

**APPROVED:**

by the resolution of the General meeting of the  
shareholders of the Open Joint Stock Company  
Uralkali

Minutes of the Meeting No. 29 dated 07.02.2011

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

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The Charter of Open Joint Stock Company "Uralkali" (hereinafter – the Charter) shall be a constituent document of Open Joint Stock Company "Uralkali" (hereinafter – the Company).

Requirements set forth in the Charter of the Company shall be obligatory fulfilled by all management and supervisory bodies of the Company as well as by the Company Shareholders.

The first version of the Charter was approved by the Property Management Committee of Perm region on 06.10.92, registered by Berezniki Municipal Administration of Perm region on 14.10.92.

This version of the Charter was elaborated in accordance with the Civil Code of the Russian Federation (part one) dated 30.11.94, № 51 - FZ, Federal Law "On Joint Stock Companies" dated 26.12.95, № 208 - FZ (hereinafter – the Federal Law "On Joint Stock Companies"), other normative legal acts of the Russian Federation.

This Charter shall come into force from the date of its registration in accordance with the procedure, established by the legislation of the Russian Federation.

Decisions concerning introduction of amendments and supplements into this Charter shall be made by the General meeting of the shareholders of the company or by the Board of Directors of the Company in accordance with the procedure determined by the Federal Law "On Joint Stock Companies" and this Charter. Amendments and supplements into the Charter shall come into force for any third persons from the date of their state registration.

Provisions set forth in this Charter shall be applied in the part, not contradicting to the law. If due to any changes in the legislation, some articles and provisions set forth in this Charter come into conflict with the legislation, they shall cease to be valid and shall not be applied till the time of introduction of relevant amendments in this Charter.

In case of non-conformity of provisions set forth in the Company Charter and internal documents, approved by the General meeting of the shareholders of the company, provisions set forth in the Company Charter shall prevail for any third persons and of the Company Shareholders.

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

### **General provisions**

1.1. The Company was established by the Property Management Committee of Perm region by means of reorganization of the state enterprise "Production Association "Uralkali" and is a legal successor of the latter.

The Company is a legal successor of Open Joint Stock Company "Motor Transport Enterprise" reorganized in the form of affiliation to the Company.

1.2. The Company is entered into the Unified State Register of Corporate Entities under basic state registration number (OGRN) 1025901702188.

1.3. The Company is a corporate entity and has its separate property accounted for on its autonomous balance sheet. On its own behalf the Company may acquire and exercise property and personal non-property rights, incur obligations, be defendant and plaintiff in courts.

1.4. The Company shall be a commercial organization.

1.5. The Company shall be established for an unlimited period of time.

1.6. The Company may open banking accounts on the territory of the Russian Federation and abroad in accordance with the established procedure.

1.7. The Company shall have round seals. The first seal of the Company shall contain its full firm name, the trademark and the place of the Company location.

A list of round seals of the Company, their description and procedure for their use shall be established by the internal document of the Company, approved by the General Director of the Company.

1.8. The Company shall have seals and letterhead bearing its name, as well as the trademark, registered in accordance with the established procedure. The Company may have its own emblem and any other means of visual identification.

1.9. No special right to participation of the Russian Federation, subjects of the Russian Federation or municipal formations in management of the Company (the "golden share") shall not be applied.

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

1.10. The full firm name of the Company is as follows:

Full:

In the Russian language: Открытое акционерное Общество "Уралкалий".

In the English language: Open Joint Stock Company Uralkali.

Short:

In the Russian language: ОАО “Уралкалий”.

In the English language: OJSC Uralkali.

1.11. The Company has the following place of location: 63 Pyatiletki Street, Berezniki, Perm region, 618426, the Russian Federation.

### **Objective and scope of activity of the Company**

1.12. The objective of the Company shall be deriving of profits.

1.13. The Company shall have the right to carry out any types of activity not prohibited by the federal laws, including:

- 1) production of potash fertilizers and any other basic chemistry products;
- 2) production of potash-magnesium and mineral salts, their beneficiation, treatment and sale;
- 3) carrying out of prospect evaluation, prospecting and mining works for diamonds, gold and platinum; production of any other mineral resources;
- 4) making of products out of associated materials and production waste;
- 5) carrying out of geological exploration works;
- 6) carrying out of underground works;
- 7) carrying out of topographic – geodesic works;
- 8) placement of production waste in underground workings;
- 9) carriages by transport, including long – distance and international ones;
- 10) loading - unloading and transportation- expeditionary works and services;
- 11) freight operations with river, sea, automobile, air and any other types of transport;
- 12) manufacturing of building materials, structures and goods;
- 13) performance of construction - erecting and repair works;
- 14) performance of engineering investigations;
- 15) performance of design works;
- 16) performance of works on standardization, securing of uniformity of measurements, certification of products and services;
- 17) generation of electric and heating power;
- 18) rendering of communication services;
- 19) lease out of property;
- 20) foreign economic activity;
- 21) commercial intermediation;
- 22) investment activity;
- 23) organization of warehousing;
- 24) trading and procurement activity;
- 25) retail trade;
- 26) public catering;
- 27) processing of agricultural products;
- 28) rendering of medical services;
- 29) carrying out of therapeutic activities;
- 30) management of municipal housing;
- 31) carrying out of safeguarding activities;
- 32) carrying out of educational activities;
- 33) organization and holding of exhibitions, trade fairs, expositions, auctions, tenders both on the territory of the Russian Federation and abroad;
- 34) carrying out of cultural - outreach activities;
- 35) carrying out of editorial - publishing and polygraphic activities, edition of newspapers, art editions, advertising - information materials and any other printing goods.

1.14. The Company shall have civil rights and incur civic duties, required for carrying out of any types of activity not prohibited by the federal laws.

1.15. The Company may be involved in certain types of activity, a list of which is provided for by federal laws only if it has a special permission (a license).

### **Structure of the company**

1.16. The organizational structure of the Company shall be determined by the Regulation on the organizational structure of the Company approved by the Board of Directors of the Company.

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

1.17. The Company may establish branches and open representative offices on the territory of the Russian Federation subject to requirements of the Federal Law “On Joint Stock Companies” and any other federal laws.

The Company shall establish branches and open representative offices outside of bounds of the Russian Federation also in accordance with the legislation of the country, where they are located, unless otherwise is provided for by international treaties of the Russian Federation.

1.18. Branches and representative offices shall not be entities. They shall carry out their activities on the basis of the Regulation approved by the Board of Directors of the Company. Branches and representative offices shall be provided by the Company established them, with assets accounted for on their autonomous balance sheets as well as on the balance sheet of the Company.

Heads of branches and representative offices shall be appointed by the General Director of the Company and shall act on the basis of powers of attorney issued by the General Director of the Company.

1.19. Branches and representative offices shall carry out their activities on behalf of the Company. The Company shall bear responsibility for activities carried out by its branches and representative offices.

1.20. The Company has the following representative offices:

- 1) Moscow representative office. The place of location: city of Moscow, Butikovskiy pereulok, 7;
- 2) Perm representative office of the Open Joint Stock Company “Uralkali”. The place of location: city of Perm;
- 3) Representative office of the Open Joint Stock Company “Uralkali” (Russian Federation) in the Republic of Belarus. The place of location: the Republic of Belarus, Minsk;

The Moscow representative office, the Perm representative office of Open Joint Stock Company “Uralkali” have the current banking account, autonomous balance sheet, included in the balance sheet of the Company. The Representative office of Open Joint Stock Company “Uralkali” (Russian Federation) in Republic of Belarus has the settlement currency banking account.

