Company;

27) Establishment of the committees of the Board of Directors, ratification of the regulations on the committees of the Board of Directors;

28) Making of amendments and changes to the Charter of the Company due to the increase of the charter capital of the Company as the result of decisions to increase the charter capital of the Company by placing additional shares; amendments and changes due to liquidation of the branches, opening and liquidation of representative offices of the Company. ;

29) Establishment of the price (monetary value) of the property (services) or the procedure of price establishment, price of placement and buy-back of securities in the cases provide under the Federal Law "On Joint Stock Companies;

30) Establishment of the amount of compensation of the auditor;

31) Appointment of the registrar of the Company and establishment of the terms and conditions of the agreement with the registrar of the Company and termination of the agreement with the registrar of the Company;

32) Ratification of internal documents of the Company: Regulations on the Dividend Policy of the Company; Regulations on the Information Policy, Corporate Governance Code of the Company and other internal documents defining the policy of the Company and its business activity;;

33) Appointment of the Secretary of the Board of Directors of the Company;

34) Approval of consolidated financial statements prepared in compliance with the International Financial Reporting Standards.

35) Establishment of the key risks connected with the activity of the Company and establishment of the system of risk management in the Company;

36) Appointment of the Corporate Secretary of the Company; approval of the terms and conditions of the contract with the Corporate Secretary and termination of Corporate Secretary's employment

37) Application for listing of the shares of the Company and (or) other issuable securities which may be converted into the shares of the Company.

38) adoption of decisions on establishment and abolishment production divisions of the Company – mines; Adoption of decisions on establishment and abolishment of functional divisions of the Company (departments) provided that the head of the relevant division (department) is directly subordinate to the General Director of the Company; Adoption of decisions on establishment and abolishment of positions subordinate to the General Director of the Company;

39) Other issues set under the Federal Law "On Joint Stock Companies" and this Charter.

9.4. The issues that fall within the competence of the Board of Directors of the Company may not be handed over to the executive bodies of the Company.

### **Election of the Board of Directors of the Company**

9.5. The members of the Board of Directors are elected by the general meeting of the shareholders of the Company for the period up to the next annual general meeting of the shareholders of the Company.

9.6. The Board of Directors of the Company consists of nine (9) people.

9.7. The number of the members of the Management Board of the Company on the Board of Directors of the Company may not exceed (one quarter) of the total number of the members of the Board of Directors of the Company.

The persons elected to the Board of Directors of the Company may be re-elected to the Board an unlimited number of times.

9.8. The members of the Board of Directors are elected by cumulative voting. The number of votes belonging to each shareholder is multiplied by the number of persons who are to be elected to the Board of Directors of the Company; the shareholders have the right to give all their votes to one candidate or distribute their votes among several candidates.

Those candidates who receive the most votes are considered elected to the Board of Directors of the Company.

9.9. The general meeting of shareholders may only decide to terminate the authority of the entire Board of Directors of the Company and not of one member.

### **Requirements to the members of the Board of Directors of the Company**

9.10. Members of the Board of Directors do may or may not be shareholders of the Company. Only individuals (not entities) can be members of the Board of Directors of the Company.

9.11. No person disqualified under the current legislation may be elected to the Board of Director of the Company.

### **Chairman of the Board of Directors of the Company**

9.13. The Chairman of the Board of Directors of the Company and his/her deputies are elected from among the members of the Board of Directors of the Company by the majority vote of the members of the Board of Directors of the Company. The votes of the former members of the Board of Directors of the Company are not counted. The Chairman of the Board of Directors of the Company may have two deputies.

The General Director of the Company may not simultaneously be the Chairman of the Board of Directors of the Company.

9.14. The Board of Directors of the Company has the right to re-elect its Chairman and his deputies at any time by the majority of the total number of the members of the Board of Directors of the Company; the votes of the former members of the Board of Directors of the Company are not counted.

9.15. The Chairman of the Board of Directors of the Company organizes the work of the Board of Directors, summons the meetings of the Board of Directors, chairs the meetings of the Board of



Directors, organizes the keeping of the minutes of the meeting of the board of directors and exercises other authority in compliance with the **Regulations on the Board of Directors of the Company**.

9.16. Should the Chairman of the Board of Directors be absent, his/her functions are performed by one of his/her deputies in compliance with the decision of the Board of Directors of the Company adopted by the majority of the members of the Board of Directors present at the meeting; should the Chairman and his/her deputies be absent at the same time, his/her functions are performed by one of the members of the Board of Directors of the Company in compliance with the decision of the Board of Directors adopted by the majority of the members of the Board of Directors present at the meeting of the Board of Directors of the Company.

### **Meetings of the Board of Directors of the Company**

9.17. The meetings of the Board of Directors of the Company are summoned by the Chairman of the Board of Directors of the Company at his/her own discretion or based on the demand of any member of the Board of Directors and/or the Revision Commission of the Company and/or the auditor of the Company and/or the Management Board of the Company and/or the General Director of the Company.

9.18. A notification of the meeting of the Board of Directors is sent to all members of the Board of Directors not later than three (3) working days before the date of the meeting of the Board of Directors unless earlier notification is required by the legislation of the Russian Federation.

9.19. Five (5) members of the Board of Directors constitute a quorum for the meeting of the Board of Directors of the Company.

Written opinions of the members of the Board of Directors who are absent at the meeting are considered while determining the presence of a quorum and the results of voting on the agenda of the meeting.

9.20. All decisions of the Board of Directors of the Company are adopted by the majority vote of the members of the Board of Directors of the Company who are taking part in the meeting and/or have supplied the Board of Directors with their written opinions, unless otherwise provided by the Federal Law "On Joint Stock Companies" and this Charter.

9.21. Decisions of the Board of Directors of the Company may be adopted "in absentia" (by poll).

In absentia voting is done by voting ballots.

The meetings are considered legally qualified, if five (5) or more members of the Board of Directors have supplied the Board of Directors with their voting ballots before the beginning of the meeting of the Board of Directors of the Company.

The decisions of the meetings of the Board of Directors in absentia are considered adopted if the majority of the members of the Board of Directors who have sent their ballots to the Board of Directors of the Company voted in favor of this decision, unless otherwise provided by the Federal Law "On Joint Stock Companies" and this Charter.

9.22. For the purpose of voting at the meetings of the Board of Directors of the Company, each members of the Board of Directors of the Company has one vote.

The right to vote may not be transferred to any other party (including to another member of the Board of Directors) by any member of the Board of Directors of the Company.

Should there be a tie in votes the casting vote belongs to the Chairman of the Board of Directors of the Company.

9.23. The procedure of convocation and holding of the meetings of the Board of Directors of the Company and the procedure of adoption of decisions by poll is set under the **Regulations on the Board of Directors of the Company**, ratified by the general meeting of the shareholders of the Company.

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

### **General provisions**

10.1. The Management Board of the Company and the General Director of the Company

administer its day-to-day operations.

Executive bodies of the Company are subordinate to and report to the Board of Directors of the Company and the general meeting of the shareholders of the Company.

10.2. The General Director of the Company is also the Chairman of the Management Board of the Company.

10.3. The right and obligations of the members of the Management Board and of the General Director with regard to the administration of the day-to-day operations of the Company are established under the Federal Law “On Joint Stock Companies” and other legal acts of the Russian Federation as well as under the contracts between the above persons and the Company. These contracts are signed by the Chairman of the Board of the Company on behalf of the Company or by another person authorized by the Board of Directors of the Company.

10.4. The General Director of the Company and the members of the Management Board of the Company may simultaneously hold posts in other organizations only with the consent of the Board of Directors of the Company..

10.5. At any time, the Board of Directors of the Company may terminate the powers of the General Director and of the members of the Management Board of the Company early.

10.6. The Management Board of the Company and the General Director of the Company have no right to adopt decisions on the issues which fall within the competence of the Board of Directors of the Company.