1.21. The Company has no branches.

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

1.22. The Company shall arrange maintenance and storage of the share register of the Company in accordance with the legal acts of the Russian Federation.

1.23. The registrar shall act as a holder of the share register of the Company.

### **Responsibility of the Company**

1.24. The Company shall bear responsibility for its obligations with all its property.

1.25. The Company shall bear no responsibility for obligations of its shareholders.

1.26. Shareholders shall bear no responsibility for obligations of the Company and shall bear the risk of losses connected with its activity up to the value of shares being in their possession.

1.27. The State and state authorities shall bear no responsibility for obligations of the Company, as well as the Company shall bear no responsibility for obligations of the State and state authorities.

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

**The Charter capital Amount. Outstanding and declared shares of the Company. Types of shares placed by the Company.**

2.1. The Charter capital of the Company shall amount to 1 062 195 000 rubles.

2.2. The Charter capital of the Company shall consist of 2 124 390 000 ordinary registered shares of the Company with the nominal value of 0.5 rubles, acquired by the shareholders (hereinafter – the placed/declared shares).

2.3. All the shares of the Company shall be registered and shall be issued in uncertificated form.

2.4. In addition to placed/declared shares the Company shall have the right to place **2 700 000 (Two billion and seven hundred million)** ordinary registered shares with the nominal value of 0.5 rubles each (hereinafter – the declared shares).

2.5. The declared ordinary shares shall grant the same rights as the rights provided by the already placed shares of the Company in compliance with this Charter.

2.6. The procedure and the conditions of the placement of the declared shares by the Company shall be determined by the decision concerning the issue of ordinary registered uncertificated shares of the Company approved by the Company Board of Directors.

### **Increase in the Charter capital of the Company**

2.7. The Charter capital of the Company may be increased by means of increase in the nominal value of shares or placement of additional shares.

2.8. The decision concerning increase in the Charter capital of the Company by means of increase in the nominal value of shares shall be made by the General meeting of the shareholders of the company.

2.9. The decision concerning increase in the Charter capital of the Company by means of placement of additional shares up to a number of the declared shares, shall be made by the Board of Directors (with the exception of cases, when in accordance with the Federal Law "On Joint Stock Companies" the decision shall be made only by the General meeting of the shareholders of the company) unanimously by all members of the Company Board of Directors, except for exiting members of the Company Board of Directors.

In case of unanimity of the Board of Directors on this question is not reached, then in accordance with the decision of the Company Board of Directors the question concerning the increase in the Charter capital by means of placement of additional shares may be submitted for decision of the General meeting of the shareholders of the company.

### **Decrease in the Charter capital of the Company**

2.10. The Charter capital of the Company may be decreased by means of decrease in the nominal value of shares or reduction of their total number, including by means of acquisition of a part of shares in cases, provided for by the Federal Law "On Joint Stock Companies".

2.11. The Charter capital may be decreased by means of acquisition and redemption of a part of shares of the Company in accordance with the decision of the General meeting of the shareholders of the company.

2.12. The Charter capital of the Company shall be decreased in accordance with the procedure, established by the federal laws.

2.13. The Company shall have no right to decrease its Charter capital if due to this decrease its amount becomes less than the amount of the minimum charter capital determined in accordance with the Federal Law "On Joint Stock Companies" as of the date of presentation of documents for the state registration of required amendments in the Charter of the Company, and if in accordance with the Federal Law "On Joint Stock Companies" the Company shall be obliged to decrease its Charter capital – as of the date of state registration of the Company.

2.14. The Company shall be obliged to decrease the Charter capital in cases, established by the Federal Law "On Joint Stock Companies".

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

3.1. In accordance with the Federal Law "On Joint Stock Companies" and this Charter, the Company shareholders - possessors of ordinary shares shall have the following rights:

3.1.1. to participate in management of the Company affairs including through:

- participation in the General meeting of the shareholders of the company with the right to vote on all questions falling within the scope of its competence;
- proposals on inclusion of questions in the agenda of the General meeting of the shareholders of the company;
- proposals on nomination of candidates in the bodies of the Company;

Requirements to the content and the form of proposals on inclusion of questions in the agenda of the General meeting of the shareholders of the company and nomination of candidates in the Board of Directors and the Auditing Committee of the Company, as well as the procedure for their consideration and making of decisions on them by the Board of Directors of the Company shall be established by the Federal Law "On Joint Stock Companies" and the **Regulation on the General meeting of the shareholders of the company**, approved by the General meeting of the shareholders of the company.

Requirements to the content and the form of proposals on nomination of candidates in the Management Board and to the post of the General Director of the Company, as well as the procedure for their consideration and making of decisions on them by the Board of Directors of the Company shall be established by the Federal Law "On Joint Stock Companies" and the **Regulation on the Management Board of the Company**, approved by the General meeting of the shareholders of the company.

- submission of a request for convocation of the extraordinary General meeting of the shareholders of the company;

Requirements to the content and the form of the request for convocation of the extraordinary General meeting of the shareholders of the company, as well as the procedure for their consideration and making of

decisions on them by the Board of Directors of the Company shall be established by the Federal Law “On Joint Stock Companies” and **the Regulation on the General meeting of the shareholders of the company**, approved by the General meeting of the shareholders of the company.

3.1.2. to obtain information on activities of the Company and to familiarize themselves with accounting and other documents in the volume and in accordance with the procedure, established by the Federal Law “On Joint Stock Companies” and this Charter;

3.1.3. to participate in distribution of profits;

3.1.4. to receive dividends;

3.1.5. to receive, in case of liquidation of the Company, a part of the property remaining upon settlement with creditors or the value hereof.

Shareholders of the Company shall also have any other rights, provided for by the Civil Code of the Russian Federation, the Federal Law “On Joint Stock Companies”, and this Charter.

3.2. Each ordinary share of the Company shall grant to a shareholder - its possessor an equal scope of rights.

3.3. A voting share of the Company shall be a fully paid ordinary share, with the exception of shares held by the Company.

3.4. Shareholders shall have the following obligations:

- to fulfill requirements set forth in this Charter and any other internal documents of the Company, specified in this Charter;

- to pay for shares at their placement within terms, in accordance with the procedure and in manners, provided for by the legislation, this Charter and decisions on their placement and issue;

- not to disclose any confidential information on activities carried out by the Company.

Shareholders of the Company shall have any other obligations provided for by the Civil Code of the Russian Federation, the Federal Law “On Joint Stock Companies”, other legal acts of the Russian Federation, normative legal acts of the Federal Commission on the Securities Market, this Charter, as well as decisions of the General meeting of the shareholders of the company, made in accordance with its competence.

3.5. Shareholders, who failed to fully pay up shares at their placement, shall bear joint responsibility for obligations of the Company up to an unpaid part of the value of their shares.

3.6. The Company shall be obliged to maintain and to provide for shareholders access to the documents provided for by Clause 1 of Article 89 of the Federal Law “On Joint Stock Companies”.

The Company shall provide access to the documents provided for by Clause 1 of Article 89 of the Federal Law “On Joint Stock Companies” at the place of location of the sole executive body of the Company.

Shareholders (a shareholder), holding in aggregate at least 25 (twenty five) percent of voting shares of the Company shall have access to accounting documents and minutes of meetings of the Management Board.