The Management Board of the Company and the General Director of the Company ensure implementation of the resolutions of the general meeting of the shareholders of the Company and the Board of Directors of the Company.

#### **Management Board of the Company**

10.7. The Management Board of the Company is established by the Board of Directors of the Company which establishes the head count of the Management Board and appoints the members of the Management Board of the Company.

The members of the Management Board are appointed for the same period as the Board of Directors that has appointed them. The Board of Directors must receive a written agreement to be appointed to the Management Board from each of the members of the Management Board.

The Board of Directors of the Company may at any moment change the head count and the personal content of the Management Board of the Company.

10.8. Members of the Management Board of the Company may or may not be shareholders of the Company. Only individuals (not entities) may be members of the Management Board of the Company.

No person disqualified under the current legislation may be a member of the Management Board of the Company.

10.9. The following issues fall within the competence of the Management Board of the Company:

- 1) Establishment of short-term objectives of the Company;
- 2) Preliminary approval of the budget of the Company and its presentation for the review of the Board of Directors of the Company;
- 3) Decisions to order the making of Company seals and stamps;
- 4) Ratification of the terms and conditions of the collective agreement on behalf of the Company and its provision to the General Director of the Company for signature;
- 5) Confirmation in office of the persons indicated under the clause 14.3 of this Charter;
- 6) Control over the implementation of the budget of the Company;
- 7) Control over the operations of separate subdivisions and structural subdivision of the Company;
- 8) Control over contract execution and performance;
- 9) Approval of internal documents: Regulations on the Commercial Secret of the Company; Rules of Internal Labor Conduct, Regulations on the Organizational Structure of the Company and other internal documents unless they pertain to the terms of reference of other bodies of the Company in accordance with the Charter;;
- 10) Appointment of the Secretary of the Management Board; establishment of the amount and

procedure of his/her remuneration;

11) Adoption of decisions to participate or to terminate participation in other organizations.

12) Nomination of Company representatives as candidates for election/appointment to the management and control bodies of organizations in which the Company is a shareholder (participant);

13) Approval of the terms of the collective agreement of the Company;

10.10 The Management Board adopts resolutions at its meetings.

Minutes of the meeting are kept at the meetings of the Management Board.

Meetings of the Management Board of the Company are called by the Chairman of the Management Board of the Company at his/her own discretion or based on the demand of any member of the Board of Directors of the Company and/or any member of the Management Board of the Company.

10.11. Meetings of the Management Board are legally qualified (constitute a quorum) if half (or more) of the members of the Management Board are present at the meeting.

10.12. Decisions are adopted by the majority vote of the members of the Management Board participating in the meeting.

10.13. All meetings of the Management Board of the Company are held in presentia (joint presence of the members).

10.14. For the purposes of voting at the meetings of the Management Board, each member of the Board has one vote.

The right to vote may not be transferred to any other party (including to another member of the Management Board) by any member of the Management Board.

Should there be a tie in votes the Chairman of the Management Board has a casting vote.

10.15. The procedure of convocation of the meetings of the Management Board of the Company and the procedure of adoption of decisions by the Management Board of the Company are established under this Charter and **the Regulations on the Management Board of the Company**, ratified by the general meeting of the shareholders of the Company.

### **General Director**

10.16. The General Director of the Company is appointed by the Board of Directors of the Company for a period of time set under his/her labor contract, but not exceeding five (5) years.

10.17. The General Director of the Company must have a university degree.

No person disqualified under the current legislation may be appointed General Director of the Company.

10.18. The General Director of the Company acts on behalf of the Company without a power of attorney and represents the interests of the Company in all organizations and in all relationships with individuals in the Russian Federation and abroad.

10.19. The General Director:

1) Enters into transactions on behalf of the Company. The transactions which are subject to approval by the general meeting of the shareholders of the Company or by the Board of Directors of the Company in compliance with the Federal Law "On Joint Stock Companies" are concluded by the General Director upon receipt of such approval;

2) Establishes the staffing chart and the head count;

3) Issues orders and gives instructions which are mandatory for all employees of the Company;

4) Concludes the collective agreement with the employees of the Company on behalf of the Company in compliance with the terms and conditions established by the Management Board of the Company;

5) Concludes labor agreements/contracts with the employees of the Company, uses incentives in the relationships with employees and takes disciplinary action against them;

6) Appoints branch managers and heads of representative offices;

7) Issues powers of attorney;

8) Delegates his/her authority: appoints acting General Director and/or appoints a person to resolve a limited number of issues. The reasons for appointment of acting General Director in the absence of the General Director are limited by the following: vacation, business trip and temporary incapacity to work;

9) Establishes internal documents of the Company with the exception of those that fall within the competence of the general meeting of the shareholders, the Board of Directors and the Management Board of the Company in compliance with this Charter and the Federal Law “On Joint Stock Companies”;

10) Resolves other issues which do not fall within exclusive competence of the general meeting of shareholders, the Board of Directors or of the Management Board in compliance with this Charter;

10.20. The General Director adopts decisions within his/her competence at his/her sole discretion.

The resolutions/decision of the general meeting of the shareholders of the Company, the Board of Directors of the Company and the Management Board of the Company within their competence are mandatory for the General Director of the Company.

## **11. REVISION COMMISSION OF THE COMPANY**

### **General provisions**

11.1. The Revision Commission of the Company exercises control over the financial and economic activity of the Company.

11.2. The Revision Commission consists of five (5) people and is elected by the general meeting of the shareholders of the Company for a period until the next annual general meeting of the shareholders of the Company.

In cases when the number of the members of the Revision Commission of the Company is less than three people, the Board of Directors of the Company is obliged to call for an extraordinary general meeting of the shareholders of the Company in order to elect the Revision Committee. The remaining members of the Revision Commission continue their service until the election of the new Revision Commission.

11.3. The shares belonging to the members of the Board of Directors, the General Director and the members of the Management Board of the Company may not participate in the election of the Revision Commission of the Company.

11.4. The authority of individual members of the Revision Commission or of the entire Revision Commission of the Company may be terminated in compliance with the procedure and due to reasons provided under the **Regulations on the Revision Commission of the Company**.

### **Competence of the Revision Commission of the Company**

#### 11.5.

The following issues fall within the competence of the Revision Commission of the Company:

- 1) Confirmation of reliability of the data contained in the annual reports of the Company, annual and periodic accounting reports, reports for state authorities responsible for statistics and other state authorities;
- 2) Verification of the usage of the profits of the Company in compliance with the resolutions of the general meeting of the shareholders of the Company on profit distribution;
- 3) Verification of the accuracy of calculation and timely payment of dividends on the shares of the Company and the calculation and payment of interest on bonds;
- 4) Inspection of timeliness and accuracy of settlements under agreements and obligations of the Company;

Analysis of the causes and consequences of budget variances in the Company

11.6. The Revision Commission inspects (revises) the financial and economic activity of the Company based on the results of the year and based on the decision of the Revision Commission of the Company at any time, or based on the decision of the general meeting of the shareholders of the Company, the Board of Directors of the Company and/or based on the request/demand of the shareholders of the Company who hold more than ten (10) percent of the voting shares of the Company.

11.7. Following the request of the Revision Commission of the Company, the persons holding posts in the management bodies of the Company as well as the officers and employees of the Company must provide the Revision Commission with documents connected with the financial and economic activity of the Company.

The indicated documents must be provided to the Revision Commission within five (5) business days following the receipt of a written request.

11.8. The Revision Commission of the Company has the right to call an extraordinary general meeting of the shareholders of the Company in compliance with the provisions of the Article 55 of the

Federal Law “On Joint Stock Companies”.

The Revision Commission of the Company has the right to call a meeting of the Board of Directors of the Company.