Documents provided for in Clause 1 of Article 89 of the Federal Law “On Joint Stock Companies” shall be presented by the Company within seven days from the date of submission of a relevant request for familiarization in the office of the executive body of the Company.

At the request of a shareholder the Company shall issue this shareholder for a fee copies of documents provided for by Clause 1 of Article 89 of the Federal Law “On Joint Stock Companies”.

The fee collected by the Company for issuance of such copies may not exceed expenses of the Company for their making. The Company shall draw up a bill not later than 5 (five) working days from the date of receipt of a relevant request from a shareholder.

The Company shall be obliged to provide a shareholder with copies of required documents not later than 5 (five) working days from the date of receipt by the Company of a document confirming payment of a bill.

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

4.1. The Company shall have the right to place additional shares, bonds and any other equity securities by means of subscription and conversion. In case of increase in the Company Charter capital of the property, the Company shall place additional shares by means of distribution among shareholders.

4.2. In case of placement of shares and equity securities, convertible into shares, by means of subscription, the Company shall have the right to carry out open and close subscription.

4.3. The Company shall have the right to acquire shares placed by it in accordance with the decision of the General meeting of the shareholders of the company concerning decrease in the Charter capital of the Company by means of acquisition of a part of placed shares for decrease in their total number. If it is required to acquire placed/declared shares for any other purposes (for any other reasons) the Company shall have the right to acquire the above shares in accordance with the decision of the Board of Directors.

4.4. Payment for acquisition of shares placed by the Company shall be effected by money, securities,

property rights having money value and other property.

4.5. The Company shall have no right to make the decision concerning acquisition and to acquire shares placed by it in cases established by the Federal Law “On Joint Stock Companies”.

## **5. FUNDS OF THE COMPANY**

5.1. The Company shall form the reserve fund and the accumulation fund using net profits.

The funds shall be formed by the General meeting of the shareholders of the company at consideration of the question concerning distribution of profits on the recommendation of the Board of Directors of the Company.

5.2. The Company shall form the reserve fund equal to 15 (fifteen) percent of its Charter capital.

The Reserve Fund of the Company shall be formed by means of obligatory annual allocations in the amount not less than 5 (five) percent of net profits of the Company until it reaches the amount established by this Clause.

The reserve fund of the Company shall be applied for coverage of any losses, as well as for redemption of bonds of the Company and repurchase of shares of the Company in case of non-availability of any other funds.

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

5.3. The accumulation fund shall be applied for financing of investment activity of the Company and formation of circulating assets of the Company.

5.4. The Board of Directors of the Company shall handle the funds.

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

6.1. Dividends are a portion of net profits of the Company distributed among shareholders proportionately to a number of their shares of a relevant category and type.

6.2. The Company has a right to make decisions (to declare) concerning payment of dividends on placed/declared shares based on the results of the first quarter, half year, nine months of a fiscal year and (or) based on the results of a fiscal year.

6.3. The decision concerning payment (declaration) of dividends shall be made by the General meeting of the shareholders of the company. The amount of dividends may not exceed that recommended by the Board of Directors of the Company.

The decision concerning payment (declaration) of dividends based on the results of the first quarter, half year and nine months of a fiscal year, their amount and terms of payment may be made within three months after the relevant period. The decision concerning payment of dividends based on the results of a fiscal year shall be made at approval of distribution of profits for the reporting fiscal year.

6.4. Dividends shall be paid out by money.

6.5. A list of persons entitled to receive dividends shall be drawn up as of the date of drawing up of a list of persons entitled to participate in the General meeting of the shareholders of the company in which the decision concerning payment of relevant dividends should be made. For the list of persons entitled to receive dividends the nominal holder of shares shall present information on persons, in whose interests he/she owns the shares.

6.6. The Company shall have no right to make the decision concerning (to declare) payment of dividends, as well as to pay the declared dividends in cases, provided for by the Federal Law “On Joint Stock Companies”.

6.7. The procedure for charging and payment of dividends on shares of the Company shall be established by the Regulation of the dividend policy of the Company, approved by the Board of Directors of the Company.

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

7.1. Management in the Company shall be carried out through the management bodies of the Company.

7.2. The Company has the following management bodies:

- the General meeting of the shareholders of the company;
- the Board of Directors;
- the Management Board (the collegiate executive body);
- the General Director (the sole executive body).

7.3. The Auditing Committee of the Company is a body controlling financial and business activity of the Company.

7.4. Members of the Board of Directors, the Management Board, the General Director of the Company when exercising their rights and performing their duties shall act in interests of the Company, shall exercise their rights and perform their duties in respect of the Company in good faith and reasonably.



7.5. Members of the Board of Directors, the Management Board, and the General Director of the Company shall bear responsibility to the Company for losses, caused to the Company through their faulty actions (failure to act), unless any other grounds and the extent of their responsibility are determined by the federal laws.

In this regard, members of the Board of Directors, the Management Board of the Company, who voted against the decision, which involved the Company in losses, or who refrained from voting shall bear no responsibility.

7.6. The Company or a shareholder (shareholders), holding in aggregate at least 1 (one) percent of ordinary shares of the Company, shall have the right to file a claim to the court against a member of the Board of Directors of the Company, the Management Board of the Company, the General Director of the Company for compensation of losses, caused to the Company in the case provided for by Clause 2 of Article 71 of the Federal Law "On Joint Stock Companies".

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

### **General provisions**

8.1. The General meeting of the shareholders of the company is a supreme management body of the Company.

8.2. The Company shall be obliged to annually hold the annual General meeting of the shareholders of the company within the term not earlier than in 2 (two) months and not later than in 6 (six) months upon closure of the fiscal year.

8.3. General Meetings of the Company Shareholders held in addition to the annual meeting are extraordinary.

8.4. Decisions of the General meeting of the shareholders of the company may be made (forms of holding of the General meeting of the shareholders of the company):

- at the meeting (joint presence of shareholders for discussion of questions included in the agenda and making of decisions on questions put to vote);
- by means of absentee voting (without joint presence of shareholders).

### **COMPETENCE OF THE GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY**

8.5. The following questions shall fall within the scope of competence of the General meeting of the shareholders of the company:

1) introduction of amendments and supplements in the Charter of the Company or approval of the Charter of the Company in its new version, with the exception of cases, provided for by the Federal Law "On Joint Stock Companies";

2) reorganization of the Company;

3) liquidation of the Company, appointment of the Liquidation Commission and approval of the interim and final liquidation balance sheets;

4) determination of a number of members of the Board of Directors of the Company, election of members of the Board of Directors and early termination of their powers;

5) determination of a number, nominal value, category (type) of declared shares and rights granted by these shares;

6) increase in the Charter capital of the Company by means of increase in the nominal value of shares or by means of placement of additional shares in cases, provided for by the Federal Law and this Charter;

7) decrease in the Charter capital of the Company by means of decrease in the nominal value of shares, by means of acquisition by the Company of a part of shares for decrease in their total number, as well as by means of redemption of shares acquired or purchased by the Company;

8) election of members of the Auditing Committee of the Company and early termination of their powers;

9) approval of the Auditor of the Company;

10) approval of annual reports, annual financial statements, including profit and loss statements (profit and loss accounts) of the Company, as well as distribution of profits, including payment (declaration) of dividends, with the exception of profits, distributed as dividends based on the results of the first quarter, half year, nine months of the fiscal year; and losses of the Company based on the results the fiscal year;

10.1) payment (declaration) of dividends based on the results of the first quarter, half year, nine months of the fiscal year;

11) determination of the procedure for holding of the General meeting of the shareholders of the company;

- 12) splitting and consolidation of shares;
- 13) making of decisions concerning approval of transactions in cases, provided for by Article 83 of the Federal Law “On Joint Stock Companies”;
- 14) making of decisions concerning approval of major transactions in cases, provided for by Article 79 of the Federal Law “On Joint Stock Companies”;
- 15) acquisition by the Company of placed/declared shares in cases, provided for by the Federal Law “On Joint Stock Companies”;
- 16) making of decisions concerning participation in financial and industrial groups, associations and any other formations of commercial organizations;
- 17) approval of internal documents: the Regulation on the General meeting of the shareholders of the company, the Regulations on the Board of Directors of the Company, the Regulation on the Management Board of the Company, the Regulation on the Auditing Committee of the Company;
- 18) making of decisions on any other questions provided for by the Federal Law “On Joint Stock Companies”.

8.6. The General meeting of the shareholders of the company may not consider and make decisions on questions not falling within the scope of its competence in accordance with the Federal Law “On Joint Stock Companies”.

In case of non-conformity of provisions set forth in the Charter of the Company and internal documents, approved by the General meeting of the shareholders of the company, provisions set forth in the Charter of the Company shall prevail for any third persons and shareholders of the Company.

**Procedure for making of decisions by the General meeting of the shareholders of the company. Procedure for notification of shareholders concerning decisions of the General meeting of the shareholders of the company**

8.7. The decision of the General meeting of the shareholders of the company on the question put to vote shall be made by the majority of votes – possessors of voting shares of the Company taking part in the meeting, unless otherwise is established by the Federal Law “On Joint Stock Companies” and this Charter.

8.8. The decision on questions specified in sub-Clauses 2, 6, 11 – 17 of Clause 8.5 of this Charter shall be made by the General meeting of the shareholders of the company only at the suggestion of the Board of Directors of the Company.

8.9. The decision on questions specified in sub-Clauses 1 - 3, 5 and 15 of Clause 8.5 of this Charter of the Company shall be made by the General meeting of the shareholders of the company by the majority of three thirds of votes of shareholders - possessors of voting shares, participating in the General meeting of the shareholders of the company.

8.10. The General meeting of the shareholders of the company shall have no right to make decisions on questions, not included in the agenda of the meeting, as well as to change the agenda.

8.11. Decisions made by the General meeting of the shareholders of the company, as well as results of voting shall be declared at the General meeting of the shareholders of the company, where the voting conducts or shall be brought to notice (not later than 10 (ten) days upon drawing up of minutes on results of voting in the form of a report on results of voting) of persons included in the list of persons having the right to participate in the General meeting of the shareholders of the company, by means of publication of the report on results of voting in periodicals, provided for by Clause 8.13 of this Charter.

**Information on holding of the General meeting of the shareholders of the company**

8.12. Notification concerning holding of the General meeting of the shareholders of the company shall be made not later than 30 (thirty) days before the date of the meeting, unless a longer term is provided for by the legislation.

If the proposed agenda of the extraordinary General meeting of the shareholders of the company contains a question of election of members of the Board of Directors, then notification concerning holding of such a meeting shall be made not later than 70 (seventy) days before the date of its holding.

8.13. The form of notification of the shareholders of the holding of a general meeting of the shareholders – publication of a notification of the holding of a general meeting of the shareholders in the following periodicals: the daily newspaper “Rossiyskaya Gazeta” (founded by the Government of the Russian Federation, registration number 302) and “Sol Zemli” (founded by OJSC “Uralkali”, registration number E-0338).

8.14. A list of information (or materials) to be disseminated among shareholders in the course of preparation for the General meeting of the shareholders of the company, and the procedure for familiarization with it shall be determined by the Board of Directors of the Company in accordance with the Federal Law “On

Limited Liability Companies”, other normative legal acts of the Russian Federation, the Regulations on the General meeting of the shareholders of the company.

8.15. Information (materials) to be disseminated among shareholders in the course of preparation for holding of the General meeting of the shareholders of the company within 20 (twenty) days, and in case of holding of the General meeting of the shareholders of the company, which agenda contains the question concerning reorganization of the Company - within 30 (thirty) days before holding of the General meeting of the shareholders of the company, shall be available for persons having the right to participate in the General meeting of the shareholders of the company for familiarization in the office of the executive body of the Company and in any other places, addresses of which are specified in the notice concerning holding of the General meeting of the shareholders of the company. The above information (materials) shall be available for persons participating in the General meeting of the shareholders of the company during the time it is held.

At the request of a person having the right to participate in the General meeting of the shareholders of the company, the Company shall provide this person with copies of the above documents for fee.

The fee collected by the Company for provision of these copies may not exceed expenses of the Company for their making. The Company shall draw up a bill for payment not later than 2 (two) working days from the date of receipt of a relevant request from a shareholder.

The Company shall be obliged to provide a shareholder with copies of required documents not later than 2 (two) working days from the date of receipt by the Company of a document confirming payment of a bill.

#### **Procedure for preparation and holding of the General meeting of the shareholders of the company**

8.16. In the course of preparation for the General meeting of the shareholders of the company the Board of Directors of the Company shall:

##### **Determine:**

- the form of holding of the General meeting of the shareholders of the company;
- the date, place, time for holding of the General meeting of the shareholders of the company, starting time for registration of persons participating in the General meeting of the shareholders of the company (with the exception of the case, when the General meeting of the shareholders of the company is held in the form of the absentee voting);
- the date of sending (delivery) of voting ballots;
- the postal address (postal addresses) to send completed voting ballots;
- the date and the end time for acceptance of voting ballots;
- the date of drawing up a list of persons entitled to participate in the General meeting of the shareholders of the company;
- the agenda of the General meeting of the shareholders of the company;
- the list of information (materials) to be disseminated among shareholders in the course of preparation for holding of the General meeting of the shareholders of the company and procedure for its dissemination;
- the procedure for notification of shareholders concerning holding of the General meeting of the shareholders of the company;
- the form and text of voting ballots;

##### **Approve:**

- members of the organization committee for preparation of the General meeting of the shareholders of the company;
- the Chairman of the organization committee for preparation of the General meeting of the shareholders of the company and Deputies Chairman;
- the Chairman and the Secretary of the General meeting of the shareholders of the company;
- the presidium of the General meeting of the shareholders of the company;
- speakers on questions included in the agenda;
- the text of the notice concerning holding of the General meeting of the shareholders of the company;
- the guideline on voting;
- the annual report for subsequent approval hereof by the annual General meeting of the shareholders of the company;
- the report of the General Director for the annual General meeting of the shareholders of the company;
- the information on candidates in the bodies of the Company and in auditors of the Company furnished to the General meeting of the shareholders of the company;

##### **Recommend for approval by the General meeting of the shareholders of the company:**

- the procedure for holding of the General meeting of the shareholders of the company for subsequent approval hereof by the General meeting of the shareholders of the company;
- amendments and supplements into the Charter of the Company, the Charter of the Company in its new

version;

- amendments and supplements into the internal documents of the Company, approved by the General meeting of the shareholders of the company, as well as the above internal documents of the Company in their new version;
- distribution of profits;
- the amount and procedure for payment of dividends;
- the Auditor of the Company;
- any other drafts decisions in cases, provided for by the Federal Law “On Joint Stock Companies” and this Charter.