11.9. During the period of their service, the members of the Revision Commission of the Company are paid remuneration and are compensated for their expenses connected with their service on the Revision Commission. The amount and the procedure of compensation and remuneration payment is established under the **Regulations on the Revision Commission of the Company**, ratified by the general meeting of the shareholders of the Company.

11.10. The work of the Revision Commission of the Company is regulated by the **Regulations on the Revision Commission of the Company**, ratified by the general meeting of the shareholders of the Company.

#### **Requirements to the members of the Revision Commission of the Company**

11.11. Members of the Revision Committee may or may not be shareholders of the Company. Members of the Revision Commission may not simultaneously be members of the Board of Directors of the Company, the General Director of the Company and the Management Board of the Company. Only individuals can be members of the Revision Commission of the Company.

11.12. As a rule, the members of the Revision Commission must have a degree in economics, a law degree and/or at least two years experience of work in control and review bodies.

#### **Procedure of adoption of decisions by the Revision Commission of the Company**

11.13. The Revision Commission adopts decisions at its meetings.

Minutes of the meeting of the Revision Commission must be kept.

The meetings of the Revision Commission are called by its Chairman.

Any member of the Revision Commission has the right to call a meeting of the Revision Commission in case he/she discovers irregularities which require immediate action by the Revision Commission.

11.14. Meetings of the Revision Commission must be held at least once every three months.

11.15. Meetings of the Revision Commission are legally qualified (constitute a quorum) if at least three (3) members of the Revision Commission are present at the meeting.

In case when the number of the members of the Revision Commission is less than three (3) people, and until the date of election of a new Revision Commission by the general meeting of the shareholders of the Company, the meetings of the Revision Commission have a quorum and are legally qualified if all remaining members of the Revision Commission are present at the meeting.

11.16. All meetings of the Revision Commission of the Company are held in presentia (joint presence of the members).

11.17. The members of the Revision Commission elect a Chairman of the Revision Commission from amongst themselves. The Chairman of the Revision Commission is elected by the majority vote of the members of the Revision Commission present at the meeting.

The Revision Commission may re-elect its Chairman at any time by the majority vote of the members of the Revision Commission present at the meeting.

11.18. The Chairman of the Revision Commission calls and holds the meetings of the Commission, organizes the current work of the Revision Commission, represents the Revision Commission at the general meeting of the shareholders of the Company and the meetings of the Board of Directors of the Company, signs documents on behalf of the Revision Commission, including its reports and conclusions, organizes the keeping of the minutes of the meeting of the Revision Commission, ensures that the reports and conclusions of the Revision Commission reach its intended recipients.

11.19. Each member of the Revision Commission has one vote. The decisions/resolutions of the Revision Commission are adopted by the simple majority vote of the members of the Committee present at the meeting.

If there is a tie in votes, the Chairman of the Revision Commission has the casting vote. In case that the members of the Revision Commission do not agree with the decision of the

Commission, they have the right to put their disagreement on record in the minutes of the meeting of the Revision Commission and inform the general meeting of the shareholders of the Company and/or the Board of Directors of the Company of their disagreement.

## **12. AUDITOR OF THE COMPANY**

12.1. The auditor of the Company inspects the financial and economic activity of the Company in compliance with the regulations of the Russian Federation according to the terms and conditions established under the agreement between the Company and its auditor.

12.2. The auditor of the Company is approved by the general meeting of the shareholders of the Company. The amount of the auditor's compensation is established by the Board of Directors of the Company.

12.3. Based on the results of the inspection of the financial and economic activity of the Company in the reporting period, the auditor of the Company prepares a conclusion which is to be presented to the annual general meeting of the shareholders of the Company during the process of its approval of the annual report of the Company for the reporting period.

## **13. ACCOUNTING AND REPORTING OF THE COMPANY**

13.1. The financial year in the Company starts on 01 January and ends on 31 December of the calendar year.

13.2. The Company is obliged to maintain accounting records and submit financial reports in compliance with the requirements of the Federal Law "On Joint Stock Companies", the Federal Law "On accounting records" and other legal norms of the Russian Federation.