The agenda of the annual General meeting of the shareholders of the company shall be obligatory included in questions concerning election of members of the Board of Directors of the Company, the Auditing Committee of the Company, approval of the Auditor of the Company, as well as the questions provided for by sub-Clause 10 of Clause 8.5 of this Charter.

8.17. The procedure for holding of the General meeting of the shareholders of the company shall be proposed by the Board of Directors of the Company and shall be approved by the General meeting of the shareholders of the company at the beginning of each General meeting of the shareholders of the company in accordance with the procedure, provided for by Clause 8.7 of this Charter.

8.18. Voting at the General meeting of the shareholders of the company on questions included in the agenda of the meeting shall be effected only by voting ballots.

The Company shall send to shareholders voting ballots and shall accept voting ballots within terms, provided for by the Federal Law “On Joint Stock Companies” and the decision of the Board of Directors of the Company.

Voting ballots shall be sent by a registered letter or shall be delivered to a shareholder personally against signature.

8.19. In case of voting, votes shall be counted on those questions for which a voter has left only one of possible variants of voting. Ballots for voting which are completed in violation of the aforesaid requirement shall be deemed to be invalid, and votes on questions included in them shall not be counted.

If a voting ballot contains several questions put to vote, then non-observance of the above requirement in respect of one or several questions shall not invalidate a voting ballot in general.

8.20. Based on results of voting the Counting Commission shall draw up minutes on results of voting, signed by the Counting Commission. Minutes on results of voting shall be drawn up not later than 3 (three) days upon closure of the General meeting of the shareholders of the company or the end date of acceptance of voting ballots in case of holding of the General meeting of the shareholders of the company in the form of the absentee voting.

Upon drawing up of minutes on results of voting and signature of minutes of the General meeting of the shareholders of the company voting ballots shall be printed by the Counting Commission and filed in archives of the Company for storage.

8.21. Minutes on results of voting shall be attached to minutes of the General meeting of the shareholders of the company.

8.22. Minutes of the General meeting of the shareholders of the company shall be drawn up not later than 3 (three) days upon closure of the General meeting of the shareholders of the company in two copies. Both copies shall be signed by the Chairman of the General meeting of the shareholders of the company and the Secretary of the General meeting of the shareholders of the company.

8.23. The Counting Commission shall verify powers and shall register persons participating in the General meeting of the shareholders of the company, determine the quorum of the General meeting of the shareholders of the company, clarify any questions, which may arise in connection with exercise by shareholders (their representatives) of the right to vote at the General meeting of the shareholders of the company, clarify the procedure for voting on questions submitted for voting, secure the established procedure for voting and rights of shareholders to participation in voting, count votes and sum up results of voting, draw up minutes on results of voting, file voting ballots in the archive of the Company.

8.24. Functions of the Counting Commission of the Company shall be performed by the registrar.

8.25. Any other questions, concerning the procedure for preparation and holding of the General meeting of the shareholders of the company shall be established by the Federal Law “On Joint Stock Companies” and **the Regulation 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 shall carry out general management of activities of the Company, except for making of decisions on questions falling within the scope of competence of the General meeting of the shareholders of the company in accordance with the Federal Law “On Joint Stock Companies”.

9.2. The Board of Directors of the Company shall be elected by the General meeting of the shareholders of the company.

Members of the Board of Directors of the Company within the period of performance of their duties shall be paid remuneration and compensated for expenses connected with performance of their functions. Amount of such remuneration and compensation shall be established by **the Regulations on the Remunerations and Indemnity to OJSC “Uralkali” Board members**, approved by the General meeting of the shareholders of the company.

### Competence of the Board of Directors of the Company

9.3. The following questions shall fall within the scope of competence of the Board of Directors of the Company:

- 1) approval of strategic projects of the Company;
- 2) determination of priority directions of the Company activities;
- 3) approval of the budget of the Company;
- 4) use of the reserve and any other funds of the Company;
- 5) convocation of the annual and the extraordinary General Meetings of the Company Shareholders, with the exception of cases provided for by Clause 8 of Article 55 of the Federal Law “On Joint Stock Companies”;
- 6) approval of the agenda of the General meeting of the shareholders of the company;
- 7) determination of the date for drawing up of the list of persons entitled to participate in the General meeting of the shareholders of the company, and any other questions, connected with preparation and holding of the General meeting of the shareholders of the company and falling within the scope of competence of the Board of Directors of the Company in accordance with provisions of chapter VII of the Federal Law “On Joint Stock Companies” and this Charter;
- 8) preliminary approval of the annual report of the Company;
- 9) recommendations to the General meeting of the shareholders of the company regarding the amount of remuneration and compensation payable to members of the Auditing Committee of the Company;
- 10) recommendations to the General meeting of the shareholders of the company regarding the procedure for distribution of profits and losses of the Company based on the results of the fiscal year, recommendations to the General meeting of the shareholders of the company regarding distribution of profits as dividends based on the results of the first quarter, half year, nine months of the fiscal year.
- 11) recommendations to the General meeting of the shareholders of the company regarding the amount of the dividend on shares of the Company and the procedure for its payment;
- 12) election of the Chairman of the Board of Directors and Deputies Chairman;
- 13) determination of members of the Board of the Company and their quantity;
- 14) appointment of the General Director of the Company and early termination of his (her) powers. Approval of conditions of the contract concluded between the Company and the General Director;
- 15) determination of objectives and lines of activity of the General Director, control over performance by the General Director of his (her) duties and exercise of his (her) rights as well as exercise of any other powers as an employer in respect of the General Director;
- 16) confirm in office persons, specified in Clause 14.3 of this Charter;
- 17) increase in the Charter capital of the Company by means of placement of additional shares up to a number and category (types) of declared shares in cases, provided for by Clause 2.9. of this Charter;
- 18) placement by the Company of bonds and any other securities;
- 19) approval of decisions concerning issuance of securities, issue prospectus, report on results of securities issue, introduction of amendments and supplements;
- 20) acquisition of shares placed by the Company, bonds and any other securities in cases, provided for by the Federal Law “On Joint Stock Companies”;
- 21) approval of the report on results of acquisition of shares, acquired in accordance with Clause 1 of Article 72 of the Federal Law “On Joint Stock Companies”;
- 22) making of decisions concerning alienation of placed shares of the Company, being in disposal of the

Company;

23) establishment of branches and opening of representative offices of the Company and their liquidation, approval of the Regulation on branches and representative offices, approval of estimate of expenditures of branches and representative offices of the Company;

24) approval of major transactions in cases, provided for by Chapter X of the Federal Law “On Joint Stock Companies”;

25) approval of transactions, provided for by Chapter XI of the Federal Law “On Joint Stock Companies”;

26) making of decisions concerning establishment of commercial and non-commercial organizations and their liquidation;

27) making of decisions concerning acquisition, alienation of shares (participatory interests, equity positions) in authorized (reserve) capitals of commercial organizations, entry into non-commercial organizations and termination of participation in non-commercial organizations;

28) approval of representatives of the Company as candidates in management and supervisory bodies of organizations, in which the Company acts as a shareholder (participant);

29) giving consent to occupation by the General Director of the Company and members of the Board of offices in any other organizations;

30) formation of committees of the Board of Directors, approval of the Regulation on committees of the Board of Directors;

31) approval of the Regulation on the organizational structure of the Company;

32) introduction in the Charter of the Company of amendments connected with increase in the Charter capital of the Company on the basis of decisions concerning increase in the Charter capital of the Company by means of placement of additional shares; amendments and supplements connected with establishment of branches and opening of representative offices of the Company and their liquidation;

33) determination of the price (money value) of the property (services), price of placement and repurchase of equity securities in cases, provided for by the Federal Law “On Joint Stock Companies”;

34) determination of the fee to be paid for services rendered by the Auditor;

35) approval of the registrar of the Company and conditions of the contract concluded between the Company and the registrar;

36) approval of internal documents of the Company: the Regulation on the dividend policy of the Company, the Regulation on the organizational structure of the Company, the Corporate Management Code of the Company, the Policy of the Company participation in any other organizations, and any other internal documents determining the policy of the Company in its activity;

37) appointment of the Secretary of the Board of Directors, determination of the Secretary’s fee and the procedure for its payment;

38) approval of summary (consolidated) financial statements, prepared in accordance with International Accounting Standards.

39) determination of basic risks connected with activity carried out by the Company and approval of the risk management system in the Company;

40) approval of the corporate secretary and termination of his (her) powers;

41) the other questions, provided for by the Federal Law “On Joint Stock Companies” and this Charter.

9.4. Questions, falling within the scope of competence of the Board of Directors of the Company may not be decided by the executive bodies of the Company.

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

9.5. Members of the Board of Directors of the Company shall be elected by the General meeting of the shareholders of the company for a period of time till the next annual General meeting of the shareholders of the company.

9.6. The Board of Directors of the Company shall be elected consisting of 9 (nine) persons.

9.7. A number of members of the Management Board of the Company may not exceed one fourth of the Board of Directors of the Company.

Persons elected in the Board of Directors of the Company may be re-elected for an unlimited number of times.

9.8. Members of the Board of Directors shall be elected by cumulative voting. In this regard a number of votes held by each shareholder shall be multiplied by a number of persons, who shall be elected in the Board of Directors of the Company, and a shareholder shall have a right to give votes so obtained fully for one candidate or to distribute votes among two and more candidates.

Candidates, who have the majority of votes, shall be considered to be elected in the Board of Directors of

the Company.

9.9. The decision concerning early termination of powers may be made by the General meeting of the shareholders of the company only in respect of all members of the Board of Directors of the Company.

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

9.10. A member of the Board of Directors may not be a shareholder of the Company. Only an individual may be a member of the Board of Directors of the Company.

9.11. The person who is disqualified in accordance with the effective legislation may not be a member of the Board of Directors of the Company.

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

9.13. The Chairman of the Board of Directors of the Company as well as his deputies are elected by the majority of the votes of the members of the Board of Directors; the votes of the former members of the Board are not counted. The Chairman of the Board of Directors has two deputies.

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

9.14. The Board of Directors of the Company shall have the right at any time to re-elect its Chairman and Deputies Chairman by the majority of votes of the total number of all members of the Board of Directors; the votes of exiting members of the Board of Directors shall not be counted.

9.15. The Chairman of the Board of Directors of the Company shall organize the work of the Board of Directors of the Company, convene meetings of the Board of Directors of the Company preside at them, organize at meetings keeping of minutes and exercise any other powers provided for by the **Regulations on the Board of Directors of the Company**.

9.16. If the Chairman of the Board of Directors is absent, his functions will be performed by one of his deputies based on the decision of the Board of Directors, adopted by the majority of the members of the Board of Directors of the Company present at the meeting. If the Chairman of the Board of Directors and his deputies are absent, the functions of the Chairman will be performed by one of the members of the Board of Directors of the Company based on the decision of the majority of the members of the Board present at the meeting of the Board of Directors.

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

9.17. A meeting of the Board of Directors shall be convened by the Chairman of the Board of Directors of the Company at his/her own initiative, at the request of a member of the Board of Directors, the Auditing Committee, the Auditor, the Management Board or the General Director of the Company.

9.18. The members of the Board of Directors are notified of the date of the holding of a meeting of the Board of Directors not later than 3 (three) business days prior to the appointed date of the meeting of the Board of Directors unless the legislation of the Russian Federation requires a shorter term of notification.

9.19. The quorum for holding of a meeting of the Board of Directors of the Company shall consist of 5 (five) elected members of the Board of Directors of the Company.

When determining the quorum and results of voting on questions included in the agenda; a written opinion submitted by the Board member absent at the meeting before the commencement of the meeting shall be taken into account on a question (questions) included in the agenda.

9.20. Decisions at a meeting of the Board of Directors of the Company shall be made by the majority of votes held by members of the Board of Directors of the Company, participating in the meeting and (or) having expressed their opinions in writing, unless otherwise is provided for by the Federal Law "On Joint Stock Companies" and this Charter.

9.21. The decision of the Board of Directors of the Company may be made by the absentee voting (by poll).

The absentee voting shall be conducted by voting ballots.

A meeting shall be considered to be competent in case of receipt of voting ballots from 5 (five) and more members of the Board of Directors of the Company by the starting time of the meeting.

The decision of the Board of Directors of the Company made by the absentee voting shall be considered to be made if the majority of members of the Board of Directors of the Company, whose voting ballots were received voted for it, unless otherwise is provided for by the Federal Law "On Joint Stock Companies" and this Charter.

9.22. In case of making of decisions on questions at a meeting of the Board of Directors of the Company each member of the Board of Directors of the Company shall have one vote.

Members of the Board of Directors of the Company may not transfer votes to any other persons including to any other members of the Board of Directors of the Company.

In case of equality of votes of members of the Board of Directors of the Company, a vote of the Chairman of the Board of Directors shall be decisive.

9.23. The procedure for activity, convocation and holding of meetings of the Board of Directors of the Company, as well as the procedure for making of decisions by the absentee voting shall be determined by the **Regulations on the Board of Directors of the Company**, approved 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 shall carry out current activities of the Company.

The executive bodies of the Company shall be accountable 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 shall simultaneously be the Chairman of the Management Board of the Company.

10.3. Rights and obligations of a member of the Management Board, the General Director on management of current activities of the Company shall be determined by the Federal Law "On Joint Stock Companies", other legal acts of the Russian Federation and the contract concluded by each of them with the Company. The contract shall be signed on behalf of the Company by the Chairman of the Board of Directors or by any other person authorized by the Board of Directors of the Company.

10.4. The General Director and members of the Management Board of the Company shall hold payable offices and offices in management bodies of any other organizations only by consent of the Board of Directors of the Company.

10.5. The Board of Directors of the Company shall have the right at any time to make a decision on early termination of powers of the General Director of the Company, members of the Management Board of the Company.

10.6. The Management Board of the Company and the General Director of the Company shall have no right to make decisions on questions, falling within the scope of competence of the General meeting of the shareholders of the company and the Board of Directors of the Company.

The Management Board and the General Director of the Company shall organize execution of decisions 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 shall be formed by the Board of Directors of the Company, which approves the Board members and their number.

The members of the Management Board shall be appointed for a period of powers of members of the Board of Directors, by which they were appointed. The Board of Directors shall obtain a written consent from the person appointed to a position of a member of the Management Board.

The Board of Directors of the Company shall have the right at any time to replace members of the Board of Directors of the Company and to change their number.

10.8. A member of the Management Board may not be a shareholder of the Company. Only an individual may be a member of the Management Board of the Company.

Any person disqualified in accordance with the effective legislation may not be a member of the Board.