13.3. In compliance with the Federal Law "On Joint Stock Companies", this Charter and other legal norms of the Russian Federation, the General Director of the Company is responsible for organization, status and reliability of the accounting records and reports of the Company, timely submission of the annual report and other financial reports of the Company to the relevant authorities, and timely provision of information on the activity of the Company to its shareholders, creditors and the mass media.

13.4. Reliability of the information contained in the annual report of the Company and the annual accounting reports of the company must be confirmed by the Revision Commission of the Company and an independent auditor of the Company who does not have any material interest in the Company and does not share any material interests with the shareholders of the Company. This confirmation must be in the form of a conclusion which must be presented to the annual general meeting of the shareholders of the Company.

The Company publishes the documents indicated in this clause after their reliability is confirmed by the auditor of the Company.

The annual report of the Company is subject to preliminary approval by the Board of Directors of the Company not later than thirty (30) days before the date of the annual general meeting of the shareholders of the Company.

## **14. LABOR RELATIONS OF THE COMPANY WITH ITS EMPLOYEES**

14.1. Labor relations of the Company with its employees are regulated by the labor legislation of the Russian Federation, the collective agreement of the Company and by individual labor contracts.

14.2. The labor relations of the Company with its General Director occur upon the moment of execution of a labor agreement after the appointment of the General Director by the Board of Directors of the Company.

14.3. Labor relations with the employees of the Company who are directly subordinate to the General Director occur upon confirmation of the appointment of the indicated employees by the Board of Directors . .

14.4. The list of posts which are to be filled on a contest basis and the procedure of competitive selection are established under local regulatory enactments of the Company.

The labor relations of the Company with its officers, who have been selected as the result of competitive selection, occur upon execution of a relevant labor agreement after the completion of

competitive selection to fill in a certain post.

14.5. The rights and obligations of the employer in the labor relations of the Company with its employees are borne on behalf of the Company by the General Director of the Company or by the persons authorized to bear these rights and obligations on behalf of the Company based on a power of attorney issued, order (decree), regulatory act or other local regulatory enactment established by the General Director of the Company.

The rights and obligations of the employer in the labor relations of the Company with its General Director are borne on behalf of the Company by the Board of Directors of the Company.

14.6. The members of the Management Board who have executed labor agreements with the Company are subject to the provisions for managers of organizations of the chapter 43 of the Labor Code of the Russian Federation dated 30.12.2011 N 197-FZ, with the exception of the provision on full material liability and the term of notification of early termination of labor agreements.

14.7. The Company safe-keeps its personnel documents in compliance with the legislation.

14.8. In compliance with the Federal Law “On professional unions, their rights and guarantees of their activity”, the Company recognizes the professional union acting in the Company, does not hinder its activity and liaises with it via the executive bodies of the Company.

## **15. REORGANIZATION AND LIQUIDATION OF THE COMPANY**

15.1. The Company may be reorganized in the cases and in compliance with the form and procedure established under the Civil Code of the Russian Federation, the Federal Law “On Joint Stock Companies” and other federal laws.

15.2. The Company is considered reorganized, with the exception of the cases of merger, from the moment of state registration of the newly created legal entities.

If the Company is reorganized in the form of merger with other companies, the Company is considered reorganized from the moment when an entry on the termination of all activities of the transferring companies is made into the unified state register of legal entities.

15.3. The Company may be liquidated:

- voluntarily, in compliance with the Civil Code of the Russian Federation, with due regard for the requirements of the Federal Law “On Joint Stock Companies” and the requirements of this Charter;
- in compliance with a court decision in compliance with the reasons established under the Civil Code of the Russian Federation.

Liquidation of the Company leads to termination of the Company without the transfer of its rights and obligations to any third parties – legal successors.

15.4. Liquidation of the Company is considered complete and the Company liquidated when the relevant entry is made in the unified state register of legal entities by the responsible state authority.