10.9. The following questions shall fall within the scope of competence of the Management Board of the Company:

- 1) determination of short-term objectives of the Company activity;
- 2) preliminary approval of the Company's budget of and its submission for of the Company Board of Directors' consideration;
- 3) giving recommendations to the Board of Directors of the Company in any other organizations;
- 4) making of decisions concerning making of seals of the Company;
- 5) approval of conditions of the collective contract on the part of the Company and submission hereof for signature of the General Director of the Company;
- 6) approval of persons in offices specified in Clause 14.3 of this Charter;
- 7) control over implementation of the budget of the Company;
- 8) control over activities carried out by separate, structural sub-divisions of the Company;
- 9) control over conclusion and implementation of civil contracts;
- 10) approval of internal documents: the Regulation on commercial secrecy of the Company, Rules for



internal labor order;

11) appointment of the Secretary of the Management Board, determination of the amount of the fee and the procedure for payment hereof for services of the Secretary;

12) making of decisions on questions submitted for consideration of the Management Board by the General Director of the Company.

10.10. The Management Board shall make decisions on its meetings.

Minutes shall be kept at meetings of the Management Board.

A meeting of the Management Board of the Company shall be convened by the Chairman of the Management Board of the Company, at his / her own initiative, at the request of a member of the Board of Directors of the Company, a member of the Management Board.

10.11. A meeting of the Management Board shall be competent (has a quorum), if a half of a number of members of the Management Board of the Company and more are present at it.

10.12. Decisions at a meeting of the Management Board shall be made by the majority of votes of members of the Management Board, participating in the meeting.

10.13. All members of the Management Board shall be held in the form of joint presence (in the form of a meeting).

10.14. Each member of the Management Board shall have one vote at a meeting

Members of the Management Board of the Company may not transfer their votes to any other persons including the Management Board members.

In case of equality of votes when decisions are made a vote of the Chairman of the Management Board shall be decisive.

10.15. The procedure and terms for convocation of meetings of the Management Board of the Company, as well as the procedure for making of decisions by the Management Board shall be determined by this Charter, as well as by the **Regulation on the Management Board of the Company**, approved by the General meeting of the shareholders of the company.

#### **General Director**

10.16. The General Director of the Company shall be appointed by the Board of Directors of the Company for a period of time determined by the labor contract, however not exceeding two years.

10.17. The General Director shall have a high education.

Any person disqualified in accordance with the effective legislation may not occupy the post of the General Director.

10.18. The General Director of the Company shall act on behalf of the Company without any power of attorney, including representation of the Company in all organizations as well as in relations with individuals both on the territory of the Russian Federation and abroad.

10.19. The General Director shall:

1) conclude any transactions on behalf of the Company. The transactions requiring in accordance with the Federal Law "On Joint Stock Companies" or this Charter approval by the General meeting of the shareholders of the company or by the Board of Directors or any other decision of these bodies shall be concluded by the General Director upon such an approval or a decision;

2) approve staff members;

3) issue orders (directions) and give instructions binding for execution by all employees of the Company;

4) conclude on behalf of the Company the collective contract with employees of the Company subject to conditions approved by the Board of the Company;

5) conclude labor contracts with employees of the Company, apply to them incentive and disciplinary punishment measures;

6) appoint heads of branches and representative offices;

7) issue powers of attorney;

8) delegate his / her powers: appoint Acting General Director or appoint a person authorized to make decisions concerning a definite range of questions. The grounds for appointment of Acting General Director may be only vacations, business trips, temporary disability;

9) approve internal documents of the Company, with the exception of those to be approved by the General meeting of the shareholders of the company, the Board of Directors and the Management Board of the Company in accordance with the Federal Law "On Joint Stock Companies" and this Charter;

10) make decisions on any other questions, not falling within the scope of exclusive competence of the General meeting of the shareholders of the company, the Board of Directors and the Management Board of the Company in accordance with the legislation and this Charter;

10.20. The General Director shall make decisions solely within the scope of his / her competence.

Decisions of the General meeting of the shareholders of the company, the Board of Directors and the Management Board of the Company made within the scope of their competence shall be binding for the General Director of the Company.

## **11. AUDITING COMMITTEE OF THE COMPANY**

### **General provisions**

11.1. Control over financial and business activity of the Company shall be exercised by the Auditing Committee of the Company.

11.2. The Auditing Committee of the Company shall be elected in a number of 5 (five) persons by the General meeting of the shareholders of the company for a period of time till the next annual General meeting of the shareholders of the company.

When a quantity of the Auditing Committee members is less than three persons, the Board of Directors shall be obliged to convene the extraordinary General meeting of the shareholders of the company for election of the Auditing Committee of the Company. The other members of the Auditing Committee of the Company shall perform their functions before election of the Auditing Committee of the Company.

11.3. When election of members of the Auditing Committee the shares which are held by members of the Board of Directors, the General Director, members of the Management Board of the Company may not participate in voting.

11.4. Powers of individual or all members of the Auditing Committee may be terminated on grounds and in accordance with the procedure established by the **Regulation on the Auditing Committee of the Company**.

### **Competence of the Auditing Committee of the Company**

11.5. The following issues are in the competence of the Auditing Committee of the Company:

1) confirmation of data included in annual reports of the Company, annual and periodic accounting statements, report documentation for statistical and any other government agencies;

2) verification of competence of decisions made by the Board of Directors, the Management Board, the General Director of the Company;

3) verification of execution by the Company's office holders of decisions made by the General meeting of the shareholders of the company, the Board of Directors, the Management Board of the Company; internal documents of the Company, specified in the Charter of the Company;

4) verification of proper use of the Company profits in accordance with the decision of the General meeting of the shareholders of the company concerning distribution of profits;

5) verification of accuracy of charging and timeliness of payment of dividends on shares and percent on bonds;

6) verification of legality of contracts concluded on behalf of the Company, any other concluded transactions;

7) verification of timeliness and accuracy of payments under contracts and liabilities of the Company;

8) assessment of the internal control system;

9) analysis of reasons and consequences of deviations from the budget of the Company.

11.6. Audit (inspection) of financial and business activity of the Company shall be carried out based on results for a year; as well as at any other time at the initiative of the Auditing Committee, in accordance with the decision of the General meeting of the shareholders of the company, the Board of Directors or at the request of a shareholder (shareholders) of the Company, holding in aggregate at least 10 (ten) percent of voting shares of the Company.

11.7. At the request of the Auditing Committee of the Company any persons holding posts in management bodies of the Company, office holders and employees of the Company shall be obliged to present documents pertaining to financial and business activity of the Company.

The above documents shall be presented within 5 (five) business days from the date of submission of a written request.

11.8. The Auditing Committee shall have the right to demand convocation of the extraordinary General meeting of the shareholders of the company in accordance with Article 55 of the Federal Law "On Joint Stock Companies".

The Auditing Committee of the Company shall have the right to demand convocation of a meeting of the Board of Directors of the Company.

11.9. The members of the Auditing Committee of the Company shall be paid remuneration for their activities and shall be compensated for relevant expenses. The amount of such remuneration and compensation for expenses and the procedure for their payment shall be established by the **Regulation on the Auditing Committee of the Company** approved by the General meeting of the shareholders of the company.

11.10. The procedure for activity carried out by the Auditing Committee shall be determined by the **Regulation on the Auditing Committee of the Company** approved by the General meeting of the shareholders of the company.

#### **Requirements to members of the Auditing Committee of the Company**

11.11. A member of the Auditing Committee may not be a shareholder of the Company. Members of the Auditing Committee may not simultaneously be members of the Board of Directors, as well as the General Director and members of the Management Board of the Company. Only an individual may be a member of the Auditing Committee of the Company.

11.12. As a general rule, the Auditing Committee shall include persons who have high economic or high legal education and/or experience of work in auditing organizations at least within two years.

#### **Procedure for making of decisions by the Auditing Committee of the Company**

11.13. The Auditing Committee of the Company shall make decisions at its meetings.

Minutes shall be kept at meetings of the Auditing Committee of the Company.

Meetings of the Auditing Committee of the Company shall be convened by the Chairman.

A member of the Auditing Committee of the Company shall have the right to convene a meeting of the Auditing Committee in case of detection of any violations requiring immediate measures to be taken by the Auditing Committee of the Company.

11.14. Meetings of the Auditing Committee of the Company shall be held at least once in three months.

11.15. A meeting of the Auditing Committee of the Company shall be competent (has a quorum) if at least 3 (three) members of the Auditing Committee of the Company present at it.

From the date when a number of members of the Auditing Committee becomes less than 3 (three) persons till the date of election of new members of the Auditing Committee by the General meeting of the shareholders of the company, a meeting of the Auditing Committee shall be competent (has a quorum), if all remaining members of the Auditing Committee of the Company are present at it.

11.16. All meetings of the Auditing Committee of the Company shall be held in the form of joint presence.

11.17. The Auditing Committee of the Company shall elect the Chairman from among its members. The Chairman of the Auditing Committee of the Company shall be elected at a meeting of the Auditing Committee of the Company by the majority of votes of members of the Auditing Committee of the Company present at the meeting.

The Auditing Committee of the Company shall have the right at any time to re-elect its Chairman by the majority of votes of members of the Auditing Committee of the Company present at the meeting.

11.18. The Chairman of the Auditing Committee shall convene and hold its meetings, organize current work of the Auditing Committee, present it at the General meeting of the shareholders of the company, meetings of the Board of Directors, sign documents on behalf of the Auditing Committee, including reports and opinions, organize keeping of minutes of meetings of the Auditing Committee, shall provide concerned parties with reports and opinions of the Auditing Committee of the Company.

11.19. Each member of the Auditing Committee of the Company shall have one vote at the Auditing Committee meetings. Decisions of the Auditing Committee of the Company shall be made by the majority of votes of members of the Auditing Committee of the Company present at a meeting.

In case of equality of votes the vote of the Chairman of the Auditing Committee of the Company shall be decisive.

In case they disagree with the decision of the Auditing Committee of the Company its members shall have the right to record in minutes of the meeting a special opinion and to bring it to notice of the General meeting of the shareholders of the company or the Board of Directors of the Company.

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

12.1. The Auditor of the Company shall audit financial and business activity of the Company in accordance with legal acts of the Russian Federation on the basis of the contract concluded with the Auditor.

12.2. The Auditor of the Company shall be approved by the General meeting of the shareholders of the company. The amount of the Auditor's fee shall be determined by the Board of Directors of the Company.

12.3. Based on results of audit of financial and business activity of the Company for the reporting period the Auditor of the Company shall draw up an opinion to be submitted to the annual General meeting of the shareholders of the company at consideration of the question on approval of the annual report of the Company for the reporting period.

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

13.1. The fiscal year in the Company shall be established from January 01 till December 31 of a calendar year.

13.2. The Company shall be obliged to maintain business accounting and to submit financial statements in accordance with the procedure established by the Federal Law "On Joint Stock Companies", the Federal Law "On accounting" and other legal acts of the Russian Federation.

13.3. Responsibility for organization, state and reliability of business accounting in the Company, timely submission of the annual report and any other financial statements to competent authorities as well as information on activity carried out by the Company to be furnished to shareholders, creditors and mass media shall be borne by the General Director in accordance with the Federal Law "On Joint Stock Companies", other legal acts of the Russian Federation, this Charter.

13.4. Reliability of data contained in the annual report of the Company, annual financial statements shall be confirmed by the Auditing Committee of the Company and the Auditor of the Company not connected by any property interests with the Company or its shareholders in the form of an opinion to be submitted to the annual General meeting of the shareholders of the company.

The Company shall publish the documents specified in this Clause upon confirmation by the Auditor of the Company of reliability of documents.

The annual report of the Company shall be preliminary approved by the Board of Directors of the Company not later than 30 (thirty) days before the date of the annual General meeting of the shareholders of the company.

13.5. Annual financial statements of the Company shall be submitted to taxation and statistical authorities within five working days from the date of their approval by the annual General meeting of the shareholders of the company.

### **14. LABOUR RELATIONS OF THE COMPANY WITH EMPLOYEES**

14.1. Labor relations with employees of the Company shall be governed by the labor legislation of the Russian Federation, the collective contract of the Company and individual labor contracts.

14.2. Labor relations of the Company with the General Director shall arise on the basis of the labor contract upon appointment to the post of the Board of Directors of the Company.

14.3. In cases, provided for by the Regulation on the organizational structure of the Company, labor relations with employees of the Company shall arise on the basis of the labor contract upon their approval in the office by the Board of Directors or by the Management Board of the Company.

14.4. A list of offices replaceable by a tender and the tender procedure shall be determined by the regulatory document of the Company.

Labor relations of the Company with office holders selected on the competitive basis shall arise under the labor contract upon elected by the tender for a relevant office.

14.5. Rights and obligations of the employer in labor relations with employees of the Company on behalf of the Company shall be exercised by the General Director or a person authorized by the General Director under a power of attorney, an order (direction), a regulation, any other regulatory document.

Rights and obligations of the employer in labor relations with the General Director of the Company on behalf of the Company shall be exercised by the Board of Directors of the Company.

14.6. Members of the Management Board, concluded the labor contract with the Company shall be governed by provisions of Article 43 of the Labor Code of the Russian Federation dated 30.12.2001, № 197-FZ, established for heads of organizations, with the exception of provisions on full material responsibility and the term for notification concerning early termination of the labor contract.

14.7. The Company shall store and use documents pertaining to personnel in accordance with the procedure established by the legislation.

14.8. The Company shall recognize a trade union organization of the Company carrying out its activity in accordance with Federal Law "On trade unions, their rights and guarantees of their activity" dated 12.01.1996, № 10- FZ, shall not prohibit its activity and cooperates with it through executive bodies of the Company.

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

15.1. The Company may be reorganized in cases, in forms and in accordance with the procedure provided for by the Civil Code of the Russian Federation, the Federal Law "On Joint Stock Companies", the other federal laws.

15.2. The Company shall be considered as reorganized with the exception of cases of reorganization in the form of affiliation from the date of state registration of corporate entities established in the course of reorganization.

In case of reorganization of the Company in the form of affiliation to it of any other Company, the Company shall be considered as reorganized from the date of entry of a record on termination of activity of the affiliated Company in the Unified State Register of Corporate Entities.

15.3. The Company may be liquidated:

- voluntary in accordance with the procedure, established by the Civil Code of the Russian Federation, subject to requirements of the Federal Law “On Joint Stock Companies” and this Charter;

- in accordance with the decision of the court on grounds provided for by the Civil Code of the Russian Federation.

Liquidation of the Company shall entail termination of its activity without transfer of rights and obligations in the order of succession to any other persons.

15.4. The liquidation of the Company shall be considered as completed and the Company as terminated its activities from the date of entry of a relevant record in the Unified State Register of Corporate Entities.